(B) Lab United Kingdom

How to Declare a Climate Emergency & Take Climate Action

A playbook for business

Brought to you by B Lab UK with the support and guidance of The B Team and Oxford University's Saïd Business School





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Foreword

The U.N. <u>Climate Action Summit</u>, the youth-led <u>Global Climate Strikes</u>, and the <u>U.N.'s report on the</u> impact of climate change on the world's oceans and frozen regions, and more importantly climate-related natural disasters and extreme weather events around the world, have placed the climate emergency front and center in the news and the collective zeitgeist of the planet. And for good reason.

Accelerating climate change and ecological breakdown pose an existential threat to all life on Earth. The <u>scientific community</u> has agreed that a 1.5°C increase in average global temperature is the limit to reduce the worst impacts for our planet and its inhabitants. At the current trajectory, we will reach this limit as early as 2030.

Simply put: there is a climate emergency. And we must act. There is no choice. We need bold, courageous, urgent, and unapologetic leadership, from all sectors and all levels of society, more than ever.

As the source and cause of the vast majority of the planet's greenhouse gases, the business sector is uniquely culpable for the climate crisis — and

therefore responsible for demonstrating leadership in eliminating emissions and drawing down carbon as rapidly as possible. As the conservationist David Brower aptly says: "There is no business to be done on a dead planet."

We are facing a global emergency that threatens our only home and all our children. It's time for leaders to lead. <u>At the World Economic Forum in Davos</u> in January 2019, Greta Thunberg famously said,

"I want you to act as if our house is on fire. Because it is."

The agency to act in response to the climate emergency, resides in every one of us as business leaders and as individual human beings — in everything we say, do, write, eat, buy, and invest in. We have the power to rewrite our future as a species. Every person and every company must choose their own path within that agency.

first step.

We commend to you that declaring a climate emergency can be a powerful

Taken from the article: For Such a Time as This: Climate Action and True Leadership in a Time of Crisis by Kim Coupounas



Setting the scene

Climate Emergency

There is no single agreed formal definition. We believe the "Climate Emergency" is the acknowledgement that urgent and fundamental change is needed to mitigate the extent to which global warming causes irreversible change to the Earth and all life on it.

Ecological Breakdown

Ecological Breakdown describes a situation where an ecosystem suffers drastic reduction and extinction of species and organisms. This is usually precipitated by disastrous events happening in a short timescale.

Why Declare a Climate Emergency

While a climate emergency declaration is largely symbolic, it is also a means to engage and mobilise key stakeholders to tell the truth about the seriousness of the climate emergency and ecological breakdown we are experiencing and to make meaningful commitments on how to address them, including radically and urgently reducing carbon emissions and preparing key stakeholders for adaptation and resilience in the face of irreversible negative impacts.

By declaring a climate emergency, business leaders can not only justify to shareholders the necessity of changing their own practices and business models, but also, and more importantly, create the context in which policymakers can align incentives so that the capital markets reward instead of punish sound, longterm planning. This is how we will spring into immediate action that can help mitigate the worst of the life-altering challenges we will face if we fail to behave "as if the house was on fire." - Greta Thunberg





Organisations declaring a climate emergency

Declaring a climate emergency means committing to tell the truth about the reality of the climate breakdown and making a meaningful commitment to address this breakdown, by taking action to radically and urgently reduce carbon emissions.

- 1. 1,216 Jurisdictions in 26 Countries have Declared a Climate Emergency
- 2. Networks of 7,000 Universities declare climate emergency
- 3. Over 11,000 Scientists Declare Climate Emergency, Share 6 Steps To Save the Future

1,216

jurisdictions in 26 countries have declared a climate emergency ¹

(as of December 8th 2019)

7,000

universities have declared a climate emergency²

11,000

scientists have declared a climate emergency³



Introduction

Purpose of the playbook

The purpose of this playbook is to inspire and support businesses of all sizes who want to take climate action, declare a climate emergency and engage in meaningful climate advocacy. The playbook will present practical tools and resources for business executives and employees who wish to step up their commitment to transforming their organisation's governance, operations and business models to address the climate emergency.

Guiding beliefs

Underpinning the creation of this playbook are four key beliefs:

This is an urgent situation, and we must act now.

We do not blame anyone. We take a positive approach.

We believe the answers exist. Let's be bold in our ambitions to embrace new practices and business models that offer proven solutions to the climate emergency and ecological breakdown.

Real progress will require each of us to be committed to continuous improvement, fueled by the urgency of the situation to keep stepping it up.

Who is this playbook for?

The playbook is for all businesses with us on this journey including board members, employees and executives of any business taking the climate and ecological breakdown seriously. The playbook is ideal for 3 main business archetypes:

Climate committed. Companies that understand that there is a climate emergency and are willing to commit to take action at a board level.

Climate active. Companies already on the journey that are engaged in direct climate action and advocacy.

Climate ambitious. Companies that are setting the pace in the market by working towards ambitious goals in response to the climate emergency.

The power of community

Let's be clear: declaring a climate emergency is not risk-free.

Your company may become a target for those who will say that because you're a business you are part of the problem – or that you're not going far enough.

We know this is hard. But we also know this is important.

The strength of a community is that we are there for each other. We have each other's backs when needed.

When you declare a climate emergency, remember that there is a growing community of organisations and businesses on this journey with you. We are stronger together. And we are on the right side of history.

An important note on system failure

We believe that one of the primary drivers of the climate emergency, and the greatest impediment to meaningful climate action, is the system failure that centers our economy on maximising profits at the expense of people and the natural world. This leads to short-term decisions that externalise environmental and social costs, creating massive systemic risk and social unrest, and undermining healthy markets. Business leaders have a vital role to play in calling this system flaw into question at every opportunity, starting first with embedding broader stakeholders interests into their own corporate operating system.

As we systematically — company by company, industry by industry, market by market — remove impediments and align incentives, we can accelerate meaningful climate action and move toward a new economic system that requires corporations, and the investors who own them, to operate with a first principle to preserve the natural and social systems upon which life and thriving markets depend.

Any legitimate response to the climate emergency cannot be limited to bold climate action within individual companies, but must also be focused on bold advocacy to upend the system failure of shareholder primacy.





Voices of young people

Listen. Be open to what those around you are saying and asking for. The climate crisis has awoken new emotions and responses in individuals across society. From mass action protests like XR, to students as young as four chanting about how this crisis will affect younger generations the most, it is clear that people care about what's happening to our planet. Don't ignore those voices. Invite youth activists or local climate leaders to speak at board meetings. The battle against the climate crisis can't be fought alone, and the solutions we pioneer must be inclusive (especially for those who are so often shut out of business conversations). – Emily, youth activist.



Youth voices

What does climate change mean to you?

11 It's seeing the deterioration of our planet before my very own eyes. For many, climate change may seem like an issue to be faced in the future however, for my peers and I, climate change means acting immediately and doing what we can to protect our earth. – Katie, 16, Northern Ireland

What scares you about the future with climate change?

I am scared that plants and animals are becoming extinct and I won't be able to bring up a family of my own.
– Isabella, 14, England

11 It means that I worry about the future and whether it will get much worse before it gets better. It's palpable daily because there are clearly changes in the weather.

– Sakeena, 21, India

What scares me the most is the lack of time we have left to fix the damage we have caused... I worry that the seriousness of this issue is being forgotten or not understood by the older generations and by those in power.

Katie, 16, Northern Ireland Do you think businesses today are doing enough? If not, what do you think they should do?

If No, they need to use the best things for the environment, even if it is expensive.
– Grace, 14, England

11 No, they should use renewable energy and stop trying to trick us into thinking it is our fault. Nothing can change until they do. – Hannah, 14, England How much are your purchasing decisions influenced by company's climate actions?

11 When I know that the company is doing its bit for the environment, it makes me more interested in buying their products. – Alvaro, 23, Peru

66 Generally, I am trying my best to consume less. I also think that a lot of business and governments try to offload responsibility on to the individual consumers. We could all do our part to be better, obviously, but no amount of paper straws will create the drastic change we need to stop the planet warming. – Aubree, 25, Ireland



Letter to my child

The actions we take today will matter profoundly to the next generation. Consider using this space to write a letter to a young person in your life your son/daughter, grandchild, niece/ nephew - and articulate the things you have done - and plan to do - to impact the world they are inheriting.



Part 1: The Climate Emergency



Top 10 climate facts

We are on track to reach a global temperature rise of 3 degrees by the end of the century.¹

We need to reduce carbon emissions by 45% from 2010 levels by 2030 and become net zero by 2050 to meet the 1.5°C scenario of the Paris Agreement.²

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Wildlife populations have declined an average of 60% since 1970.³

Only 7% of reefs in The Great Barrier Reef have escaped bleaching entirely.⁴

the century.⁵

Over the past 2 decades, sea levels have risen by 3.2mm per annum and three quarters of all large cities are located on the coast (UN).⁶

The past five years - from 2014 -2018 - are the warmest years ever recorded in the 139 years that NOAA has tracked global heat. If current trends continue, the Arctic could be entirely ice-free by 2040 (Arctic Council).⁷

We're on course to lose over half of all insects by the end of

With the current rate of soil degradation, we have 60 years of farming left.⁸

Climate change will drive the migration of 200 million people worldwide by 2050 ⁹

Climate change could have an impact on a greater range of diseases since approximately 63% of pathogens are climatesensitive.¹⁰

- 1. Nature.com 2018
- 2. <u>IPCC</u>
- 3. <u>WWF</u>
- 4. Coralcoe.org.au
- 5. <u>Sciencemag.org</u>

- 6. Royal Society
- 7. <u>Nasa</u>
- 8. Scientificamerican.com
- 9. National Geographic 2019
- 10.Infectious disease advisor

Building a just transition

The shift toward a net-zero world will bring economy-wide transformation on a scale we've never seen. This transition will impact all industries, jobs and communities. While we know this is necessary for a clean energy future, how can we ensure it is fair, respects the rights of all people and builds a more inclusive economy?

With the right planning, dialogue and processes, this shift will create robust communities and industries, spurring new job growth, diversifying educational opportunities and transforming livelihoods. A just transition makes this possible by engaging workers. It ensures no one is left behind in this movement and that all communities have the skills, investments, and capabilities they need to thrive in the face of rapid change.

Learn more about how to plan a just transition in this report <u>'Just Transition: A Business Guide'</u> by The B Team and the Just Transition Centre



What does declaring a climate emergency actually mean for business?

There are many different definitions of what it means to declare a climate emergency.

For the purpose of this document we propose the criteria set out by the <u>Business Declares Network</u>:

What is your business committing to?

1. Develop a 'Climate Emergency Plan.' Bring to your Executive and board within 6 months.

2. Publish a board resolution. Share publicly this declaration and report your 'Climate Emergency Plan' progress annually.

3. Accelerate your current climate action trajectory. Ensure the 'Climate Emergency Plan' represents an acceleration of your current trajectory and actions are 1) in line with what is needed to reach net zero timescale between 2025–2050 and 2) keeps the planet within 1.5 degrees.

4. Set interim targets. Design realistic milestones which allow for business reconfiguration with appropriate interim targets if net zero is beyond 2030.

5. Share best pra your peers.

6. Advocate for change. Encourage staff and stakeholders to take action.

5. Share best practices. Connect and engage with

We need to move from 'business as usual' to 'business unusual' if we are to have any chance of achieving the #GlobalGoals. We must act with far greater urgency. – Paul Polman, Oct 2nd 2019



Why Declare a Climate Emergency? 5 Challenges and 5 Opportunities

This section is designed to equip you with the information you need to make a business case for taking climate action.

5 challenges of inaction

The costs and operational issues caused by the climate emergency will jeopardise every unprepared business.

3

11. <u>Business Insider 2015</u> 12. <u>OECD</u>

Licence to operate

Your business will become obsolete, left behind, and even eventually in violation of prevailing law if it is not fundamentally geared towards doing its part to address the climate emergency. Examples: The <u>Bank of England</u> and <u>Legal & General Investment</u> <u>Management have strong views on</u> levels of risk.

Business value

There is already a steady and significant stream of divestment from businesses producing, or reliant on, fossil fuels and other non-renewable resources. We believe this will continue, eroding the equity value of such companies and challenging their underpinning revenue models (through regulation, taxation and resource scarcity).

Distribution and logistical challenges

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An unpredictable climate will increase supply chain vulnerability, particularly in regions impacted by increasingly severe weather patterns.

Availability and affordability of finance

Twelve institutional lenders have recently agreed to a deal with Danone that pegs the company's cost of borrowing to its social and environmental performance. Larry Fink, Chairman and CEO of Blackrock, the largest asset manager in the world, has set out a clear challenge to all investees to "clearly and effectively articulate their strategy for sustainable long – term growth".¹¹ We expect to see this trend increase in the coming years as investors and lenders seek to manage the risks in their own portfolios by divesting from the worst offenders and backing those providing solutions. The OECD is recommending taxing businesses that damage nature.¹²

Implications for people

Most importantly, there are extensive implications on people who will be affected by rising temperatures, air pollution, flooding, and extreme weather events. These include risk of disease, food shortages, displacement and disruption to property.

5 opportunities 1 if we act

There are massive opportunities in making clear commitments to solve these challenges.

13. <u>undp.org</u>

14. <u>McKinsey 2013</u>

15. <u>Nielsen 2018</u>

16. <u>Deloitte 2019</u>

Market opportunities

Achieving the SDGs could open up \$12 trillion USD in market opportunities in areas such as food and agriculture, cities, energy and materials, and health and well-being.¹³ In 2013, McKinsey reported \$ 700 billion USD annual material cost savings in the FMCG sector alone from a transition to circular economy business models.¹⁴

Consumer engagement

Consumers will increasingly look for brands that are leading change – and be critical of those taking action late. A 2018 report said that 81% of global respondents feel strongly that companies should help improve the environment.¹⁵

Innovate or die.

3

The sooner you're doing business in this way, the more time you have to cement the practices and policies that all businesses will ultimately be required to adopt. Only 13% of businesses on the Fortune 500 list 50 years ago are still on the list today – businesses must innovate to survive, and now the context is changing faster than ever.

Engaging employees

4

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People are waking up to the climate emergency and could increasingly question the work they do and how it is contributing to a solution rather than adding to the problem. Societal impact and ethics are the most common reasons why millennials change their relationships with businesses.¹⁶ Businesses that declare a climate emergency will have a clear head start on attracting top talent who want to work in business where they can have the most impact.

It is the right thing to do

As a business leader, this is an opportunity to establish moral leadership. By 'walking the talk' to tackle the climate emergency, businesses can ensure they sit on the right side of history.

5 Companies that have Declared a Climate Emergency

Pukka Herbs

"We can't grow healing herbs on a sick planet" says Vicky Murray, Sustainability Manager at Pukka Herbs. The company's organic herbal teas and wellbeing supplements are now sold in over 49 countries and its commitment to the planet is evident from the mission statement to the choice of energy tariff at its UK office. Pukka declared a climate emergency in September 2019.

	2	3	
Resource the process and your commitments properly: you need dedicated resource and budget to bring in external experts.	It's ok to set an ambitious target. Pukka's Climate Manifesto will outline the specific steps on how the targets will be met.	Go for it! The time is now. It's an existential crisis, and we can't wait. Increasing levels of climate literacy mean that many people now know it is the right thing to do.	

Pukka Herbs' advice on declaring a Climate Emergency:

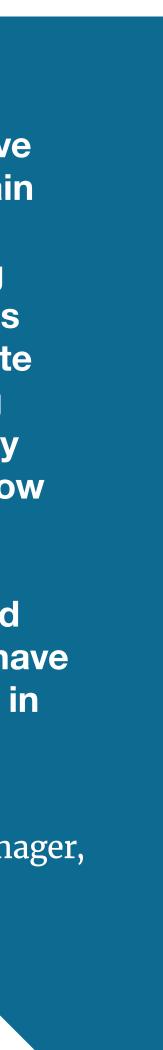
Walking the talk

Science-Based Targets. In 2017, Pukka mapped its carbon footprint from 'crop to cup'. This data was used to inform science-based carbon reduction targets which Pukka included in the declaration and use on an ongoing basis.

Supply chain and farmer resilience. Targets have helped the team to define their top priority: supply chain and farmer resilience. Suppliers use regenerative organic farming, low-carbon farming practices and funding from Pukka to implement their resilience plans. Pukka is currently developing an in-field app to help farmers assess climate risk and opportunity.

Consumer engagement. Pukka tea drinkers boiling their kettle constitutes almost 49% of the company's carbon footprint. The team is targeting emission reductions through customers, encouraging them to boil less water, use an eco kettle and switch their energy to renewables. **C** There isn't a bigger imperative than supply chain security. For any fast-moving consumer goods company, climate change is going to fundamentally shift how we grow things. Acting now will create cost savings and ensure we still have products to sell in the future."

> – Vicky Murray, Sustainability Manager, Pukka Herbs

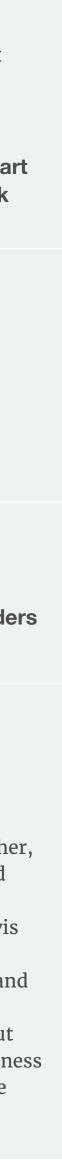


The Body Shop

The Body Shop, a UK-based cosmetics and skincare company, is a steadfast proponent of the principle that **business can be a force for good.** In 2019, the company declared a climate emergency alongside likeminded companies endeavoring to taking climate action. Looking forward, The Body Shop is intent on deeply understanding and offsetting their climate impact, and in 2021 will launch a commitment to become a zero-harm business across all social and environmental impacts by 2030.

Like other companies, we signed to declare a climate emergency at our board and be a part of the Business Declares movement. It is critical we embrace the chance to unite and work together for the sake of the next generation" – Christopher Davis, International Director of Corporate Social Responsibility and Campaigns, The Body Shop

Why are you declaring a climate emergency?	The Body Shop's decision to declare a climate emergency was largely driven by Extinction Rebellion's negative portrayal in the media. Internally, the company believed not only that Extinction Rebellion's efforts were in line with science, but also that their demands were right for business and right for the world. "Like other companies, we signed to declare a climate emergency at our board and be a par of the Business Declares movement. It is critical we embrace the chance to unite and work together for the sake of the next generation" – Christopher Davis
What will this mean for your business?	 Within the organisation, The Body Shop employees view the company's environmental advocacy as a correspondent and justified response to the climate emergency. Regarding their consumer base, The Body Shop perceives its customers to expect action in this arena. In the future, the company anticipates ramping up their climate advocacy to increasingly challenge the status quo and inadequate environmental policy initiatives. "People will see what we are doing as a good start but there are expectations, and rightly so, that we will and should be doing more in the future." – Christopher Davis
What challenges do you see in making this declaration?	For The Body Shop, declaring a climate emergency felt like a natural response to the obvious deteriorating state of planet. It wasn't even a debate. International Director of Corporate Social Responsibility and Campaigns, Christopher Davis, credits this to the company leadership, and noted that in the wider business landscape "what we need is leade who are committed to driving change across the company, and luckily we have it" .
The Body Shop's advice on how businesses should consider declaring a climate amergency	 If not now, when? The science is overwhelming and the need for action is compelling. I don't think anybody who pays attention to the outside world can ignore that and of course business doesn't live in a vacuum. Pace is critical. It is obvious that action needs to happen; we've gone beyond the question of whether action is a good thing for business or a good thing for the planet. The question is, rathe how fast should businesses move? Businesses must set an ambitious pace in order to two avoid both excessive, imposing regulations and a total system collapse. "The black swan of change is going to hit us; it's a question of when and how prepared are we going to be for it." Christopher Davis Using Heart & Head. Christopher Davis spoke of the power of both heart and head; the moral an logical factors that drive businesses to take action. The head understands that we are running out of fossil fuels imminently, and thus seeking alternative energy sources is only logical in a busine sense. The Body Shop draws on both of these influences in crafting and executing their climate action initiatives.



Ecotricity

On 20th May 2019, **Ecotricity** declared a climate emergency and has set targets to become net carbon zero by 2025. Gary Thomas, Sustainability Lead, and Simon Pickering, Principal Ecologist explain that Ecotricity has always had a focus on returning land back to nature, as part of its core focus on energy, transport, food and nature. It is now looking to offset its remaining residual carbon footprint with a UK based habitat creation scheme, by taking a piece of land and giving it back to nature.

Ecotricity's approach

Ecotricity's founder, Dale Vince, started the company with sustainability in mind and it is a core part of Ecotricity's values. Ecotricity started off as a green generation business but since grew to cover energy, transport, food and nature.

A "bills-into-mills" model is used, where all profits from the energy business are reinvested into new windmills, sunmills and soon gasmills. Profits from its telecom business are also used to buy land for rewilding and to use as a carbon sink.

Ecotricity uses an **environmental management system** to systematically set targets and monitor progress. It measures the impact of its business (input, output and everything in between), identifies areas and assets that have a significant impact, assigns a point score to each and creates a list of targets to work towards. The team asks: What can we avoid? What can we reduce? What can we replace?

Ecotricity's employee engagement

Senior management call the budget decisions and must buy in to the vision. New employees go through an induction process and training program to get them involved in the 4 key aspects of Ecotricity (energy, transport, food, and nature). It gives everyone a good grasp of what we're here for and how they can contribute.

Once everyone buys into the vision, we can quantify the environmental impact of various things and bring them to people's attention. Teams then begin to take ownership. Teams start to see that there are budget implications, staff implications, environmental implications and resolving this one issue could potentially improve the situation.

Advice for other companies looking to act:



Engage employees, from both a top-down and bottom-up approach. This is crucial.

Take a robust approach to data. For example, identify and quantify energy and water consumption, and assess where the company's largest impact lies. Look at what you can avoid, reduce or replace.

Take a longer-term vision of where the company wants to be. Imagine where the company will be in five-years' time and what it would take to get there. This helps everyone understand that the company is going to change, what it looks like, and what the benefits are.

C It's no good having one person at the top demanding sustainability change, and a working team of six at the bottom and absolutely nothing in between. You need a chain through the business for everybody to be engaged and actually make a difference." – Gary Thomas, Sustainability Lead, Ecotricity



Bates Wells

In September 2019, Bates Wells became the first UK law firm to recognise formally the climate emergency. As part of this declaration, the organisation committed to further decrease its carbon emissions to net zero by the end of 2019. Bates Wells leadership have shared that the firm recognised the climate emergency to achieve two immediate goals: 1) To reflect the urgency of the situation and the need for all of us take significant steps to reduce our environmental impact; and 2) To commit to specific actions to make a difference.

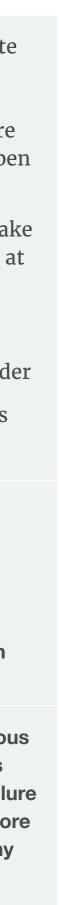
C The enormous damage inflicted by biodiversity loss and climate change are issues that affect us all. This announcement is a small but significant step towards doing our bit to address the problem.

Over the coming years we will be making a substantial effort to remain net zero carbon, to address our Scope 3 emissions, and to deliver on our other declared commitments.

We encourage other firms across the sector to come forward and join us in recognising the climate emergency and identifying the steps they will take to address the crisis confronting us.

We are already using the law as a strategic environmental tool, supporting a coalition of leading charities to seek a landmark ruling in which we hope to see clarification of the law applying to investment by charities in a way that recognises the severity and importance of the climate crisis." – Martin Bunch, Managing Partner, Bates Wells As a partnership, once we acknowledged this as an emergency, and mindful of our commitment as a B Corp to delivering positive impact, we asked ourselves, "If not us, who?" and "If not now, when?" The answers made declaring the obvious next step. – David Hunter, Climate Lead, Bates Wells

How can your employees participate in your climate action agenda?	 Bates Wells offers a range of opportunities to involve its employees and clients on its climat action agenda. Using the law to protect or improve the environment through applying existing laws more creatively, advocating for changes to laws which inhibit progress and developing more op relationships with clients and others to question and improve our collective impact Sustainable education programmes are offered to employees to upskill staff on how to ma more sustainable choices in their personal lives, including changing to renewable energy home and switching existing personal investments to sustainable businesses All in-office catering is vegetarian by default The employer-nominated pension fund emphasises sustainable options for staff to conside Sustainability evaluation guidelines exist to evaluate whether to accept client instructions based on whether they are congruent with Bates Wells' aspiration
What will this mean for your business?	"We were the first law firm in the UK to declare a climate emergency. We did this not because we want to differentiate ourselves so much as because we want it to be easier for others to follow the same path. We may benefit from being known as a leader, and because it is demonstrably an authentic action aimed at contributing to the society and market we want to be part of, not a marketing tactic, but it is our hope that those benefits are only short-term. Longer term returns would be other firms and the market responding in similar fashion, supporting meaningful action to address the climate and biodiversity crises." – David Hunter, Climate Lead at Bates Wells
What advice do you have for other law firms considering declaring a climate emergency?	"If you accept the magnitude of the climate crisis, then declaring a climate emergency is an obvio next step. The severity of the climate crisis requires global action but that starts with each of us stepping up and saying we are ready to do what we can. Waiting till we have to is a recipe for fail and the fact we may fail collectively will be no consolation if it comes to pass. Law firms have more influence than they like to admit and if we take responsibility we can make a difference that many more will thank than chastise us for." – David Hunter, Climate Lead at Bates Wells



Tribe Impact Capital

Tribe Impact Capital LLP (Tribe) is a discretionary wealth management firm within the UK dedicated exclusively to impact investment. Tribe was created to support the significant increase in demand from individuals and charities wanting to achieve both sustainable impact and a financial return from their wealth.

On 23rd April 2019, Tribe Impact Capital, and 20 other businesses, penned an open letter in the Times newspaper declaring a climate emergency. Amy Clarke, Co–Founder and Chief Impact Officer, explains that Tribe moved quickly as they made their decision to declare; the commitment was clear, they held a board meeting, evaluated the potential costs and implications and charted a path forward.

We need to take a head and heart approach to this crisis. We have a once-in-a-generation opportunity to create the future we need – it will require conviction, courage and agility" – Amy Clarke, Co-Founder and Chief Impact Officer, Tribe Impact Capital

Tribe's approach:

Tribe's advice:

Tribe Impact Capital is committed to playing it's part in keeping global temperature rise below 1.5 degrees. Apart from the moral imperative to do so, if as an industry we don't, says Amy, we will be exposing client capital, which we all have a fiduciary responsibility to protect, to significant levels of risk and potential loss.

The sooner we can accurately and comprehensively quantify financial losses associated with the effects of climate change, the better. We need to better translate climate risks into financial terms to stimulate more engagement and action. But that shouldn't mean we don't act now. What is right to do, is right to do. To address the challenges associated with the climate crisis, vision and velocity are essential.

Climate science is complex and the resulting changes in our atmosphere and their knock on effects even more so. Understanding the climate crisis from the perspective of businesses can be challenging; it relies on complex data and an ability to translate it. Using the right language to articulate the criticality of addressing the climate crisis and a business strategy to do so is key.

The projected financial cost of inaction is high. Businesses must become more aware of the risks of inaction and the impact it will have on their future operations and growth. Businesses that are 'on the fence' need to fully appreciate the risk the climate crisis poses to their business. We have an opportunity to future-proof ourselves. We must take this opportunity.

Part 2: Taking Action How to Declare a **Climate Emergency**





bcorporation.uk

How to declare a climate emergency: getting started

Get behind the facts

Publicly acknowledge the science and raise the profile of the climate emergency. Use your position as a business leader to boldly support the science and remove impediments to action or doubts about climate change.

Commit to change

Publicly commit to change and develop a business strategy for how you will make change happen, including setting science based targets and deeply reviewing your current business model.

Move together

Engage in the creation and activation of shared solutions and commitments to drive wider economic change. Inspire your employees, executives, competitors and customers to make sure climate action stays at the forefront of our interconnected priorities.

C The same commitment and energy that drives engagement by employees also affects consumers. Tell the same story to all the people you deal with, so that your suppliers, your investors, your customers, you employees are getting the same message. You do that over time and it's consistent, it's backed by commitment and it builds trust. That's my experience at Patagonia."

– Vincent Stanley, Director of Philosophy, Patagonia



Taking the Climate Emergency to the Board

The climate emergency declaration should be made, generally, by the board of the company, although the governing documents should be reviewed to ensure they do not contain relevant requirements to be taken into account. For specific questions we encourage you to reach out to your legal advisor.





Draft a declaration statement which includes the following:

Our business was designed in a time when there was a different expectation of the role of business in taking climate action. This context has changed. Today we are clear there is a climate emergency which will require immediate and radical action by our business.

We believe based on the facts we know today, it would be a breach of our duties as directors of the company and custodians of our stakeholders' interests to continue as though there is not a climate emergency.

This Declaration requires that the entire business design be rethought in the context of a climate emergency. This includes a commitment to carbon neutrality before 2030 (set a date) with realistic interim milestones along the journey including science based targets.

This declaration commits us to reshape the short, medium and long-term strategy and business model of the company, and that this redesign must embrace the principles of 'just transition' which takes into account people who will be implicated in this declaration.

We must seek to maximise the interests of all stakeholders – shareholders, employees, suppliers, customers – in the context of a total commitment to doing what is required by the climate emergency.

Board Chairman:	Employee rep. :
CEO:	Youth rep. ¹⁷ :

Adopt the declaration

If you are an employee/executive:

- Allocate some time in staff meetings to climate change and potential impacts.
- Form a committee and bring together colleagues interested in the topic. Involve representation from across the different parts of the business.
- Generate support in your workplace for the request that a climate emergency declaration is made by the company. Set up a survey/petition to have employees sign to show support for the request.

If you are a board member:

- Determine the date of the next board meeting. Contact the holder of the agenda and ask to put climate emergency on the agenda suggesting the proposed agenda and minutes in the Resources section of this Playbook.
- Circulate the proposed declaration of climate emergency in advance.
- If there is no board meeting planned on the immediate horizon – propose calling one at the earliest date consistent with the terms of the company's governance arrangements.
- Establish whether shareholders are required/entitled to make the decision on declaring a climate emergency, with legal input if necessary.

17. Ensure that there is a transparent process for selecting a youth representative

Making it happen: 5 steps to get going

Communicate internally

Hold internal conversations about the climate emergency (over company-wide lunches and/or Town Hall meetings) and the need for the business to ensure a 'just transition,' through dialogue between management, staff and where relevant, unions. This dialogue will identify where the business contributes positively to the climate emergency and areas where it has a negative impact. It can also identify transition opportunities and risks to be identified and managed, encouraging everyone in the business to contribute ideas and solutions. Do not move beyond this stage until the business is with you. See more on how to plan a just transition <u>here</u>.

2

Appoint a transition team

This team will set a new strategy for the business, which includes setting science based targets (point 3) and steps for implementing changes to the business model (point 4).

3

Set Science-Based Targets

Science based targets are goals set by companies to reduce GHG emissions, in line with the latest climate

science suggestions to meet the goals of the Paris Agreement (limit global warming to 1.5% above preindustrial level). These targets can be externally verified by signing up to the Science Based Targets initiative (SBTi) which is a collaboration between Carbon Disclosure Project (CDP), the United Nations Global Compact (UNGC), World Resources Institute (WRI), and the World Wide Fund for Nature (WWF) and is one of the We Mean Business Coalition commitments. Understanding your carbon impact across your full value chain will be a key part of setting your target. This must extend to Scope 1, 2 and 3 emissions.

Reimagine your business model

If your business is in any way dependent or fuelled by finite resources, it is time to think about a transition. External input might be required if your in-house capability is limited. You can find inspiration from the work of the Ellen MacArthur Foundation¹⁸ and Kate Raworth's Doughnut Economics¹⁹. Start by identifying areas of conflict, or potential conflict, between your core business model and factors of potentially negative environmental impact (e.g. production of or reliance on fossil fuels or other finite resources). For each conflict, review ways in which the negative impact identified could be altered to become positive. In many cases this will require some radically creative thinking and a workshop environment. Facilitation by an outside expert could be useful. For example: If your company manufactures washing machine components, and you identify that your (finite) raw input material is likely to become scarcer (therefore more expensive) over the next 10 – 20 years, you could consider a move to a leasing model whereby you retain ownership of the component, lease it to your customer, and recover it for remanufacturing or reuse after it has reached end of life.

Share your story

5

Declarations of the climate emergency need to be vocal and inclusive, but they also need to come with lasting commitments. Develop an ongoing communications strategy to share your commitments with other businesses and celebrate the changes you are making. Ongoing actions are integral components of declaring a climate emergency and the more this becomes part of the 'norm' the more businesses will feel compelled to follow your leadership.

18. Ellen MacArthur Foundation

19. Kate Raworth's Doughnut Economics

Engaging with Key Departments

It is vital to identify where your business has the biggest carbon impact. These departments should then be considered a priority. Remember, your biggest impact could be outside of your head office.



Operations

Impact analysis

Work with your operational team to conduct a full environmental impact analysis across all areas of your business. It is important to engage employees and stakeholders at all levels of the business. The best way to measure impact is:

- Decide key impact measures to track
- Conduct a baseline study
- Continuously benchmark performance to the baseline
- Set and celebrate short-term wins

Set up a transition team

This team will be responsible for developing a new strategy for the business, which includes action plans on how to identify new science based targets and how to implement changes to the business model. Ideally this team will be intergenerational and cross-departmental.

Carbon

Calculate and report annual greenhouse gas emissions inventory ('carbon footprint') compliant with the Greenhouse Gas Protocol.

Energy usage

Renewable energy is now easily accessible and competitively priced. If you aren't currently with a renewable energy provider, switch.

Travel

Encourage employees to use video conferencing or other alternatives to minimise travel, especially air travel. Incentivise walking, cycling or public transportation for meetings.

Water use

Review your current water consumption and upgrade your conservation policies.

Waste management

Review your current waste management policies and upgrade them by exploring how to go paperfree and plastic-free.

Food

Consider your business catering to ensure it comes from responsible sources using ecologically beneficial systems like organic. Discuss reducing or eliminating meat and dairy from your business catering and snacks. Only purchase food and drinks with verified environmental standards.

Culture

Use of language

The cultural aspects of the organisation need to align with behaviours and beliefs congruent with tackling the climate emergency. Integrating the right language when talking about this topic is key. Companies must focus on the positives of taking climate action while communicating with organisation members, and avoid using 'frightening' or 'threatening' language as it can be demotivating and make people increasingly skeptical.

Behavioural alignment

Deep change requires shifting the organisational mindset and moving towards a culture of climate conscious leaders and staff. Introduce policies and actions around communication, training, support networks, leadership development and the organisational development agenda. Encourage executives and employees to publish their own commitments in their personal lives.

Engage your employees

Support and encourage your employees to change their behaviour. This includes switching to renewable energy at home, using more public transport, cycling and walking, reducing food waste and eating less meat and dairy.



Taking action: Natura

Natura, a sustainable cosmetics company based in Brazil, is part of the Natura & Co Group along with The Body Shop and Aesop. Natura committed to being a carbon neutral company 12 years ago, with one of its key initatives being to work closely with its suppliers to map key areas for carbon reduction. In 2019, Natura signed the Global Compact Pledge to go beyond carbon neutrality to net zero emissions no later than 2050.

Natura's approach

- Knowledge sharing of best practices between Natura & Co companies as they are at different stages and have different baseline scenarios.
- Mapping new technologies available in the market.
- Partnerships with suppliers as well as companies in different sectors who have signed the same pledge to identify and leverage new technologies for robust carbon emission reduction, which require large investments. This will enable cost reduction and scale of solutions.

Stakeholder engagement

Customers are easier to influence as they already have the perception that Natura is a green and sustainable company.

While employees already have the same mindset, part of their bonus compensations are linked to performance of carbon emissions, so employees are always working to pursue projects with lower carbon emissions.

It is important to go beyond suppliers who are part of the B Corp movement and invite them to be part of the agenda. For example, to reduce emissions related to delivery of goods, can partnerships be forged with leading electric vehicle manufacturers? Second, Natura's suppliers must implement sustainable offerings not only while supplying to Natura but also within their own business models as their regular standard of operations. Emphasising cost savings associated with supplying all clients with the same services and materials that they provide Natura with, is a good way to get initial buy–in from suppliers. Businesses must be shown the importance of being part of this agenda. Keyvan Macedo, Head of Sustainability at Natura says "We need to expand the mind-set of companies, to look beyond financial results and be the golden standard for carbon reduction in their sector." Having a global platform of businesses can aid collaboration and knowledge sharing to support different businesses in their journey to achieve net zero emissions. "It is often that one solution can solve the needs of different companies" says Keyvan.

Advice for other companies looking to act:

Businesses need to shift their efforts from 'offsetting' emissions to 'reducing' emissions

To take climate action, businesses must –

i) Map the main sources of emissions in their supply chain.

ii) Make a commitment to act either by developing solutions themselves or by engaging with suppliers who already have solutions.



Legal and governance

Purpose

Build climate and environmental principles into the vision and mission of your business. Clarify the key components of your purpose to enable your board to align and guide effectively.

Control and ownership

Consider whether the ownership of your business supports your commitment to climate action and adjust if necessary. Shareholders whose interests are aligned with the business' purpose are willing to take on crucial portions of longer term, more stable shares, enabling you to make decisions supporting climate action rather than purely prioritising profit. Foundation–owned firms taking this approach include IKEA and LEGO.

Climate directors

Consider whether the board has requisite knowledge on climate issues and whether, if not, this may be addressed by additional appointments, training, or use of a sub-committee.

Carbon target

Develop carbon reduction targets and agree on frequency of board reporting on progress against them (monthly or quarterly).

Carbon transparency

Agree on a level of carbon target transparency and the company's engagement (internal and external) on progress against the carbon targets.

Carbon budget

Agree on top-level strategies and workflows to be deployed in order to achieve carbon targets (including approval of relevant budgets).

Risk

Add climate-related risks into the company risk register and details of risk management procedures and internal controls.

, Consider updating your articles

Include adherence to UNGC's 10 Principles in your articles. And/or, if you're not a B Corp, consider adopting the B Corp legal requirement where director duties include providing equal consideration to both shareholders and stakeholders.



Finance and accounting

Capital management

Look at how the company capital is secured, such as where it gets its project financing and loans. Where possible, move this business to banks that refuse to invest in businesses dependant on fossil fuels.

Carbon price

Set an internal price of carbon. Consider a meaningful price such as £40–80/tonne.²⁰

Environmental profit and loss reporting

Develop a full environmental profit and loss statement based on a relevant and meaningful price on the cost of externalities caused by the business in a standardized manner. This could include cost of carbon offset, water treatment, and net neutral biodiversity impact. This measurement has to be measurable and auditable.

Carbon reporting

Adopt the Greenhouse gas protocol (GHG protocol) to objectively measure and report carbon emissions on different aspects of the business. While there is still a degree of subjectivity in measuring Scope 3 emissions (indirect emissions in the value chain) under this protocol, it objectively measures Scope 1–2 emissions (direct emissions from owned assets and indirect emissions from energy generation), which can be audited and compared with other companies.

Voluntary reporting based on the Task Force on Climate-Related Financial Disclosures (TCFDs)

The TCFD recommendations can help companies identify climate change related risks and opportunities in their business, by considering the areas of the company's governance, strategy, risk management and metrics & targets. This additional reporting in the annual financial filings, can increase the investors' and lenders' confidence in the company's climate-related risks, and also strengthen the company's awareness of climaterelated risks/opportunities.²¹

HR

Air travel

Significantly reduce flight travel and offer employees alternatives and incentives not to fly.

Commuting

Encourage low carbon commuting e.g. cycle-to-work schemes.

Habits

Encourage commitments to change habits at work and home. Using a platform like <u>Do Nation</u> enables you to run an employee pledge challenge, educate and engage your team.

Time off

Offer paid days off for employees to engage in climate activism and volunteering.

Incentives

Evaluate company incentives and their environmental implications. If existing incentives drive employees towards goals with negative environmental consequences, adjust them. Consider new incentives to support agreed upon operational and cultural changes. Pukka connects a percentage of employee bonuses to carbon savings.

Pensions

Set up pensions with environmentally responsible providers and provide employees with the choice to switch to these providers. Look into funds that directly put part of their investments into impact investment projects that will deliver returns and social impact over the long-term.

20. <u>World Bank</u> 21. <u>tcfdhub.org</u>



Marketing

The bridging role of marketing

Marketing serves as a bridge to customers and that unique vantage point should be used to understand how customers feel about climate change and the implications of their purchase choices.

Purchasing power

Educate your clients and customers around using their purchasing power to create change. Encourage 'buy less but better'. Clearly communicate the impact of purchasing.

Brand alignment

Alignment between the organisation and its brands and products is essential to deliver on commitments.

Go public

Send a clear public message, integrating your climate emergency declaration into your communications.

Partnerships

Review your existing partnerships. Are you working with other organisations that are actively contributing to tackling aligned issues?

Supply chain

Supplier ledger

Review all your suppliers and look to buy from companies that are also operating with climate emergency conditions guiding their strategy. Gearing the supply chain to achieve the organisation's climate commitments is a key step. The goal must be to create a 'coalition of the willing'.

Travel footprint

Find out how products are transported and give preference to goods that are not transported by air. Move materials as little as possible.

Delivery

Explore using alternative fuelled vehicles (electric, CNG) where possible.

Material inputs

Review all the materials used in your manufacturing processes and shift to the most responsible (and least impactful) materials. Use reusable or recycled materials where possible. Undertake a full Life Cycle Analysis (LCA) on your products.

Energy

Encourage your suppliers to switch to using renewable electricity and biogas.

Climate resilience

If reliant on agriculture, build climate resilience into your supply chain (e.g. drought resistance, water saving, agroforestry). With complex supply chains, start by mapping significant suppliers and identify those in hot spot areas.

Buyer power

Encourage suppliers to adopt science based targets.

For a comprehensive list of actions that you can take to improve your climate practices, to access additional improvement resources, and to be able to actively manage and track your progress over time, use the <u>B</u> <u>Impact Assessment</u> and/or the <u>SDG Action Manager</u>.

The B Impact Assessment is used to manage a company's impact on their workers, community, customers, and the environment, and is used to meet one of three requirements for a company to be eligible for B Corporation Certification. Users can focus their improvements in the environment impact area, particularly air and climate.

Developed by B Lab and the United Nations Global Compact, the SDG Action Manager is a web-based impact management solution to enable businesses to take action on the Sustainable Development Goals through 2030. After completing a baseline module focused on a comprehensive set of introductory practices, users can choose to focus on the module dedicated to SDG 13 – Climate Action.

Taking action: Rising Sun

Rising Sun operates in Chile and Hawaii, providing design, installation, financing and maintenance for solar energy systems. Clients include homes, businesses and schools who begin to generate their own electricity and enter a long term contract, or Power Purchase Agreement, where the local network purchases electricity from them. This creates savings, which Rising Sun use as an opportunity to implement initiatives to tackle local environmental challenges hand-in-hand with the client. Lucas Besasso, Co-founder and Partner, cares deeply using Rising Sun's model to educate people and empower them to act:

In Chile, many people tend to think that the climate crisis is something that is happening in other countries. We don't realise that it is a reality for us and that there are opportunities - that are not expensive, complicated or technical - to act right now. We need to educate people." Lucas Besasso, Co-founder and Partner, Rising Sun

How to Declare a Climate Emergency

Everyone should be trying to make an impact – not just businesses in the solar or sustainability space. Education and carbon neutrality are the first clear steps." – Lucas Besasso, Cofounder and Partner, Rising Sun

Rising Sun's advice on influencing and educating:



identity, such as

spread its message.

pro surfers, to

Consider new ways to engage and educate. At the end of the year, Rising Sun invites clients to play a game – an escape room – and delivers a talk about clients' solar systems including data about the environmental impact of their decision. Use your position of influence. As part of the Chilean Association for Solar Energy, Rising Sun sits on the utility distribution committee and pushes for legislation to promote distributed generation.

Encourage employees to take action individually and collectively. Rising Sun's team recycles the byproducts from installations, trying to get as close to zero waste as possible. The team grows some of their food, composts food waste and cycles to work.



Engaging your professional advisors

Talk to your lawyers

Work with your lawyers to establish clear governance protocol on how decisions will be made within the business – and how to make sure these decisions are legally bound and protected.

Talk to your accountants

Share your concerns related to the climate emergency with your accountants. They can help set up systems to measure and manage climate related externalities. They can support your finance team in raising and allocating the funds your organisation needs for transition and adaptation, embedding greenhouse gas (GHG) reductions within your organisation's decision-making processes, and accurately tracking and reporting performance against reduction targets. Ask your providers to demonstrate their credentials and encourage them to build up their own capabilities to help you respond to the climate emergency.

Lawyers who understand the evidence - the climate science and the economics of the net zero transition - are the trusted advisers you should turn to in the climate emergency. Astute and informed commercial lawyers not only mitigate risk and liability exposure in this disruptive business environment, but can also help you navigate opportunities for climate leadership within your business fencelines and across your value chains."- Ellie Mulholand, Commonwealth Climate and Law Initiative

Contribute: Professional accountants have an ethical responsibility to act in the public interest. Many argue that this responsibility must now include helping organisations to address climate change. Our profession is eager to contribute. We have skills and expertise necessary to help effect meaningful change and are rapidly learning how to apply these to the unchartered challenges that climate change presents. Identifying material risks with financial consequences and providing the information needed to make decisions are the domain of the accounting profession. We can provide relevant analysis, reporting, scenario analysis and assurance to help organisations generate and preserve value. We can therefore be influential in driving sustainable behaviours. Acting together with organisations of all types, we can help to deliver environmental, social and economic sustainability.' - Clare Hierons and Jessica Fries, A4S

Business model innovation

Despite the important work happening in your present model – most businesses will also need to consider the need for business model transformation.

Frameworks to help you on your journey:

Circular Economy Check out the Ellen MacArthur Foundation website for case studies, reports and tools.

Regenerative Economy. <u>Check out Capital Institute's '8 Principles of a Regenerative Economy'</u>

Donut Economics. <u>Check out Kate Raworth's TED Talk</u>

B Impact Business Models : Check out the 'Designed to Conserve' model and other impactbased business approaches highlighted in the B Impact Assessment, the backbone of the B Corp certification.

Key questions to ask include:

What implications will the climate emergency have on your business model?

How will you approach **business model** transformation?

How does an organisation monitor and enforce climate breakdown related policies?

This needs to be covered in the organisational governance structure and framework and will cover areas such as;

Executive remuneration and bonus and the flow down of these policies to remuneration and bonus for staff

 Other recognition schemes
 – such as staff awards, sustainability awards etc

Such a system needs to be open, transparent, measurable and 'have teeth' to ensure it is effective within the organisation.

Performance and personal development systems and policies

Part 3: Climate Advocacy

Adapted from the U.S. B Corporation Draft Climate Policy Agenda



bcorporation.uk

Individual actions won't be enough without direct and collective climate advocacy and activism

Businesses are becoming increasingly engaged in corporate activism, largely in response to the demands of their workforce and customers. Within this context, we must harness the energy of business activism to advocate for climate policies that address the climate emergency – ensuring all policy engagement, lobbying & trade association membership are in line with a Paris aligned climate commitment.

Activism

Many businesses are engaging in direction action. During Climate Week 2019, corporate leaders like Seventh Generation, Ben & Jerry's, W.S. Badger, Namaste Solar, Patagonia, thousands of B Corps and other mission-driven companies around the world (representing large and small businesses from a wide range of industries and geographies) risked brand equity, customer loyalty, sales and even stock price to show up in solidarity with youth activisits for the climate strikes. Many closed their retail shops and manufacturing lines, conducted social media blackouts, and even transported employees to the strikes.

Collective activism

Taking leadership on the climate emergency is about more than just the actions of your business. It is also about engaging in the necessary bold actions as a community – as a collective. Great vehicles to do so include the Climate Collaborative and the B Corp Climate Collective, which includes numerous "action groups" focused on creating useful tools for climate action on topics from political advocacy to sustainable packaging.





Recognising that voluntary action by individual businesses is insufficient to address the scale of the climate emergency, businesses should commit to use the power of their brand to advocate for policy changes necessary to remove impediments and align incentives to achieve a rapid and just transition to a net zero carbon economy. Efforts should follow the lead of climate experts as well as communities on the frontlines and those impacted first and most significantly. Overarching policy focus should be on keeping average global temperature rise this century under 1.5°C above pre-industrial levels consistent with global agreements rooted in science, while achieving a just transition to a net zero carbon economy. Corporate climate policy advocacy should focus on policies that:*

- policy priority;

Incentivise a swift transition to 100% clean and renewable sources of energy by 2050, and end all subsidies for the fossil fuel industry;

Institute a non-regressive price on carbon that creates the incentives required to reduce carbon emissions in line with our overarching

Invest in infrastructure and innovation that increase drawdown of carbon in the atmosphere and accelerate decarbonization;

- Incentivise a transformational shift to a regenerative food and land-use system that supports human health, the farm economy, and restores our land, soil, water and biodiversity;
- Expand economic opportunity and ensure a fair and just transition for displaced workers and communities; and
- Remove impediments and align incentives to drive meaningful climate action and move toward a new economic system that requires corporations, and the investors who own them, to operate with a first principle to preserve the natural and social systems upon which life and thriving markets depend.

*Adapted from the "U.S. B Corporation Draft Climate Policy Agenda"

Advocacy in action: Patagonia

Caring for the planet is integral to Patagonia's mission – climate action is built into the very fabric of the US-based outdoor apparel company. Examples include Patagonia's goal to go beyond net zero and become carbon positive, as well as their Worn Wear hub, which enables customers to sell their unwanted gear, cutting down on consumption and extending the life of products.

6 Businesses are really worried about reputational risk. They are going to have more reputational risk if they don't include what is going on in the world as part of what they think about, what they plan for and how they act." – Vincent Stanley, Director of Philospohy, Patagonia

Patagonia is a self-described activist company. Vincent Stanley, Patagonia's Director of Philosophy, believes that

"the most important thing we've been doing in the last 10 years is to really be a part of the environmental community. We used to help and support activists; now we're much more in the trenches with them."

As well as contributing over \$90 million to environmental causes since 1985 and connecting customers with local environmental initiatives via Patagonia Action Works, Patagonia is currently suing the US government over plans to reduce the size of two national parks. The Vote the Environment campaign encourages young people to register and to vote in elections, and Patagonia is leveraging its passionate customer base to challenge climate deniers in Congress for the 2020 election.

Patagonia's activism and advocacy

Vincent Stanley's advice on engaging in activism:

It's important to shift the focus of business away from just maximising profits. Engage with experts and learn from B Corps who have long practiced stakeholder capitalism.

When deciding on your cause, stick to issues that you know and that are closely related to your core business or core competency. If a customer perceives that your company is using advocacy to sell products, they won't trust it – you don't want it to become a marketing campaign.

Consider engaging in ways that will have most knock on effects, or that will help other projects to succeed.

Listen to your employees and allow them to make decisions.



Part 4: For the Road Ahead

Further reading

- The B Team and Ceres Getting Climate Smart: A Primer for Corporate Directors in a Changing Environment
- Greenpeace What Declaring a Climate Emergency Looks Like
- List of UK Councils Who Have Declared a <u>Climate Emergency</u>
- <u>UNGC The Ten Principles of the UN Global</u> <u>Compact</u>
- Greta Thunberg Special Address, Annual Meeting of the World Economic Forum 2019
- <u>The Climate Collaborative Take Action</u>
- Protect Our Winters CEO Alliance Why CEOS Should Speak Out on Climate
- Jay Coen Gilbert, Forbes Larry Fink, Tucker Carlson, David Brooks and The Call For A Capitalist Reformation
- Project Drawdown Summary of Solutions by Overall Rank

- <u>Bianca Nogrady, Ensia Can Business Save</u> <u>The World From Climate Change?</u>
- <u>Pamela Mang, Ben Haggard, Regenesis –</u> <u>Regenerative Development and Design: A</u> <u>Framework for Evolving Sustainability,</u> <u>Chapter 5 – Start From Potential</u>
- <u>U.N. Sustainable Development Goal 13:</u> <u>Climate Action</u>
- Pope Francis Encyclical Letter Laudato Si' of the Holy Father Francis on Care for Our Common Home
- IPCC Specia
- <u>We Are Still In Major Companies Voice Their</u> <u>Commitment to the Paris Agreement</u>
- <u>We Are Still In Commitments</u>
- <u>United Nations Framework Convention</u> <u>on Climate Change (UNFCCC) – The Paris</u> <u>Agreement</u>
- <u>Rod Beckstrom The Starfish and the</u> <u>Spider: The Unstoppable Power of Leaderless</u> <u>Organizations</u>

IPCC – Special Report: Global Warming of

- Otto Scharmer, TEDXTUHH Theory U Learning From The Future As It Emerges
- Data for Progress A Green New Deal: <u>A Progressive Vision for Environmental</u> <u>Sustainability and Economic Stability, Policy</u> <u>Report</u>
- United Nations Framework Convention on Climate Change (UNFCCC) – Introduction to Climate Action

Books

- Theory U: Leading from the Future as It Emerges by C. Otto Scharmer
- Power and Love: A Theory and Practice of Social Change by Adam Kahane
- A Finer Future: Creating an Economy in Service to Life, by Hunter Lovins, Stewart Wallis, Anders Wijkman, John Fullerton



Further reading

Networks and communities

If you'd like to connect to communities of fellow travellers, please reach out to:



Blueprint for Better Business

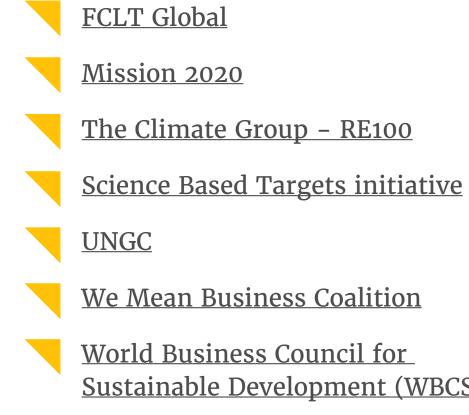


<u>The B Team</u>

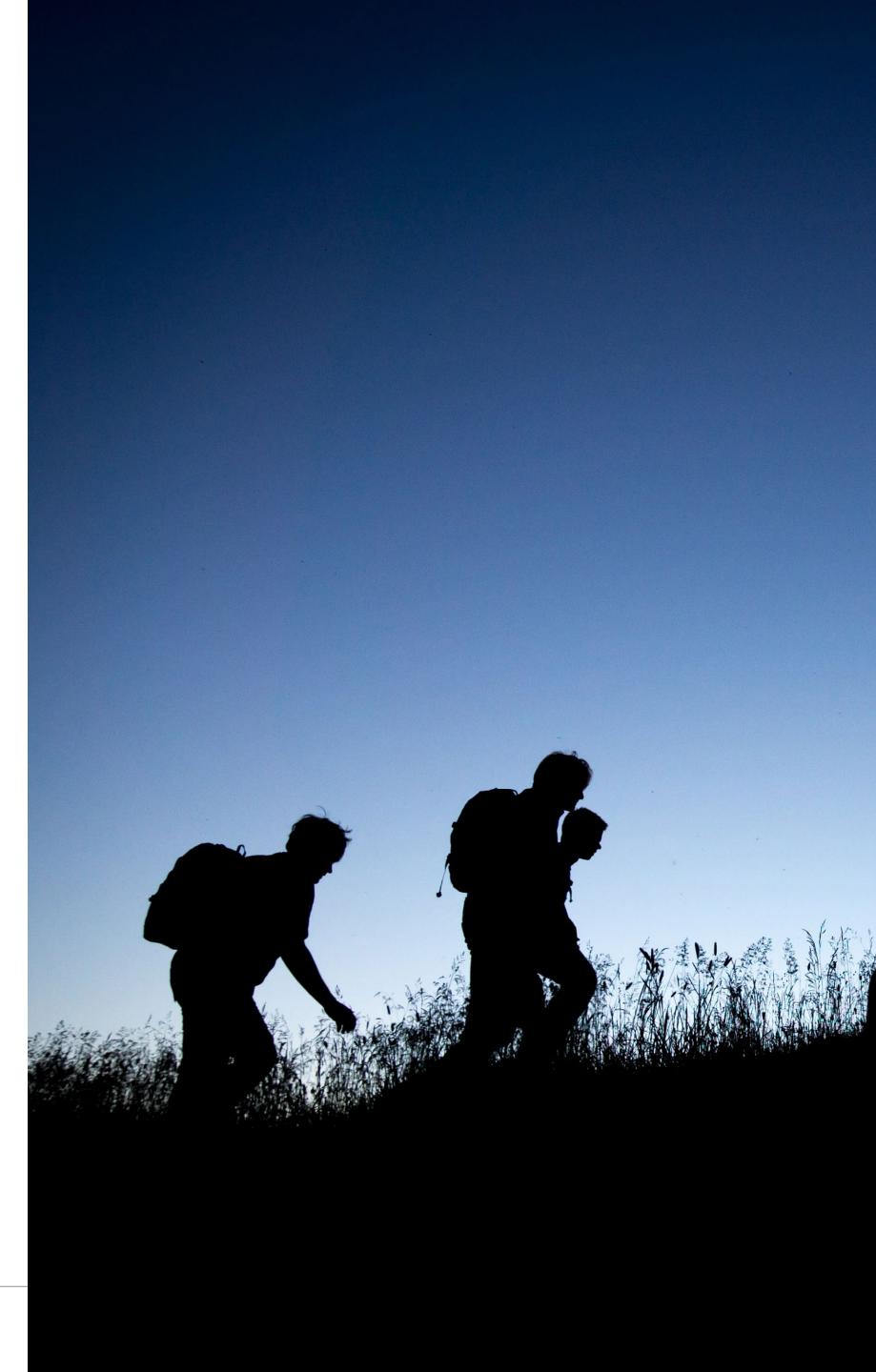
Climate Action 100+

<u>Ceres</u>

Ellen MacArthur Foundation



Sustainable Development (WBCSD)



Resources

Where to go for some help?

Here are some organisations and resources that can help you get started:

- Incentivise staff to take slow travel options. <u>Climate Perks</u>
- Set up pensions with environmentally responsible providers. <u>EQ Investors</u>
- Move money to a bank that refuses to serve the fossil fuel industry. <u>Triodos</u>
- Learn how to effectively communicate around sustainability. <u>Futerra</u>
- Engage your employees and encourage behaviour change. <u>Do Nation</u>
- Understand and apply environmental best practice. <u>B Lab</u>
- Learn about scope 3 emissions. Carbon Trust

- Switch to renewable energy. <u>Big Clean Switch</u>
- Identify your supply chain risk hotspots. <u>Maplecroft</u>
- Act on the Climate Emergency. <u>Kin & Co</u>
- Search for environmental consultants in the B Corp Community. <u>B Lab UK</u>

Tools for the road ahead

- <u>B Impact Assessment</u>
 - <u>B Impact Assessment Knowledge Base</u>
 - <u>B Corp Climate Collective Engaging</u> <u>Employees on Climate Change</u>
 - <u>B Corp Climate Collective –</u> <u>Climate Action Guide</u>
 - <u>B Corp Climate Collective –</u> <u>B Corp Climate Strike Mobilization Toolkit</u>
 - <u>B Lab How Businesses Are Addressing</u> <u>Climate Change</u>
 - <u>Ceres The Ceres Roadmap for Sustainability</u>
 - <u>Carbon Trust Carbon Footprinting Guide</u>
 - <u>Climate Neutral Climate Neutral Certification</u>
 - <u>The Nature Conservancy Calculate Your</u> <u>Carbon Footprint</u>



Resources

Sample board meeting agenda

Part 1: External Stimulus

Climate Scientist – 10 minutes

Youth Activist – 10 minutes

Reflections + Q&A – 20 minutes

Sample board meeting agenda

Part 2: Discussion (ask visitors to leave)

Select a facilitator (default to the Chair)

Discuss and decide if the business wants to declare a climate emergency

 Discuss implications to both the business model and the operations Decide if this will be a private or public declaration

Appoint a Transition team to manage the process of developing and activating the climate emergency declaration

Sample board resolutions

Business of the meeting

It was explained that the Company, including board members and employees, had expressed concern at the current position in respect of climate heating and there was a desire for the Company to recognise what has become known as the climate emergency, to map out how it will respond to it in its business operations, and to commit to delivering that response

External expert speakers had been invited to attend the meeting and a facilitator appointed to lead a discussion among the directors regarding the Company's response to the climate emergency.

The Chair reported the purpose of the meeting was to consider the Climate Emergency and the Company's response to it.

A draft declaration of climate emergency was produced to the meeting.

Benefit

After due and careful consideration the Board was [unanimously] of the opinion that in resolving to declare a climate emergency and to act in the manner agreed at the meeting, the Directors were acting in good faith to promote the success of the Company [and through its business and operations to have a material positive impact on society and the environment, taken as a whole].

Resolution

After careful consideration, including of such matters referred to in section 172 (1) of the Companies Act as the meeting considered appropriate, and of the matters presented and documents produced to the meeting, IT WAS RESOLVED to approve the Declaration of a climate emergency in the terms [circulated with the Notice of Meeting / attached to these Minutes]



Thanks!

With thanks to:

Saïd Business School, University of Oxford MBA Team: Briana Baptiste, Laura Ketteringham, Mahi Khakhar, Spencer Patel, Kittithat Promthaveepong and Ron Sircar

Smith School of Enterprise and the Environment, University of Oxford – Top Ten Climate Facts: Philipp Trotter and Elena Perard Manzano.

Our interviewees:

Richard Barker, Professor of Accounting, Saïd Business School, University of Oxford, Robert G. Eccles, Visiting Professor of Management Practice, Saïd Business School, University of Oxford, Janet Smart, Reader in Operations Management, Saïd Business School, University of Oxford, Gary Thomas, Sustainability Lead at Ecotricity, Simon Pickering,

Principal Ecologist at Ecotricity; Amy Clarke, Co-Founder and Chief Impact Officer at Tribe Impact Capital, Vincent Stanley, Director of Philosophy, Patagonia, Lucas Besasso, Co-Founder and Partner, Rising Sun, Vicky Murray, Sustainability Manager, Pukka Herbs, Keyvan Macedo, Head of Sustainability, Natura David Hunter, Climate Lead, Bates Wells

emergency)

Our original partners on the **B Lab UK Playbook:**

Katherine Abbot, Thomas Bourne, Brad Frankel, Matt Hocking, David Hunter, Emma Littlewood, Charmian Love, Andy Middleton, James Perry, Ben

Our incredible design partners LEAP (who have declared a climate

Tolhurst, William Richardson, Hermione Taylor and Louise Ziane.

The B Lab UK team

Chris Turner, Kate Sandle, James Ghaffari, Hannah Reiss, Catherine Draper

The B Team team

Emily Hickson, Charlotte Blommestijn and **Emily Bonta**

B Corp Global Climate Task Force

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