



The Insurance Institute of Southampton and Planet Mark

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Agenda

● Introduction to Planet Mark

● Why Sustainability is the critical challenge of a generation

● Net Zero and what it means for the insurance sector

● Next steps on your Net Zero journey





Who are Planet Mark?

Planet Mark is a sustainability certification. We enable organisations of all sizes to positively transform society, the environment and the economy through measurement of their carbon and social data, using our **unique three-step process that** takes organisations on a journey to sustainability action:



Measure



Engage



Communicate



PlanetMark

We are Planet Mark Certified

Measure

123 tCO₂e
Total carbon footprint.

Year 12.

23 tCO₂e
Total carbon footprint per employee.

Your company logo

£23,000
Total Social Value.

We are committed to reducing our carbon emissions yearly so that together, we can all halt climate change.

This is to certify that **Company name** has achieved the Planet Mark by measuring and reporting its carbon footprint and engaging its stakeholders.

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Valid to: XXXX



Engage

120
FTE employees.
We engage our employees and wider stakeholders to unlock their talent and knowledge to drive year on year progress in sustainability.

Communicate

Empowering change for a brighter future.
The Planet Mark is a sustainability certification for every type of organisation, for products and for real estate. Our certification recognises continuous improvement, encourages action and builds an empowered community of like-minded individuals who make a world of difference.

7
Sustainable Development Goals.
We recognise that transparent communication is essential for transformational change and we quantifiably contribute to 7 SDG's.

planetmark.com/member?

The Planet Mark theplanetmark



United Nations Race to Zero Campaign and our credentials

- Planet Mark was one of the first UK sustainability companies to receive Official Partner status to the UN-backed Race to Zero
- Chosen by the Government to organise and deliver the UK's national Zero Carbon Tour in the months preceding the COP26 summit. Using a zero emission electric coach.
- Involved in the development and implementation of internationally recognised net zero standards with ISO and BSI.
- Retained by Google to provide net zero services to SMEs in the UK through online engagement and knowledge events.





An ever-growing MOVEMENT

We have already empowered hundreds of businesses to make the changes that will shape a more equitable and sustainable world. Working together we're committed to creating a thriving planet for everyone.



LAZARD



TEYN GROUP



STANHOPE



FARRER&Co



eight associates



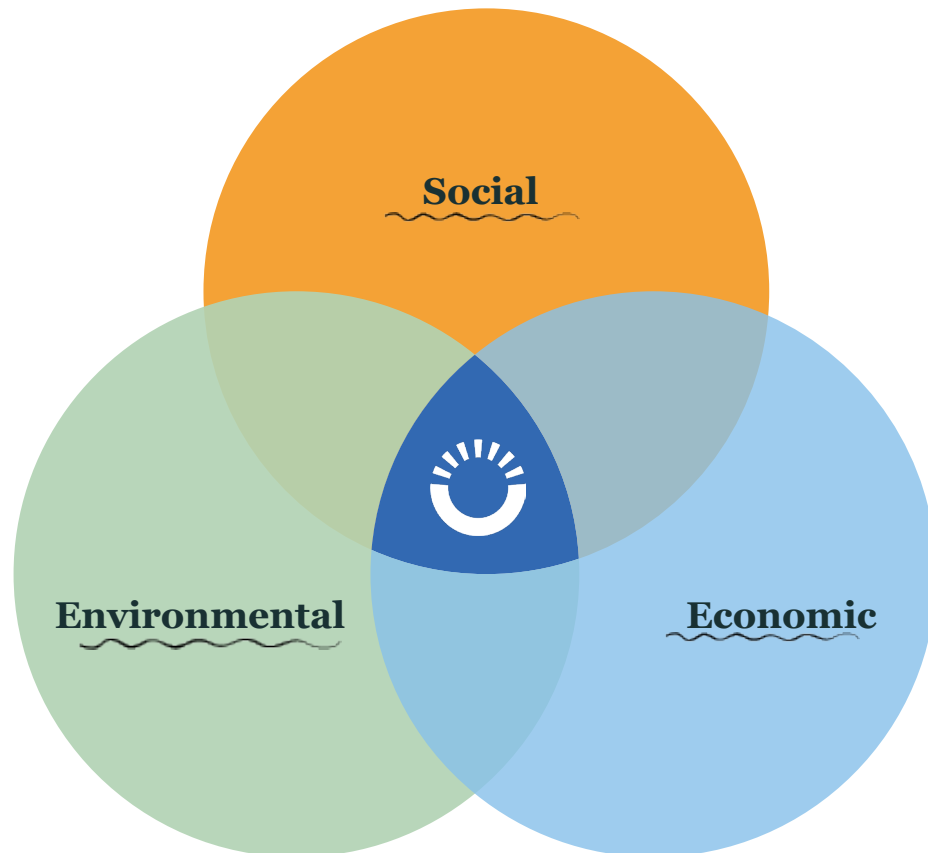
MORRIS+COMPANY

FORA





It just makes business sense.



Attract and retain talent

79% of millennial employees are loyal to companies that care about their effect on society.



Grow profits

As customers reward sustainable businesses.



Future-proof the business

From understanding long-term effects of social and environmental issues.



Increase cost savings

From energy bills, retaining staff and more financial security.



Greater transparency

Leads to progress, collaboration and customer trust.



Gain competitive advantage

Align with your customer needs and expectations.



Why sustainability is the critical challenge of a generation



**We know the time to
act is now.**

“

We are the first generation to feel the effect of climate change and the last generation who can do something about it.

Barack Obama
Former US President





Climate anxiety.

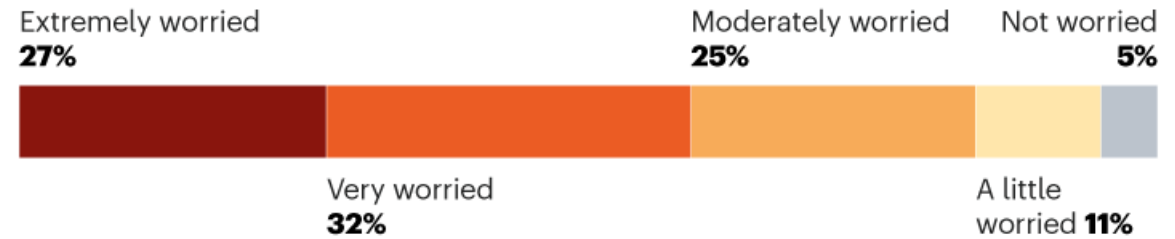
Defined as a 'chronic fear of environmental doom'

Sometimes referred to as 'eco-anxiety'

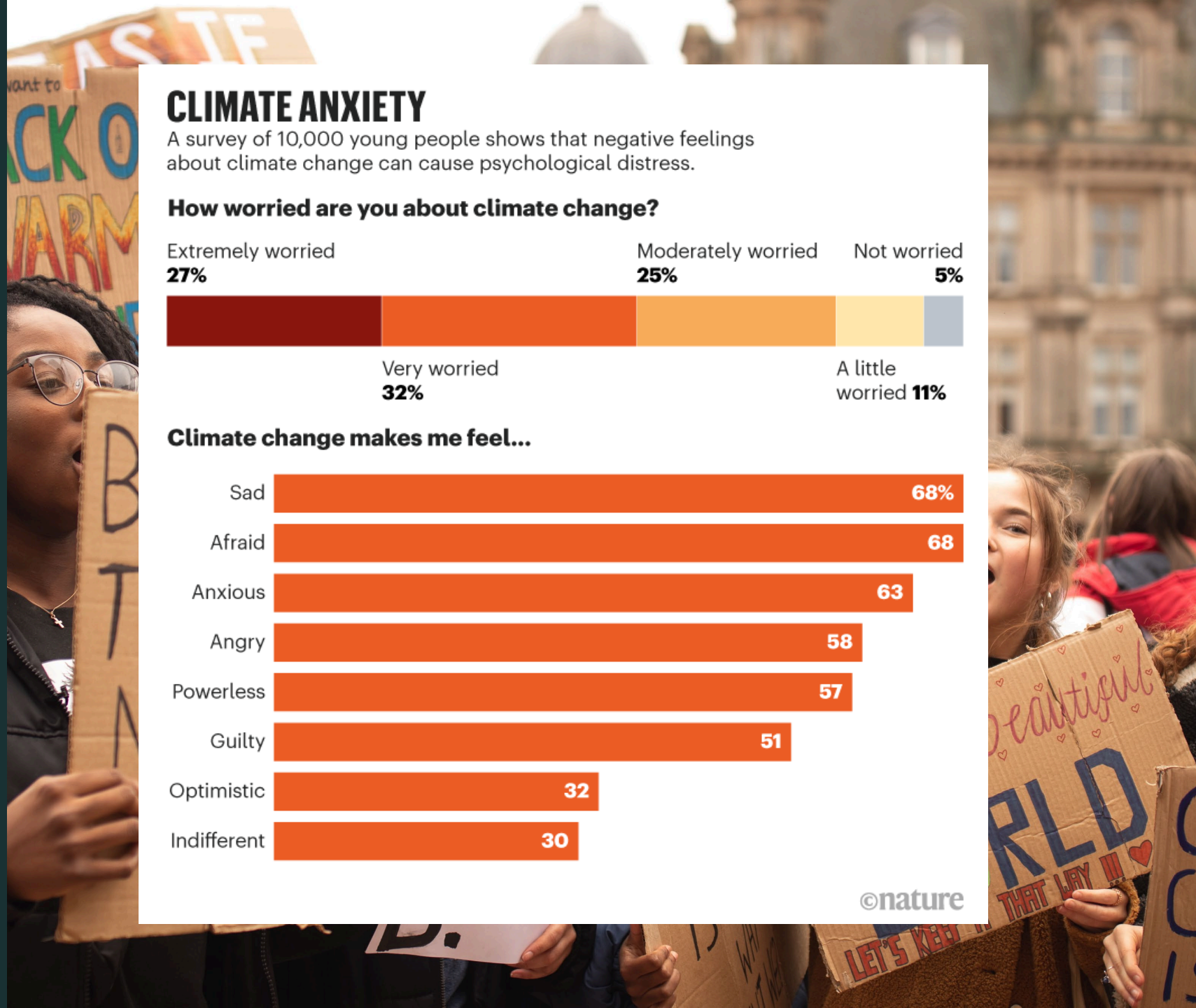
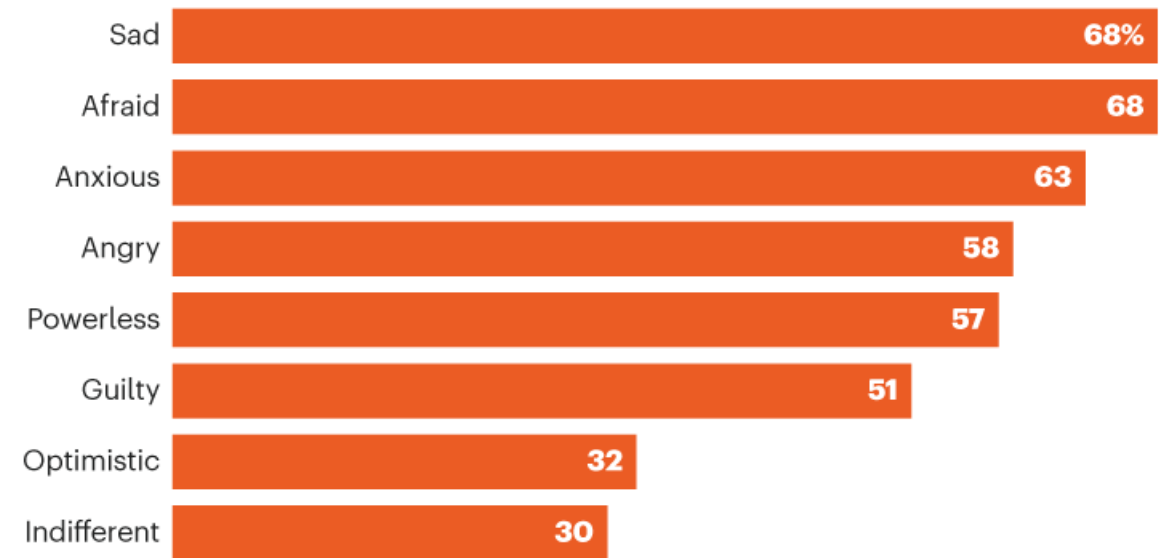
CLIMATE ANXIETY

A survey of 10,000 young people shows that negative feelings about climate change can cause psychological distress.

How worried are you about climate change?



Climate change makes me feel...





Climate anxiety.

**World close to
'irreversible' climate
breakdown, warn major
studies**

**Climate change the greatest threat the
world has ever faced, UN expert
warns**

21 October 2022

*Climate Pledges Are Falling Short, and
a Chaotic Future Looks More Like
Reality*

**Pakistan floods: 5.7 million people to
face 'serious' food crisis, warns UN**

A *DUTY* to act.

Legal duty:

The 2019 Amendment to the UK's Climate Change Act means that **every UK business**, from micro-businesses to large undertakings, must reduce their total greenhouse gas (GHG) emissions to net zero by the **end of 2050**.

All 5.863m businesses operating in the UK are now starting on this journey to net zero emissions.

Commercial duty:

75% of adults in the UK worry about climate change. Society, investors and consumers are calling for greater transparency from businesses in their operations and their impact on the environment and the communities that they work within.

In recent years ESG has become an inherent part of most businesses and this will become increasingly important to businesses trying to raise finance in a net zero world. Having a credible Net Zero strategy will be the cost of doing business.

Moral duty:

A key demand of the climate justice movement is for rich countries to recognise their historical responsibility for emissions and respond with dramatic cuts to limit warming to 1.5°C, in line with the most ambitious target of the Paris Agreement.

In total, the Global North is responsible for 92% of excess global carbon emissions driven by the over use and development of fossil fuels – meaning it has a critical role to play in solving the climate crisis.

Climate change is one of the greatest threats we face and the inescapable truth is that it is a race against time. It is clear that no single action will stop global warming, it needs a concerted effort by all levels of government, businesses, civil society and individuals.

The race to Net Zero has never been more critical.





COP 27

- The first COP where insurance took a centre stage, helped by discussions on loss and damage being so high on the agenda.
- A contentious subject focused on the issue of whether richer nations should compensate the most vulnerable for the impacts of climate change.
- Genuinely impressive progress on Loss and Damage given it was the first year on the official agenda
- Currently very limited clarity on who pays, how much, who receives and how funds are given out.





ISO Net Zero Guidelines

1,200+ organisations and people from 100+ countries contributed, led by the British Standards Institute (BSI).

First end-to-end net zero governance framework for best targets, plans and how to claim achieving net zero. ISO recognises Planet Mark as an 'early-adopter'.

Wide reaching Governance implications, e.g.:

- Incorporate net zero targets into core governance documented information (e.g. articles of association, charters, legislation).
- Appointing competent members of the organization's leadership to take responsibility for actions.
- Disclose shareholder voting records on climate-related issues.
- Include details of how targets and progress will be monitored and reported and how they will be verified by a competent third party.
- Align executive and board compensation with meeting interim and long-term targets (e.g. 20% of long-term compensation plans).





UK taskforce launched 'gold standard' for net zero transition planning to coincide with COP27

Builds on TCFD and International Sustainability Standards Board (ISSB). Aligns with UN Race to Zero and ISO Net Zero Guidelines.

UK-listed companies and financial institutions must submit to Financial Conduct Authority (FCA) by end of 2023.

Four key elements to a good plan:

1. High-level ambitions to mitigate and manage changing climate
2. Short, medium and long term actions
3. Governance and Accountability Mechanisms
4. Measures to address risks and leverage opportunities

NB: If you are anywhere in the supply chain of a listed company they are likely to ask for your carbon footprint within 12 months.





The Regulatory Waterfall

International Regulation (e.g. COP27) & Standards (e.g. SBTi)



National Targets & Standards

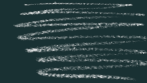


National Regulation, Policies and Standards for Corporates / Industries



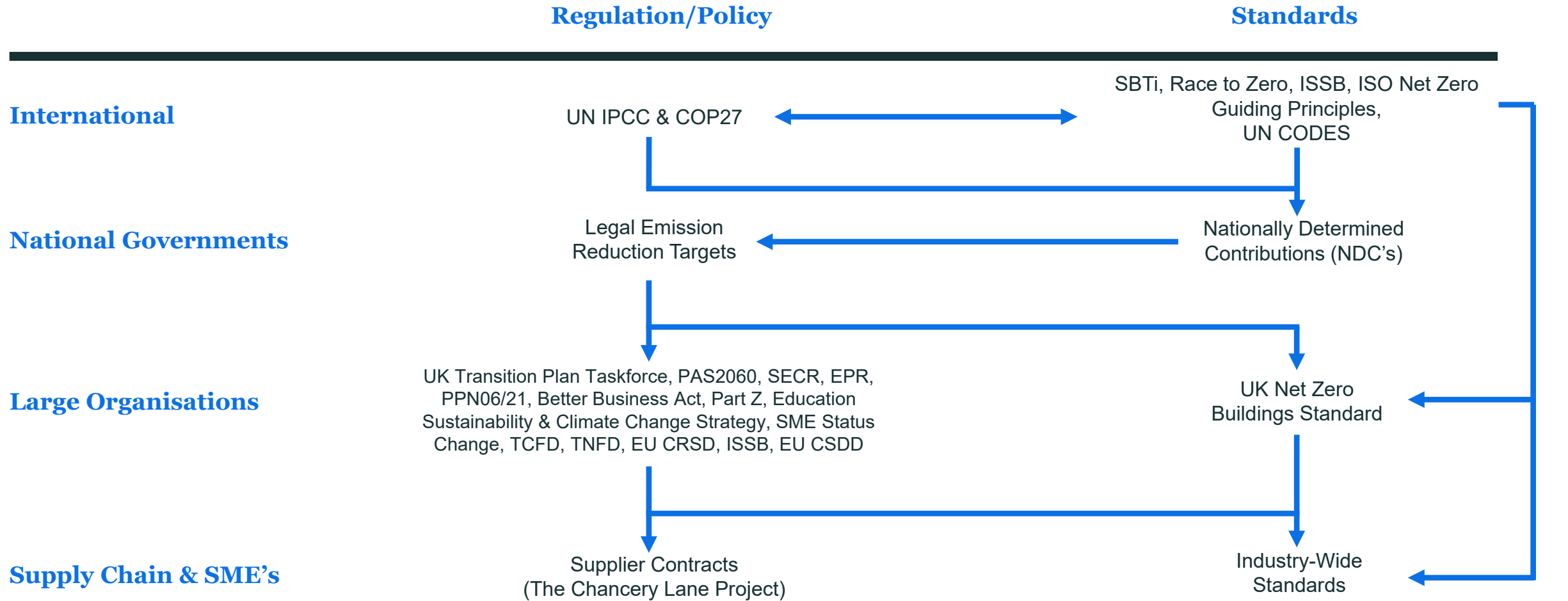
Scope 3 Requirements cascade into Supply Chain & SME's

Scope 3 Carbon Emissions are what makes this *different*





The Actual Regulatory Waterfall





Tesco supply chain email asks

1. Disclose your carbon emissions.
2. Set a net zero target by end 2022.
3. Set science-based target (50% reduction by 2030) by end 2023.
4. Switch to renewable electricity NOW.

Dear supplier partner,

Climate change is the greatest challenge we face, as a society and as a business. Our food system is at the heart of this crisis. I am writing to request your leadership and support to stand with us against climate change and help deliver a transformation in the environmental impact of food.

Earlier this month, the [UN Intergovernmental Panel on Climate Change \(IPCC\)](#) issued its first major review of the science of climate change since 2013, the study warns of increasingly extreme heatwaves, droughts and flooding, and a key temperature limit being broken in just a decade. The food sector is, unfortunately, at the heart of this crisis, already responsible for 30% of greenhouse gas emissions, and more than 60% of global biodiversity loss. If we are to avoid the most severe consequences of climate change, urgent, collective action is required to meet national and international climate goals and shift our economies onto a zero-carbon pathway. We have no time to waste.

Today, we have strengthened Tesco's commitments and requirements on climate change, by announcing our commitment to be Net Zero across our entire business value chain globally by 2050, aligned to 1.5 degrees. We are already committed to becoming Net Zero across our operations by 2035, aligned to 1.5 degrees, and are making good progress towards this target.

Our own operations targets are grounded in science and are verified by the [Science Based Targets Initiative \(SBTi\)](#). And we will be ensuring the same for our value chain.

As our partners, I am therefore asking you to do four vital things as a start, if you haven't already.

1. [Disclose your current Greenhouse Gas Emissions to us](#) – using the reporting facility on [Tesco Supplier Network](#), by the end of 2021. You can submit your emissions data and see further guidance on how to do this [here](#).
2. [Establish a Net Zero ambition for your business](#) – by end of 2022
3. Set science-based targets to support delivery of your ambition – by end 2023
4. We also recommend that you [switch to renewable electricity now](#) as a simple initial win and to be part of greening the grid quicker.

I have asked my team to make themselves available to you should you have any questions or require support. In the first instance, I encourage you to review the guidance materials and support available on the Tesco Supplier Network. We will be strengthening our supplier requirements and data collection on these issues further in the coming months and years, but please get ahead and start acting now.

Together, we can make our part of the food industry, part of the solution to limiting climate change.

Yours sincerely,





Principles for Sustainable Insurance (PSI).

- Launched at the 2012 UN Conference on Sustainable Development.
- The PSI initiative is the largest collaborative initiative between the UN and the insurance industry aimed to address environmental, social and governance risks and opportunities.



The UN's Net Zero Insurance Alliance.

- A group of over 29 leading insurers representing more than 14% of world premium volume globally.
- The alliance supports its members as they work towards decarbonising their underwriting portfolios.
- The Target-Setting Protocol will be released tomorrow at Davos.
- Members will begin to independently set science-based, interim decarbonisation targets for their respective insurance and reinsurance underwriting portfolios





Net Zero and what it means for your business

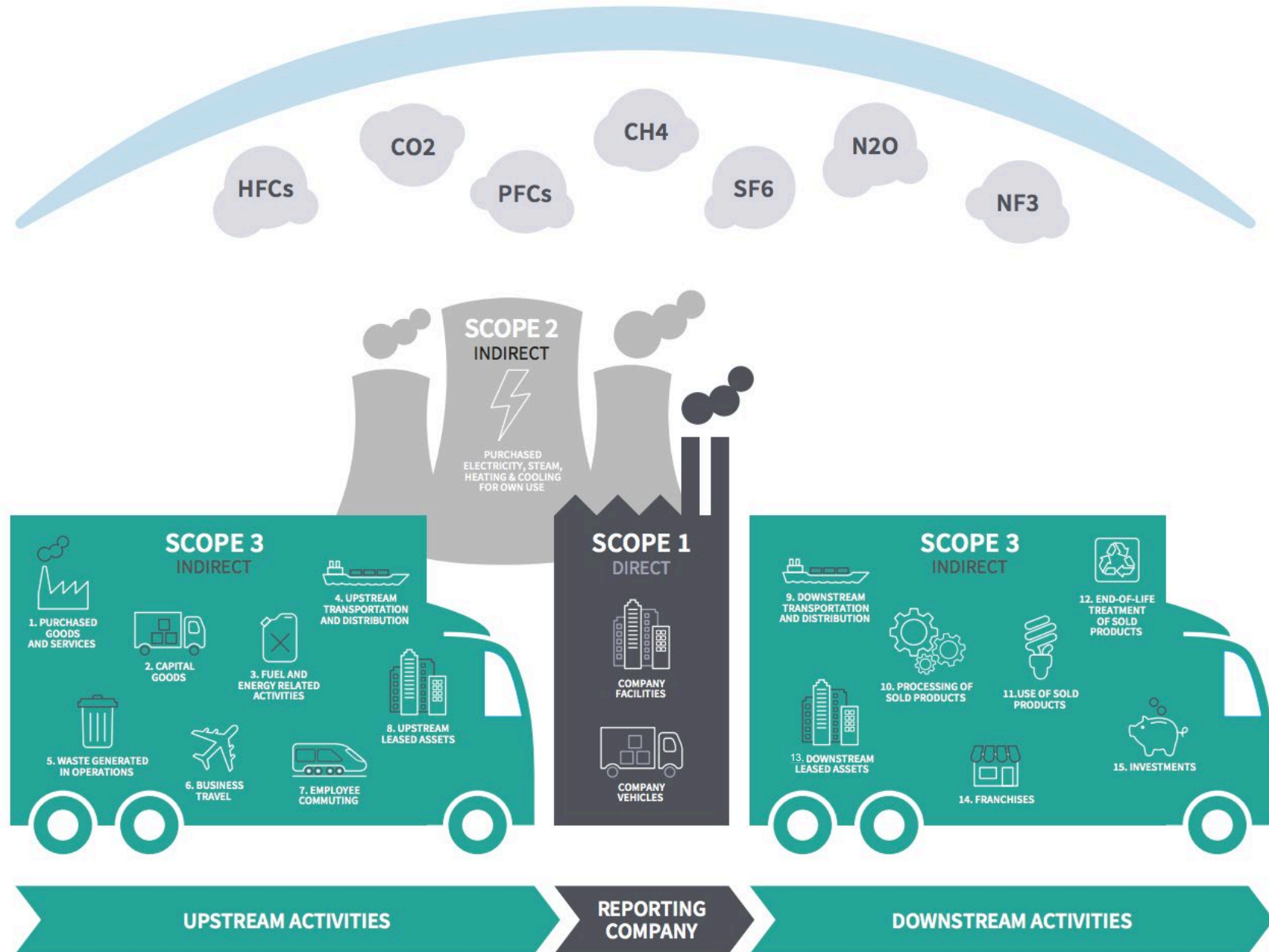


Scopes.

Many companies who are on the journey to tackle climate change struggle most with managing the carbon footprint outside of their control (Scope 3 emissions).

However, when you work with suppliers that understand global issues and take a collaborative approach to solve them, you become a collective force for good.

GREENHOUSE GAS EMISSIONS: SCOPE 1, 2 & 3

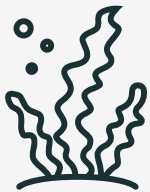




Offsetting

Carbon Removal

Removal through carbon sequestration.
(e.g. trees, peatland restoration, sea grass
or technology).

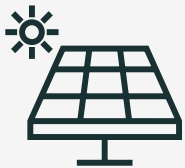
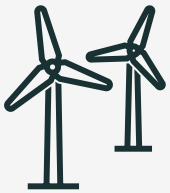




Offsetting

Carbon Avoidance

Avoidance of carbon emissions going into the atmosphere (e.g. wind, solar).



Introducing the **Net Zero** Standard:

A standard since October 2021 defined by the Science-Based Target Initiative. (SBTi)

Requires radical emission reductions, to net zero by 2050 latest

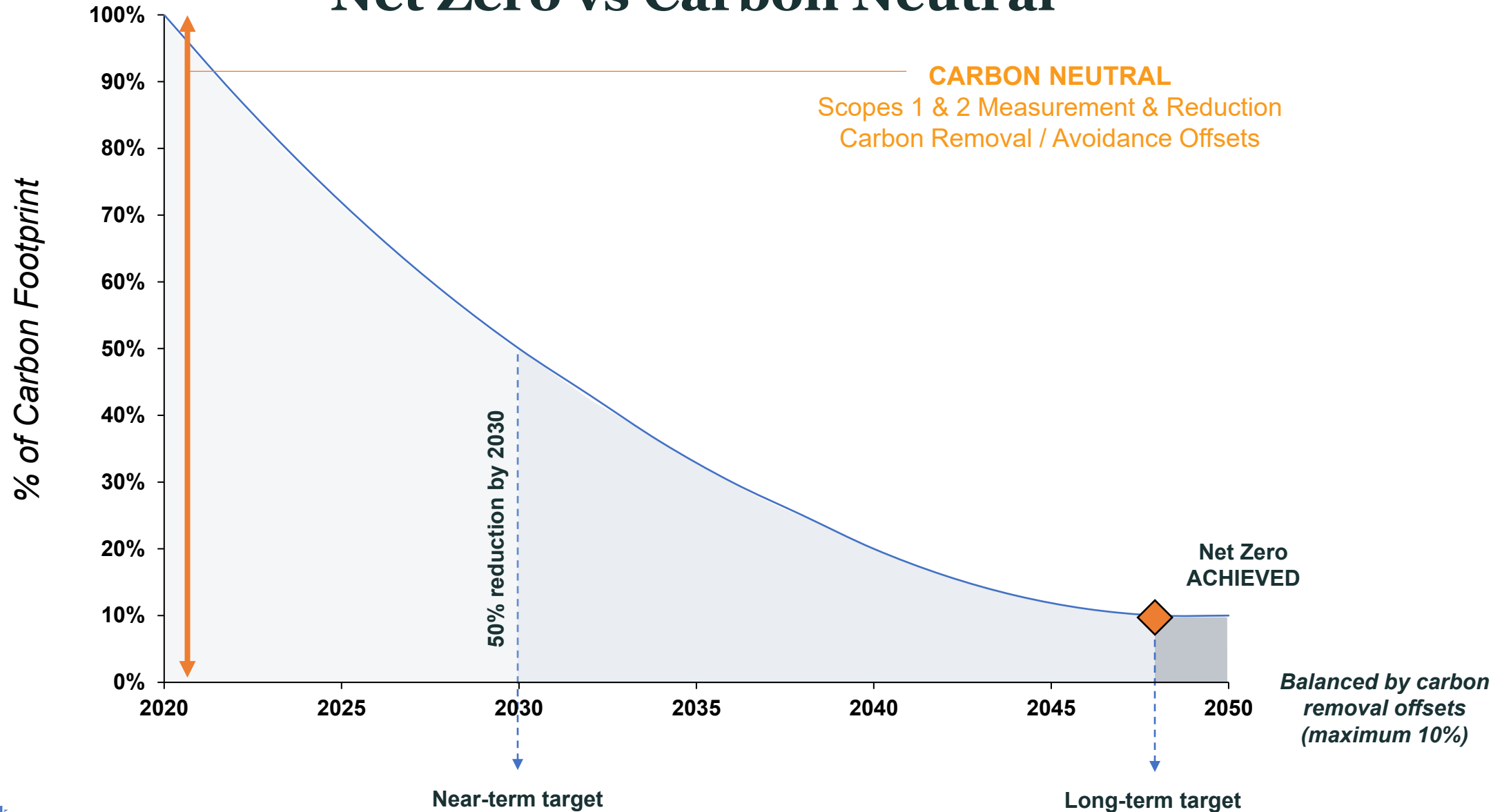
Net Zero includes Scopes 1,2 and 3 emissions.

Involves near-term and long-term targets.

Allows only for max 10% residual emissions to be neutralised using carbon removal schemes.




Net Zero vs Carbon Neutral





What have they achieved?

Company X has found that it has 100 tonnes of carbon emissions through their electricity and heating bills. They commit to reducing their energy consumption each year and buy 100 tonnes of certified offsets investing in solar farms. What have they done?

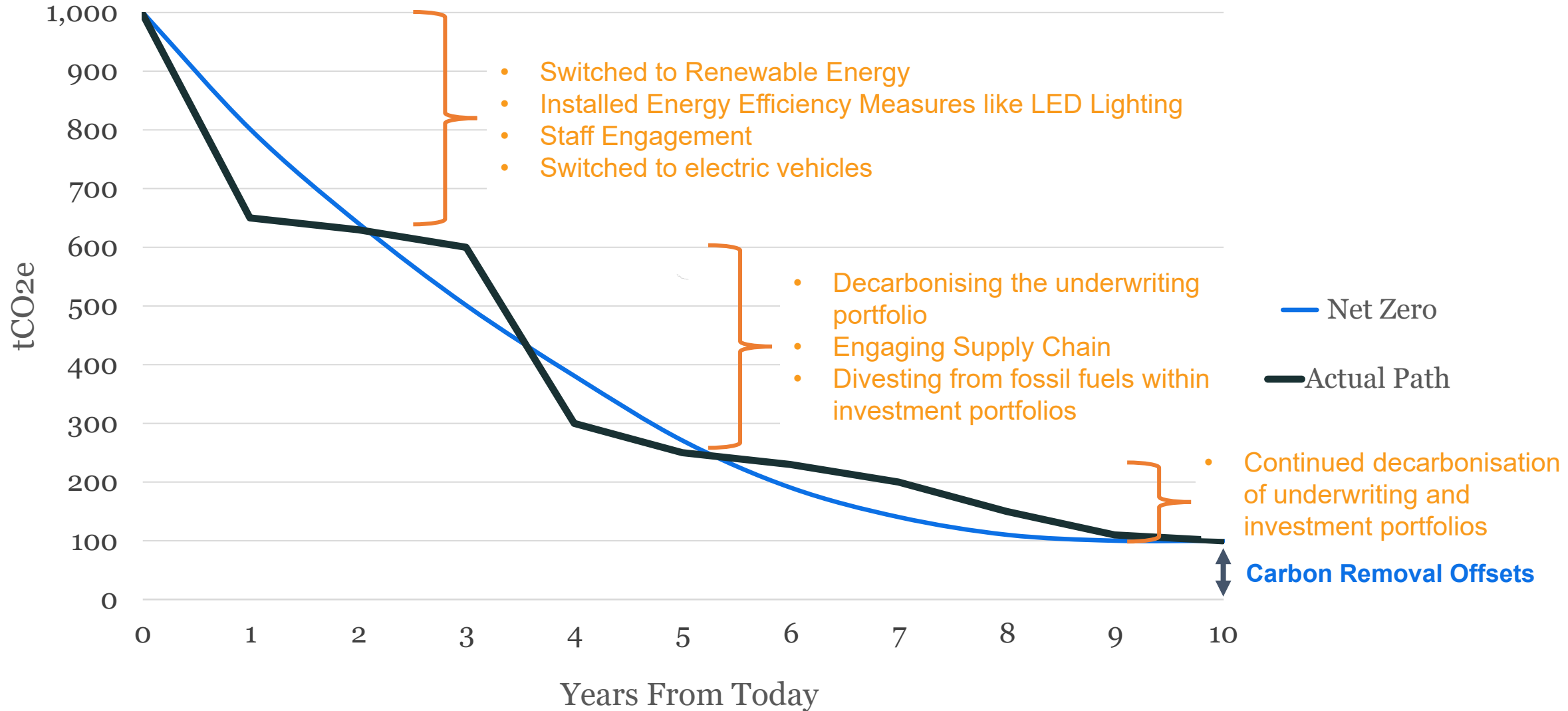
- Set a net zero target
- Achieved carbon neutrality 
- Purchased carbon removal offsets
- None of the above

What have they achieved?

Company Y is aiming to reduce its emissions across all three scopes by 90%+ by 2030 and are investing in certified tree planting projects for the remaining 10%. What have they done?

- Set a net zero target 
- Achieved carbon neutrality
- Purchased carbon removal offsets 
- None of the above

e.g. Insurance company X – Net Zero Journey





Planet Mark Net Zero Programme

Timeline: 3-6 months

Timeline: 6 – 9 months

As determined by the business' NZ targets
Near-term targets by 2030 Long-term targets by 2050 latest

Stage 1
Operational
Carbon footprint -
Planet Mark
Certification



Stage 2
Scope 3
Measurement



Stage 3
Target
Setting



Stage 4
Action
Plan



Stage 5
Governance



Stage 6
Offsetting



Next steps on your sustainability journey



Questions you should ask

- Do we have a baseline carbon footprint? What does it include? (scopes of emission, reporting boundary, time period)
- If emissions inventory is incomplete, what is our timeline for expanding our scope of measurement?
- What progress have we made so far?
- What is our strategy to reduce emissions and how much do we calculate we will achieve in reductions in the next 1-3 years and by 2030?
- Have we set a net zero target?
- Do we have third-party verification for our footprint and net zero strategy?
- Are we using offsets as part of our strategy? What type and how are they accredited?





Step 1

Set up a sustainability / ESG role, team or committee.





Step 2

Measurement, Verification and Certification of carbon emissions

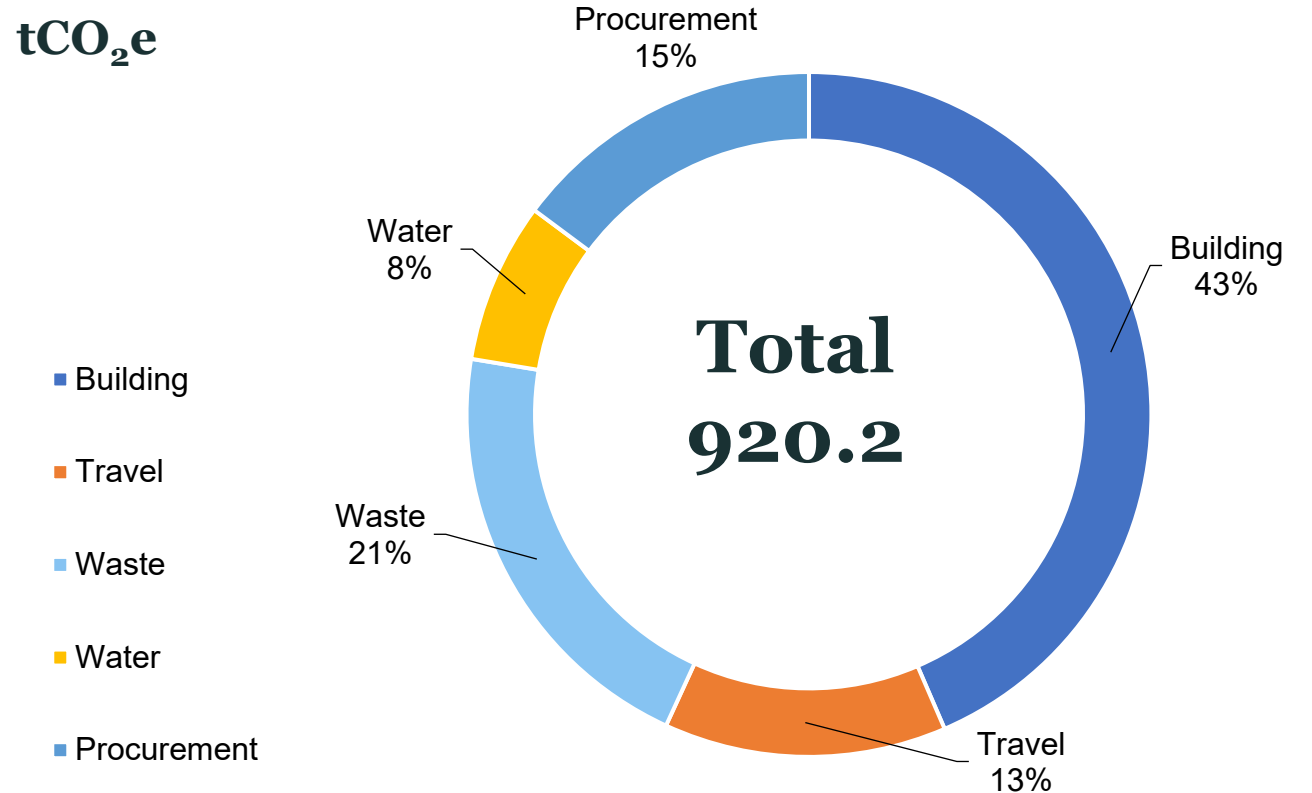
Reporting year:
1 January – 31 December 2020.

Reporting boundary:
i.e. London office operations (1 Victoria Rd, London, W8 5FA).

Emissions measured:
Electricity, natural gas, travel, waste, water, paper.

Highlights:
Carbon footprint (tCO₂e)
Per employee
Next reduction target
Data quality score.

Total carbon footprint by emission source for reporting year ending 2021



- Note: Your carbon footprint is reported two ways; one is using the location-based method of calculating Scope 2 electricity emissions and the other the market-based method. A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data)



Step 3

Conduct an energy audit to identify energy saving opportunities.

HIGH
EMISSIONS



LOW
EMISSIONS



10 Year Action Plan

- Improve lighting (LED) and insulation, use draught excluders, double glazing etc.
- Invest in on-site renewable energy (solar PV, wind).
- 'automation/controls' on equipment and lighting
- Invest in energy efficient equipment when it is time to upgrade.





Step 4

Map all scope 3 emissions - Engage with your underwriting and investment portfolios

- NZIA recommendations is for members to “use a recognised and consistent insurance-associated emissions (IAEs) accounting approach.
- Partnership for Carbon Accounting Financials PCAF launched the first global measurement standard for insurance-associated GHG emissions. For many insurers making the commitment to transition to net zero, IAEs will be a significant source of overall emissions
- Set a Net Zero target





Step 5

Book in a sustainability workshop - CPD accredited training for staff





The benefits of transitioning to Net Zero

- Lower your operational costs
- Attract and retain the best staff
- Communicate and engage with wider community
- Comply with legislation
- Be a leader in the sector
- Demonstrate credibly to clients that you are 'walking the talk'
- Gain a competitive advantage, attract new clients and investors



Next steps on your journey

1. **Set up a sustainability / ESG role, team or committee.**
2. **Measurement and verification of operational carbon emissions**
3. **Conduct an energy audit of office(s)**
4. **Engage with your investment and underwriting portfolios – map out scope 3.**
5. **Book CPD accredited sustainability training for staff.**

You can contact me directly at
kit.connell@planetmark.com



PlanetMark

#DoMoreGood



“

We are, after all, the greatest problem solvers to have ever existed on Earth.

If working apart, we are a force powerful enough to destabilize our planet.... surely working together, we are powerful enough to save it.

Sir David Attenborough
Naturalist and broadcaster



Q&A

Join the online conversation @theplanetmark | #DoMoreGood

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