

# Responsible & Sustainable business What's in it for me?

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**ACHIEVING SUPPLY CHAIN EXCELLENCE ONLINE EVENT**

April 2021

Accountability Adaptation Advantage Carbon emissions  
Caring Change Climate Change Collaboration  
Commitment Community Conscience Customer  
Diversity Education Efficiency Energy Environment  
Equality Ethics Fair Future-proof Giving Green Honesty  
Human rights Investors Inclusion Integrity Mitigation  
Moral courage Outreach People Planning Protection  
Quality Risk Reputation Resilience Safety Skills  
Slavery Society Standards Sustainability Tree Hugger  
Trust Underestimated Wellbeing Window dressing

People  
Planet  
profit

Corporate  
Responsibility  
& Sustainability

Environment  
Society  
Governance

## Approach and benefits

### **Taking responsibility for the impacts of our business**

Integrate consideration for social, environmental, ethical issues into our business operations and core strategy in close collaboration with our stakeholders

#### **Value Protection**

Risk reduction  
Resilience  
Compliance

#### **Value Creation**

Stakeholder trust (social capital)  
– leading to investment, engagement & business opportunities, societal benefit, environment improvement etc

# Responsible and Sustainable Business: evolving landscape

Existing drivers	Emerging drivers	Best practice in our sector
<ul style="list-style-type: none"> <li>• Legislation</li> <li>• Reporting requirements</li> <li>• Climate change/Net Zero</li> <li>• Investor priorities</li> <li>• Customers (bids/opportunities)</li> <li>• Employee expectations</li> <li>• Frameworks (eg Sustainable Development Goals)</li> <li>• Government SME focus</li> <li>• COVID-19</li> </ul>	<ul style="list-style-type: none"> <li>• COVID-19 (evolving)</li> <li>• Investor focus</li> <li>• MOD Climate Change strategy</li> <li>• Social Value</li> <li>• Human rights/Environmental due diligence</li> <li>• TCFD and EU Taxonomy</li> <li>• World Economic Forum report</li> <li>• Prompt payment (April 2021)</li> <li>• £12bn 10 point plan</li> <li>• Ethnicity pay gap reporting</li> <li>• Modern Slavery (Canada)</li> </ul>	<ul style="list-style-type: none"> <li>• Net zero plans and targets</li> <li>• Alignment with Sustainable Development Goals</li> <li>• Communication</li> <li>• Greenhouse Gas Scope 3</li> <li>• Responsible procurement</li> <li>• Focus on D&amp;I</li> <li>• Sustainable solutions</li> <li>• Visible leadership/DSF</li> <li>• Aviation/Jet Zero/Astra RAF</li> </ul>



# Climate change

## The New York Times

**Biden Plans to Move Fast With a 'Climate Administration.'** Here's How.



President-elect Joseph R. Biden Jr.'s aggressive approach to climate change includes undoing years of President Trump's regulatory rollbacks at agencies like the E.P.A. *Climate News Desk for The New York Times*

## edie

NEWS IN-DEPTH NET-ZERO MISSION POSSIBLE DOWN

**Boris Johnson unveils £12bn Ten Point Plan for net-zero transition**

Clean hydrogen, carbon capture and storage (CCS), zero-carbon transport and offshore wind are all pillars of Boris Johnson's Ten Point Plan to push the UK towards net-zero emissions, which will be backed by £12bn in Government investment and aim to create 250,000 new green jobs.



Ministry of Defence

Ministry of Defence  
Climate Change and Sustainability Strategic Approach

Final Report

Recommendations of the Task Force on Climate-related Financial Disclosures

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

June 2017

## edie

NEWS IN-DEPTH NET-ZERO MISSION POSSIBLE DOWNLOADS

**McKinsey: Global fossil fuel demand will peak in 2027**

One of the world's largest consultancies has published analysis outlining how global fossil fuel demand could peak by 2027. Due to the Covid-19 pandemic, accelerating trends in electrification and energy efficiency.



Gas and renewables have proven more resilient to the impacts of the pandemic than oil

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Science & Environment

**Climate change: 2020 in a dead heat for world's warmest year**

By Matt Williams Environment correspondent

2020 was the warmest

California wildfires



High temperatures persisted across the year

# Social Value



COVID-19  
recovery

Tackling economic  
inequality

Tackling climate  
change

Equal  
opportunity

Wellbeing

**Help local  
communities  
to manage and  
recover from  
the impact of  
COVID-19**

**Create new  
businesses,  
new jobs and  
new skills**

**Increase supply  
chain resilience and  
capacity**

**Effective  
stewardship  
of the  
environment**

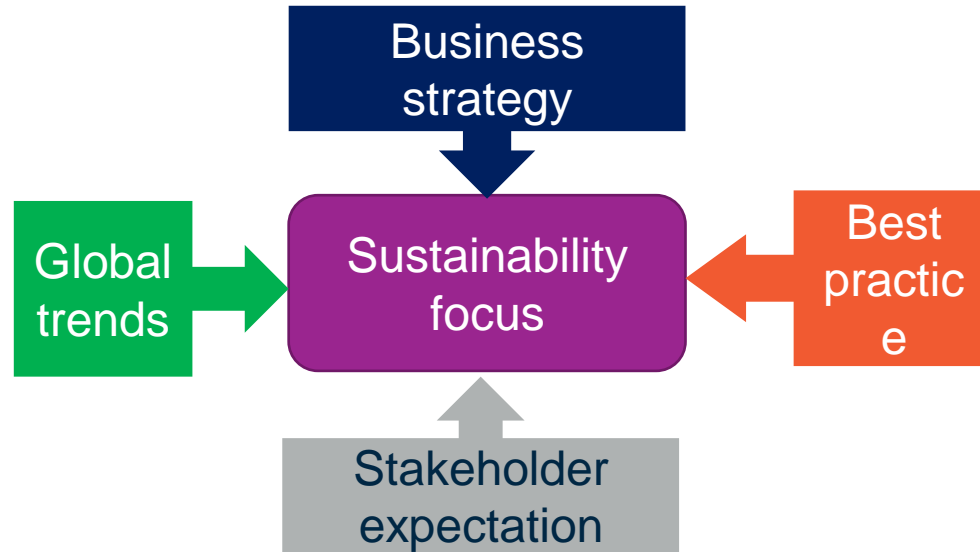
**Reduce the  
disability  
employment gap**

**Tackle workforce  
inequality**

**Improve health  
and wellbeing**

**Improve  
community  
integration**

## Materiality - deciding what to focus on



## Our Purpose

*Protecting lives, defending sovereign capability and securing the vital interests of our customers*

### Environment

To be an excellent environmental steward



Climate Change/Net Zero  
Environmental Management  
Waste and Resources  
Conservation and Biodiversity  
Sustainable solutions for customers

### Society

To attract, engage & develop great people & have a positive impact on the community



Employee Engagement  
Diversity & Inclusion  
Employee Health Safety & Wellbeing  
Employee Learning & Development  
Employee Reward and Recognition  
Community investment & STEM outreach

### Governance

To be a responsible and sustainable business



Business Ethics  
Code of Conduct  
Anti-bribery and Corruption  
Tackling Modern Slavery  
Ethical Trading Policy  
Responsible & Sustainable Procurement  
Leadership Remuneration

### Our values

#### Integrity

Fully supported by Board and GLT

#### Collaboration

Working with industry: ADS & DSF  
Cross-functional approach

#### Performance

MSCI: AA rating  
Sustainalytics: A&D Sector Leader

We deliver responsibly & sustainably for the benefit of all our stakeholders



## Summary

- Focus only on what is material
- Align with your business purpose
- Prepare for Social Value
- ADS can help (horizon scanning, network, resources)