

THE STATISTICS

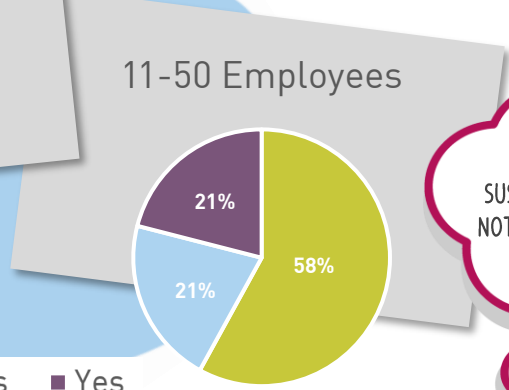
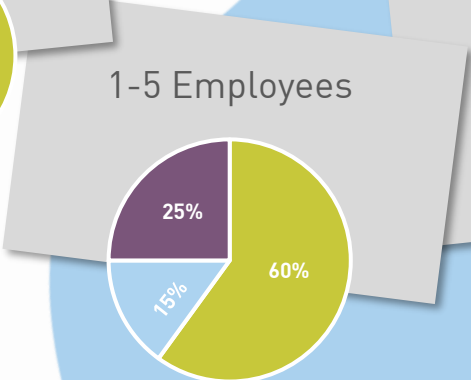
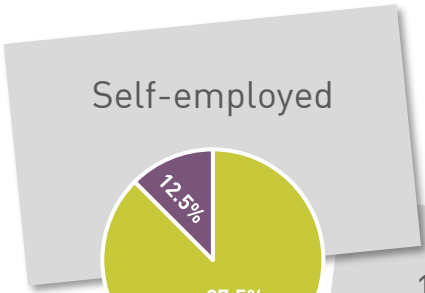
The below pie charts have been created using data collected by KPMG, which looked into the percentage of businesses who had an established ESG (environmental, social, governance) plan or are in the process of creating one, by business size.

As you can see from the data, the general trend is the smaller the business the less chance they have of having an established ESG plan or being in the process of creating one. Reasons why?

Lack of funds

Other priorities

Lack of internal knowledge



■ Not started ■ Planning in progress ■ Yes

DO YOU HAVE AN ESG OR SUSTAINABILITY STRATEGY? IF NOT, WHAT ARE YOUR REASONS WHY?

Adapted from KPMG's 'Your journey to net zero' presentation from the 8 February 2022. You can find the full presentation by clicking the [here](#).

Although not included in this slide, for larger businesses with over 101 employees the percentage of businesses who have begun planning or have already established an ESG plan is much greater, at 81.25% compared to just 29.5% of self-employed persons or small businesses with 1-10 employees.

QUESTION

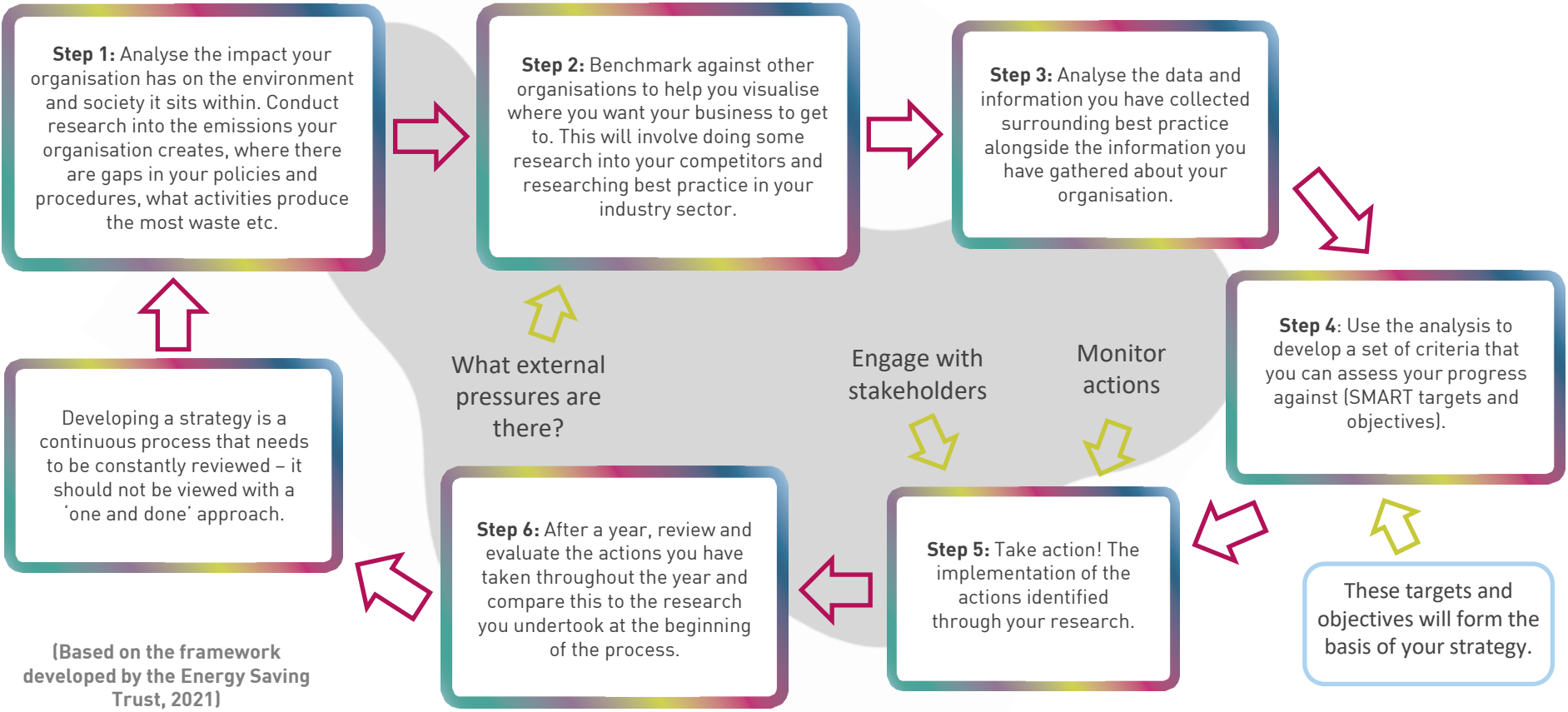
- What is a sustainability strategy?
- Why does my organisation need a sustainability strategy?
- Will this be relevant to my organisation?
- How do I develop a sustainability strategy?
- How do I embed this within my organisation?
- What are the disadvantages?

ANSWER

- A sustainability strategy is a strategy focussed on how a business can take actionable steps to improve their overall impact on their stakeholders in a positive way. By having a defined strategy, you are able to plan how you are going to reach your targets over a defined period. This could include related ESG and CSR strategies that feed into an overall Sustainability strategy.
- To effectively integrate sustainable practices within your organisation you need to develop a strategy to align the overall objectives of your organisation, enabling you to meet the needs of your stakeholders. Embedding sustainability within your overall strategy requires a change in mind-set, it is not just an add-on.
- A strategy encompassing sustainability can be embedded no matter what your organisation's size or what sector you sit within. You just need to adjust the goals of the strategy to best fit your organisation's aims, objectives and purpose.
- There are several steps involved in developing a sustainability strategy; these are outlined within this section. It is a process that requires time and commitment but is a worthwhile process if you believe it will add value to your organisation and community.
- Culture plays a crucial role in the integration of a sustainability strategy. It requires commitment from the top and throughout the organisation. Having clear objectives in place ensures that colleagues are all working towards a shared goal.
- Having a defined strategy with set targets means that if you fail to meet those targets, you'll be held accountable by your stakeholders. There is also additional time resource that will need to go into creating initial strategy.

DEVELOPING A SUSTAINABILITY STRATEGY

How you build and develop a sustainability strategy will differ from other organisations as the context you operate within will differ. Your culture will play a vital role in the effective implementation of a new strategy. When reading through each step, consider how they might relate to your organisation and what ideas you could use for development and implementation.



(Based on the framework developed by the Energy Saving Trust, 2021)

REGULATIONS

Although there are no set regulations currently enforced on the Isle of Man in relation to climate change or carbon emissions (as at 2024), there is a growing trend in other regions around the world for introducing regulation that doesn't just require climate-related disclosures, but disclosures linked to social and environmental impacts.

Being aware of what the trends in the regulations are can help your organisation to prepare, as the disclosures may involve gathering new data sets or analysing your business in a way you hadn't considered before.

Your sustainability strategy will also need to be re-reviewed so that it encompasses what the regulations are asking you to address as there may be things you have overlooked.

European Sustainability Reporting Standards (ESRS)

CLICK ON EACH REPORTING STANDARD TO FIND OUT MORE.

Task Force on Nature-Related Financial Disclosures (TNFD)

Task Force on Climate-Related Financial Disclosures (TCFD)

IFRS Sustainability Disclosure Standards – IFRS S1 & IFRS S2

Anti-greenwashing rules

International Sustainability Standards Board (ISSB)

Sustainable Finance Disclosure Regulation (SFDR)

Global Reporting Initiative Standards

Corporate Sustainability Reporting Directive (CSRD)

The regulations may have no impact on your organisation, but being aware of the trends can help you horizon scan and ensure you are prepared in case regulation does come in that may impact you.

FOR THOUGHT...

HOW DO YOUR CURRENT BUSINESS OBJECTIVES RELATE TO SUSTAINABILITY?

WHAT ARE YOUR COMPETITORS DOING THAT YOU COULD DO?

WHAT ARE THE KEY AREAS OF SUSTAINABILITY YOU WOULD LIKE TO ADDRESS IN YOUR BUSINESS?

HOW WOULD YOU DEVELOP A STRATEGY GOING FORWARD?

NET ZERO ISLE OF MAN

Net Zero Isle of Man was set up to take action on climate change and protect the planet to help reach the Island's goal of carbon neutrality by 2050. They have a dedicated website sharing statistics around climate change and the environment.

Net Zero Isle of Man have created a 'Resource Hub' on their website which contains a variety of different resources which organisations, and individuals, can use to make change.



The Fair Change Framework within the 'Resource Hub' offers guidance on sustainable decision making and policy development in the transition towards a sustainable future. It also provides guidance on how to apply the principles outlined within the Climate Change Bill 2021 within decision making within your organisation.

Within the document there are several tools, including a framework which allows you to create your own Fair Change plan by defining relevant actions, identifying stakeholders, assessing the actions and allowing you to create a timeline.

GUIDANCE DOCUMENTS

Fair Change Framework >	Guidance for public bodies >	Climate change duties - quick reference guide >
Energy Efficiency Scheme >	Business Energy Saving Scheme Guidelines >	Green Living Grant Scheme >

Understand current GHG emissions

Develop an action plan

Monitor and report progress

The guidance documents provide an overview on the types of greenhouse gases, understanding carbon emissions, and how we can reduce our impact.

[CLICK HERE TO HEAD TO THE NET ZERO WEBSITE.](#)



a. Define your action

Description of proposed action

How does this action reduce emissions or facilitate/enable the reduction of emissions?

Key Success Indicators – what outcomes will indicate that your action and your Fair Change Plan has been successful?
