Best Practice Guides

Tevi

Growing your business.
Growing our environment.

Net Zero
Circular Economy
Environmental Growth
Energy Reduction

European Union
European Regional
Development Fund

Cornwall
Wildlife Trust

CORNWALL COUNCIL
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University of Exeter

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Tevi is an ERDF-funded project, running from 2018-2023. The project supports businesses to create both economic and environmental growth across Cornwall and the Isles of Scilly. Led by the University of Exeter, Tevi has worked in partnership with Cornwall Wildlife Trust and Cornwall Council.
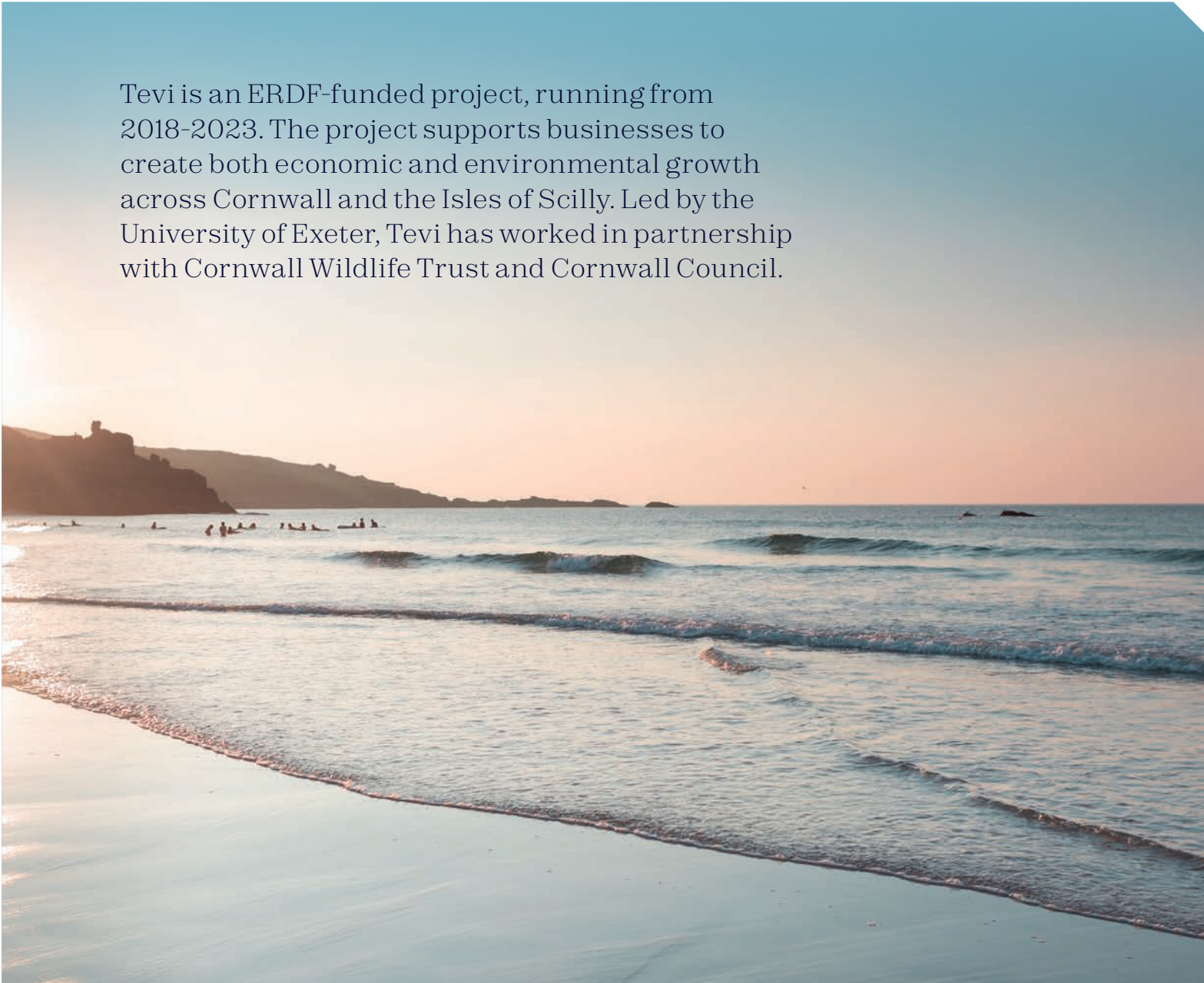
Directed by two Principal Investigators, Professor Steffen Boehm (Professor in Organisation and Sustainability) and Professor Kevin J. Gaston (Professor of Biodiversity and Conservation), the project has worked with over 400 businesses during its lifetime, covering a variety of areas:

– Protection and enhancement of our natural environment

– Circular economy and waste reduction

– Supporting, protecting and improving biodiversity

– Transition to low carbon and circular business models

– Environmental monitoring and data mapping

Supporting businesses across the length and breadth of Cornwall and the Isles of Scilly, the project has combined specialist knowledge and consultancy, group learning and grant funding to bring about positive economic and environmental change in the region.

PROFESSOR STEFFEN BOEHM

Tevi has been an incredibly successful project, leaving a lasting impression on Cornwall and the Isles of Scilly. Whether it's the sector-specific work completed (such as reducing waste in the construction industry) or supporting businesses to transition towards a more circular business model, Tevi has helped effect change across a large number of organisations.

PROFESSOR KEVIN J. GASTON

The opportunity to support businesses and organisations to understand their interaction and impact on biodiversity across Cornwall has been fantastic. Being able to show businesses the outcome of their actions and how they can take simple steps to improve their engagement with and protection of biodiversity has allowed them to make better, more informed decisions.

ENVIRONMENTAL GROWTH.

Environmental Growth is about increasing the amount and quality of environmental goods and services for the benefit of everyone.

BEN ROWSWELL

Ben is an Impact and Partnership Development Manager at the University of Exeter. Having spent almost four years working on the Tevi project, Ben has supported a large number of organisations to improve their environmental credentials.

www.linkedin.com/in/ben-rowswell

Environmental goods include things like food, fuel, water, timber and other raw materials, whilst services include pollination, climate regulation, soil formation, and waste disposal.

Co-produced by our Local Nature Partnership, the strategy provides a long-term framework for Cornwall and the Isles of Scilly, based around the following four principles:

– Growing nature

– Understanding nature

– Valuing nature

– Experiencing nature

Environmental Growth means creating the space and conditions for more abundant, productive and healthier habitats, species and natural systems. These, in turn, improve the lives of people as well as the resilience of businesses and communities.

Cornwall and the Isles of Scilly have a vision that in 2065 our environment will be naturally diverse, beautiful and healthy, supporting a thriving society, prosperous economy and abundance of wildlife.

The county's Environmental Growth Strategy, the first of its kind, was launched in 2016 and aims to ensure that Cornwall achieves this vision by encouraging businesses, communities and individuals to work together to increase environmental, social and economic prosperity in Cornwall.
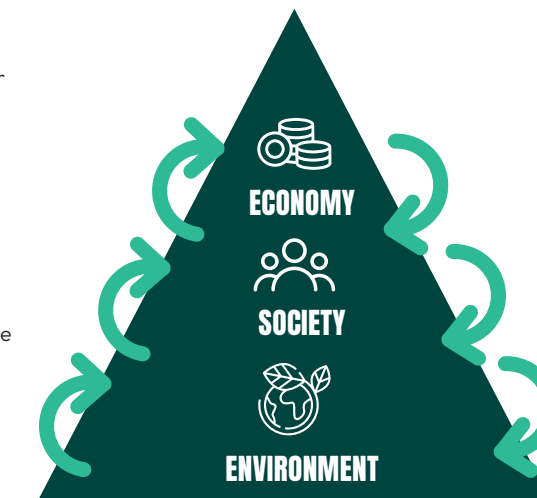
Tevi have supported many organisations to understand, adopt and support the county's environmental growth strategy. Some examples of how this has been achieved are:

– Producing an environmental strategy

– Engaging staff in tree planting & tree-care activities

– Supporting and developing coastal erosion projects

– Transforming land for the benefit of wildlife and pollinators (wildflowers, hedgehog boxes, bird boxes etc)

– Undertaking an assessment of wildlife using wildlife cameras and environmental surveys

– Developing mapping tools to help organisations to understand the rich landscape and environment around them

ECONOMY

SOCIETY

ENVIRONMENT

This guide outlines the key principles of the circular economy, along with practical circular tools and business models that can be applied to SMEs: firstly, setting out why a fresh approach to business is needed and presenting the commercial, social and environmental opportunities for businesses and their value chains, highlighting success stories of businesses already putting circularity into action.

BUSINESS AS USUAL

What's Wrong with 'Business as Usual'?

Before we explore the circular economy, we need to firstly understand 'business as usual' and the system that most of our businesses operate within. Since the industrial revolution cranked into gear from around the late 1700s, starting in Europe and the US, we began to transition our production methods from localised and hand-crafted into mechanised and chemical manufacturing processes, which rapidly increased the extraction of raw materials.

Our voracious appetite for energy and materials to make, move and sell things kicked off a period called 'the great acceleration.'

By the mid 1900s our global material footprint was around 15 billion tons a year, rising to 54 billion tons by the1990s, and to 92 billion tons by 2017, an increase of 113% in just 27 years! This resource-intense economy depends upon ever-cheaper materials and labour, and is supported by a spider's web of opaque and complex globalised supply chains.

'Business as usual' operates within a linear economy, one which relies on an extraction and exploitation of both natural and human capital, to create goods which are sold, used and disposed of.

THE LINEAR SYSTEM:

TAKE → MAKE → USE → WASTE → POLLUTE

Whilst this linear system has enabled job creation and accessibly priced products for an increasingly growing population, it's highly energy-intensive, and we're taking more resources than our planet is able to renew. Plus the system is unfairly stacked in favour of the wealthiest, and the share of these resources is far from equally spread across our global communities. What's more, when we throw these goods away, there is in fact no 'away,' as most materials don't break down in our natural environment, creating pollution and chemical imbalance in our natural world.

Check out this Ted Talk by Paul Gilding; it is from over a decade ago but seems even more relevant today, and really brings home the situation we are in.

www.youtube.com/watch?v=DZT6YpCsapg

Summarising some of the key impacts from 'business as usual'...

Global Challenges:
- Climate change
- Resource scarcity
- Biodiversity loss
- Waste and overconsumption
- Pollution
- Social inequality

These system challenges are interdependent and interrelated in the same way as our businesses, communities and supply chains. As well as these global challenges, SMEs are facing their own challenges, trying to think big whilst keeping the lights on and balancing day-to-day needs, risks and opportunities...

SME Challenges:
- Rising energy and resource costs
- Supply-chain disruption
- Increased scrutiny from consumers
- Resource, time and investment constraints
- Concerns over regulation and compliance
- Lack of transparency and data across supply chain
- Long-term investment vs short-term profit focus

SMEs therefore need solutions which align their business needs and strategies with broad global goals, to unlock opportunities to minimise negative impacts and maximise value.

'BUSINESS NEW NORMAL'

So it's time for us to redesign the system - to reflect the needs of a growing global population, serving our SME business needs and creating products and services within the boundaries of finite resources, whilst enabling value chains which optimise health and welfare.
Enter the circular economy…

What is a Circular Economy?
A circular economy takes inspiration from natural cycles to inform business models, which reduce waste and pollution and improve the management of natural resources - nothing goes to waste in nature. Importantly, the circular economy is an economic system; it's about reframing our view of waste and redefining value - value is good for business, waste is bad.

Check out this video from the Ellen MacArthur Foundation for inspiration on what a circular economy might look like.
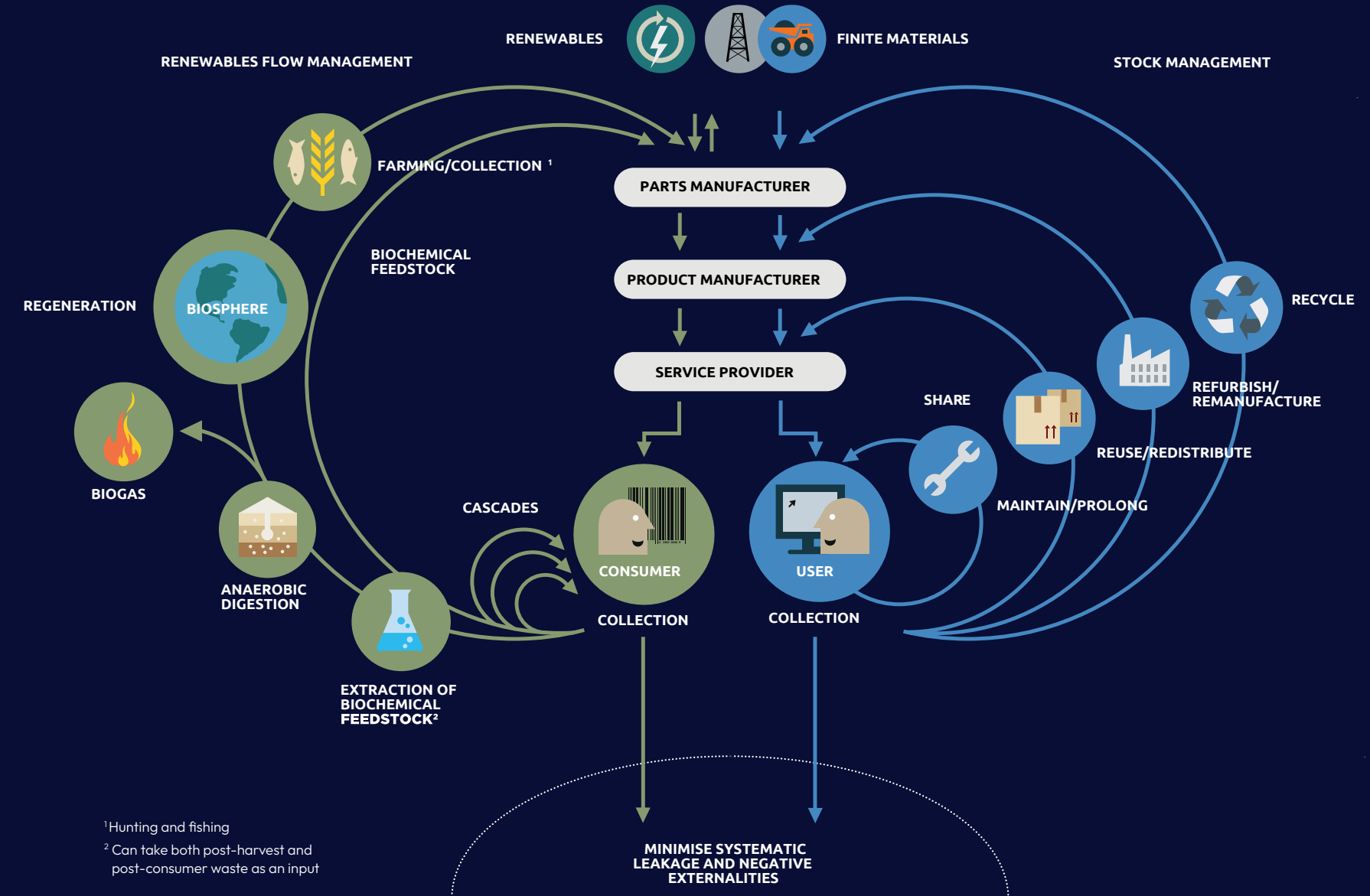
www.youtube.com/watch?v=A5wn_iinbxw

Circular Economy Key Principles:

– Product and resource value is maximised
– Waste is minimised or, ideally, eradicated
– Eliminates pollution
– Regenerates and restores natural systems
– Runs on renewable energy

It's also important to stress what the circular economy is not. Perhaps because the circular economy is best visualised as a loop, it reminds us of the looped arrow on many of our household products, prompting us to recycle. Recycling does play a role in a circular economy, especially for lower-value products such as packaging.

However it's no silver bullet, and the infrastructure to recycle isn't yet in place at required scale; also, depending on the materials, there may be better ways to maximise resource value.

The aim is to keep materials cycling. There are two types of materials: biological and technical materials. Circular solutions for technical materials include reuse, repair, remanufacture and, eventually, recycling. In the case of biological materials, the nutrients are returned to the Earth to regenerate nature. Check out the 'butterfly diagram'[2] to see how this works for business and industry.

RENEWABLES FLOW MANAGEMENT

RENEWABLES

FINITE MATERIALS

STOCK MANAGEMENT

FARMING/COLLECTION [1]

PARTS MANUFACTURER

BIOCHEMICAL FEEDSTOCK

REGENERATION

BIOSPHERE

PRODUCT MANUFACTURER

SERVICE PROVIDER

RECYCLE

REFURBISH/REMANUFACTURE

SHARE

REUSE/REDISTRIBUTE

BIOGAS

CASCADES

MAINTAIN/PROLONG

ANAEROBIC DIGESTION

CONSUMER

USER

COLLECTION

COLLECTION

EXTRACTION OF BIOCHEMICAL FEEDSTOCK[2]

MINIMISE SYSTEMATIC LEAKAGE AND NEGATIVE EXTERNALITIES

[1] Hunting and fishing
[2] Can take both post-harvest and post-consumer waste as an input

SOURCE: Ellen MacArthur Foundation
Circular economy systems diagram (February 2019)
www.ellenmacarthurfoundation.org Drawing based on Braungart & McDonough, Cradle to Cradle (C2C)

ELLEN MACARTHUR FOUNDATION

THE CIRCULAR DESIGN TOOLKIT

In order to create products and services for a circular economy which maximise resource value, we need practical tools. It all starts with design - according to the Ellen MacArthur Foundation, "80% of a product's environmental impact is influenced by decisions made at the design stage."[3]

Design for Circularity Key Principles:

LIFECYCLE DESIGN

↓

DESIGN FOR LONGEVITY

↓

DESIGN FOR REPAIR & REMANUFACTURE

LIFECYCLE DESIGN

This is designing with the full lifecycle of a product in mind, covering raw materials, manufacturing, use and end-of-life or post-first-user management (e.g., repair, remanufacturing, recycling, disposal).

A good example of a business incorporating lifecycle design is Southwest SME Flexi-Hex, an innovative packaging-solutions provider. They have designed low-impact, biodegradable and recyclable packaging, which is fit for purpose around a variety of practical business needs, keeping technical and biological material cycles separate and providing a cost-effective alternative to single-use plastic.

www.flexi-hex.com

*Note - Sometimes we don't want a product to last for ages: take plastic straws for example! There are important trade-offs to be considered at the design stage, to determine the function of the product, before selecting the most suitable materials and construction. This is where lifecycle design is key!

DESIGN FOR LONGEVITY

The most sustainable product is the one that doesn't need to be made in the first place, replacing the need to consume and produce more. Therefore, creating durable products for multiple ownership opportunities generally* results in an overall lower product footprint, regardless of what it's made of. Durability may mean structural integrity e.g. quality of materials and construction, but also emotional durability,[4] about designing products people will value and care for, including classic styling or hidden design features.

A good example of a business designing for longevity is Cornish brand Finisterre. They design functional outdoor clothing using timeless styles and durable low-impact materials and they offer a repair, take-back and resale service, to keep products in circulation for multiple adventures.

https://finisterre.com
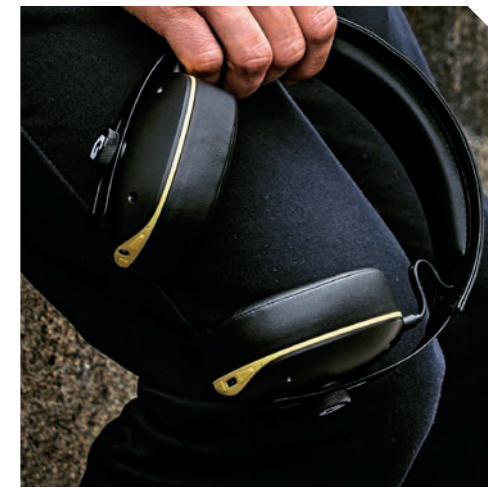
DESIGN FOR REPAIR AND REMANUFACTURE

How a product is designed and made may limit its ability to be fixed or upgraded. I'm sure we've all had frustrating experiences with smartphones and washing machines, right? Replaceable components and repair specialists can be hard or impossible to find, or we're told it's cheaper to dispose of and buy new. Not only is this a waste of resources, it's a waste of money.

A business with a fresh approach to this problem is Amsterdam-based SME Repeat. They design high-quality headphones, with repairable and replaceable components and offer free repairs and spare parts. They also take back, reuse and recycle unwanted products and components.

https://repeat.audio/en

Another very different business in the UK with a similarly circular approach is Rype Office, a B2B business who remanufacture office furniture from 'waste' and offer circular business models, including take-back and leasing.

www.rypeoffice.com

CIRCULAR BUSINESS MODELS

We've already looked at many businesses which are using circular design to extend product and material value, but what about businesses which are generating value without making any products at all?

The circular economy provides opportunities for service-based business models to unlock revenue streams, which aren't linked to extraction, through altered methods of making, owning and using, prompting us to reimagine ourselves as 'citizens' rather than 'consumers' and to question ownership. Happily, there are many innovative businesses to share in this space.

PRODUCT AS A SERVICE

REUSE

Algramo are a chilean SME who create refillable packaging and B2B refill technology. Not only do they significantly reduce single-use plastic, waste and carbon emissions, but they also claim to cut costs for the user by 30%.

https://uk.algramo.com

US-based Rheaply are a tech platform, connecting businesses across multiple industries, including construction and offices, to salvage underused or discarded products and materials for reuse opportunities.

https://rheaply.com

REPAIR

As well as some of the examples we've already explored of businesses embedding repair into their product design, **SOJO** is a London-based repair and alterations platform, connecting people and brands to repair specialists to extend the life of their clothing.

www.sojo.uk

Born from the 'right to repair' movement[5], **ifixit** is a great resource to empower people to fix themselves, providing helpful online manuals and videos to encourage repair over disposal across a wide range of products, from cars to cameras!

www.ifixit.com

RENT

Rental isn't new, but it's a great way to save money and resources. Having children presents many challenges, not least a short-term need for functional gear as our babies grow up. **Baboodle** is a rental platform for leasing essentials like prams, cots and highchairs.

https://baboodle.co.uk

A community-based initiative born from the concept of the 'sharing economy'[6] is the **Library of Things** catalogue/browse - a peer-to-peer service for borrowing useful things like tools and kitchen equipment, for a small fee, that we might only need for a short time.

www.libraryofthings.co.uk

1. https://unstats.un.org/sdgs/report/2019/goal-12/
2. https://ellenmacarthurfoundation.org/circular-economy-diagram
3. https://ellenmacarthurfoundation.org/news/an-introduction-to-circular-design
4. www.greenbiz.com/article/playing-keeps-designing-emotional-durability-key-circular-economy
5. www.bbc.co.uk/news/technology-57744091
6. www.rentle.io/blog/sustainable-business/what-is-the-sharing-economy

CIRCULAR ECOSYSTEMS

It may seem a daunting prospect to redesign or re-imagine our business models, but the good news is that you don't need to tackle these challenges alone.

The circular economy is about connecting win-win opportunities for commercial and sustainability impact; for example, the waste of one business or industry may become the resource of another! In order to spot these opportunities we need to understand who is in our ecosystem. These might be businesses we would traditionally consider as competitors, our local communities or businesses with complementary skills and resources, that we could partner with to achieve shared goals and improve our customer's experience.

An example of an SME harnessing their circular ecosystem are Chocolarder, a small Cornish chocolate maker. To flavour their (very tasty) orange-peel dark chocolate, they partner with local business Gylly Beach Cafe, using the waste peel from their orange juice. What's more, they use the unused cocoa bean husks from their chocolate production to create fuel logs, which are distributed to the local community.

www.chocolarder.com

Another tasty example of a business unlocking circular opportunities through partnerships is **Toastale,** a London-based brewery, who work with food-waste charity Feedback to take surplus bread which they brew into craft beer.

www.toastale.com

A NOTE ABOUT COLLABORATION AND THE CIRCULAR ECONOMY

One thing that should always be strived for when becoming more Circular is Collaboration. But what does this mean practically for an organisation and how can we embed it? Well, collaboration can be defined as "working together with other organisations to achieve something". All too often in business we talk about competition and forget about collaboration.

So what might collaboration look like in a Circular Economy?
Well, on a local and place based level, systems could be developed to share resources. For instance, a lot of businesses have excess packaging from the raw materials they buy in. What happens to that packaging? Well, it gets sent for recycling or incineration. On the other hand, there's a lot of businesses also buying new packaging to use for their own products. So we're throwing away and buying the same thing simultaneously. What if those organisations collaborated, and shared the packaging resource? Well, we'd probably see a reduced demand for new packaging, less raw materials used, and less waste. We'd also see a new, better system develop around organisations collaborating. Packshare (**www.packshare.org**) is a great example of this.

Collaboration doesn't stop at individual organisations either. Imagine working with other organisations, policy makers, community groups/NGOs to make much better, more Circular systems? The impact would be huge.

For instance, take something as fundamental as food waste. Approximately 16-18% of food purchased for households is wasted in the UK (Source: **https://wrap.org.uk/resources/report/food-surplus-and-waste-uk-key-facts).** At the same time, we see an increase use of community based food banks. What if there were a collaborative, locally based system between producers, wholesalers, retailers, consumers, and community groups, all backed by Local Authorities? Would we see a reduction in food waste and use of food banks? Would we see systems become less resource intensive, less wasteful, and more circular?

So what now? Well, to start with think about the "business eco-systems" where your main operations are. How do we impact them, and how do we depend on them? Who do we rely on? What do we have too much/not enough of? Then, start to think of who you can collaborate with to act and make a positive change. Finally, make it happen!

CHRIS PHILLIPS - UNIVERSITY OF EXETER

CIRCULAR OPPORTUNITIES FOR SMEs

As we are seeing, the circular economy is good for business, as well as creating solutions to overcome global challenges. Who doesn't want to save money and resources and increase efficiencies and collaboration? But if you are looking for more reasons to think circular, here are some further risks and benefits to consider...

– New circular job creation
– Competitive market advantage
– Consumer engagement and story-telling
– Resource availability and supply-chain resilience

– Regulation, avoid future penalties, affecting UK and exports (see links in further resources)
– Employee retention and acquisition
– Investment and funding opportunities

Hopefully this Circular Toolkit has provided some useful sources of inspiration for action and optimism, and ways in which your business can unlock circular opportunities. The important next step is to start - this might be exploring further resources, support and funding options or making connections within your ecosystem. Check out the further resources links to find out more, and good luck!

FURTHER LINKS AND RESOURCES

Circular Business Links:
www.wri.org/insights/5-opportunities-circular-economy
https://ellenmacarthurfoundation.org/towards-the-circular-economy-vol-1-an-economic-and-business-rationale-for-an
www.letsrecycle.com/news/making-circular-economy-relevant-smes

Circular Business Strategy and Standards:
www.gov.uk/government/publications/resources-and-waste-strategy-for-england
www.oecd.org/environment/extended-producer-responsibility.html
https://issuu.com/oecd.publishing/docs/extended-producer-responsibility-po/2
www.bsigroup.com/en-GB/standards/benefits-of-using-standards/becoming-more-sustainable-with-standards/Circular-Economy/BS-8001---Circular-economy
www.circulardataprotocol.org
https://sdgs.un.org/goals/goal12

Relevant Regulations and Proposals
www.gov.uk/government/publications/green-claims-code-making-environmental-claims
www.bbc.co.uk/news/science-environment-60590515
https://eeb.org/library/the-eu-product-environmental-footprint-pef-methodology
www.ukft.org/labelling-update-france-july22
www2.deloitte.com/ch/en/pages/operations/articles/coming-soon-the-german-supply-chain-due-diligence-act.html
https://plana.earth/policy/task-force-on-climate-related-financial-disclosures-tcfd
https://environment.ec.europa.eu/topics/waste-and-recycling/waste-framework-directive_en

Longer Watches, Reads and Listens
www.youtube.com/watch?v=uocgLR7gJEQ
https://ellenmacarthurfoundation.org/circular-economy-podcast/all-episodes
https://podcasts.apple.com/gb/podcast/getting-in-the-loop-circular-economy-sustainability/id1455004141
www.outrageandoptimism.org/episodes/outrage-and-optimism-the-podcast
Cradle to Cradle, William McDonough
Less is More, Jason Hickel
Net Positive, Paul Poleman & Andrew Winston
The World We made, Jonathon Porritt
Innovation Inspired by Nature, Janine Benyus

Debbie Luffman is a fashion expert with over 20 years' industry experience in fashion and textiles, spanning design, buying, sourcing and sustainable leadership. For over a decade she led and shaped the product and team at pioneering, sustainable outdoor-clothing brand and B Corp, Finisterre.

As Product Director she led ambitious textile innovation initiatives and implemented new business models and strategic partnerships to advance circularity. Debbie is also an advisor and passionate leader of the Fashion Declares Movement, a tutor on the Business Sustainability Management course at the Cambridge Institute for Sustainable leadership, and a trustee at environmental behaviour change charity Hubbub.

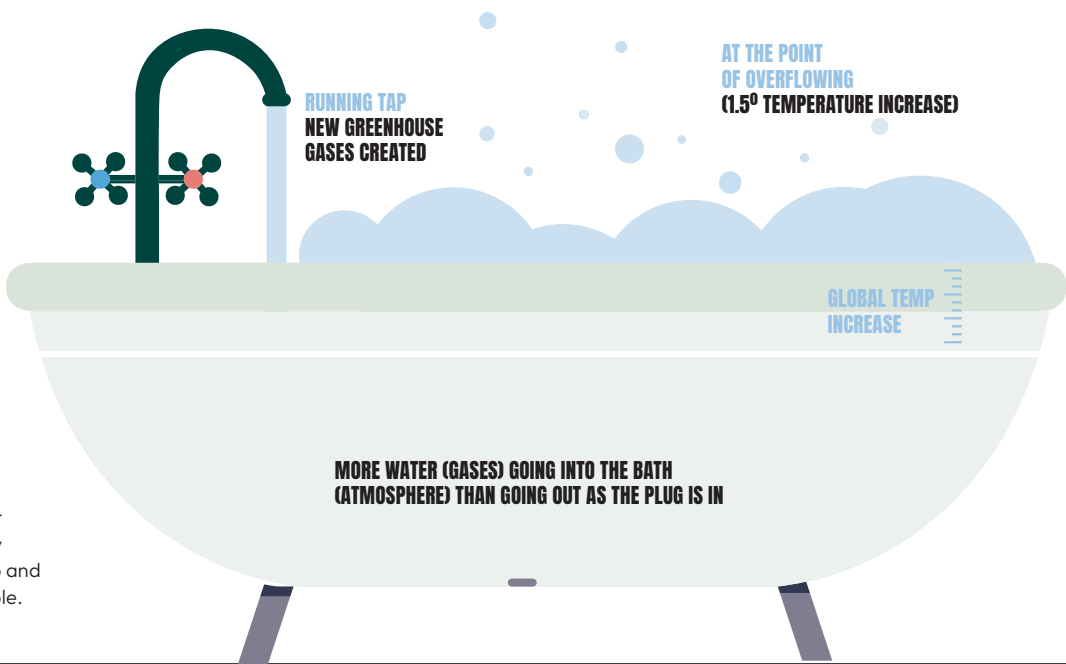**DEBBIE LUFFMAN, THINK CIRCULAR CIRCULAR FASHION CONSULTANT**
www.linkedin.com/in/debbie-luffman-b9089047

Net Zero

TIME TO TURN OFF THE TAP

There's a lot of confusion and misinformation in existence around what Net Zero means, and the likely impact on business and organisations. In this guide I'm attempting to dispel some of the myths, and give businesses/ organisations some clear steps to take to move forward.

CHRIS PHILLIPS
Chris is an Impact and Partnership Development Manager for the University of Exeter as well as running his own consultancy (The Way to Do Ltd). Chris is a specialist on all things Net Zero and has supported many organisations to become more sustainable.
www.linkedin.com/in/chris-phillips-68923318

RUNNING TAP
NEW GREENHOUSE
GASES CREATED

AT THE POINT
OF OVERFLOWING
(1.5° TEMPERATURE INCREASE)

GLOBAL TEMP
INCREASE

MORE WATER (GASES) GOING INTO THE BATH
(ATMOSPHERE) THAN GOING OUT AS THE PLUG IS IN

It's important to note that "true Net Zero" is about cutting and reducing our emissions as much as possible, not simply removing those emissions through Carbon Offsetting.

WHAT IS NET ZERO?

Well, Net Zero itself means a zero balance between any emissions generated and any emissions removed from the atmosphere. A common goal around the world is to achieve this no later than 2050. But what does that mean?

Well, the science is pretty clear. In simple terms, human activity has significantly increased the volume of greenhouse gases produced. There are eight greenhouse gases, with carbon dioxide being the most well known. We're trying to limit the amount of new greenhouse gases whilst at the same time removing the existing gases from the atmosphere. The aim of this is to make sure global temperature doesn't increase by anymore than 1.5 degrees celsius.

I like the analogy of a bath. Imagine the tub is our atmosphere and the taps are running (new greenhouse gases created). The plug is in, so more water (gas) is going into the bath than coming out, and we're almost at the point of overflowing (1.5 degree temperature increase).

What would you do? Well, the first logical step is to start turning the taps off. This is what we mean when we talk about cutting greenhouse gases – we're trying to turn the taps off as quickly as possible.

As we do that, we're also trying to get as much water out of the bath simultaneously (removing gases from the atmosphere).

WHERE DO GREENHOUSE GASES COME FROM?

So what generates these greenhouse gases? Well, pretty much everything we do - from cooking our dinner to driving the car. It could be use of energy, transport, driving to work, and the manufacturing/processing of the products we use every day.

What does this mean for businesses and organisations?

Well, it varies. In some circumstances, depending on size and industry, you might be legally required to report on the gases your organisation generates, and your plans to reduce those gases. Even if that's not the case, there are some really strong reasons to get on board with it:

TIME

If we don't act now it'll be too late. Enough said.

TALENT

Increasingly we're seeing employees choose to work for organisations that embrace this stuff. Having a robust plan on how you're reducing your environmental impact can be a really good differentiator when it comes to attracting talent.

TRENDS

Consumers are becoming more savvy, and the trend is moving toward "Green" brands. Various studies and reports have shown that "sustainable" brands have been growing quicker than their "non-sustainable" counterparts.

TENDERS

Most large organisations/public-sector bodies etc now build Sustainability into their tender processes, and increasingly we're seeing requests for robust carbon-footprint data and Carbon Reduction Plans. If you're in a supply chain or have an ambition to be, or you're looking at applying for public funding, you need to get on board with this ASAP.

TRADING

Strangely enough, understanding your emissions can also save you money! It involves going through your business with a fine-tooth comb, and often you'll find areas of savings!

WHAT DO WE ACTUALLY DO?

Firstly, Measure.
We need to measure our current emissions and understand where we are. How? With a Carbon Footprint! To make measurement easier, emissions are categorised into 3 Scopes:

Scope 1 - Direct Emissions
These are basically emissions from burning fuels or gases that leak. Fuel in company-owned vehicles or machinery (think lawnmowers, plant vehicles etc), gas in boilers, leaked refrigerant gases and things like that. The emissions are usually calculated with the volume that you've used (e.g. our boiler has used XXX litres of gas).

Scope 2 - Indirect Emissions
These are any emissions generated from the purchasing of electricity, heat, cooling, steam. For instance, when you use electricity, emissions come from the generation of that electricity. Again, the emissions are calculated with the volume that you've used (e.g. we've used 1000 kWh of electricity).

Scope 3 - Everything Else!
This is where it gets interesting - Scope 3 Emissions include every other emission generated by your business. Whether that's from staff travel/commuting, waste or raw materials, it all sits in Scope 3. As you can imagine, sometimes this is a really complicated area to look at. Funnily enough, it's also quite often the biggest source of emissions in a business/organisation (anywhere form 60-99% usually!). Lots of people ignore this, when in actual fact it's often where you can make a real difference. This is where Circular Economy principles are most likely to come in too.

There is a Scope 4 (avoided emissions) but it's a very complex area. Given the volume of emissions that sit in Scope 3, if possible we should aim to include as much of it as possible.

Secondly, Reduce.
Once we have our Carbon Footprint we need to take steps to reduce our emissions. How do we do that? Well, starting with the biggest "hot spots" is usually productive! We've identified our biggest sources, so now take action to reduce those sources.

A useful rule of thumb when it comes to reduction is "The Rule of Less". Generally speaking, "Less" will mean fewer emissions. So less staff travel or commuting, less energy use, less raw materials, less transport of goods etc.

Another potential source of emission reduction is around recycled materials instead of virgin materials. For example, can our products be made from existing materials or waste/recycling rather than brand new materials? Can we do the same for our Supply Chain? This could be purchasing refurbished IT equipment, recycled supplies etc.

Sometimes it's helpful to build these actions into policies and procedures. For instance, do we have a travel policy that's centred around sustainability? Does our procurement policy focus on recycled/reused/repurposed ahead of brand new?

To re-emphasise:
1. Focus on the areas of most significant emissions first
2. Apply the Rule of Less everywhere possible

This isn't an easy transition to make and as such we're not allowed to kid ourselves.

Often we might think "it's impossible for us to change this" when in fact we mean "it'll be difficult to change this".

Thirdly, Business as Usual.

What does that mean? Well, embrace and embed Sustainability (and Net Zero) in everything we do. Does it run through our overall strategy? Is it built into our staff appraisals? Is it embedded into our purchasing/travel/strategic decisions? If this isn't the case are we really taking this seriously? Embedment into your overall business and living/breathing this is the only real way to be successful.

Finally, a note about Offsetting.

So, Carbon Offsetting is essentially removing emissions from the atmosphere to "offset" the emissions we generate. It's a complex area and one I'm not going to go into detail in. It is important to note, though, that offsetting is not a replacement for cutting emissions.

Too often we see organisations delay (or in some cases just not even start) reducing the emissions they generate. Instead they simply offset their emissions. This is fraught with danger and certainly not in the spirit of Net Zero. It's also a very short-sighted strategy – The chances are that the cost of offsetting is only going to go up, potentially significantly. I'm not saying don't do it. I'm saying offset with caution and do your research first.

So there we have it, a rapid-fire guide to Net Zero. It is a complicated area and there's a lot of new language for most businesses/organisations. So to summarise:
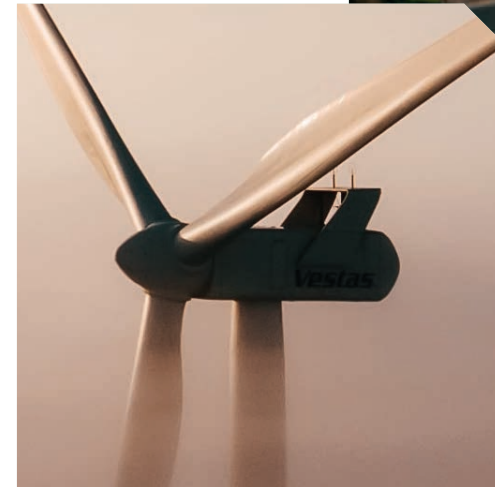
MEASURE

Get a robust Carbon Footprint across Scope 1, 2 AND 3

REDUCE

Focus on your highest sources of emissions and take steps to reduce them ASAP. Remember "The Rule of Less"

BUSINESS AS USUAL

Build Net Zero (and Sustainability) into Business as Usual – Let it be a guide for how we make decisions going forward

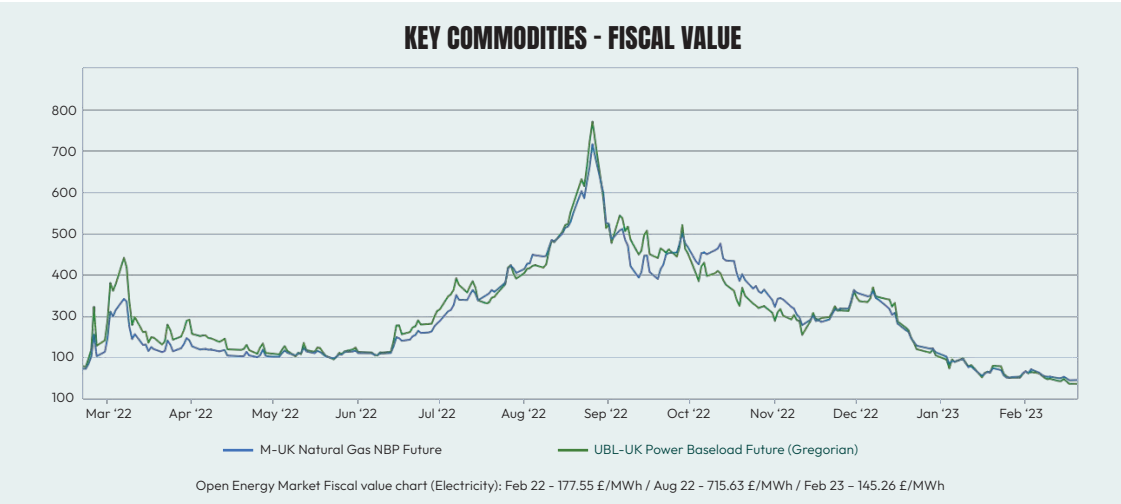# EMBRACE AND EMBED SUSTAINABILITY AND NET ZERO IN EVERYTHING WE DO.

ENERGY REDUCTION PRINCIPLES FOR SMEs

The UK experienced an energy crisis in 2022, which is a key driver of the cost-of-living crisis now hitting small businesses, especially those whose fixed-rate contracts are coming to an end.

Market overview:

We saw unprecedented increases of over 200% but are now starting to see costs starting to fall, making the cost of energy more affordable but still around double what they than were in 2021.

The future still remains uncertain, so considering options to reduce consumption and consider ways to rely less on the grid is becoming more and more necessary.

KEY COMMODITIES - FISCAL VALUE

— M-UK Natural Gas NBP Future
— UBL-UK Power Baseload Future (Gregorian)

Open Energy Market Fiscal value chart (Electricity): Feb 22 – 177.55 £/MWh / Aug 22 – 715.63 £/MWh / Feb 23 – 145.26 £/MWh

Fossil-fuel dependency in the United Kingdom stood at 78.3 percent in 2021. The UK's dependence on fossil fuels has decreased considerably in the period of consideration, from a peak of 96.5 percent in 1970

SO WHY IS THIS HAPPENING?

Currently, fossil fuels make up three-quarters of the UK's energy mix, with oil and gas being used to generate electricity, heat our homes and fuel our vehicles. As a result of international agreements and domestic legislation on meeting Net Zero, the UK has been pressing ahead with its renewable energy ambitions. In the light of Russia's ongoing invasion of Ukraine and the resulting surge in oil and gas prices, there is renewed focus on how the UK can improve its energy security and accelerate the shift away from fossil fuels.

UNDERSTANDING THE COST...

Its important to understand not just the cost of energy and the environmental impact, but the transmission and distribution costs that are applied. We know that electricity is generated mainly by the burning of fossil fuels (as well as renewable sources), but these activities in themselves not only have a significant carbon cost but are directly charged to the energy supplier and then passed on to the customer. In the UK, we see these costs included within the unit charge.

Environmental
CCL
£606

COMMODITY VS NON-COMMODITY COSTS

Delivery
Transportation and UGC
£5,597

Energy
Wholesale Cost
£4,277

*based on typical small business spend of £10400pa

We are also responsible for how much energy we use in our supply chain. This includes the energy we use onsite (Scope 1 & 2 emissions) plus the energy used to create the raw materials or products we "buy in". As consumers, we have had it far too good and too cheap for far too long.

ENERGY-SAVING AND REDUCTION STRATEGIES

Firstly, before plastering over the problem of energy wasted in our own operations and supply chains, we need to look at how we use energy. If you can't measure, you can't manage, right? Energy efficiency is one of the most powerful tools to drive down your costs and reduce your carbon footprint:

MEASURE   **MONITOR**   **REDUCE**

There are many ways to understand, measure, monitor and reduce with various technologies and methods available. These can include smart meters and software, half-hourly data, energy audits like non-residential EPC, and ESOS audits.

These readily available monitoring methods can not only provide you with the data, but help influence key decisions in your business as we understand that energy efficiency is not always about spending money on technological solutions.

As money for capital expenditure projects is in short supply, businesses will often want to push existing assets to efficiency limits to reduce operating costs.

WHAT CAN WE DO?

There are plenty of ways to immediately reduce your energy reliance. This will help you mitigate future rising costs to ensure operation resilience as well as mitigating your carbon footprint.

These options include;

1
INSTALL RENEWABLE, LOW-CARBON SOLUTIONS
Such as solar PV, heat pumps or wind-powered electricity (if feasible)

2
REVIEW WORKING PRACTICES
How is your workplace operating currently? What is your staff occupancy at the beginning of the week compared to a Friday? If you operate a small office or retail environment changes can be made quickly. What is your work travel policy? Are staff incentivised to use public transport, cycle or walk?
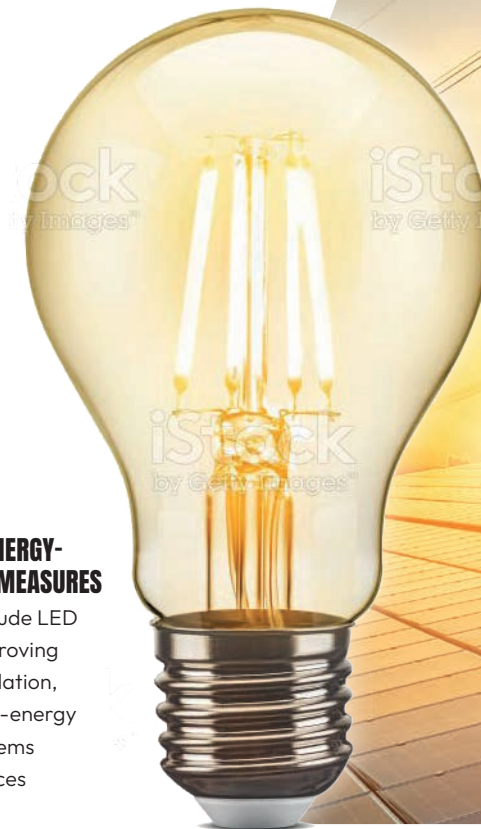
3
INVEST IN ENERGY-MONITORING EQUIPMENT
Such as smart meters and software to help you understand and manage your consumption

current use 4.02 kWh

4
INVEST IN ENERGY-EFFICIENCY MEASURES
This can include LED lighting, improving building insulation, sourcing low-energy heating systems and appliances

5
SWITCH TO RENEWABLE AND ETHICAL ENERGY SOURCES.
This could be a simple as choosing an ethical green-energy supplier (avoiding REGO-backed energy). Although this process wont reduce your consumption, it will reduce your carbon footprint by approx. 91%.

SUSTAINABLE INVESTMENT IN SOLAR PANELS AND AIR OR GROUND-SOURCE HEAT PUMPS* COULD BE A GOOD OPTION.

*(if feasible)

Due to the particularly high returns that solar panels deliver, this technology is one of the most popular sustainable solutions to date.
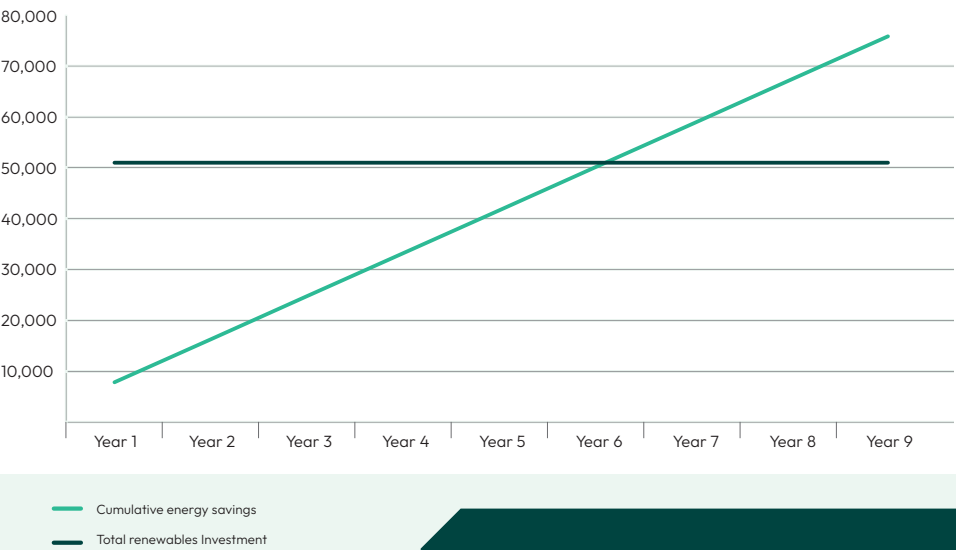
Thousands of UK businesses have now switched to solar to power their operations. A typical commercial solar-panel system could provide low-cost or even free electricity for more than 25 years, achieve financial returns of up to 20% per annum and pay back installation costs in 5- 7 years (not including SEG payments). The advantage of investing in a performing heat pump is that they can replace any reliance on natural gas.

RENEWABLE ENERGY INVESTMENT: Example energy saving projection from a Cornwall based SME

- Cumulative energy savings
- Total renewables investment

A typical commercial solar-panel system could provide low-cost or even free electricity for more than 25 years, achieve financial returns of up to 20% per annum and pay back installation costs in 5- 7 years.

SOLAR PANEL/BATTERY/AIR-SOURCE HEAT PUMP FINANCIAL ANALYSIS / ROI: REAL EXAMPLE

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9
Cumulative energy savings (£)	7,840	16,340	24,840	33,340	41,840	50,340	58,840	67,340	75,840
Total renewables investment (£)	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000

DO WE HAVE TO...?

Depending on the size of your organisation, if you are a small business there is no legislation or legal requirement to record your business activities/carbon footprint or implement any of these strategies. Companies that are of a certain size have to report their energy consumption as well as additional activities by legislation such as Streamlined Energy Carbon Reporting (SECR) and the Energy Savings Opportunity Scheme (ESOS). SMEs and public bodies are generally exempt from these schemes. We have also seen public funding calls asking to specify Carbon Reduction Plans (CRP) in applications, leaning towards greener-growth businesses. The PPN (Public Policy Note) 06/21 requires a CRP to be submitted for any public-sector procurement contract in excess of £5m per annum.

We are finding that many businesses are voluntarily choosing to record and report their carbon footprint using the same guidelines and boundaries as SECR as a minimum. Measuring and reporting your energy use and mitigation plans is becoming more and more prevalent for a number of reasons. There are many drivers influencing these voluntary requirements.

BENEFITS OF A SUSTAINABLE BUSINESS

- **Stabilise your overheads** – Measuring, understanding and mitigating your energy consumption is a great way to identify inefficiencies and losses in your operation.

- **Attract and retain good people** – University graduates, millennials and Gen Z populations are increasingly aware, and question employers sustainability credentials, values and net-zero goals and action plans.

- **Better access to investment** – Some banks and other financial institutions will only back new and existing organisations who can prove their environmental credentials and publish their action plans and goals.

- **Build your brand** – These actions (taken seriously) shows dedication and commitment to building a greener business and mitigating climate change.

- **Retain and reach new customers** – We are seeing increasing pressure on businesses, through supply chains and consumers, to ethically source, manage and mitigate the environmental impact of their products and services.

- **Demonstrate sustainable leadership** – Businesses can take the lead and join the race to Net Zero by pledging and investing in the process voluntarily. By examining and taking ownership, employees, customers and stakeholders will be encouraged and support the process.

We always advise consulting a professional in the first instance to identify opportunities to reduce your energy consumption.

Most initial advice and support can be free, so make sure you do your homework first before considerable investment.

There are plenty of useful sources of information and potential funding to help kickstart the process:
DECC_advice_guide.pdf (publishing.service.gov.uk)
https://energysavingtrust.org.uk/tool/solar-energy-calculator/
https://energysavingtrust.org.uk/ business/

ANDREW ROBINSON
Andrew is an experienced Business Consultant working in the Energy and Carbon Reduction markets.
www.linkedin.com/in/andrew-moss-robinson/ details/experience

MAKE A DIFFERENCE

If your business wants to really make a difference when it comes to sustainability, then you need to involve the whole team. Whatever the size of your business, there are some practical steps you can take to improve engagement around climate issues and support for your overall sustainability aims, which will help your business to achieve its environmental goals.

Before you even start implementing new policies, you need to assess your business. Regardless of size, there will be areas where you are already doing something positive towards sustainability and the environment, and areas where you need improvement. This next part is crucial: get the whole team involved in this process; the more eyes (that are more impartial

than yours as a business owner), the better. Not only does this generate a wealth of ideas and a more balanced audit of your current efforts, it also allows your team to take ownership of the policies they could soon be following. How you do this is up to you: a team away-day to focus on discussing sustainability away from the office; a questionnaire; an open call for ideas or just incorporating it into your next staff meeting.

The important thing is that it's not just a management decision, but the results of input.

Plant some trees together through an accredited partner to offset your emissions.

It may seem obvious, but your sustainability aspirations need to be achievable! Your team members are more likely to disengage from your green policies if they are unrealistic and difficult to achieve. It's easy for you, as the owner, to say that the business needs to be more sustainable, but when you are taking the journey to sustainability as a business then you need to break it down into small, easy steps that everyone can take ownership of.

For example, do you have tea lovers in the office? Think about how you can encourage them to pick the most sustainable option for their morning cuppa. Simple changes like choosing plastic-free teabags, milk in glass bottles and reusable drinks bottles and travel cups can really make a big difference, and communicating this to your staff will help them take ownership of different elements within the workplace.

TURN OFF LIGHT??

The next step is to make the sustainable choice the easy option. Keep your recycling bins somewhere convenient, such as the kitchen, so recyclable waste does not get sent straight to landfill when your team is making lunches. Place reminders around the office to switch off lights when you leave and set up a regular delivery for milk in glass bottles and plastic-free tea bags. Use new software and online drives, such as SharePoint, to store all the important documents and make it simple to go paper-free in your workplace.

Incentivising your sustainable goals can help with implementation of your new green policies across the whole team. Appointing a 'Green Champion' within the office to promote sustainability action and encourage the whole team to get involved is a great step, and offering rewards for helping your business achieve its goals is a brilliant method of getting a reluctant team on board. For example, why not give time off in lieu for a successful team beach clean?

It is standard to have annual employee reviews for performance and development within their role at your company. However, it can be beneficial to include sustainability goals within this process too.

This time can be used to encourage your staff to offer their own sustainability ideas, as well as discuss how they are meeting your business' goals surrounding sustainability. Again, incentivising this process will make it feel less of a chore for those unenthusiastic members of your team. For example, have the entire team working towards the same goals together to achieve a group reward. Also, the power of positive feedback and 'real-world' examples of how their actions are having an impact is important too.

We can't live and work in Cornwall without environment. We're surrounded by water, beaches and countryside, and the consequences of not making sustainable choices are easy to see. This is key to getting your team engaged with sustainability: you need to make it real.

We are in the perfect location to get hands-on with our sustainability goals. Perform beach cleans as a team and really notice the type of litter you are finding, and encourage your team to think about the impact these items could have on their favourite beaches and wildlife.

Plus, we have so many amazing local charities working tirelessly to combat climate change, ocean plastic and other environmental issues, so get the team to work together to choose one as a charity of the year for your business to support and make it a focus for the year ahead.

Green travel policies can be tricky to get everyone on board with. Often it can be as simple as pointing out that team members live on the same travel route and can lift share, which in the current economic climate can benefit your employees who will save money on fuel, while your business is cutting down on its travel emissions. The same applies for events and meetings that must be held in person.

You may occasionally meet resistance from team members about using public transport over their usual car travel for getting to meetings, events, and other work-related travel. The reason is often simple: if you are driving, you can't work at the same time. If you're on a train for a few hours, then your team feel like they have to be available, catching up on emails, taking phone calls and getting on with the job. If this is the norm for your business, then to encourage an increase in public transport use, rewards will come into play again. Upgrade their seat to First Class, and give them time off during their journey if they do have to attend a meeting or work on something important first. This means that the sustainable travel choice can benefit the individual, as well as the environment, and will become a positive choice for your team.

Similarly, creating a link between your business goal of achieving net zero with your core KPIs will encourage your team to make great sustainable choices, to be subsequently rewarded by staff bonuses. For example, the less we have to offset to achieve Net Zero, the bigger the potential bonus for the team.

Ultimately, the hardest thing about engaging your team is consistency. Not everyone is going to share your values, and often the novelty wears off, convenience takes over and you will discover that your team has been buying milk from the nearest shop in plastic bottles and forgetting to recycle. The key to counteract this decline in engagement is consistent messaging to your team and making it clear that these changes and actions are beneficial to them, as well as your business and the environment.

CORNWALL & THE ISLES OF SCILLY SUSTAINABILITY AWARDS 2023

The Cornwall & Isles of Scilly Sustainability Awards have been running since 2002 when they were launched by Sir Jonathon Porritt. Having consistently grown year on year, CSA has become Cornwall's leading initiative for rewarding and celebrating enterprises for their contribution to environmental growth and resource efficiency. The numbers are striking.

In 2019 alone, over 115 applications were received across the 16 award categories, with over 250 business representatives attending the ceremony event in December. Likewise, levels of sponsorship and support from like-minded partners have grown to record levels in recent years.

We took a pause for review in 2019 and launched a brand-new website in 2020. The Cornwall Sustainability Awards are run by Cornwall Council in association with Tevi (Cornish for 'grow'), which is a unique and exciting EU-funded venture to create both economic and environmental growth across Cornwall and the Isles of Scilly.

You can either apply yourself or nominate another organisation for an award this year, as long as the organisation is based in Cornwall and the Isles of Scilly.

Applications can only be made in one of the following categories:

– Most Sustainable Organisation
– Growing Greener: Sustainable Food & Farming
– Circular Economy
– Environmental Growth
– Carbon Neutral

Overall Winner trophy (chosen from the winners of all the categories).

See the website for information about the results and applicants for the 2022 awards. **https://cornwallsustainabilityawards.org**

VERYAN JONES
Veryan is a Senior Environmental and Sustainability Officer at Cornwall Council and has been instrumental in the organisation and delivery of the Cornwall Sustainability Awards.
www.linkedin.com/in/veryan-jones-20559748

HOW DO YOU ENGAGE YOUR TEAM AROUND SUSTAINABILITY?

We firmly believe that our future must be circular. It is a long-term solution.

The power of team in this space is vital: not only to help your organisation have the internal resource to ensure that you are 'walking the talk', but also given the multiplying effect. If you engage your colleagues, their individual impact will be greater and the ripple effect on their families, friends and acquaintances greatly increases.

Stephens Scown LLP has always been acutely aware of the importance and power of employee engagement – becoming the UK's first employee-owned law firm.

As an HR specialist lawyer I often work with businesses to help them maintain their ethos and culture; experience which has been invaluable in our own journey of recently becoming a Certified B Corporation™.

Drive Change Upwards

Involve employees in the planning, design and implementation of any actions you take. Although external consultants can add a lot of value, real and authentic change comes from within. Get employees to input their ideas for achieving your goals and to truly feel part of the change sought, with responsibility and connection to the decisions made.

This can be done through formal governance structures (like employee ownership, shadow boards or staff councils) and/or through more informal groupings or teams.

It's helpful to invite representatives from across all levels of the business, providing a great learning and collaboration opportunity and bringing diversity of ideas. Those colleagues then act as advocates across the business – your 'green champions'. Employees are more likely to get on board if they see their colleagues passionately getting involved and being listened to.

We found that having a team of around 10 volunteers from across all levels of the firm in our Giving Back Team really propelled us forward. The team includes a Board Member and meets quarterly. Providing ethical chocolate at those meetings definitely helps!

Bake Sustainability into your Decision Making

Colleagues can tell when you are not walking the talk. It's really important once you have set a sustainability commitment to properly bake this into all your decision making. A good starting point is to ensure your organisational and employee values reflect your commitments. One of ours is 'Doing Good Matters'. At the start of every Board meeting, we remind ourselves of the commitment we have made as a B Corp™ to balance people, planet and profit.
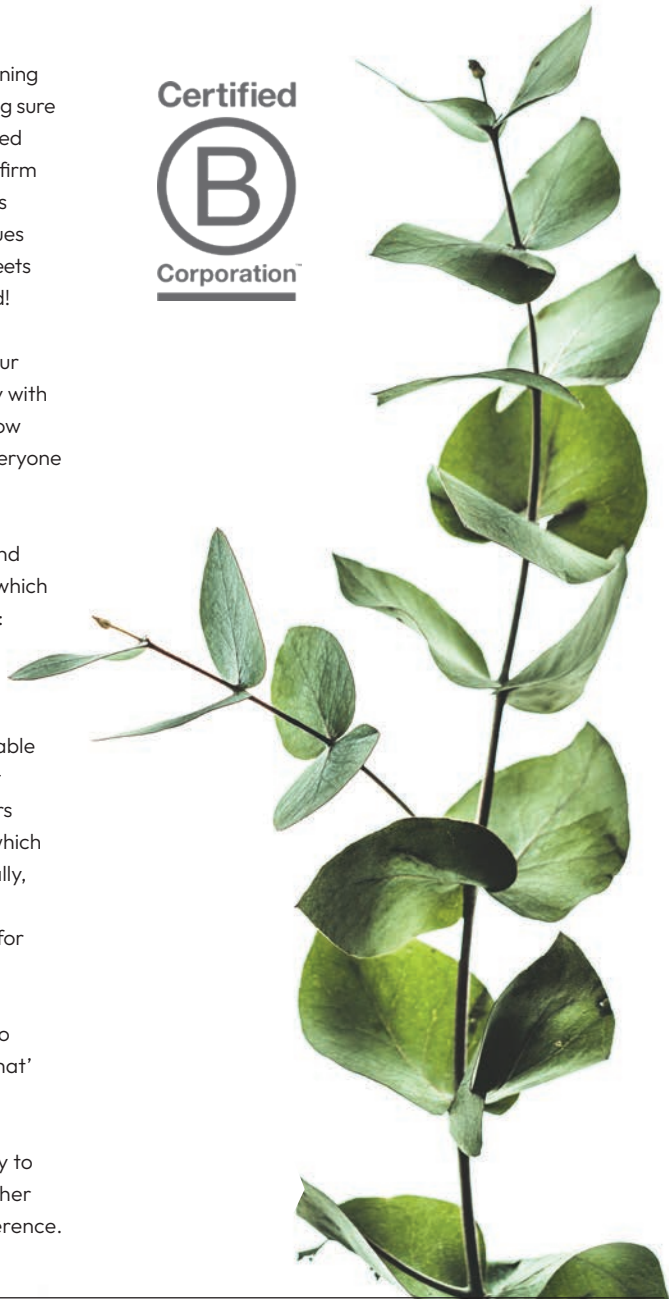
This filters through to our business planning and procurement. An example is making sure that any gifts we give to staff are sourced appropriately and that our catering at firm events is 50% vegetarian. It's not always possible to get this right. Some colleagues really did not appreciate the vegan sweets we sent to them at home through Covid!

It also helps engagement to discuss your goals and culture around sustainability with new joiners at induction and explain how they can get involved. We also give everyone a reusable travel mug.

We actively set objectives for teams and colleagues in their annual appraisals, which feed into our Giving Back programme: such as challenging them to arrange a volunteering event like tree planting.

To make sure your business is accountable you also need to be transparent about how the journey is going. For four years we have published an annual report, which we release both internally and externally, and which is available to view here . This is also a mandatory requirement for all B Corp™ businesses.

I have found that it is most powerful to focus on the 'why' and not just the 'what' in your communications around sustainability. This also then adds to engagement as people are more likely to emotionally connect and look for further ways to get involved and make a difference.

Certified **B** Corporation™

FIND WAYS TO MAKE THIS A WIN-WIN

We have increased awareness of environmental issues by inviting external speakers to do lunchtime talks about plastic pollution, climate change and carbon footprints.

In the same way that the increased energy costs have forced all of us to address our energy use, if you can find ways to make sustainable practices at work the norm or easier, it can really help drive engagement and change.

Some examples are:

- having just one switch on each desk to turn off all electronic equipment at the end of the day;

- giving car park spaces or extra expenses per mile to employees who car share;

- fitting elective vehicle charge points to all offices;

- enabling electric car and cycle salary sacrifice schemes through work;

- setting the default investment settings on your company pension to focus on ethical investments;

- and ensuring you have tech and process set- ups that are easy to use and minimise the need for printing.

We have also empowered our colleagues to support the causes that are important to them by giving everyone three paid volunteer days per annum and donations to their personal fundraising activities. This enables your team to engage directly with what interests them in this area.

We have also celebrated events like staff long-service awards or other good results by giving donations to green charities and explaining to staff why this is important, alongside rewarding our colleagues personally for their successes.

Embed this in your Policies

To make your sustainability practices stick in the long run, you need to get it enshrined in your policies and followed on the ground. Some wider ideas I have come across for policies include:

- **Green Travel Policy:** guiding staff on how they should choose to travel. Consider giving staff an extra day's leave if they chose to travel by more sustainable methods (like train rather than flying) and encourage use of organisations such as Co-Cars.

- **Dress Code Policy:** sourcing uniforms sustainably, providing a sustainable clothing allowance and re-using returned clean uniform.

- **Sabbaticals** – allowing employees to take paid or more leave if involved in green volunteering.

- **Flexible Working Policies** – allow home working to reduce commuting, perhaps with requirements or incentive to use renewable energy at home.

- **Whistleblowing Policy** – make it clear to employees that they should report environmental concerns related to the business.

Challenging Defeatism

Some people may take a negative view of your commitments and question the difference you can make. The more you walk the talk and encourage this through your culture, the more they are likely to engage or at least go along with this or vote with their feet. If, however, the person is becoming disruptive, do seek our support.

Carrot is usually better than stick – and in my experience even the hardest naysayer can be brought around through some of the above practices.

VERITY SLATER

Verity is a Partner at Stephens Scown LLP specialising in HR & Employment Law. In addition, Verity is also heavily involved in Stephens Scown recent success in achieving B Corp status, as well as leading on some of the Team Engagement work the firm does.

www.linkedin.com/in/verity-slater-3086594/

REWARD YOUR STAFF IF THEY CHOOSE TO TRAVEL BY MORE SUSTAINABLE METHODS.

BUSINESSES – BE FEARLESS IN YOUR CLIMATE COMMUNICATIONS

JOHN BROWN

John is the founder of Don't Cry Wolf – A communications agency that helps brands communicate honestly and authentically. Don't Cry Wolf is also a B Corp and dedicated to having a positive impact on the Environment.

www.linkedin.com/in/johnbrownpr

More businesses than ever are committed to ushering in a kinder, distributive, and more regenerative economy. From those taking their first tentative steps into understanding their carbon footprint to organisations making deep decarbonisation changes to their supply chain and how they operate, it's hard to come across a business that is yet to step foot into the world of sustainability.

And yet, business leaders and their organisations are becoming more cautious and tentative than ever about sharing their progress or positively engaging in the climate crisis conversation. They opt to silently persist with their work, perhaps even hoping that others don't have the opportunity to take a closer look into their sustainability strategies.

This seems wrong.

Businesses of all shapes and sizes should be proud and open in their communications of sustainability progress, as this can help them develop and maintain their competitive edge in the marketplace and allow others to learn from their journey, thereby enhancing the progress of everyone.

Small businesses are often at the forefront of making sustainability part of their mission, so communicating it publicly allows customers, investors, partners and other stakeholders to understand what sustainability means to them and what good looks like.

By being proactive in discussing sustainability initiatives and achievements, SMEs can move closer towards sustainability goals that could previously have seemed impossible. And by effectively communicating sustainability efforts, SMEs can share knowledge, improve practices and captivate and inspire stakeholders.

For those considering whether or not to communicate their sustainability goals and efforts, there are three simple rules to follow that will enable you to fearlessly share your journey with the broader world. It will take vulnerability, a desire to embrace healthy conflict and a commitment to accountability.

But it will feel exhilarating and deeply satisfying and could have a profoundly positive impact on the business as a whole.

It all starts with ditching perfection.

Progress not perfection

Earlier this year, the Corporate Climate Responsibility Monitor report was released. This report explores the climate pledges and commitments made by some of the world's largest organisations and examines whether they are on track to meet their goals.

The report is grim reading. Few, if any, of the organisations were on track to meet their goals and pledges. Sustainability strategies were found wanting, and decarbonisation plans were not aggressive enough.

Any business leader reading the report would be left terrified at the thought of even slightly communicating a set of goals or ambitions in fear of being found wanting and subsequently dragged over the coals.

But here is where the nuance lies. Yes, some of the strategies and plans identified within the report were built on a foundation of sand, not rock. But the initial goal-setting got these organisations into hot water.

Until recently, businesses have been breathlessly falling over themselves to make wild and speculative commitments to their decarbonisation plans. 'Net zero', 'carbon neutral' and 'carbon positive' were phrases sprayed around like confetti as each organisation looked to 'out-commit' the other.

Embrace the criticism. Lean into the discussion. So long as a business has not communicated a plan as a perfect solution to the problem of climate change, then it's created space for healthy conflict.

And, like most plans, they were announced with fanfare and just not executed. In summary, organisations approached climate communications from 2015 onwards to declare a goal of total perfection and then to forget about it.

Striving for progress instead of perfection is where the secret sauce lies when communicating sustainability strategies. Sure, in an ideal world, any sustainability-related policy would be perfectly designed, executed, and maintained. However, implementing change in terms of environmental progress can be a long-term process with multiple steps and constant revision. By emphasising progress instead of perfection, businesses can create agile and adaptive initiatives that have a lasting impact and evolve alongside new science, new technology and a greater understanding of the situation as it develops.

It's not about not setting any goals at all. Instead, it's about communicating your aim through the lens of iterative progress, making space for celebrating successes along the way, and adjusting course where necessary, all the while keeping a clear eye on ambitious but well-informed goals.

Embrace healthy conflict
'But what if we get cancelled?'

It's a line I hear so often when discussing climate communications with business leaders. There is a genuine and somewhat valid fear that, should an organisation go public with its sustainability strategies and goals, it will inevitably be ripped apart and cancelled forever.

First, let's start with some acceptance. Someone will always criticise and seek to undermine a plan if it's announced publicly. Expecting 100% positive engagement with an idea or strategy will lead to deep disappointment.

There is always someone ready to 'out-eco' someone else.

But herein lies the opportunity. Embrace the criticism. Lean into the discussion. So long as a business has not communicated a plan as a perfect solution to the problem of climate change, then it's created space for healthy conflict.

Being clear that a strategy and approach are constantly under review and adaptation helps showcase an understanding of the issue's complexity and shows a willingness to learn and evolve.

It's not about taking on board every bit of feedback blurted out in 140 characters on Twitter. Instead, it's acknowledging the feedback, highlighting the deep work done to develop the strategy, and spotlighting the fact that it might go differently than planned, in which case the business will adapt. But if the plan works, it will greatly benefit everyone and be another milestone in the journey.

There is always someone ready to 'out-eco' someone else.

Some organisations make easy targets for criticism. Those that operate in highly polluting industries or have a track record for not living up to expectations. Here, acknowledgement and addressing the elephant in the room are crucial.

If a business has a chequered past, it should acknowledge it, be the first to highlight it and create space in its communications to be humble about its history.

Emotional fires are stoked when reality and history are swept underneath the carpet as communication teams or business leaders hope that the 'new era' will be enough of a focus for an audience.

If a business has a chequered past, it should acknowledge it, be the first to highlight it and create space in its communications to be humble about its history.

This isn't very smart. People love to focus on the bad. So, being the first to register faults allows organisations to own the story and engage in conversation that can help shift the narrative.

Embracing healthy conflict will make your strategies and communications more robust and authentic.

Radical transparency
Perhaps the most brutal rule to follow. But definitely the most important. Whatever a business leader does to communicate a plan, strategy, or tactic, it must come complete with a roadmap and a commitment to sharing the journey.

I don't care if it's a video diary of the execution or a Global Reporting Initiative (GRI) verified impact report. Being as ambitious with communicating the progress and pitfalls as a business is with its intent creates an air of fearlessness.

Being clear about what worked and what hasn't highlights a level of accountability that few organisations embrace, thereby providing a competitive advantage.

Having a warts-and-all approach to documenting a sustainability journey enables others to learn from an organisation's actions while giving credibility to the targets and results.

But most importantly, radical transparency creates a benchmark that others must meet before they can criticise a business' efforts. The concept is simple, 'we're here for feedback, so long as you're prepared to be as transparent as we are'.

It's a playing-field leveller and one which so many organisations forget about in a bid to make things absolutely perfect.

Go forth, fearlessly
No matter what a business leader does, inaction is worse than action, given the depth and context of the climate crisis. That said, communicating effectively during the crisis will help to bring inspiration, confidence and clarity to a business' journey.

So, in summary:
• SMEs should be proud and open in their communications regarding sustainability initiatives and achievements, as this will inspire stakeholders.

• Instead of seeking perfection, focus on progress and make space for celebrating successes along the way.

• Embrace healthy conflict by acknowledging feedback, highlighting the work done to develop strategies and spotlighting a willingness to adapt if plans don't go to plan.

• Adopt a radical transparency approach when communicating sustainable goals and commit to sharing progress and pitfalls.

Now go make the world a better place.

GUIDANCE FOR SMES SEEKING TO MEET SUSTAINABILITY REQUIREMENTS

Businesses are facing a new sustainability challenge as potential customers, particularly large organisations, are demanding more from their supply chain to support their own decarbonisation.

There is a growing commercial reason to engage with sustainability, and a lot of businesses are now looking to understand how they can engage with these conversations. This guidance defines what businesses should look for when working with their customers asking for sustainability credentials.

Why?
Understanding why the demand for sustainability credentials is growing requires a look into the Scope 1, Scope 2 and Scope 3 model adopted by many carbon accounting processes and outlined by the Greenhouse Gas Protocol Standards. Figure 1 opposite outlines these three scopes.

Scope 3 emissions typically carry between 60% and 80% of a business's overall greenhouse-gas emissions footprint, with some organisations claiming well above 90%.

This means that progression towards Net Zero will always involve significant engagement with supply chains to support decarbonisation, creating a challenge for organisations who do not carry influence within their value chain. This means there is a growing opportunity for businesses that can demonstrate low-carbon products and services.
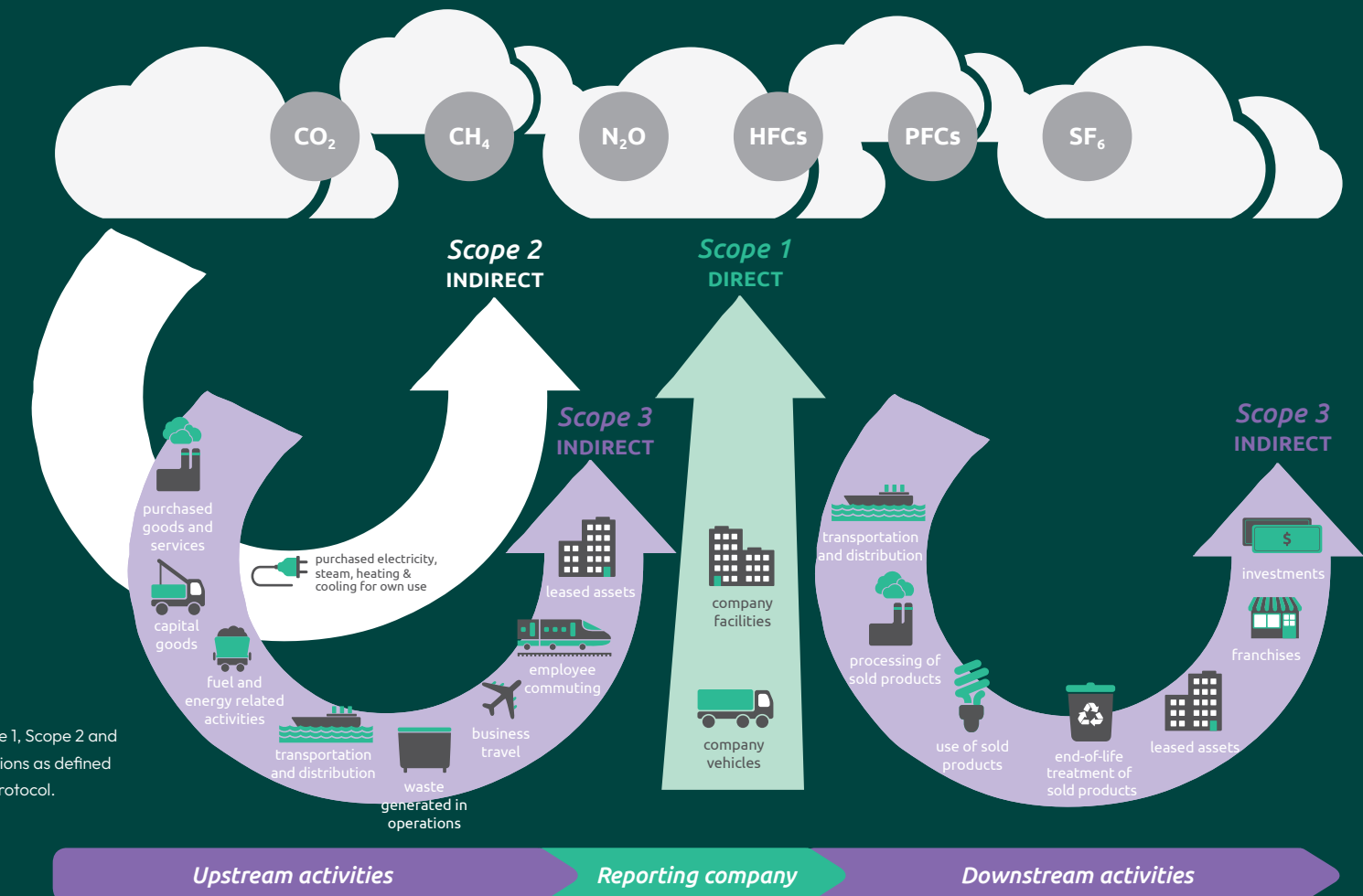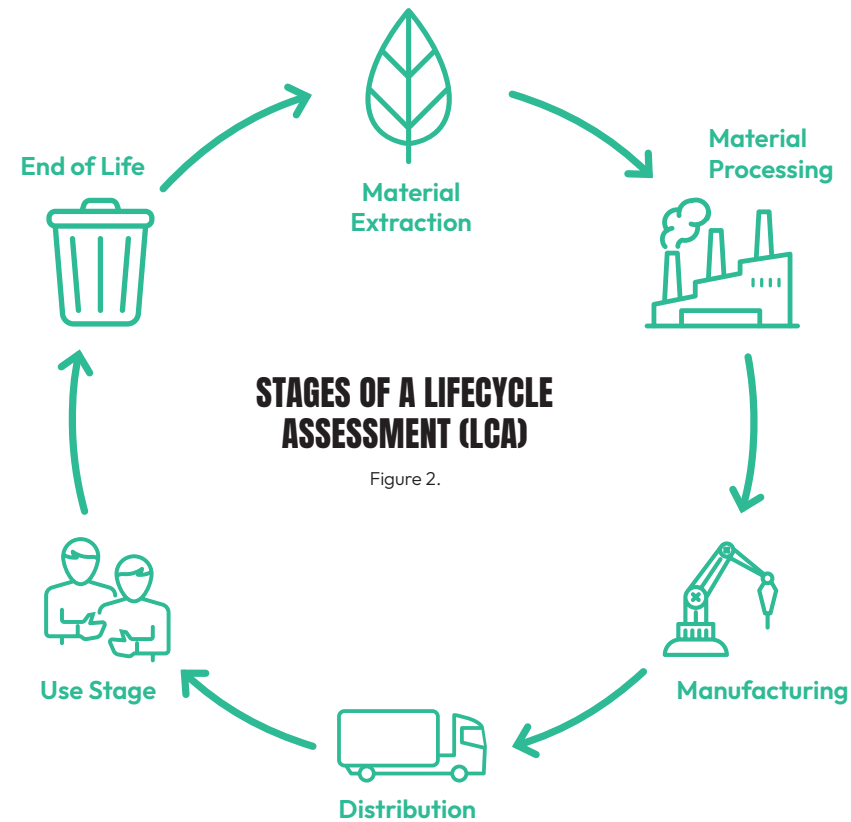

Figure 1. Scope 1, Scope 2 and Scope 3 emissions as defined by the GHG Protocol.

ENGAGE

Understanding how to satisfy your potential customers means first fully understanding what they're asking for, and unfortunately this guidance can't answer that. The first step for any business looking to meet sustainability requirements is to engage with their specific customer base and get to know exactly what they require from their supply chain. This is likely to include a combination of specific emissions information for your business and product offerings, decarbonisation targets and examples of how sustainability applies to your specific offering.

You cannot guarantee that your customers will be asking for the same information, in line with the same format, in line with the same industry standards; sustainability can be frustratingly inconsistent, particularly if you operate across multiple sectors. There's likely to be overlap, but this work can be resource intense, so focus on your strategically critical customers, and satisfy their requirements as a priority, making sure you can replicate certain information in several ways to satisfy multiple parties.

STAGES OF A LIFECYCLE ASSESSMENT (LCA)

Figure 2.

End of Life · Material Extraction · Material Processing · Manufacturing · Distribution · Use Stage

Supplier-specific information

Many large procurers are now requesting specific emissions information from members of their supply chain to allow them to accurately monitor their Scope 3 greenhouse-gas emissions. There are two ways for businesses to provide emissions data to their customers:

– Life-cycle assessments of their product(s) or service(s), or,

– Specific carbon intensity measured in $tCO_2e/£$.

Life-cycle assessments are a method of calculating the emissions associated with the entire life-cycle of a given product or service, and can be used to assess the environmental impact across a number of metrics, including greenhouse-gas emissions. There are now several industry standards on calculating life-cycle assessments, including ISO14044, the Greenhouse Gas Protocol Product Standard and PAS2050.

Specific carbon intensities are typically expressed in $tCO_2e/£$, they are calculated by dividing the total footprint of a business by the total revenue generated, and can be used to represent a 'slice' of a business' total footprint when multiplied by the revenue generated from a given customer.

This method is often viewed as less accurate than a life-cycle assessment, but is often more accessible, particularly for those already calculating their emissions footprint, and is often more straightforward for organisations to embed into existing carbon accounting. As mentioned above, engage with your customer base, and learn what they're requesting to inform your decisions.
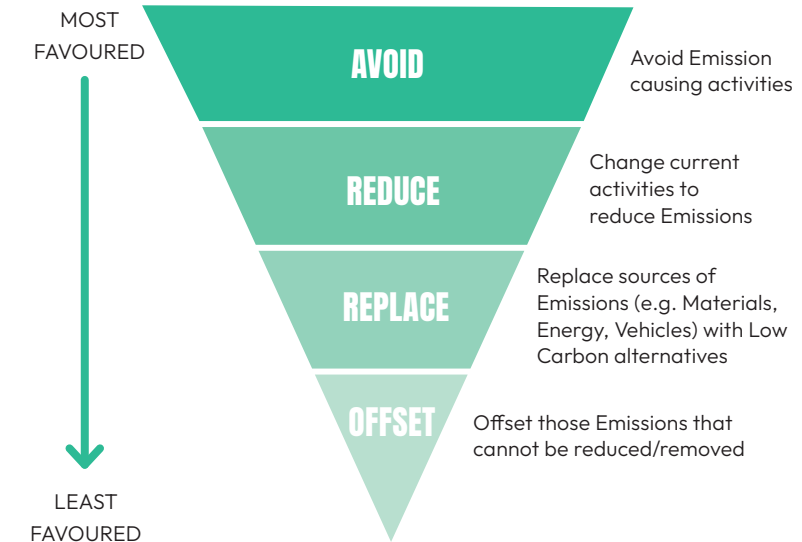
Finally, think about how you will be incorporating sustainable practice into the specific offerings to your customer, and how you can demonstrate this alongside your sustainability targets. For organisations asking for specific credentials, efforts to reduce the footprint of their purchases will likely be seen favourably.

Reducing your impact:
The Carbon Hierarchy

Once you have estimated the likely impact of your products or services, its important to consider how you'll reduce this impact. The Carbon Hierarchy is a longstanding and widely supported model for impact reduction.

The key messages behind this are that reducing unnecessary consumption as a first principle is by far the most effective way to reduce your business's footprint, whilst offsetting measures should only be used as a last resort under recognition all activity carries some environmental or climate impact.

Figure 3. The Carbon Hierarchy.

MOST FAVOURED

AVOID — Avoid Emission causing activities

REDUCE — Change current activities to reduce Emissions

REPLACE — Replace sources of Emissions (e.g. Materials, Energy, Vehicles) with Low Carbon alternatives

OFFSET — Offset those Emissions that cannot be reduced/removed

LEAST FAVOURED

SUPPORT

External support for sustainability via consultancy and tool development is growing across the UK. If you're looking for specific support please contact Tevi at **iibsupport-cornwall@exeter.ac.uk** who can direct you to suitable support in your sector or location.

FRASER BROWNING
Fraser is a Sustainability Technical Evaluator working on the University of Exeter's transition to Net Zero. He is also the founding director of Kurb.
www.linkedin.com/in/fraser-browning-7a2282104

THE BEST TIME TO EMBED SUSTAINABILITY AT THE HEART OF YOUR ORGANISATION IS YESTERDAY. THE SECOND BEST TIME IS TODAY.

Firstly, I'd like to thank you for reading. There's been a lot of hard work devoted to this project from both our contributors and our designers.

This document was never planned to solve all of the business challenges around Sustainability, but to act as a starting point.

By providing a series of Best Practice Guides we're hoping to encourage and inspire businesses and organisations to take the next step on their Sustainability journey (even if that step is the first one!). With such a healthy mix of contributors I really hope we've achieved that. The world of Sustainability moves quickly, so while the facts and figures may change, the principles we've covered should remain the same".

I'd also like to thank our partners, contributors, designers and funders. We couldn't have produced this without them:

Contributors:
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Debbie Luffman
Fraser Browning
Andrew Robinson
Veryan Jones
John Brown
Ben Rowswell
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For further information regarding the Best Practice Guides, or to receive a copy, please contact Chris Phillips, Impact and Partnership Development Manager at the University of Exeter on **07913 131730** or email **c.phillips5@exeter.ac.uk.**

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