

HOW TO: CONSIDER ESG FOR HERITAGE ORGANISATIONS AND PROJECTS

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What is ESG?

Environmental, Social, and Governance

- **More than a corporate buzzword?**
- **Environmental** – sustainability, climate risk, supply chain, ethical choices
- **Social** – equality, diversity, inclusion
- **Governance** – organisational purpose, leadership, integrity, risk and control, transparency and accountability

Governance

Duties and best practice

- Legal requirements
- Regulatory requirements
- Partners and funders
- Best practice

Impact

Sustainability

Social

Equality, diversity, inclusion

- **Legal duties**
- **Supporting good governance**
- **Context specific** – reflects your aims, strategy, culture, values

Legitimacy

Inclusiveness

Benefits/challenges



Speakers



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Strategy for developing an ESG policy

1. Know your organisation
2. Create an inventory
3. Define your priorities
4. Start developing a strategic plan
5. Consider your organisational culture
6. Measure your progress
7. Report & Communicate
8. Learn
9. Recalibrate & Evolve

1. Know your organisation

First of all – appoint someone to lead on the development of the policy
then consider;

- Who are you? What is your mission / purpose? What are your values?
- Who are your stakeholders? Who will you need buy in from? Who will you need to collaborate with?
- What does ESG mean for your organisation and its work?

LHBT: Review values / mission, Governance structure, project types & outcomes

Stakeholder mapping, Historic England & HLF Guidance

Peer research

2. Create an inventory

Consider;

- What are you already doing for the betterment of environmental, social or governance issues?
- Do any of these targets /achievements align with the Sustainable Development Goals - [THE 17 GOALS | Sustainable Development \(un.org\)](#)
- Research: What are your peers doing? There can be no progress without information sharing.

LHBT: 'Long term sustainability' and 'social impact' are embedded into our strategic objectives; we are well positioned to mitigate the risks of increasing carbon emissions via our expertise in the re-use and re-purposing of historic buildings. Furthermore, the Trust already measure their social impact on an annual basis.

3. Define your priorities

Consider:

- Where do you want to be in the short, medium and long term?
- Where can you build upon existing actions?
- Where can you make maximum impact and what needs further work?
- How will you measure progress?

LHBT: Creation of an over-arching policy supported by a list of short term actions to kick off progress
e.g. starting to measure business related emissions, embedding tangible sustainability goals into project briefs.

4. Start developing a strategic plan

Consider:

- Environmental: practical and precise actions to minimise carbon footprint both directly by the organisation and more indirectly via its work;
- Social: effective actions to address socio-economic disparity;
- Governance: robust compliance with relevant standards & codes of practice;
- Steps required to integrate this into the overall business plan.

LHBT: Developed a framework based on the principles of ESG and within this we have refined it to 1) Our Operations; 2) Our Projects and 3) Our Stakeholders & Suppliers.

5. Organisational culture

Consider;

- Who will promote the ESG policy and any process changes required?
- How do you effectively communicate the policy to all internal and external stakeholders?
- How can you achieve buy-in from all stakeholders (employees, trustees, suppliers, advisors, the community etc)?

LHBT: Trustee for Social Impact

Committees – Buildings, Finance, Risk

Full integration into annual reporting

Internal training / CPD

An ESG policy existing in isolation will not succeed!

6. Measure your progress

Consider;

- Record your baseline position
- Agree your key indicators to measure qualitative and quantitative progress.
- Agree frequency of measurement – this may be project to project and then quarterly or annually.

LHBT: Expansion of the existing Social Impact Measurement Framework to include environmental targets. Board agreement as to the frequency of reporting and inclusion in end of year reporting.

7. Report & Communicate

Consider;

- Internal reporting: who is responsible? frequency & method?
- External reporting: reporting to stakeholders?
- Communication: publish your targets & achievements, include a section on your website / social media.
- Share best practice with stakeholders, partners and peers.

LHBT: Board reviews and agrees the ESG policy.

ESG policy to be added to the website.

ESG reporting to be included in the LHBT Annual Report.

'How To' training & ongoing information sharing on projects

8. Learn

Consider;

- Quarterly reviews: what's working / what's not?
- CPD for employees and other stakeholders – aim to be inclusive & inspiring
- Evolving best practice – keep up to date with regulatory requirements.
- Sharing best practice with peers – roundtable discussions; project feedback etc..

9. Recalibrate & Evolve

Consider;

- Is your policy fully integrated and aligned with the overall organisation's strategy and purpose? You may have to innovate and change and this requires full buy in from all levels of the organisation.
- Don't be disheartened by the task ahead – be brave, start small and build upon your knowledge but try to set big targets so we can collectively push towards positive change – the idea of the 'flourishing enterprise' rather than simply avoiding negative outcomes.

Further Resources

- UN Sustainable Development Goals - [THE 17 GOALS | Sustainable Development \(un.org\)](#)
- [Government Carbon Calculator - Carbon calculator - GOV.UK \(www.gov.uk\)](#)
- Heritage Lottery Fund: Environmental Sustainability Guidance - [Environmental sustainability guidance | The National Lottery Heritage Fund](#)
- Historic England: Climate Change Mitigation, Adaptation and Energy Measures - [Climate Change: Mitigation, Adaptation and Energy Measures | Historic England](#)
- RSM: What does ESG mean for the Charities Sector? [Charities ESG Report - 1 \(pagetiger.com\)](#)
- Charities Governance Code - <https://www.charitygovernancecode.org/en/pdf>
- International Financial Reporting Standards Foundation: Framework for Integrated Reporting - [InternationalIntegratedReportingFramework.pdf \(valuereportingfoundation.org\)](#)
- Flourishing Enterprise Innovation Toolkit - [Flourishing Enterprise Innovation Toolkit – Tools for the Strongly Sustainable Revolution – Socially Beneficial, Environmentally Regenerative and Financially Viable \(flourishingbusiness.org\)](#)