HOW CAN BUSINESSES ENSURE AN INCLUSIVE GREEN RECOVERY?

While COVID-19 has forced us to adapt at pace, the climate emergency is continuing to escalate. Businesses have proven that they can adjust and be agile and the opportunities presented by transitioning to a green economy are seen as part of the solution to the growing youth unemployment crisis. As we embrace this 'green' transformation, how can we also make sure that new opportunities are available for people of all backgrounds, and from all areas of the UK?

The active involvement of businesses will be crucial to the success of any plans for a green jobs recovery, but practical questions remain around how these can be delivered. Questions which need to be resolved include:

- What do we mean by 'green jobs'?
- Should all jobs be 'green'?
- What skills are required for these roles?
- How can businesses ensure that new opportunities are inclusive?

What do we mean by green jobs?

An Office for National Statistics (ONS) review found that the term "*has no one particular meaning… often, more than one definition is cited, and different definitions can suit different uses".* Businesses should therefore use the term with a degree of flexibility and caution.[i]

International definitions

- UN System of Environmental Accounting: any job that is "*engaged in producing goods and services for environmental protection purposes, as well as those engaged in conserving and maintaining natural resources."*
- Internal Labour Organisation (ILO) uses a broader definition that includes community adaptation to climate change as well as the need for jobs to be 'decent'.

UK definition

This definition focuses on "*economic activities that deliver goods and services that are likely to help the UK generate lower emissions of greenhouse gases"* as opposed to specific sectors.

Despite a narrower definition than the UN or ILO, this captures more as it includes activity from businesses even if their primary purpose is not associated with carbon reduction.

A sector approach

In this approach, either all jobs in a particular sector are considered 'green', or some sectors require further grouping. Examples include:

- Renewable energy production

- Nature-based solutions
- Conservation activities
- Circular economy

Should all jobs be 'green'?

The scale of the challenge required to reach net zero by 2050 has caused some to suggest that all jobs should be 'green' and that thinking about sectors, or specific job roles in isolation won't be sufficient to deal with the problem.

> ## "SUSTAINABILITY SHOULD NOT BE A BOLT-ON. IT NEEDS TO BE A CORE PART OF EVERYONE'S ROLE, REGARDLESS OF THEIR JOB TITLE" [ii]
> James Watt, CEO, BrewDog

So how can responsible businesses make this work in practice? There are several ways in which all jobs can be made green:

1. Taking a purpose-led approach to sustainability
2. Getting ahead of the curve on 'greening' corporate functions
3. Promoting opportunities for environmental volunteering outside of formal job roles

Incorporating sustainability into your business purpose will go some way to making more jobs 'green'. In this way, sustainability is not just something which certain parts of an organisation focus on, but a core principle which every employee must think about in their day-to-day operations. A good example of this approach is Unilever's Sustainable Living Plan which sets out the company's ambition to make all of its consumer products sustainable. Some brands are even at risk of being sold from Unilever if they are not able to operate in a way which has a positive impact on the planet.[iii]

> ## "DON'T CREATE A LITTLE DEPARTMENT IN THE CORNER.

> ## MAINSTREAM INTO ALL COUNTRIES, ALL BRANDS, ALL DIVISIONS. THE SOONER YOU HAVE AN EXCEPTION, EVERYONE THINKS THEY'RE THE EXCEPTION" [iv]
> Keith Weed, Ex-CMO, Unilever

New requirements for premium-listed companies to report their climate-related financial risks in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) mean that jobs in finance, accounting, and business strategy will need to also become 'green jobs' (or at least incorporate more elements of sustainability). Other future 'greening' of roles could include:

- Facilities managers influencing energy consumption, installing facilities to promote active travel, or embracing nature-based solutions[v]
- HR managers offering opportunities to volunteer in nature and promoting sustainability principles as part of the recruitment process[vi]
- Procurement staff minimising waste by adopting circular principles into procurement criteria and influencing their supply chains

If certain corporate functions do not lend themselves directly to sustainability, businesses can also engage employees outside of their core job roles. For example, Salesforce uses its 1/1/1 philanthropy model to allow employees to dedicate time to environmental or community organisations that they are passionate about.[vii]

What skills are required for these roles?

The transition to a net zero economy requires new skills – and this is true for new as well as existing roles. However, skills gaps have already been identified as a blocker for new green industries. Investment in reskilling will be essential to ensure that workers can transfer from declining sectors, as well as supporting

those sectors to attract and retain the resources they need.[viii]

Evidence from BEIS[ix] indicates that, in general, businesses are not certain about their future green skills needs. Broadly, it places the skills required into four categories:

- Skills supporting resource efficiency
- Skills supporting low carbon industry
- Skills supporting climate resilience
- Skills to manage natural assets

Essential skills

As well needing a variety of technical skills, businesses should also be mindful of the importance of Essential Skills, as set out in the Skills Builder Universal Framework, in building a workforce where all employees are better equipped to integrate sustainability into their roles.

Research from Circle Economy has acknowledged that *"soft skills for collaborating across sectors and service-related skills will be just as important as hard skills for programming, operating and repairing equipment"*[x]

"REACHING OUR 2050 TARGET WILL REQUIRE A NET ZERO WORKFORCE WHICH COMBINES TECHNICAL EXPERTISE WITH SOFTER SKILLS AND A PASSION FOR CLIMATE ACTION" [xi]

National Grid

Skills gaps

A 'green economy' requires skills not only in the low carbon and environmental goods and services sector, but also in helping all businesses to use natural resources efficiently and sustainably and to be resilient to climate change.

Work Local, the Local Government Association's employment and skills plan, revealed (pre-COVID-19) that by 2024, a growing skills gap will result

in a 4 million deficit of high-skilled people and an 8 million surplus of intermediate and low-skilled workers to jobs available. Further to this, research from IPPR has shown that persistent skills shortages within the construction sector will negatively impact on the UK Government's 10 Point Plan to decarbonise the economy.[xii]

How can businesses ensure that new opportunities are inclusive?

It is crucial that businesses understand how these opportunities can be used to promote inclusion rather than exacerbating existing exclusion from the labour market (whether that be regional, based on protected characteristics of age, race, gender, or social exclusion such as experiences of homelessness or past criminal convictions).

Impact on communities

Businesses must be proactive in regions where employment and prosperity are reliant on polluting sectors. Research has shown that high-polluting industries (such as mining, transportation, and manufacturing) are responsible for 93% of the UK's carbon emissions and employ 45% of the UK's workforce. Male, younger and lower-educated workers are also overrepresented in this sector.[xiii]

Indeed, the impact of pit closures on mining communities in the 1980s has had a ripple effect, with issues of unemployment, poor health, and social disadvantage spreading through generations and beyond ex-miners.[xiv] The mass transition of industry from combustion to renewables could have a similar impact, unless a proactive approach is taken by businesses now.

Existing lack of diversity

The environmental sector (and broader movement) suffers from an existing diversity problem. Research published in 2017 showed that 'Environment Professionals' was the second least diverse job role in the UK (below farmers), with

only 3% of the sector coming from ethnic minority backgrounds.[xv]

This is despite the fact that people from ethnic minority backgrounds will disproportionately suffer as a result of climate change, especially the health impacts of air pollution and decreasing access to urban green space.[xvi]

It is also not true that ethnic minorities are less well represented due to a lack of interest. Survey data from the UK has shown that attitudes of Black, Asian, and ethnic minorities are consistent with those from White backgrounds[xvii], and they are more likely to have taken some kind of personal action to reduce their footprint.[xviii]

A US study has confirmed the existence of the 'environmental belief paradox'. This is a trend in which those who are most concerned by and likely to impacted by climate change, are falsely misperceived by all groups as being the least concerned. This trend suggests that stereotypes around non-White attitudes to climate change and sustainability need to be seriously challenged as part of the UK's green recovery.[xix]

What are leaders saying about these issues?

In order to understand how businesses can contribute to an inclusive green jobs recovery, BITC convened a joint discussion with the Employment & Skills Leadership Team and Climate Action Leadership Team. This discussion sought to understand the key challenges and opportunities associated with the green recovery, as well as the role that BITC can play in enabling a just transition. The results of the discussion are summarised below:

Board level engagement

There is a clear need to address Board level engagement around the topic of climate change and sustainability. Whilst it was noted that conversations are starting to change internally around the topic, there was still limited

engagement at Board level. Another potential blind spot was the prioritisation of reputational risk over the impact of climate-related risks – although again, it was noted that these conversations were slowly starting to change due to recent changes in legislation around TCFD reporting.

The role of procurement

During the discussions about the distinction between jobs associated with new green technologies and the need for all industries and corporate functions to embed more elements of sustainability, it was noted that there was an opportunity to upskill procurement teams.

By supporting procurement teams to embed sustainability into their tender requirements, it becomes easier for businesses to start thinking about the environmental impact of their products and services at the start of the product lifecycle. It was also noted that there is an opportunity for procurement functions as a whole to leverage their influence on suppliers and increase the sustainability of products throughout their supply chains.

Interactions with customers

For businesses working in retail or hospitality, upskilling frontline workers on the issue of sustainability requires different messaging than for those working at the level of sustainability strategy or management. However, these customer-facing roles are crucial for influencing the behaviours of customers and for demonstrating how a sustainability strategy operates on the ground. The discussions also highlighted an opportunity to embed a sense of responsibility and pride into these roles which could improve engagement.

Being led by purpose

Members of both Leadership Teams agreed that being led by a purpose and integrating sustainability throughout their business was

absolutely crucial if they were to achieve the targets set by their business and also align with national and international targets.

One leader made a comparison with the increased integration of the diversity & inclusion agenda; whilst several years ago this would have been regarded as a specialist interest which was the responsibility of a limited and specific set of teams, responsible businesses are now putting it at the heart of their purpose. That same integration needs to happen with sustainability.

It was also noted that, in order to achieve this level of integration and re-imagining of business purpose in service of sustainability, collaboration across sectors will be crucial.

Getting ahead of the curve on skills

New jobs and new roles will be created as part of the transition to a new, sustainable economy. This will require businesses to look at changing habits, working practices and consumer behaviours. Businesses need to get ahead of the curve on this issue in order to prepare people to access and operate in a labour market in which the jobs and skills of the future are not yet known. It was recognised that preparing for future jobs will require an element of embedding Essential Skills as well.

A more integrated, demand-led education system

In order to build a robust skills pipeline that services an economy that is quickly transitioning, improvements need to be made to better articulate and connect future skills demand from employers with trade organisations and educators (whether that is schools, technical training colleges, or universities) in an integrated system. Local and national government need to ensure that these training opportunities are accessed by a diverse spectrum of people.

Businesses need to work more closely with education and build a bridge between the skills

needed for future jobs, as well as continuing to focus on inspiring greater take-up of STEM subjects. This also provides an opportunity to address the current lack of diversity in the market, by targeting interventions at socio-economically disadvantage cohorts and communities that have been left-behind. Specific work could also be carried out around green apprenticeships and widening participation.

FOCUS ON: NATIONAL GRID

As an energy company, National Grid is crucial to the UK's net zero plans and research has shown that the sector will need to recruit 400,000 roles by 2050 in order to meet these ambitions. As part of this, National Grid recognises the need to address current and future skills gaps whilst also engaging diverse talent in the process.

In 2020, National Grid launched its Responsible Business Charter which used a purpose-led approach to embedding sustainability across its business operations. As well as setting out its vision of a 'clean, fair, and affordable' energy system, this Charter also sets out National Grid's strategy for ensuring an inclusive green recovery. This includes commitments to achieve 50% gender diversity in its Senior Leadership Teams and its new talent programmes by 2025. As part of this proposition to reach diverse talent, National Grid continues to offer a programme of mentoring, paid work experience, training, and networking opportunities.

How can I get involved?

This continues to be a live discussion and development area for our members, so if you would like more information about how your business can support this agenda or about upcoming events or content related to this topic, please contact your BITC Relationship Manager.

BITC is committed to sharing best practice around this emerging topic, so if your business would like to be featured in a future case study,

please do get in touch. The links to our other Climate Action Roundtable events can be found at the links below.

ENJOYED THIS CONTENT?

You might also like to:

- find out more about our work on skills
- discover our content on climate action
- learn more about our advisory services
- join us at one of our upcoming events

Talk to your relationship manager to learn how membership of BITC can help take you further on your responsible business journey and drive lasting global change.

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