

# Seizing the sustainability opportunity in the next normal

**Stephen Butler**  
Director of Stakeholder Engagement

Believe in brilliance



# A bit about Luminous

# Introducing Luminous

## At a glance

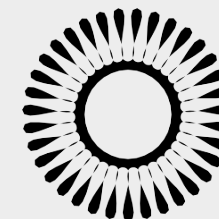
**18 years of sustained growth have seen us build a team of over 50 experts combining strategic, creative, management and production skills**



**Experienced**  
18 years



**Resourceful**  
52 full-time



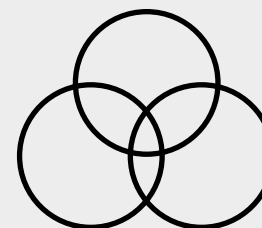
**Robust**  
£5.7m sales



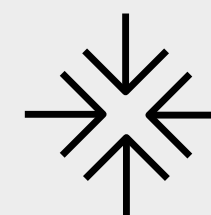
**Resilient**  
largest client  
<10%



**Respected**  
77 awards



**Specialist**  
Brand & Comms, Sustainable  
Business, Stakeholder  
Engagement



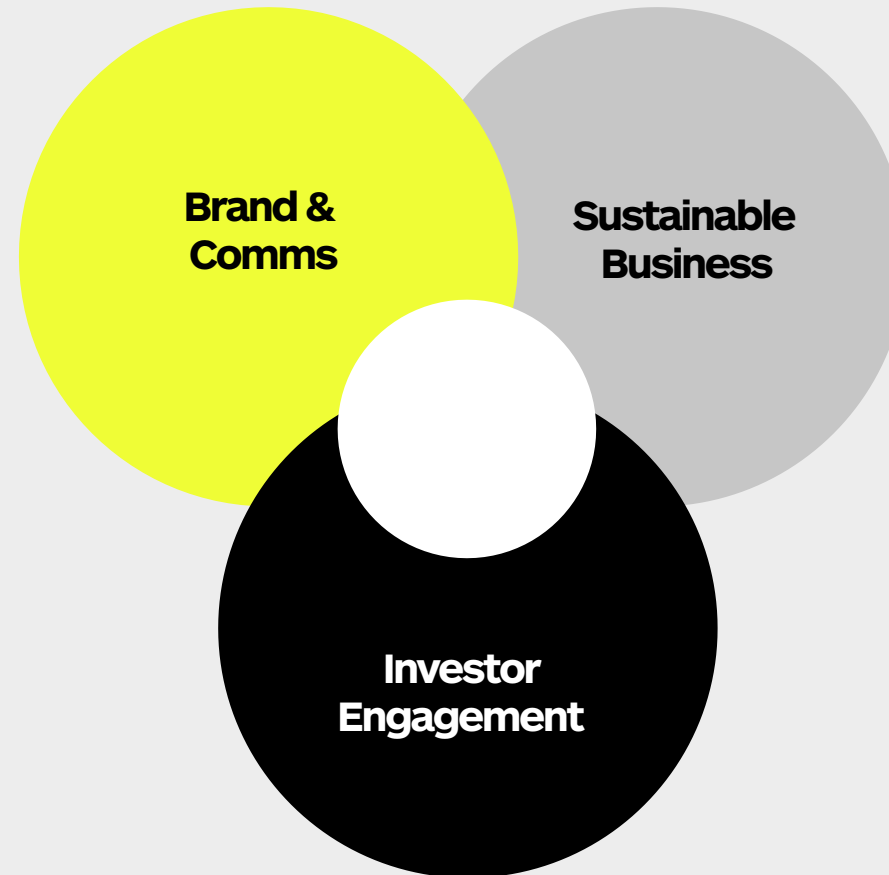
**Full service**  
Integrated offer

Introducing Luminous  
**Who we are**

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**Our purpose is to  
help individuals and  
businesses shine**

As a strategic communications partner, we shine fresh light on what really matters about your business, illuminating what sets you apart to create and deliver brighter Brand & Comms, Sustainable Business and Investor Engagement solutions that resonate with your key influencers.



## **What we will cover today**

What's driving global change

Future-proofing your sustainability strategy

How you can integrate sustainability into your business and engage your stakeholders across key touchpoints

## Today's speakers



Stephen Butler,  
Director of Stakeholder  
Engagement



Sarah Holloway,  
Sustainability Advisor



Sheila Morrison,  
Director of Brand &  
Comms

## What's driving global change?



The COVID-19 crisis highlighted supply chain vulnerability. As such, one result of the crisis looks likely to be a remaking of global supply chains, with a focus on security and locality.



## What's driving global change?



In his annual letter to chief executives, Larry Fink said his firm would **avoid** investments in companies that “present a high sustainability-related risk”.



## What's driving global change?



The police killing of George Floyd sparks peaceful demonstrations around the world.

The movement is focused on equality and ending institutional racism.

## What's driving global change?

### Brand Purpose Evolution From Single Event, To 360° Change Agent



Brands can no longer be silent. They're expected to weigh in on important issues as they arise, in addition to the core brand purpose cause (Secret Deodorant & equal pay for women, Dove & women's self-esteem, Patagonia & the environment). Brands now speak out on pressing issues like COVID-19, Black Lives Matter & Gun Control.

## What's driving global change?



Big brands have been pulling ads From Facebook over hate speech. The company has lost \$7.2 billion and seen shares fall by 8.3%.

## What's driving global change?



**Large investors** such as Sacha Sadan, head of investment stewardship at **LGIM**, have said they **expect companies** to **not focus solely** on their **shareholders** but to **focus on stakeholder primacy**.



## What's driving global change?



The Sunday Times reported workers at a Leicester factory that supplied clothes to Boohoo were paid just £3.50 an hour, while being offered no protection from COVID-19.

The company's shares crashed 33% in just two days, and Next and ASOS dropped Boohoo goods from their stores and more than £1bn has been wiped off Boohoo's value.

## What's driving global change?



Mr Carney has previously spoken out about climate change risks

Mark Carney added his voice to calls for industrialised nations to invest in a greener economic recovery from the COVID-19 crisis.

Mr Carney said that the **pandemic** was “a **terrible situation**, but there was also a **big opportunity**” at the end of it.

“We can't self-isolate from climate change,” he added.

## What's driving global change?



A growing number of the world's biggest companies are pushing governments to ensure that efforts to recover from the impacts of the COVID-19 pandemic promote a greener, cleaner, more sustainable global economy.



## What's driving global change?



**Only 12% of Britons want life to return to 'normal' once lockdown is over.**

(ThinkBritain, July 2020)

**Nearly 80% of people in the US and UK are willing to make lifestyle changes to stop climate change as big as those they've made for COVID-19.**

(Futerra/OnePulse, May 2020)

**32% of UK workers are expecting to at least partially work from home even after the lockdown has ended.**

(Centre for Economics and Business Research, July 2020)

**Focusing on impact will help businesses to address our shared long-term challenges**



# Future-proofing your sustainability strategy

## What has COVID-19 changed?

- Evidence that companies managing ESG (environmental, social and governance) impacts have weathered the pandemic better than peers.
- Greater appreciation of the 'social contract'.
- New awareness of our interconnectedness with nature.
- Permanent changes to the way we work.

## What hasn't changed?

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- The global mega-trends of climate change, resource scarcity, social justice and others.
- The drive for ways of doing business that add value for all stakeholders and which respect planetary boundaries.

# Stakeholders expect a mature approach to sustainability

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Compliant	'Doing good'	Responsible	Strategic	Purpose-driven
<b>Protect shareholder value</b>	<b>Build reputation &amp; feel-good factor</b>	<b>Manage risks &amp; do less bad</b>	<b>Future-proof &amp; seize opportunity</b>	<b>Fulfil purpose &amp; do more good</b>
Comply with laws	Charitable giving	Materiality	Vision/business strategy	Make key decisions in line with purpose
Manage selected other risks	Employee volunteering	Targets & measurement	Brand purpose/activism	Change culture
		Good management	Innovation	Transform business model
		Reporting	Lead sector	Use advocacy & power
			Align with Global Goals	Drive Global Goals



## The sustainability basics are even more important

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### Vision

What is the role of my organisation in a sustainable world?

### Priorities

What are our most material impacts – positive and negative?

### Embedding

How do we make these priorities a core part of our business model?

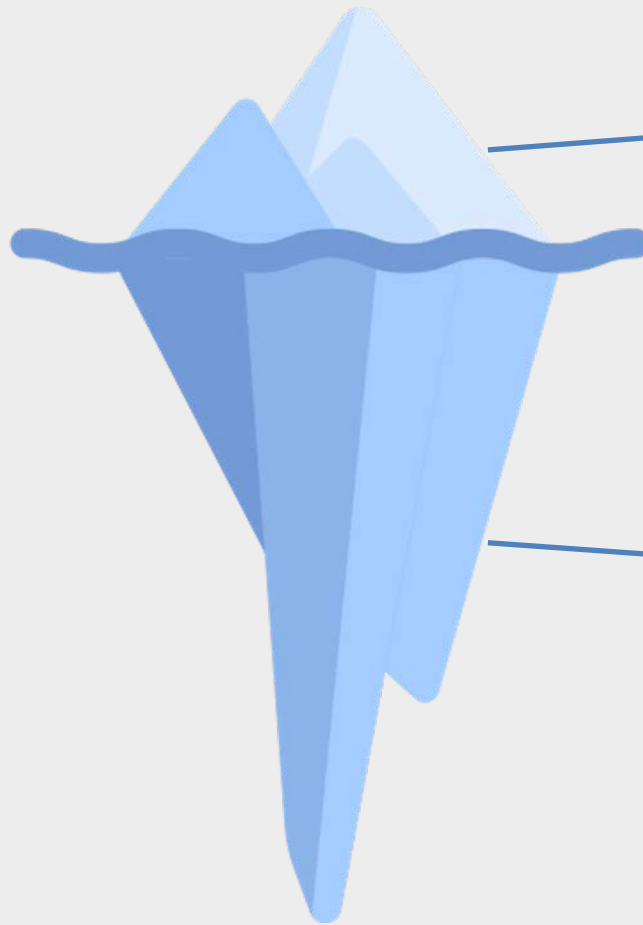
### Reporting

How do we demonstrate progress against our vision and priorities?



## A future-proof strategy is like an iceberg...

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**Above the surface** is your brand and business model – how you build connections with customers and employees.

**Below the surface** are responsible operations – supply chain, employment, accreditation and everyday actions that provide credibility and authenticity for what happens above the surface.





# Goodbye CO<sub>2</sub>

See the journey we're on towards a world that runs entirely on green energy

See our green transformation

## Our three sustainability priorities



### A world that runs entirely on green energy

#### Our priority

By pursuing 'A world that runs entirely on green energy', we address societal challenges for which Ørsted can provide market-scale solutions in a manner that creates value for society and our business at the same time.

#### Societal challenges

- Climate action
- Green energy deployment
- Green energy integration and flexibility

#### Sustainability programmes

1. Green leadership
2. Deployment of offshore wind
3. Greener power stations
4. Integration of green energy



### Enabling sustainable growth

#### Our priority

Through 'Enabling sustainable growth', we address the social and environmental impacts of our operations and business relations to enable growth of our business in a sustainable manner.

#### Societal challenges

- Biomass sustainability
- Community impact and local content
- Biodiversity impact
- Talent development
- Diversity and equal opportunity
- Energy efficiency
- Waste management

#### Sustainability programmes

5. Sourcing of certified biomass
6. Local communities
7. Protecting biodiversity
8. Employee development
9. Employee satisfaction
10. Employee diversity and inclusion
11. Energy savings
12. Resource management



### Business integrity

#### Our priority

Through 'Business integrity', we seek to conduct our business with transparency and accountability, respecting labour and human rights.

#### Societal challenges

- Safety and well-being
- Business ethics
- Value-chain impacts and business partner conduct
- Information security and cyberattacks
- Customer satisfaction
- Responsible tax
- Data privacy

#### Sustainability programmes

13. Workplace safety
14. Employee health and well-being
15. Good business conduct
16. Responsible business partner programme
17. Information and cyber security
18. Customer experience
19. Responsible tax practices
20. Personal data protection

## Oatly: Disrupting existing industries

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Unilever: Comprehensive plan, now part of corporate strategy

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**IMPROVING HEALTH AND WELL-BEING FOR MORE THAN 1 BILLION**

By 2020 we will help more than a billion people take action to improve their health and well-being. We have helped 1.24 billion people take action to improve their health and well-being.

Contributing to the following SDGs:

2

3

6

17

**REDUCING ENVIRONMENTAL IMPACT BY HALF**

By 2030 our goal is to halve the environmental footprint of the making and use of our products as we grow our business.\*

Our greenhouse gas impact has increased and our water and waste impacts per consumer use have reduced since 2010.

Contributing to the following SDGs:

7

12

13

14

15

17

**ENHANCING LIVELIHOODS FOR MILLIONS**

By 2020 we will enhance the livelihoods of millions of people as we grow our business. We have continued to make steady progress across our Enhancing Livelihoods commitments.

Contributing to the following SDGs:

1

3

4

5

8

10

17

## Materiality at the core

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- Defines material (most important) sustainability topics for the organisation.
- Prioritises topics for energy, resource and communications.
- Provides an opportunity to align sustainability strategy with risk management and business strategy.
- Supports strategy development; not just reporting.
- Demonstrates responsiveness to stakeholders – a requirement for s.172 and global sustainability reporting standards.

Material topics are:

- impacts that your organisation has on stakeholders and/or the environment
- mega-trends that could affect your ability to create value
- mega-trends that could present opportunities for the business
- topics that affect your stakeholders' perception of your company.

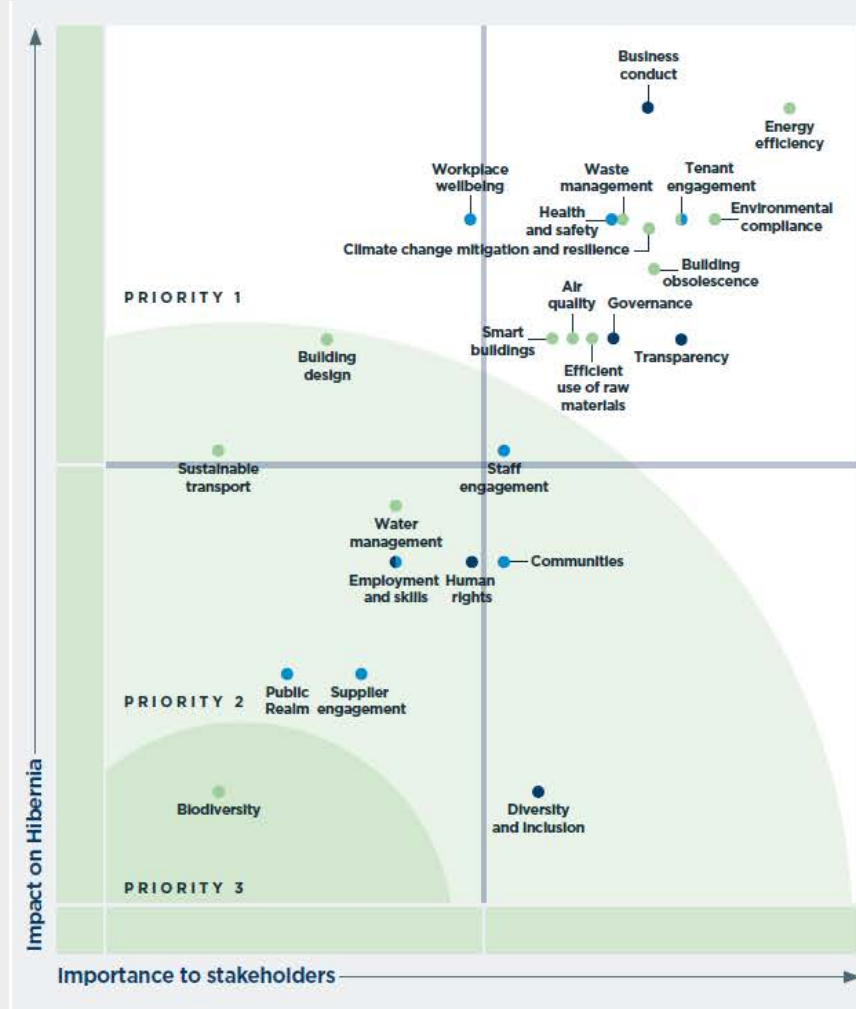
## The materiality process

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## Hibernia's materiality matrix

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- Real estate investment in Ireland with 36 properties.
- Classic materiality matrix, taking into account importance to stakeholders and impact on the business.
- Clear priority topics for strategy development and reporting.
- Brought theme of 'building obsolescence' to the attention of the senior team.



**1**

Start now – not when you're thinking about your reporting

**2**

Engage internal and external stakeholders for their views

**3**

Supplement with research into data, trends, insights for a future-facing analysis

**4**

Ensure the themes and goals you're setting are in line with your level of ambition

**5**

Align strongly with business strategy at every opportunity

# Embedding sustainability into your business

**Top tips**

**1**

Define what sustainability means to your organisation

**2**

Align your sustainability agenda with your Vision, Purpose and Values

**3**

Underpin your Vision and Purpose with a clear and actionable sustainability strategy

**4**

Communicate your strategy and engage employees with the right information and tools

**5**

Recognise and reward employees for playing their part

Embedding sustainability into your business

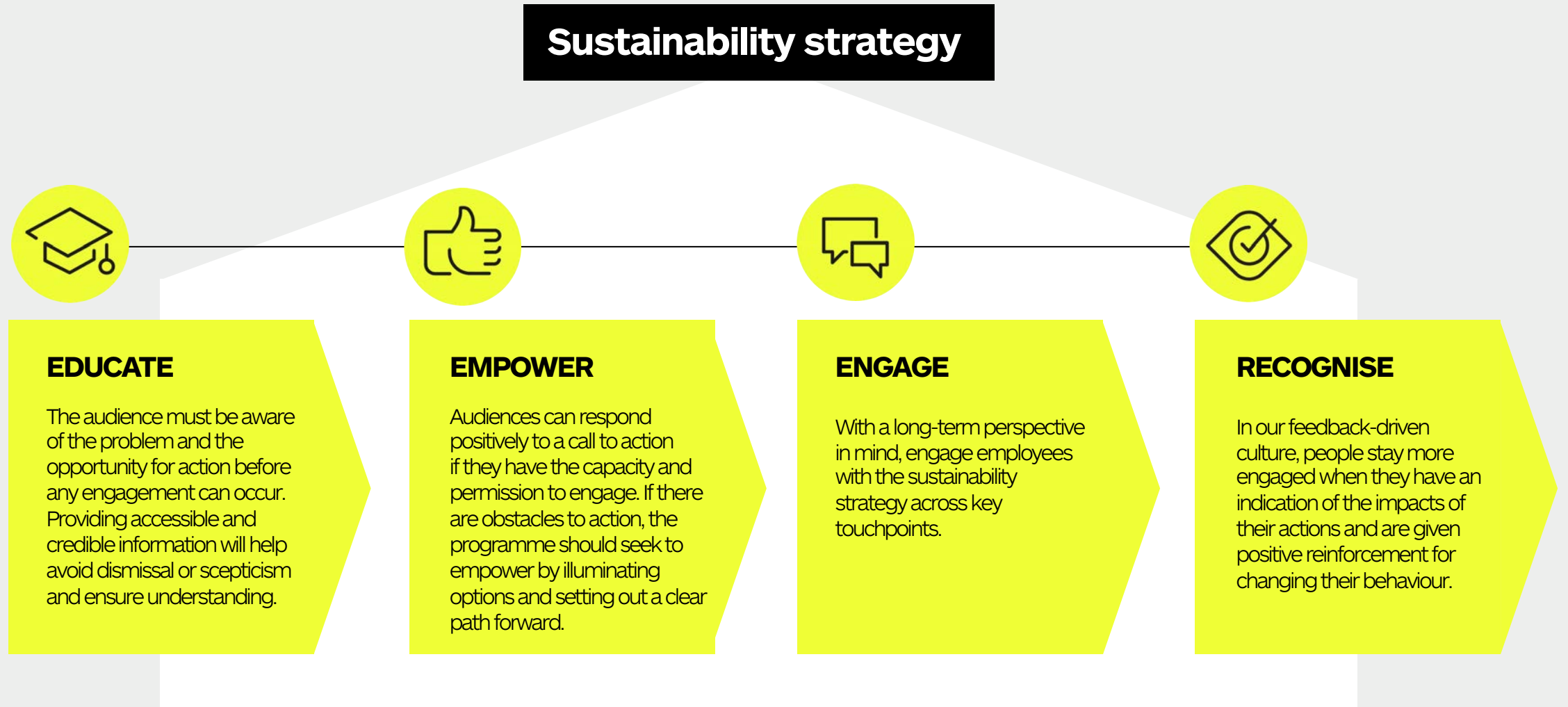
**Recommended approach**

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## Embedding sustainability into your business

### 4 key stages



## Embedding sustainability into your business

### Stage 1: Educate



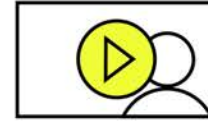
#### Task force

- Create task force
- Agree roles and responsibilities



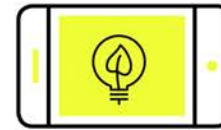
#### Employee survey

- Assess current level of understanding and engagement
- Identify any knowledge gaps



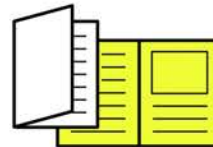
#### Management video update

- Overview of sustainability project and work completed to date
- Explanation of how sustainability strategy aligns with Vision, Purpose and Values



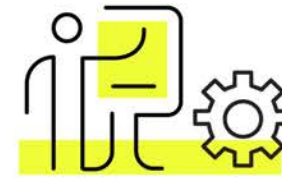
#### Animation

- Short video or animation detailing the strategy and why it matters



#### Employee pack

- Overview of strategy, pillars, key targets and KPIs
- Any policy changes and/or new expectations
- FAQs



#### Employee workshops

- Facilitate workshops across employee base
- Work through day-to-day implications for employees
- Discuss desired behaviour change and employee commitments to deliver against the Purpose, Vision, Values and sustainability strategy



## Embedding sustainability into your business

### Stage 2: Empower



#### Identify sustainability champions

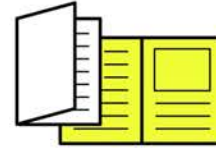
- Create a team of sustainability champions from within the business
- Individuals may exist at any level, from the CEO to administrative assistants
- Ensure all champions seek to lead change



#### 'Train the trainer' workshops

- Hold workshops in which sustainability champions are provided with the information and tools to drive change

#### ONGOING RESPONSIBILITIES



**Distribute resources and information**



**Coordinate actions within and across departments**



**Promote the sustainability strategy and desired behaviour change**



**Report progress and feedback to sustainability task force**



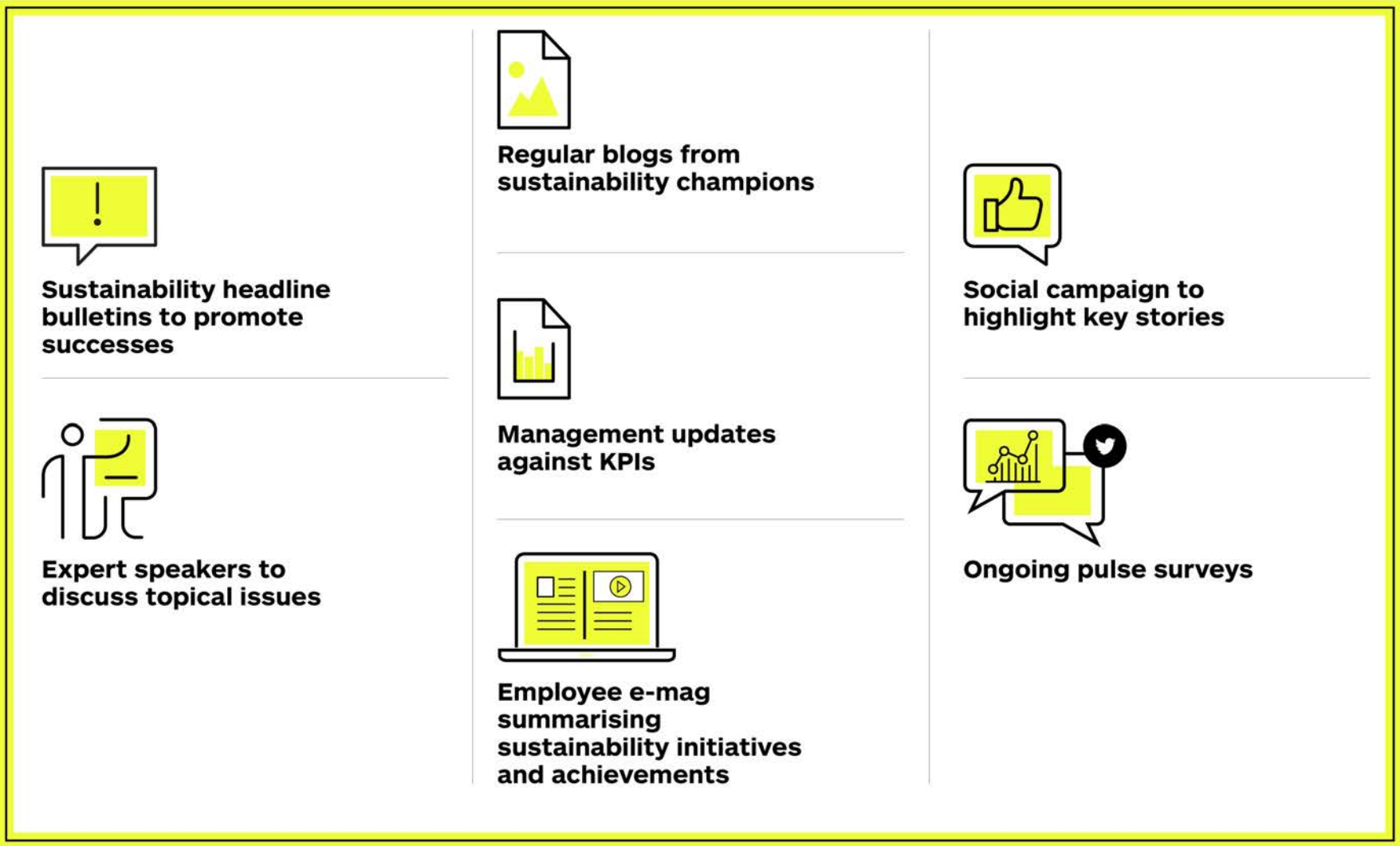


Embedding sustainability into your business

Stage 3: Engage



Create content calendar to engage employees and other stakeholders



## Embedding sustainability into your business

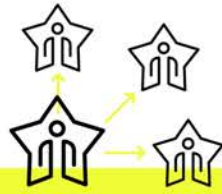
### Stage 4: Recognise



**Develop ongoing sustainability rewards programme**



**Develop awards criteria and format**



**Sustainability champions nominate fellow employees and submit to task force**



**Highlight award recipients and their sustainability success stories**



**Consider integrating sustainability targets into employee development programmes and employee performance-related pay programmes**

# CLS Holdings plc



# Our vision

**To be a leading office space specialist and a supportive, progressive and sustainably focused commercial landlord.**

We will achieve this by aligning our strategic vision to our tenants' business ambition, reinforcing our diversification in our key markets and elevating the importance of sustainability across all aspects of our business. Doing this will not only drive our business forward, it will help to enhance our profile within the sector.

# Our purpose

**Our purpose is to transform office properties into sustainable, modern spaces that help businesses to grow.**

Our investments are based on longterm vision, continuously modernising our portfolio into viable, futurefocused and sustainable properties.

We apply the same approach to our tenants, understanding their own business ambitions. By providing the right environment and sharing our expert insight, we help them make more informed choices and grow their businesses in a more responsible, considered way.

How we are ensuring that the business is sustainable Sustainability is an integral aspect and focus of the Company's purpose.

Our sustainability strategy is designed to create and inbed an understanding of, and to set the benchmark for, how we put sustainability initiatives into practice throughout the Group.

# Our values

**Our tenants, our focus.** We pride ourselves in the way we build relationships with our tenants. We get to know them and understand their business needs, so they feel listened to and valued. We are responsive and flexible, ensuring they stay with us for the long term.

**Agility unlocks opportunity.** Our agile approach allows us to see potential and opportunities in ways others can't. It means we can respond to changing market conditions and make decisions quickly. We act with flexibility and speed to make the most of possibilities the moment they arise.

**Openness creates closeness.** We treasure our inclusive, close-knit and open culture. Everyone has visibility and a voice. Our open-door policy encourages everyone to share opinions, creating greater transparency, honesty and trust.

**Collaboration gets the job done.** We confidently take ownership of projects from beginning to end, making the critical decisions that get the job done. We get involved and collaborate across departments and markets, contributing ideas and creating new initiatives to drive us forward.





## Board leadership and Company purpose Purpose, values and culture

### Defining purpose

The Board is clear that the Group's purpose goes beyond just profit, ensuring it has a long-term sustainable vision.

This year we considered how best to articulate our purpose, vision and values such that it encapsulated the views of all employees and key stakeholders in a way that was engaging and ownable.



Jean-Jaures, Paris

### Defining our purpose, vision and values

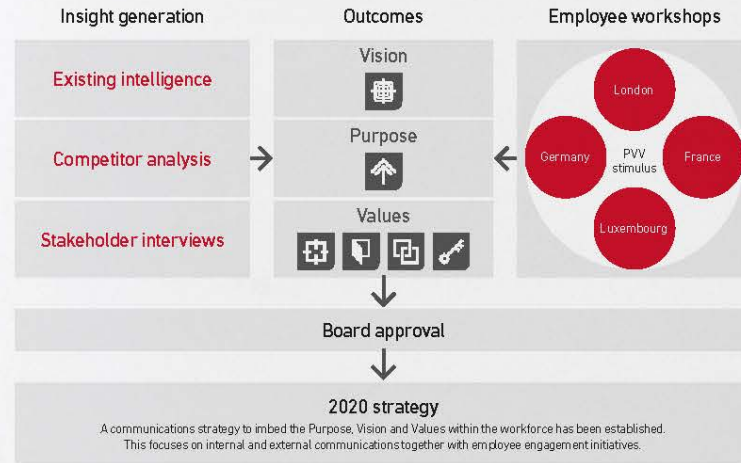
CLS has a unique culture, developed over many years ever since Sten Mortstødt founded the Company over 30 years ago. This culture has been the cornerstone of our success.

Given the growth of the Group in recent years, and with many new employees, the Board decided that we should codify our purpose, vision and values in order to ensure we maintain and develop the key factors that resulted in our success.

In 2019, we undertook a project to define our purpose, vision and values with the help of our entire workforce, as well as key external stakeholders.

During the process we spoke to over 20 key stakeholders to identify external views and invited all employees to workshops to debate and synthesise their opinions on our values and what we stand for.

This was then debated and presented to all employees, following which a final document was provided to the Board with 4 key values, a clear vision and purpose that they endorsed wholeheartedly.



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Strategic report

Corporate governance

Financial statements

Additional information

CLS

CLS Holdings plc Annual Report and Accounts 2019

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## Board leadership and Company purpose Purpose, values and culture continued

# How our vision, purpose and values link to our strategy

### Our vision

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CLS Holdings plc Annual Report and Accounts 2019







Project aim  
A sustainability strategy that can help deliver CLS's newly defined vision and purpose

## Our vision

is to be a leading office space specialist and a supportive, progressive and sustainably focused commercial landlord.

## Our purpose

is to transform office properties into sustainable, modern spaces that help businesses to grow.

## Our sustainability strategy is to...

Remote Workshop exercises  
The universe of material issues

## ESG

The universe of material issues have been separated into three key categories: Environmental, Social and Governance (ESG). The following slides list the issues for our general discussion and understanding.

In the remote workshop exercises, we will use the universe of material issues lists to:

- Identify issues as risks and opportunities
- Identify stakeholders and their concerns
- Map issues to stakeholders and identify risks and opportunities
- Rank issues overall

Introduction  
Project overview

TODAY

### Insight generation



### External listening and workshops

EXTERNAL LISTENING  
MATERIALITY WORKSHOP  
SUSTAINABILITY STRATEGY WORKSHOP

### Communication and engagement



CLS

# Q&A

What's next?

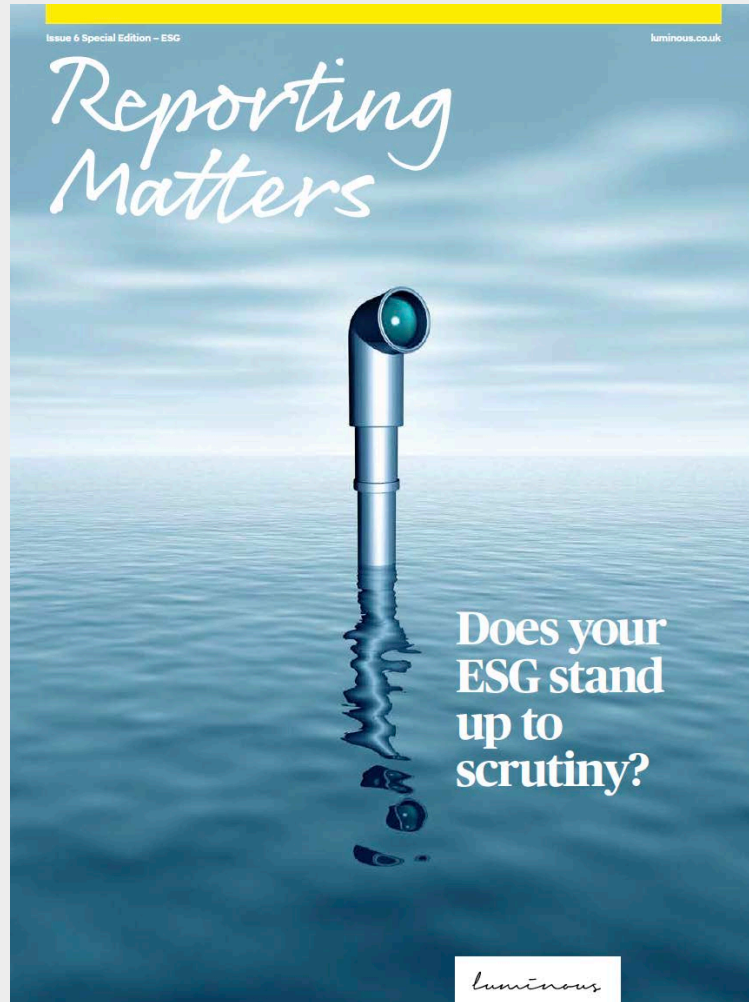
# Striking the right tone, post-COVID

Event #6

Thursday 30 July 2020 / 14.00



Reporting Matters Issue 6  
**Special Edition – ESG**



**Download our latest publication at**  
[www.luminous.co.uk](http://www.luminous.co.uk)

To discuss how Luminous can help you with your sustainability reporting, drop me an email:  
[stephen.butler@luminous.co.uk](mailto:stephen.butler@luminous.co.uk)

# Thank you

