

# Leading people and leading ourselves to achieve Net Zero

The Crucial Role of HR towards sustainable futures



circular advisors

Closing the loop for a sustainable economy

# UNINTENDED CONSEQUENCES

- Overgrazing leads to soil degradation
- Loss of plants and biodiversity
- Reduced crop yields



# *SUSTAINABILITY: A DEFINITION*

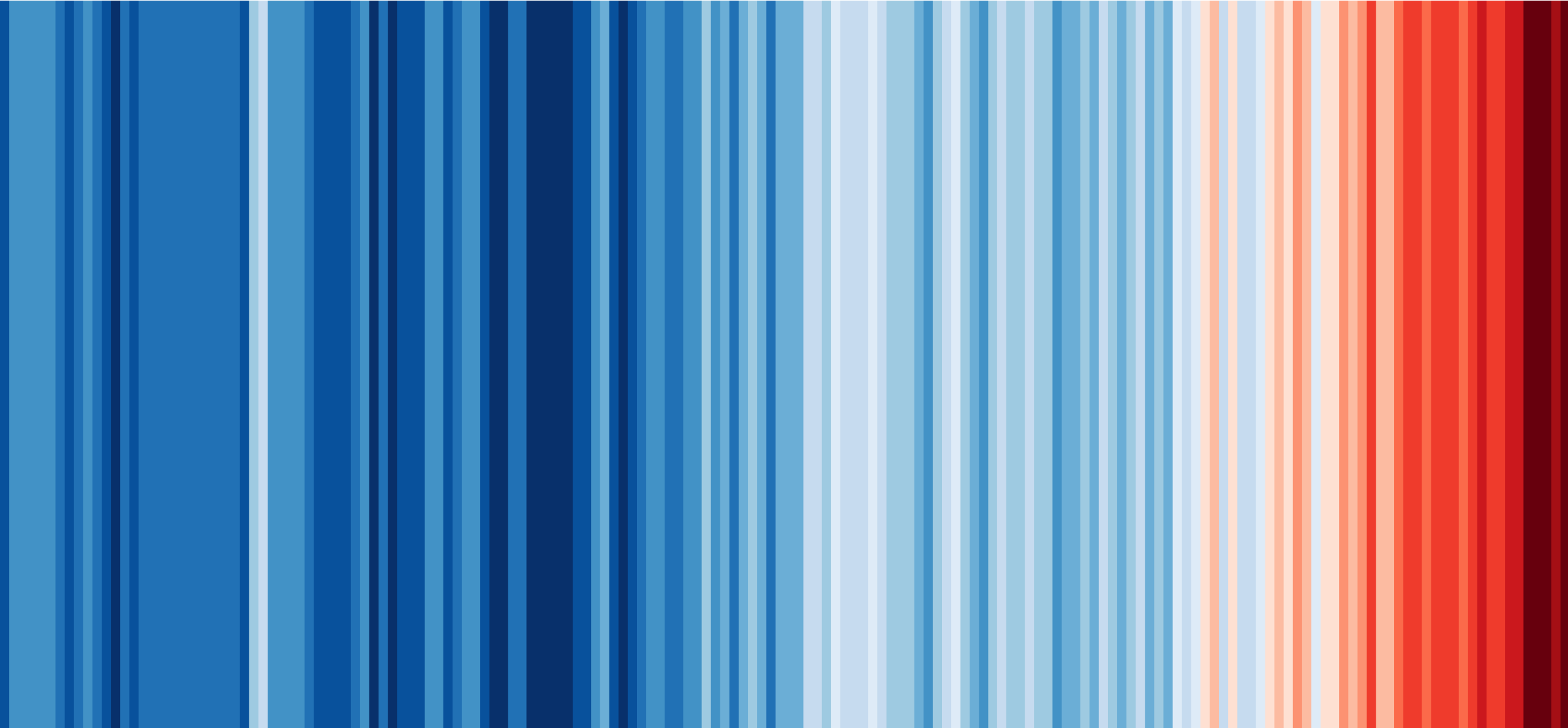
Sustainability means prioritising the needs of all life forms and of the planet by ensuring that human activity does not compromise the needs of the future.

*Source: Adapted UN definition*

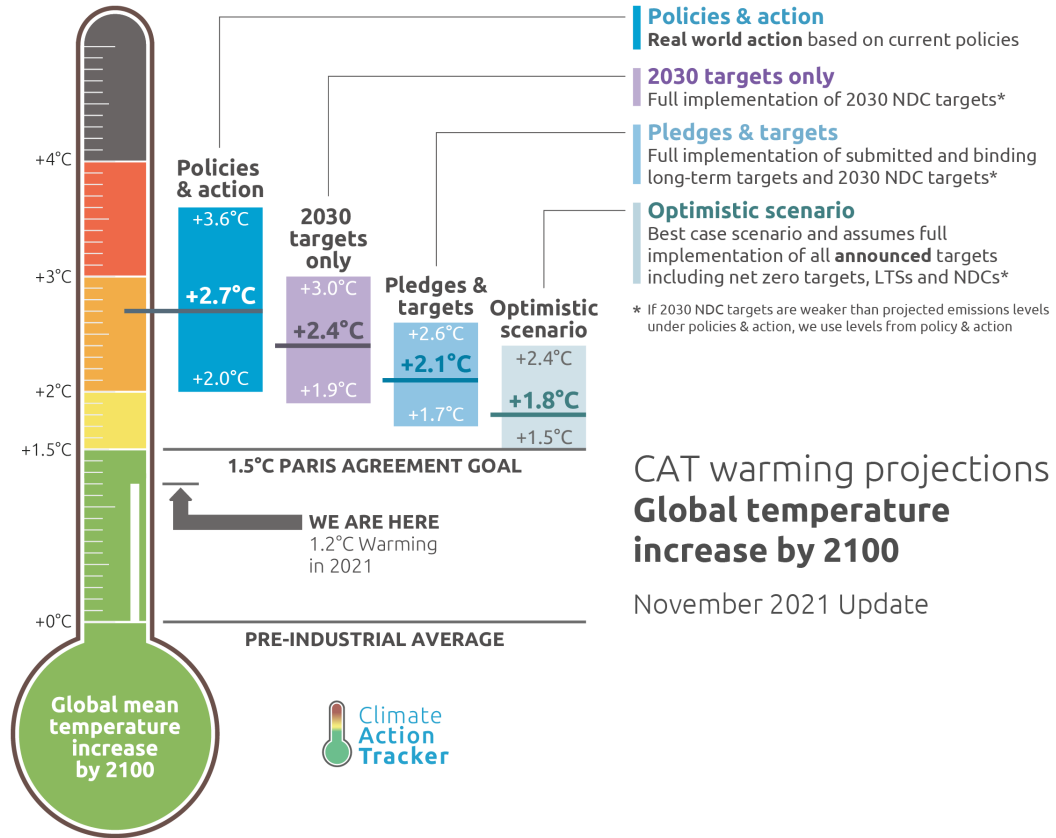


... But let's not blame the rabbits!

# *THE BURNING PLATFORM*



# THE ROAD TO NET ZERO IS OFF TRACK



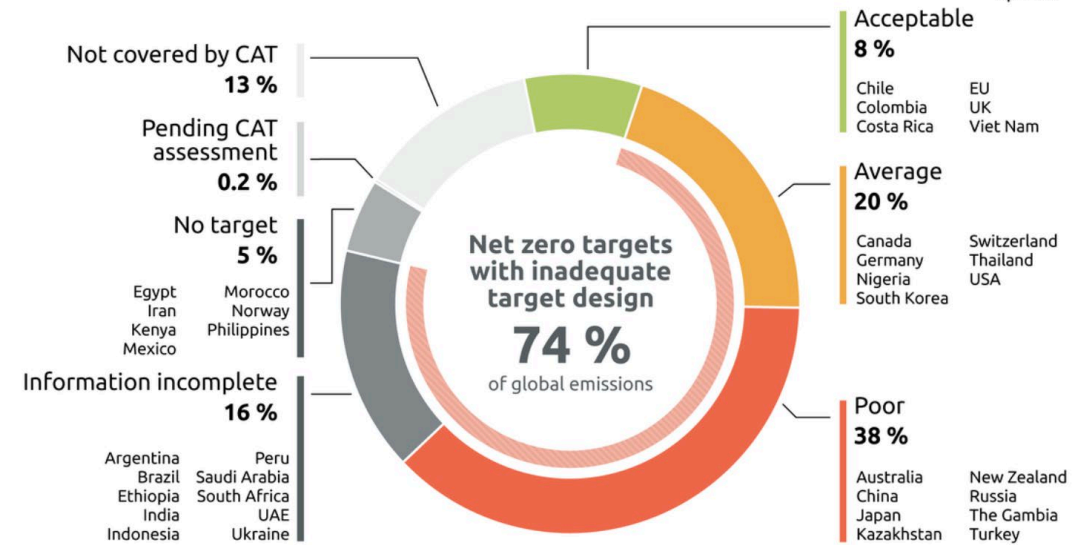
CAT warming projections  
**Global temperature increase by 2100**

November 2021 Update

## Net zero target design - mostly inadequate to date

Quality of net zero targets by percentage of global emissions evaluated using the CAT's design blueprint for transparent, comprehensive and robust national net zero targets

Climate Action Tracker  
 Sept 2022 Update



**We are not on track for a 1.5 or 2-degree scenario.**

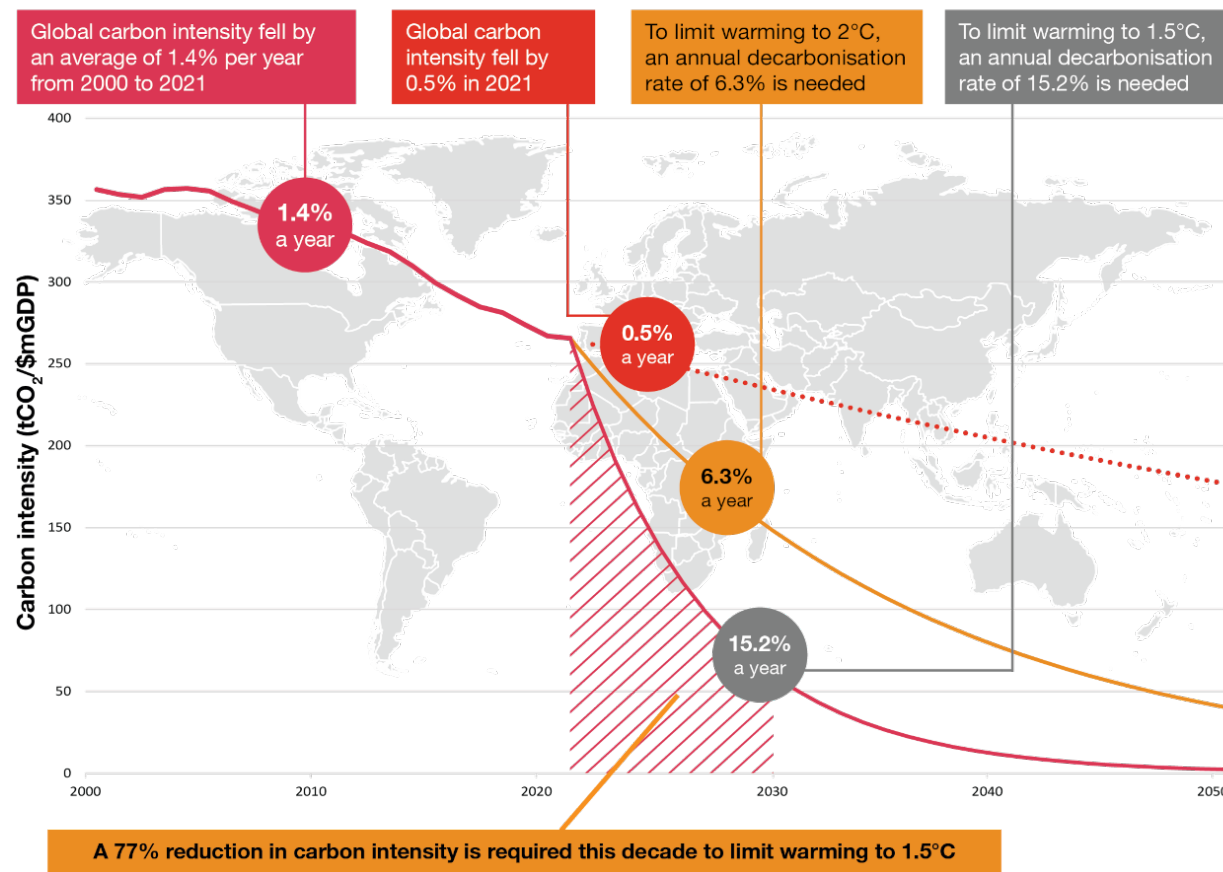
# THE BURNING QUESTION

*“Achieving a 15.2% annual rate of decarbonisation is now needed to bridge the gap between the climate emergency and a strong and sustainable economy. Soaring energy prices, and the need to stimulate economic growth following the pandemic, have hampered recent progress. Persevering with action and investment now will set nations on the right path towards a net zero economy.”*

Dan Dowling, Partner, Net Zero Strategy & Transformation, PwC UK

## The Global picture: PwC Net Zero Economy Index 2022

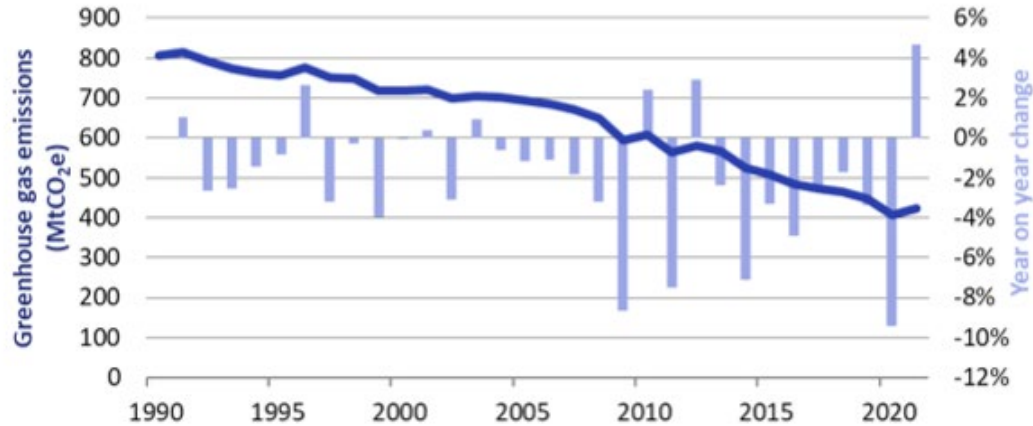
Figure 1: Net Zero Economy Index 2022



PwC Net Zero Economy Index 2002

# THE ROAD TO NET ZERO

UK territorial greenhouse gas emissions, 1990-2021



Data source : Department of Business, Energy and Industrial Strategy (BEIS) DUKE

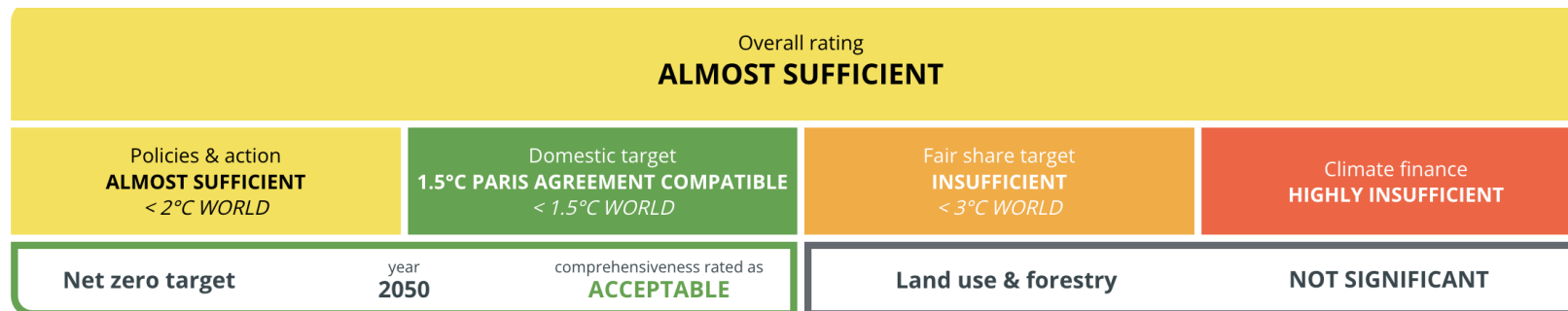
UK NDC: Legal commitment to cut carbon emissions by **68%** by 2030 against 1990 baseline with a **Net Zero** 2050 commitment.

## Achievements

- Reduction of GHG by **50%** below the 1990 levels
- In 2021 generated, **40%** of electricity from renewable sources.

## Priorities

- Decarbonisation of public and private transport
- Home and offices decarbonisation through retrofitting and heat pump adoption .
- Higher level of investment in renewable power generation.



Source: [Climate Action Tracker](#)

# A PATH TO CLEAN ENERGY

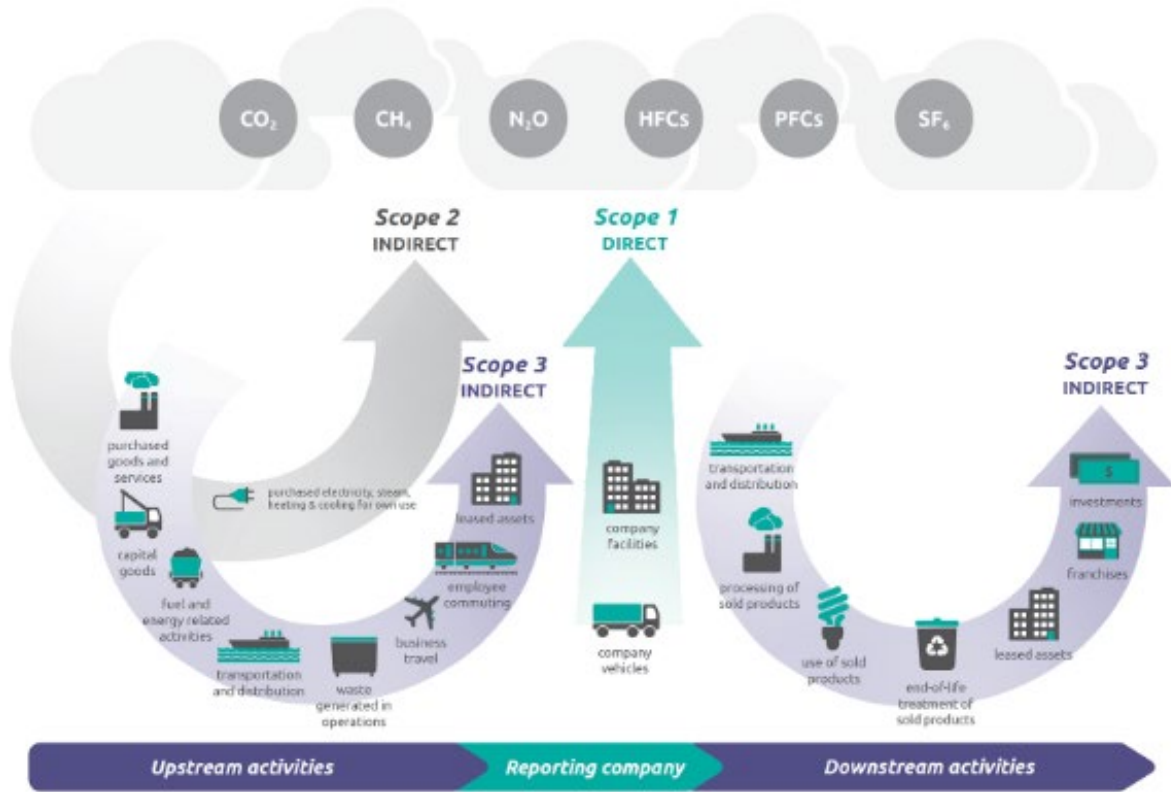
*The combined market of renewables could reach a similar size to today's oil market by 2050, according to the International Energy Agency.*

## **Opportunities through increased investment**

- Becoming energy independent and less vulnerable to price shocks.
- £10 billion per year of investment to the UK
- create 600,000 new green jobs by 2030
- Achieve net zero targets



# WHAT IS OUR SCOPE?



Achieving our climate goals requires

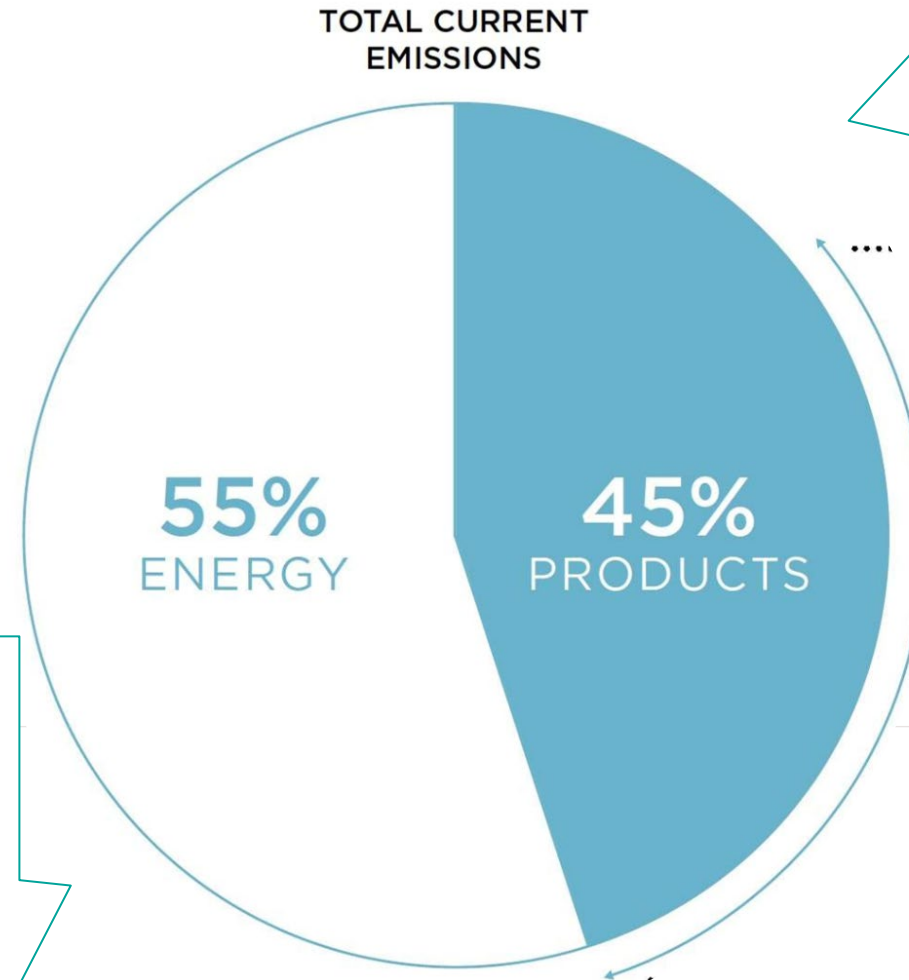
**Transforming**





our

**Energy Systems**

but also how we

**Produce and Consume Goods**



-  Water
-  Pollution
-  Biodiversity
-  Waste

# THINKING BEYOND EMISSIONS: A NEW ECONOMIC MODEL

## Circular Economy principles

- Keep products and materials in use for the longest possible to their highest value
- Reduce waste and pollution
- Regenerate natural ecosystems

## LINEAR ECONOMY



ENERGY FROM FINITE SOURCES

## CIRCULAR ECONOMY



ENERGY FROM RENEWABLE SOURCES

# STRATEGIC CONSIDERATIONS FOR SUSTAINABLE ORGANISATIONS



**‘An adequate net zero goal must feed into more ambitious nearer-term targets but also provide a clear signal to prompt innovation and action from business by making the destination of travel crystal clear.’**

University of Cambridge Institute for Sustainability Leadership (CISL). 2018

# ESG RISK AND REGULATORY LANDSCAPE

Sustainability Metrics	Indicators	Risks	Opportunities
<b>Environmental</b>	<ul style="list-style-type: none"> <li>• Climate Change</li> <li>• Carbon Emissions</li> <li>• Water scarcity</li> <li>• Renewable energy</li> <li>• Natural Capital</li> <li>• Biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Transition risks</b> associated with <b>mitigation and adaptation</b> to increased temperatures</li> <li>• <b>Physical risks</b>, weather events affecting operations</li> </ul>	<ul style="list-style-type: none"> <li>• Circular Economy business models promote innovation and <b>competitive advantage</b></li> <li>• Resource and energy efficiency, <b>cost reductions</b></li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>• Human Capital</li> <li>• Labour standards</li> <li>• Human rights</li> <li>• Privacy and data</li> <li>• Community engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Reputational risks</li> <li>• Talent and skills shortage</li> </ul>	<ul style="list-style-type: none"> <li>• Enhancing the organisation's <b>purpose and objectives</b> to demonstrate <b>commitment</b></li> <li>• <b>Green Skills</b> development and training</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>• Corruption and bribery</li> <li>• Business ethics</li> <li>• Board compensation</li> <li>• Board diversity</li> </ul>	<ul style="list-style-type: none"> <li>• Regulatory and reporting of non-compliance risks</li> <li>• Impacts market stability</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Communicating</b> accurate and transparent data</li> </ul>

# UK GREENING GOVERNMENT COMMITMENTS



## Reducing water use

- Measuring water use
- Assessment for water efficiency use and reporting



## Minimising waste

- Measure & Report food waste
- Less than 5% to landfill overall waste
- 70% recycling rate
- Elimination of single use plastic
- 50% paper use reduction



## Reduce business travel

- 30% domestic flights reduction
- Policies to support lower carbon emissions
- Policies for off-setting report and implementation
- ULEV 25% by 2022 and 100% by 2027



## Making space for plants and wildlife

- Biodiversity protection
- Nature-based solutions
- Raise awareness to staff on biodiversity issues
- Report on indicators



## Climate Change Adaptation

- Climate Change Risk Assessment across estates and operations
- Climate Change Adaptation Action Plan



## Sustainable products

- Sustainable sourcing
- Supply chain impacts and risks



# NHS CIRCULAR ECONOMY FOR DECARBONISATION



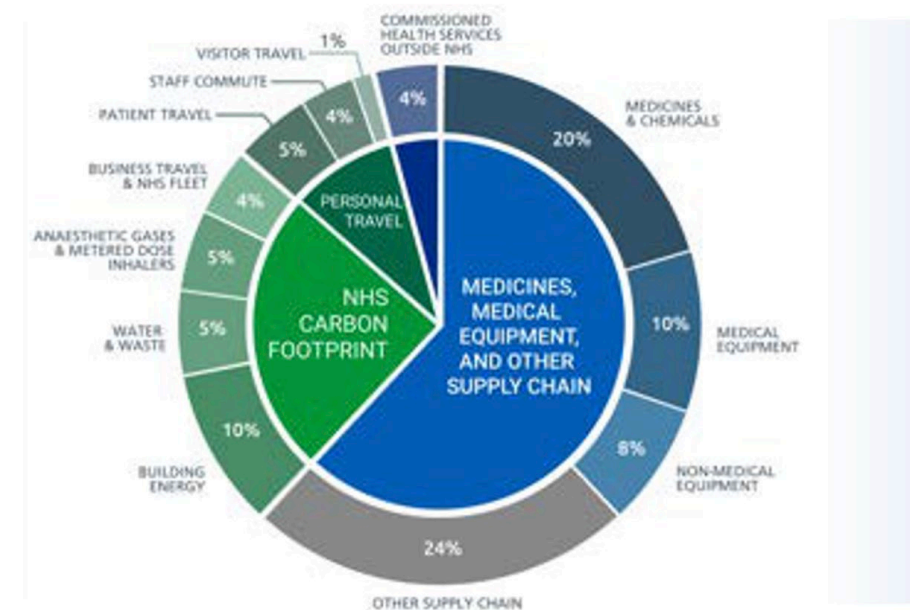
UNIVERSITY OF  
EXETER | BUSINESS SCHOOL  
CENTRE FOR CIRCULAR ECONOMY



## Challenges identified

- The ageing demographic profile UK
- Societal health inequalities
- Growing waiting lists
- Tightening public health budgets
- A workforce crisis
- Environmental stressors
- Mounting waste
- Technology driven demand

Scope 3 is responsible for 68% of emissions in the NHS



# NHS CIRCULAR ECONOMY FOR DECARBONISATION



UNIVERSITY OF  
**EXETER** | BUSINESS  
SCHOOL  
CENTRE FOR CIRCULAR ECONOMY



“NHS leaders have outlined their commitment to making health services more sustainable, but the pace of change has to swiftly accelerate. Our research has outlined that meeting the NHS’s ambitious net zero targets is only possible with adopting circular economy practices”

**Professor Markus Zils**

Professor for Circular Economy and Management Science at the University of Exeter,  
Co-author of Accelerating the transition towards a net zero NHS

Research study: Accelerating the transition towards a net zero NHS: delivering a sustainable and resilient UK healthcare sector: the University of Exeter Centre for Circular Economy

# NHS CIRCULAR ECONOMY FOR DECARBONISATION



UNIVERSITY OF  
**EXETER** | BUSINESS  
SCHOOL  
CENTRE FOR CIRCULAR ECONOMY



## SUPPLIERS

- Move beyond emissions and energy efficiency towards systemic innovation and circularity.
- Alignment to the NHS evergreen framework
- Ensure progress across scope 1,3, emissions.



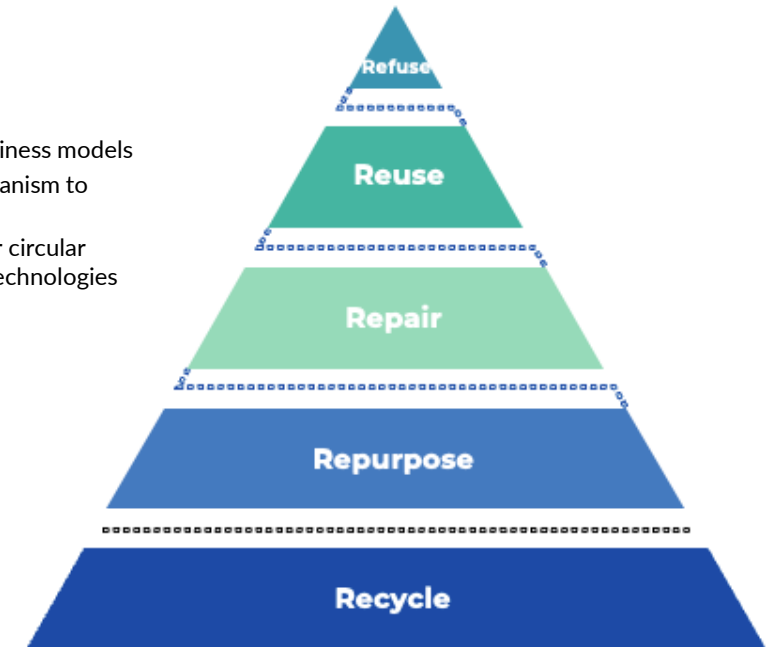
## REGULATORS

- Adapt policies, and regulations to incentivize innovation for suppliers and the NHS
- Improve certification on Circular Economy Standards
- Policy and regulation should fund and provide a cross-industry platform in pre-competitive spaces

## Applying Circular Economy principles 5 Rs of waste management

### NHS

- Circular Economy business models
- Procurement as mechanism to reduce emissions
- Become a test bed for circular economy and green technologies



# STRATEGIC CONSIDERATIONS: SUSTAINABLE ORGANISATIONS



- Analysis and Assessment of emissions Scope 1, 2 and 3
- Assess risks and barriers
- Implement a strategy for waste, waste and energy reduction
- Establish a baseline
- Set the purpose and intend.

- Set level of reduction ambition and purpose to science-based targets, regulations and frameworks.
- Set up quantitative targets for programmes
- include supply chain transparency and traceability.

- Assessment of policies, procedures and compliance to support the climate action plan
- Include supply chains (scope 3)
- Greener product delivery and procurement / Circular Economy.

- Identify the initiatives to help achieve the environmental targets and goals, with expected outputs, outcomes, and impact.
- Assess capabilities and resources.

- Communicate the strategy stating expectations from employees, external contractors and suppliers.
- Report on organisational performance and sustainability disclosures - TCFD and carbon budget tracking.

# ***WHAT DOES THIS MEAN FOR HUMAN RESOURCES?***



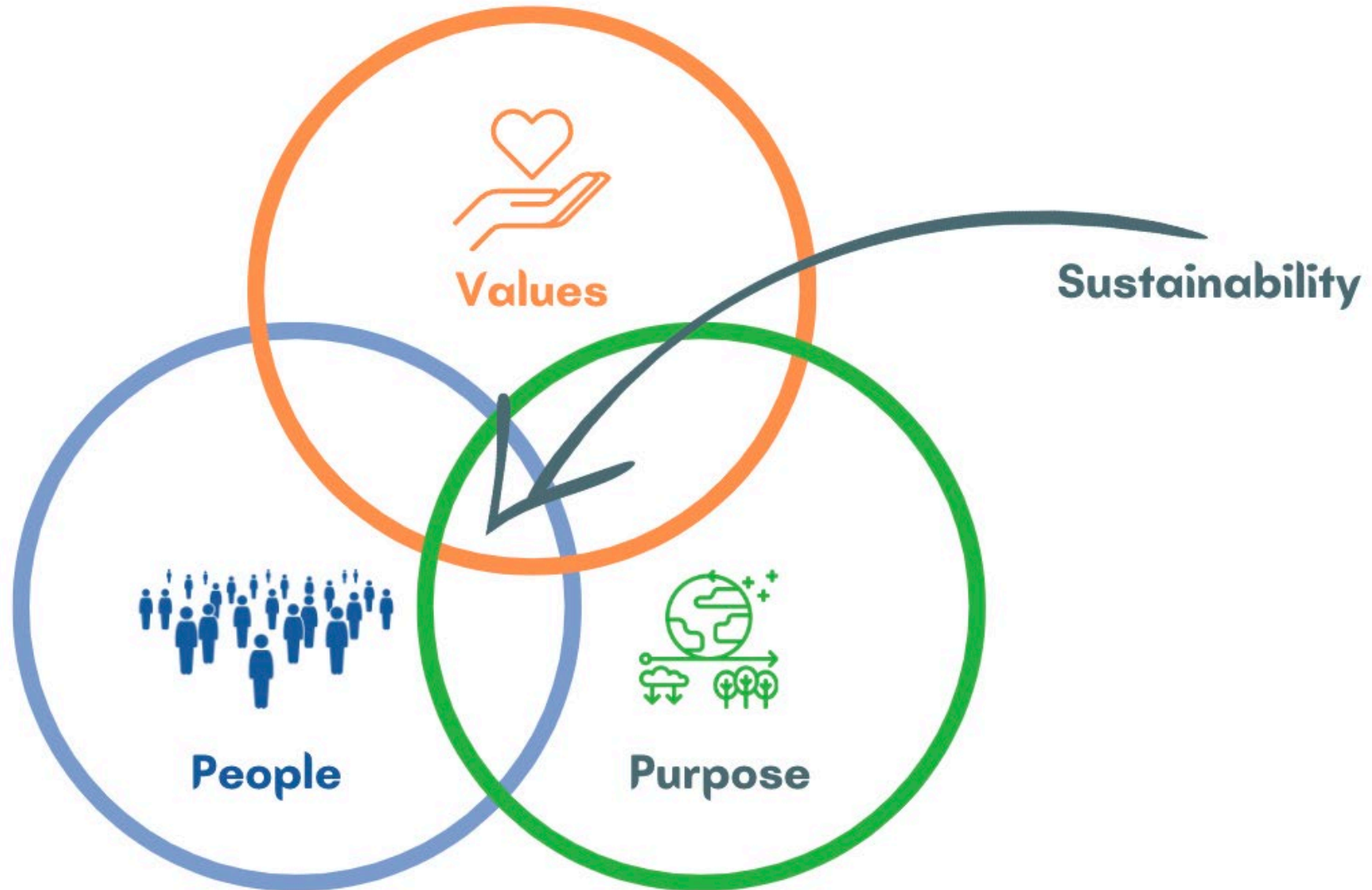
SUPPORT SUCCESS LEADER  
GOALS MANAGE MOTIVATION  
TEAMWORK BUSINESS VISION

# LEADERSHIP

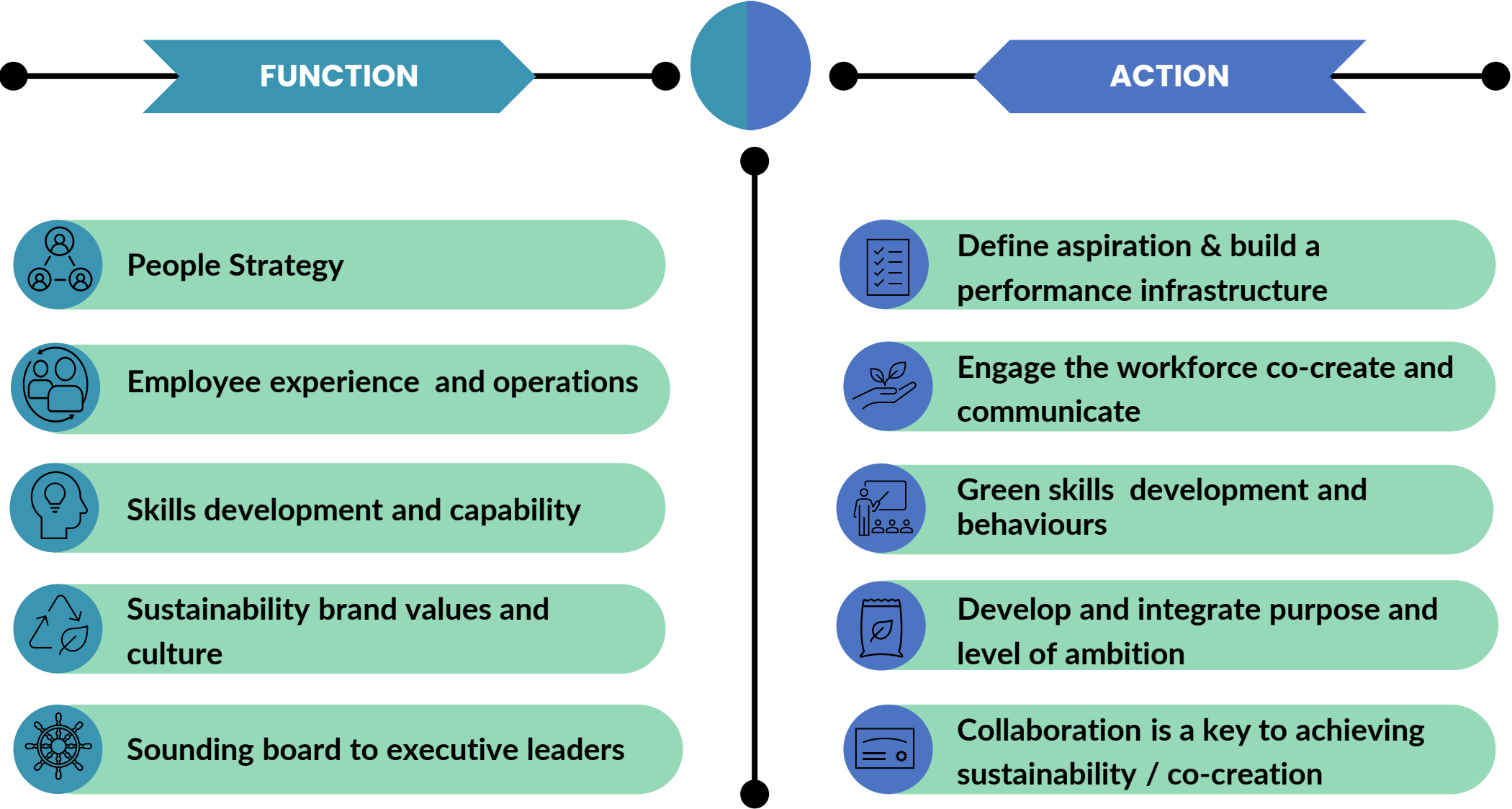
CONTRIBUTION PLAN  
MENTOR RESPONSIBILITY MOTIVATE  
DECISION MANAGEMENT  
TEAM COMMUNICATION  
SUCCESS



# THE ROLE OF HR IN PROMOTING A CULTURE TOWARDS NET ZERO



# HR FUNCTIONS: AREAS OF ENGAGEMENT



Measure and evaluate / Analytics and data



# EMBEDDED SUSTAINABILITY CULTURE: A BOTTOM-UP APPROACH

**93 tons**

use of paper saved

**45,000 GBP**

cost savings in one year



# EMBEDDED SUSTAINABILITY CULTURE: A BOTTOM-UP APPROACH



**160,000**  
Shakti entrepreneurs

**18**  
States

*Project Shakti: Unlocking opportunities for rural women.  
Source: Courtesy of Unilever*

# GREEN SKILLS FOR A GREENER FUTURE



# GREEN SKILLS ALIGNMENT TO SDGS

The knowledge, abilities, values and attitudes needed to live in, develop and support a sustainable and resource-efficient society.

- Engineering and technical skills
- Science skills
- Operation Management skills
- Monitoring skills



**Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation**



**Ensure sustainable consumption and production patterns**

***‘Applying **green skills** across all sectors, especially those that produce high emissions, has the potential to accelerate the green transition while creating **new jobs globally**’***

LinkedIn Global Green Skills Report 2022

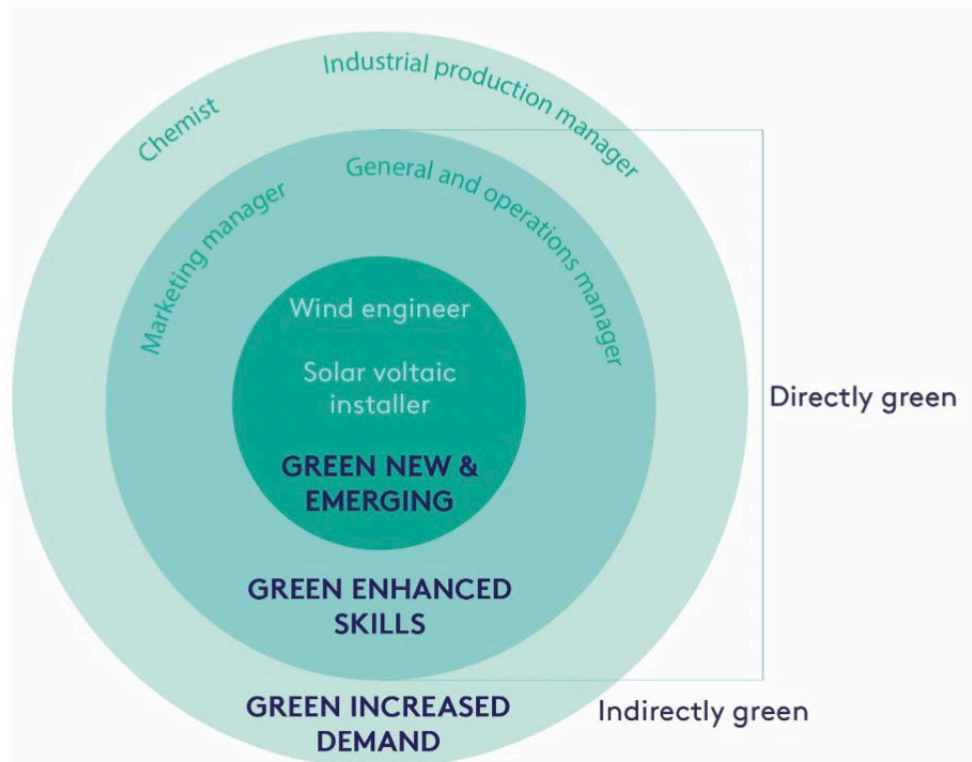
# GREEN SKILLS ALIGNMENT TO SDGS



**50%** emissions reduction correlates with:

- Increase of **4.2%** jobs in the industry
- **12.6 %** of jobs in operations management
- Science skills by **9%** which are important for sustainability goals such as technical information, strategic problem-solving, and marketing strategies

# GREEN JOBS IN THE UK



17% of jobs in the UK are directly or indirectly green

Highest level of green jobs: Utilities, construction, manufacturing, transport, finance

Green jobs are more likely to be held by men, direct green jobs tend to be held by older workers.

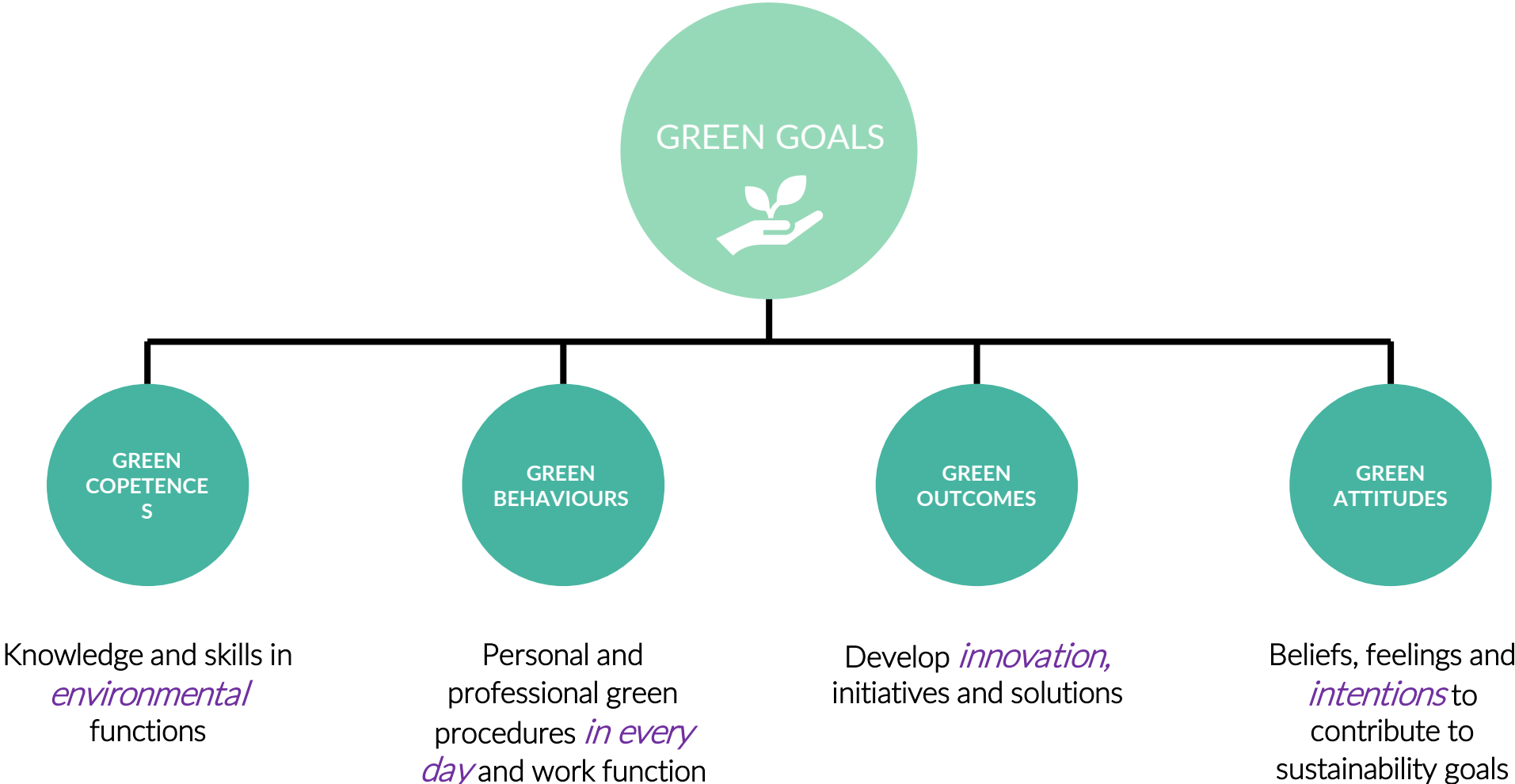
The impacts of environmental regulations increase the demand for higher- or more technically skilled workers

# ***GREEN HRM FOR SUSTAINABLE FUTURES***



# GREEN VALUES ALIGNMENT WITH ORGANISATIONS

## GREEN GOALS











# HOW DO WE DEVELOP GREEN TALENT?

## ADKAR MODEL



# MAPPING TRENDS, FUNCTION AND NET ZERO STRATEGIES

What are the trends in the future of work?	What are my functions	How can my function support each area
<p><b>Creating a sustainable culture:</b> <i>(People and planet first culture)</i> <i>Work for purpose</i></p> 	<ul style="list-style-type: none"> <li>• Policy development</li> <li>• Employee engagement</li> <li>• L&amp;D</li> </ul>	<ul style="list-style-type: none"> <li>• Draft policies that support the net-zero strategy and link sustainable values to employee experience and L&amp;D.</li> <li>• Regular reporting on objectives across all functions with environmental progress attributed to the team's performance.</li> <li>• Reward employees, and incentivise environmental performance.</li> </ul>
<p><b>Sustainability HRM (Activism)</b> <i>From mitigation and adaptation to transformation</i></p> 	<ul style="list-style-type: none"> <li>• Recruitment and talent management</li> </ul>	<ul style="list-style-type: none"> <li>• Set purpose and intention</li> <li>• Design and develop green behaviours, competencies and attitudes for sustainability strategies. Activist for sustainable development.</li> <li>• Assessment, measurement and communication of green performance.</li> </ul>
<p><b>Green Competencies and skills</b> <i>employee experience / development</i></p> 	<ul style="list-style-type: none"> <li>• Plan for critical skills requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Design green jobs and develop talent profiles</li> <li>• Alignment of capabilities</li> </ul>
<p><b>Demographic shifts</b> <i>Analytics and data</i></p> 	<ul style="list-style-type: none"> <li>• HR strategy, processes and succession plans</li> </ul>	<ul style="list-style-type: none"> <li>• External and Internal intelligence/analytics and assessment of skill gaps</li> <li>• Develop skills and prepare the workforce for higher-level green positions</li> <li>• Employee voice / co-creation</li> </ul>
<p><b>Sustainable careers</b> <i>Collaboration is a key to achieving sustainability / co-creation</i></p> 	<ul style="list-style-type: none"> <li>• Talent development plans</li> <li>• Health and wellbeing</li> <li>• Inclusion</li> <li>• Compensation</li> </ul>	<ul style="list-style-type: none"> <li>• Organizational support of employee-directed career development. Coordination with managers toward a developmental orientation</li> <li>• Co-creation</li> </ul>
<p><b>Digital imperatives:</b> <i>Technology transformation is key to delivering net zero</i></p> 	<ul style="list-style-type: none"> <li>• Governance</li> <li>• Leadership and employee engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Identify new skills that enable effective remote work, including greater digital adoption.</li> <li>• People and culture alignment to tech development</li> <li>• Improve productivity with automation and tech-enabled transformation</li> </ul>

# TAKE AWAYS

- Immediate, scaled, fast, **COLLABORATIVE** action is required to meet the Paris Agreement.
- We need to think beyond emissions. **TRANSFORM** business as usual and transition to innovative business models to reduce waste and better manage finite resources.
- **PURPOSE**-led organisations increase productivity and have the potential to accelerate the green transition.
- HR plays an **ACTIVIST** role in driving the agenda to develop and empower a green skilled generation for a resilient and sustainable future.



*Thank you*



circular advisors

Closing the loop for a sustainable economy