

# BRIEFING

## ENVIRONMENT INSIGHTS FROM THE RESPONSIBLE BUSINESS TRACKER®

The Responsible Business Tracker® enables an assessment of performance as a responsible business by tracking progress against Business in the Community's (BITC) Responsible Business Map. This briefing paper outlines some of the key trends from leading responsible businesses related to environment work.

### Introduction

The purpose of the Environment sections of the Responsible Business Tracker (RB Tracker) is to assess the relationship between governance, strategy, measurement, and action for the following issue areas:

- Climate Action
- Nature Stewardship
- Circular Economy

### HEADLINE FINDINGS

**Climate Action is taking precedence ahead of Circular Economy and Nature Stewardship** with respondents selecting on average more than one-third of options in this section. However, adopting circular solutions and restoring nature are key for effective climate action.

**There is a gap between target-setting and practical delivery** across all three environment areas. Respondents performed best on the Governance-themed questions and consistently worse on the Action-themed questions.

**Businesses are unclear on how to measure their impact on nature.** The ranking of question themes (Governance, strategy, etc.) was broadly consistent across issue areas. However, the average score for **Measurement** in Nature Stewardship is 21%, the lowest average of all. By contrast, companies were more likely to be taking more actions related to measurement for Climate Action and Circular Economy.

**Utilities is the highest performing sector** across all three areas, significantly outperforming other sectors in Nature Stewardship. Other well-performing sectors were Technology, Retail and Transport with Financial Services, Construction and the Public Sector lagging behind. There is a positive relationship between business size, with larger businesses outperforming smaller companies. There is a role to play here for larger businesses to support smaller companies in their supply chain to take action.

**IT IS EASY TO SAY THAT BECOMING NET ZERO IS A HIGH PRIORITY, BUT IT IS ANOTHER TO TAKE ACTION, ESPECIALLY IMMEDIATE ACTION!**

*Remy Briand, Head of ESG, MSCI*



### CLIMATE ACTION

Governance of climate action was strong amongst Tracker respondents. Just 4% of companies stated they had no Governance related to Climate Action. However, the data suggests there are problems with operationalising these ambitions.

Despite over 80% of respondents having a dedicated team responsible for climate-related issues, less than half include climate-related targets in performance assessments or deliver relevant training to those making strategic or financial decisions.

**62%**

*of companies who actively engage employees on climate change, go on to deliver climate-related training for financial decision-makers*

BITC's [own research with YouGov](#) has painted a similar picture, with 52% of people thinking that they will not require new skills to tackle the climate crisis. However, the statistic above shows that businesses who engage with internal stakeholders are more likely to offer appropriate training. It is unclear what the causal link for this is, but it might be that engaging with employees highlights the skills gaps needed to implement climate action plans.

### CIRCULAR ECONOMY

Although most respondents have teams responsible for managing Circular Economy issues, nearly 40% have none of the listed governance controls in place and few have invested in new circular business models.

**21%**

*of companies have invested in the development of new circular business models for suppliers or invested in circular businesses through procurement*

Only half of companies with a team dedicated to Circular Economy incorporate targets into their performance objectives. There was a stronger emphasis on training than Climate Action, with most companies with teams managing Circular Economy issues reporting that they ensured that their staff were properly trained to deliver their roles.

There is a large gap when it comes to taking action on the circular economy with over a third of respondents taking no action. Not a single business has achieved zero waste either within its supply chain or its own operations. However, 27% have made progress against their own resource efficiency KPIs in the last year.

**68%**

*of companies who have made progress against their Circular Economy KPIs still send some of their waste to landfill*

### NATURE STEWARDSHIP

Despite most businesses (57%) stating that environmental risks appear as part of their risk register, over a third are not taking any of the governance actions related to Nature Stewardship.

Regarding nature, there is a gap in terms of measuring impact. Average scores were calculated for each issue and theme by dividing the number of options selected by the number of options available. Taking an average of these percentage scores for all respondents then provides a total average score. The lowest score was 21% for Measurement in Nature Stewardship which suggests that businesses are struggling to quantify and measure their impact on nature – even if they are taking action.

The [factsheets produced by BITC and the Ignition Project](#) can help companies establish the financial, carbon, and social benefits of investing in nature.

## CALLS TO ACTION

These insights show that there is an urgent need for businesses to:

- **Broaden their focus** to include Circular Economy and Nature Stewardship as key pathways to cut emissions and build resilience to climate impacts. BITC's [Seven Steps for Climate Action Toolkit](#) sets out how businesses build their Climate Action strategies that go beyond net zero and deliver a just transition to a future where people and nature thrive.
- **Move from words to action:** the public, investors, and government no longer see commitments as good enough and want to see results. It is time to start showing the plans and initiatives that are going to deliver real impact.
- **Align people strategies with climate commitments** to ensure that employees have the skills they need and are rewarded for their contributions to organisational success.

### ENJOYED THIS CONTENT?

You might also like to:

- [find out more about Climate Action](#)
- [find out more about Circular Economy](#)
- [find out more about Nature Stewardship](#)
- [learn more about our advisory services](#)
- [join us for one of our upcoming events](#)



Talk to one of our expert team [today](#) to learn how membership of BITC can help you take your responsible business journey further and drive lasting global change.

## REFERENCES

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<sup>1</sup> The Guardian (2021), *The trust behind corporate climate pledges*, available at: <https://www.theguardian.com/environment/2021/jul/26/climate-crisis-green-light>