perigon partners

UK Financial Institutions Sustainability Benchmark

From Fintechs to Full Service Banks, we review the approach to sustainability across UK Financial Services Institutions

December 2023

Foreword

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We work in a time when, some days, you can hardly clear your inbox for all the new sustainability reports and benchmarks. So, you will understandably be sceptical about the value of another from a consultancy you might not yet have heard of. I will therefore set out up front the information that should help you quickly decide whether this report will add value for you.

Who's it for: anyone working in a UK Bank, Building Society or Fintech who has responsibility for sustainability or reporting.

What's the aim: the analysis and benchmarking we have done, and the resulting findings, are intended to help you refine and improve how and what you disclose regarding sustainability in your next annual report.

Why is it different: I read a multitude of research and benchmarking reports and have yet to find one that spans the full breadth of the UK banking market – this one does. We've also kept the word count as light as possible, displayed the findings in simple charts and included links to resources that will help if you decide to act on any of the findings or recommendations.

Sustainability has been an exciting theme in UK banking over the last decade. I had executive responsibility for sustainability in a large UK bank at the time when it needed to transition from an historic 'Corporate Social Responsibility' approach to one that embedded climate-related risks and opportunities, and sustainability more broadly, across its operating model. Subsequently, I founded Perigon with my partner, Nick, and have been at the forefront of the continued evolution of the sustainability agenda which shows no signs of slowing down.

Our analysis demonstrated enormous variation in the quality (and therefore, in time, effectiveness) of institutions' sustainability approaches, from their assessment of materiality to the way they have structured their strategy, how clear and comprehensive their reporting and targets are and how they use (and talk about) carbon credits. I hope that by sharing our benchmarking and findings, we will help those responsible for sustainability in UK financial institutions to accelerate their progress towards better practice in an efficient way.

We work with a range of clients from across the spectrum of UK banking (small to large, publicly- and privately-owned, sustainability leaders and laggards) and this report is, first and foremost, to support them as they build their priorities for the coming year. If it can extend its reach and be of use to others with whom we have not yet worked, so much the better.

My intention is that this analysis is repeatable and can act as an annual 'dip test' on the UK banking sustainability landscape and I welcome any feedback on the content so that we can refine it in future. I hope that you find it useful.

Recommendations

1. **Materiality** (assess it)
2. **Strategy** (embed it)
3. **Reporting** (forward plan)
4. **Targets** (be clear)
5. **Carbon credits** (be careful)

Introduction

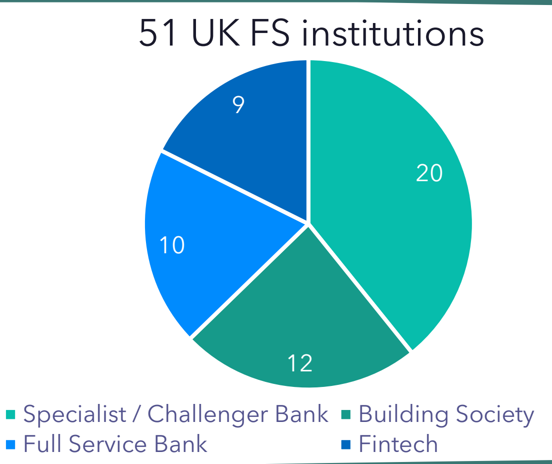
The public disclosures of 51 UK financial services institutions were analysed during November 2023. Institutions ranged from small Fintechs to the largest Full Service banks, including several Specialist or Challenger banks and a range of different sized Building Societies.

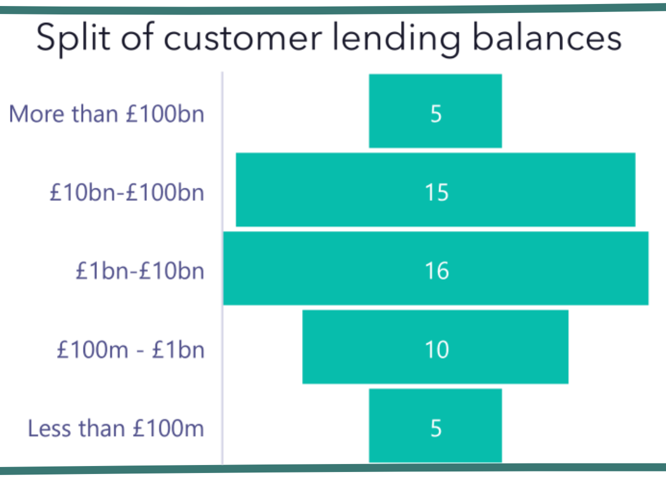
The exercise focused mainly on these institutions' annual reports and sustainability or climate reports (where they existed). Sustainability-focused web pages and additional sustainability-related disclosures (such as ESG data tables) were referenced on occasion where evidence could not be found in the main reports. Even when we knew of relevant work underway at an institution since the date of their last report (e.g. undertaking a materiality exercise) we only included what was disclosed publicly.

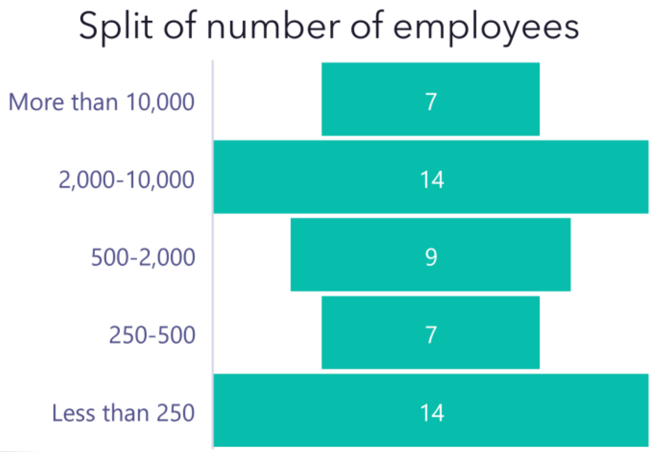
Institutions ranged from those with customer balance sheets of less than £100m to more than £100bn and employees of less than 250 to more than 10,000. Such a wide range means that sustainability-related reporting compliance requirements differ significantly from the largest to the smallest – this is called out where relevant in the body of the report.

We have included a short set of recommendations, developed from the findings of our analysis, at the beginning and end of the report. These are aimed towards financial institutions currently working on their 2023 reporting.

Scope of analysis







Report sections

- Materiality
- Strategy
- Environmental Reporting
- Climate Targets
- Carbon Credits

A preview of our recommendations

As many financial institutions work on the production and publication of annual reports over winter 2023/4, we recommend that they consider the following key findings of our analysis.

1. Materiality
(assess it)

- Consider doing a materiality assessment, or refreshing your existing one – it can be powerful when done well
- If you do, make sure that it's Double Materiality
- And if it's Double Materiality, make sure that it's a robust process that considers your balance sheet and offers a 'so what'

2. Strategy
(embed it)

- Recognise the purpose your institution has beyond making money for shareholders / owners
- Ensure that your strategy encompasses this purpose and other sustainability priorities (ideally identified through materiality)
- Avoid building a standalone sustainability strategy that does not link to your core strategy or just 'ticks a box' for ESG

3. Reporting
(forward plan)

- Reporting legislation continues to swell, make sure you're aware of what's required under IFRS Sustainability Disclosure Standards, Transition Plan Taskforce recommendations and, for some, European Sustainability Reporting Standards
- Whether you have published your first transition plan or have yet to publish a SECR disclosure, it is a good idea to think about how you will smartly and efficiently embed nature considerations over coming years

4. Targets
(be clear)

- Best practice is now much clearer: organisations should have a long-term net zero target supported by interim targets that are aligned to the goals of the Paris Agreement – use the multitude of free resources to start developing these
- Be clear on target dates and which scopes of emissions are covered by targets – there is too much ambiguity still

5. Carbon credits
(be careful)

- Bold claims about carbon neutrality are increasingly risky and could appear as greenwashing – avoid them
- If able, purchase high quality carbon credits to mitigate your emissions as you continue to reduce them
- Describe your carbon credit activity carefully and fully

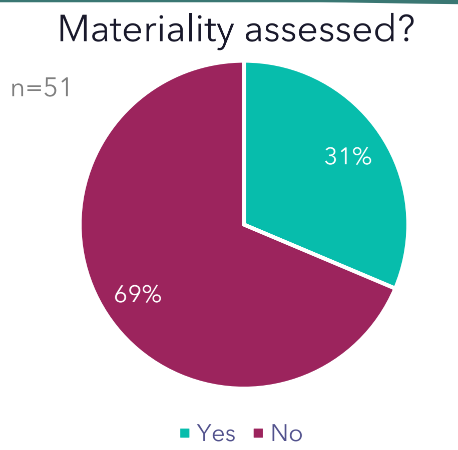
The existence of materiality assessment disclosures varies significantly across UK financial institutions

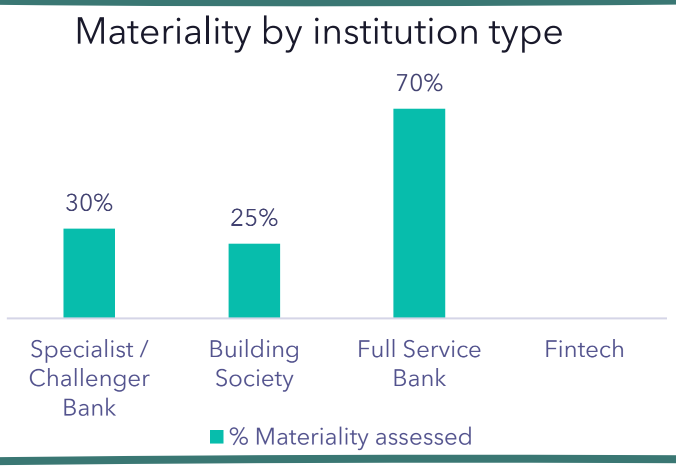
Materiality, in the context of sustainability, is a determination of the most important environmental and social issues to be managed and reported by a company. A basic* assessment considers how these issues contribute to financial risks and opportunities for the company, engaging with the company's stakeholders to also understand their views on the importance of different issues. This is known as financial materiality and is required under the ISSB's Sustainability and Climate Disclosure Requirements which are making their way into UK reporting legislation through the UK Government's Sustainability Disclosure Standards (UK SDS) and the FCA's listing rules.

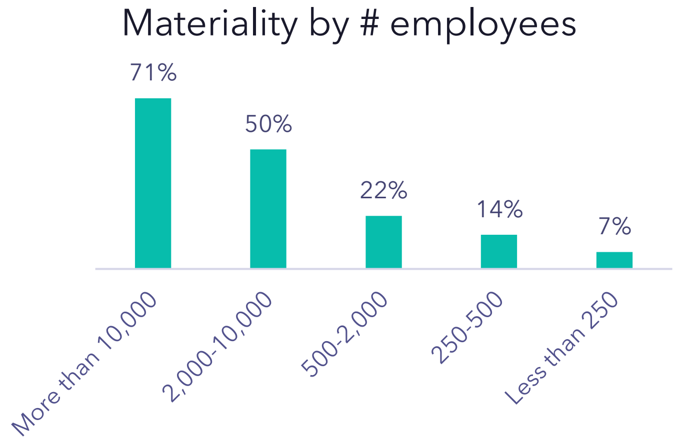
Of the institutions analysed, one third had conducted an assessment to understand the relative materiality of different sustainability topics and disclosed the results. Materiality disclosures were, expectedly, most prevalent in the established Full Service Banks (70% of those analysed had disclosed details about materiality) and the larger institutions (60% with customer lending >£10bn had disclosed details about materiality).

While the smallest institutions are unlikely to fall into scope for sustainability reporting legislation in the near future, any with 500 employees or more (as a rough rule of thumb) are potentially in scope for UK SDS (if it follows a similar approach to TCFD) yet, in this analysis, only 22% of institutions with 500 - 2,000 employees, 50% with 2,000-10,000 employees and 71% with more than 10,000 employees had disclosed materiality considerations. This suggests a requirement to build skills, capabilities and processes around sustainability materiality is required on a meaningful scale in the next 1-3 years.

Materiality assessment breakdown







See our overview of UK sustainability disclosure requirements

* See the following page for details of a 'good practice' materiality approach, which goes above the basic assessment.

Few organisations yet adhere to 'good practice' of Double Materiality

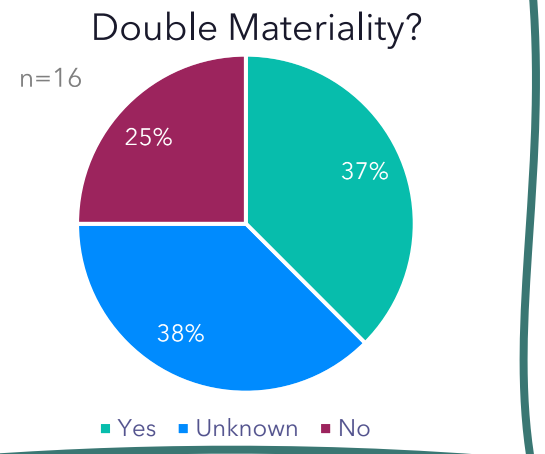
Today's reality is that financial performance cannot be divorced from a company's broader impact on the environment or society (in the way that led to unsustainable utilisation of people and natural resources over the last century). "Double Materiality" incorporates an assessment of the company's actual and potential impact on people, planet and economic prosperity in addition to financial materiality and sets the baseline for good practice, as described by the GRI. Indeed, Double Materiality is embedded into the European Sustainability Reporting Standards (ESRS) which are being mandated for around 50,000 European organisations, starting from 2024, through the EU Corporate Sustainability Reporting Directive (CSRD).

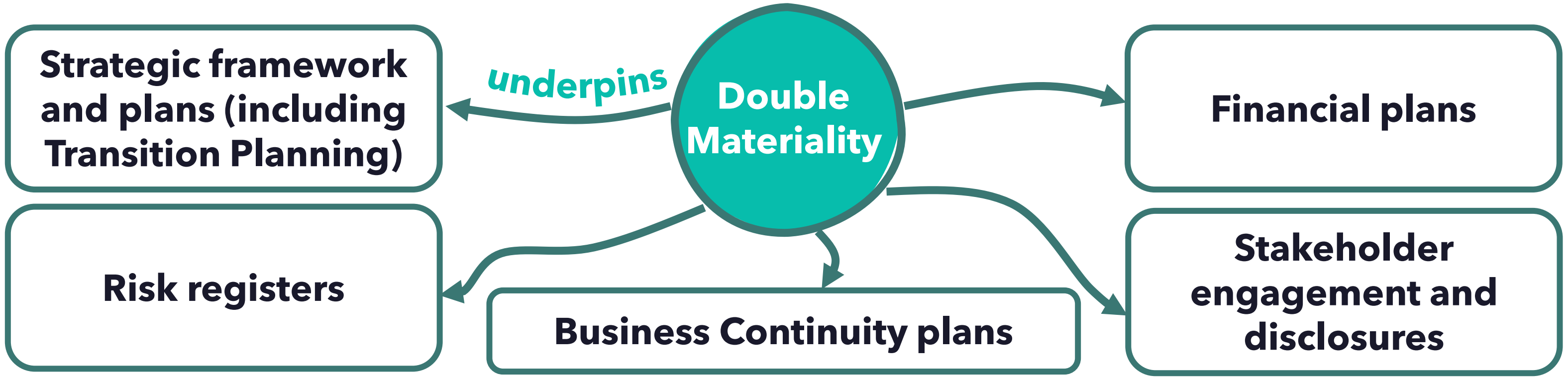
Of the 16 institutions in our analysis who disclosed a materiality assessment, only six (37%) had clearly taken a Double Materiality approach. As with materiality overall, it was the more established, Full Service Banks who are leading the way by considering impact as well as financial materiality.

A robust Double Materiality assessment is one of the most effective ways for an organisation to underpin its sustainability strategy and reporting and embed sustainability across its risk register and operating model, regardless of any disclosure requirements. Our analysis demonstrates a real opportunity for the 32 institutions that have not yet started on materiality to leap-frog to best practice and use a Double Materiality framework to consider their material impacts, risks and opportunities.

See our Double Materiality video explainer

Double Materiality breakdown





Varying quality of materiality outputs may limit the usability and usefulness of materiality exercises

We believe a Double Materiality assessment can be a very powerful business tool. However, there were several areas identified in our analysis where institutions' materiality exercises (whether double or single) fell short of our 'usability and usefulness' tests.

1. Focus

The purpose of a materiality assessment is to help an organisation concentrate on the issues that have the greatest effect on its financial performance or are most heavily impacted by its business model. The better exercises start wide but end highly focused, with the confidence to de-prioritise some issues to concentrate on others. Too many outputs had too many issues listed as material.

2. Financing

Financial Institutions tend to have the greatest scope and scale of impact through their products and services. Only two institutions in our analysis were explicit about including their lending portfolios in their materiality assessment (both were Full Service Banks with customer lending >£10bn).

3. Scope creep

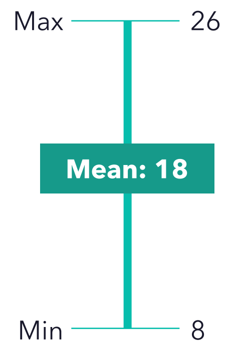
One of the biggest criticisms of "ESG" in recent years has been that it became too broad and often 'Governance' did not sit coherently in the structure. This played out in our analysis – around 20% of issues listed as material had no clear linkage back to environment or society. These 'misnomers' (such as 'governance') can undermine a materiality exercise, causing confusion about where lines are drawn.

4. So what

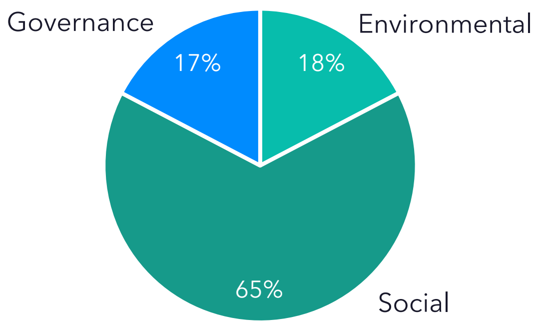
As shown on the following pages, less than a third of the materiality outputs in our analysis were linked to the institution's strategy. Overall, disclosure on how the materiality outputs were interpreted and used by institutions was light-to-non-existent, with some doing no more than displaying a materiality matrix with little explanation.

Materiality outputs analysis

Number of issues identified as material



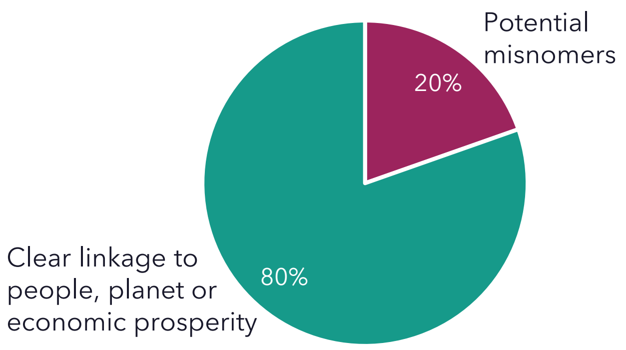
Split of identified material issues



5 issues most frequently listed

- **Governance**
- **Financial inclusion**
- **Diversity, Equity & Inclusion**
- **Climate risk**
- **Data privacy / security**

% of potential 'misnomer' issues



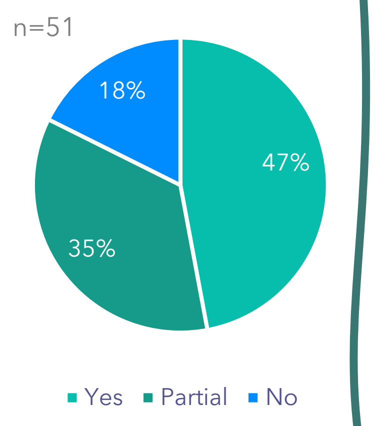
Most UK financial institutions recognise their societal purpose and have a sustainability strategy in place

Financial institutions play an important role in society and can have a meaningful impact on the environment through their products, services and operations. The majority recognised this, at least partially, through their company Purpose.

Nearly two thirds of the organisations we analysed disclosed that they have at least a partial sustainability strategy in place. Of these 33 institutions, less than a third, made a clear link between their sustainability strategy and an assessment of materiality. In addition, six institutions (18% of those with a sustainability strategy) had simply used E, S and G as a structure for their strategy. Regardless of the ultimate efficacy of the strategy, a lack of a link to materiality and the use of ESG as a construct makes it harder to convince stakeholders that the institution is aware of and focused on the areas of most significant impact, risk or opportunity.

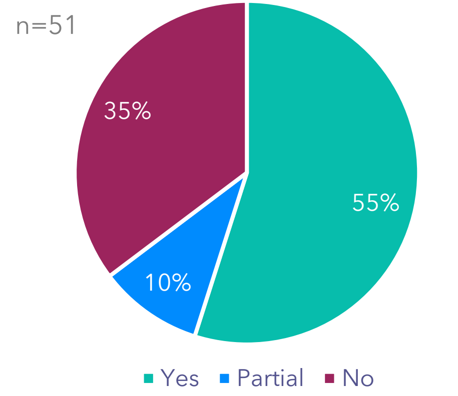
Despite environmental issues representing only 18% of material issues identified across the institutions we analysed, climate featured strongly in the sustainability strategies. Socio-economic and financial inclusion issues were also well represented in strategic frameworks (particularly for building societies). Nature was seldom referenced, albeit this is likely to change as the focus on nature-related risks and opportunities continues to grow in coming years.

Impact-led Purpose



Sustainability strategy breakdown

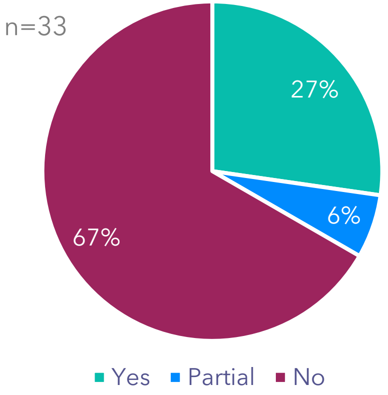
Sustainaiblity strategy?



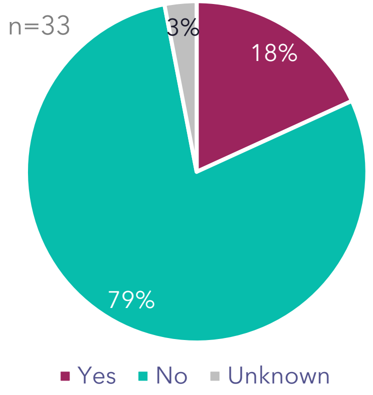
Yes or Partial

n=33

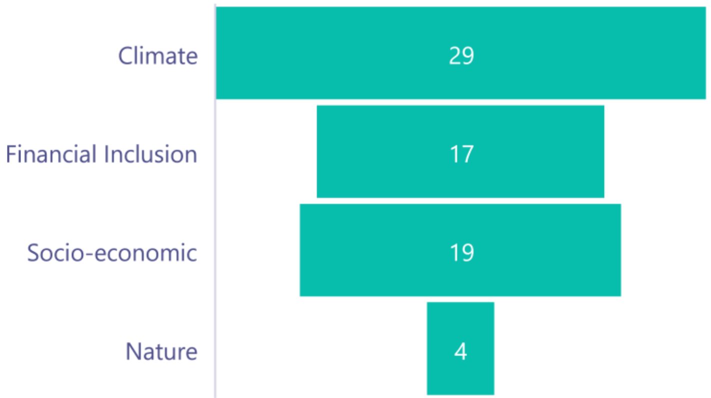
Linked to materiality?



Basic E, S and G structure



Common elements of strategy / purpose

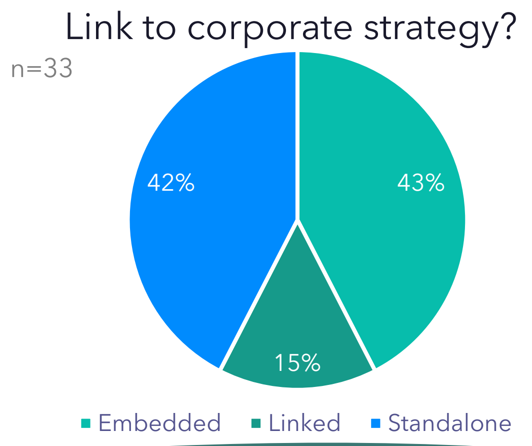


Embedding of sustainability into core strategy is more advanced in larger, Full Service Banks

We have long held the view that sustainability efforts have to be embedded in an organisation's core strategy and operating model to be truly effective (it's the key reason that we brought together the skillsets that make up our team). We were therefore encouraged to see that, of the 33 institutions with a full or partial sustainability strategy, 58% had either embedded or obviously linked these efforts to their core corporate strategy.

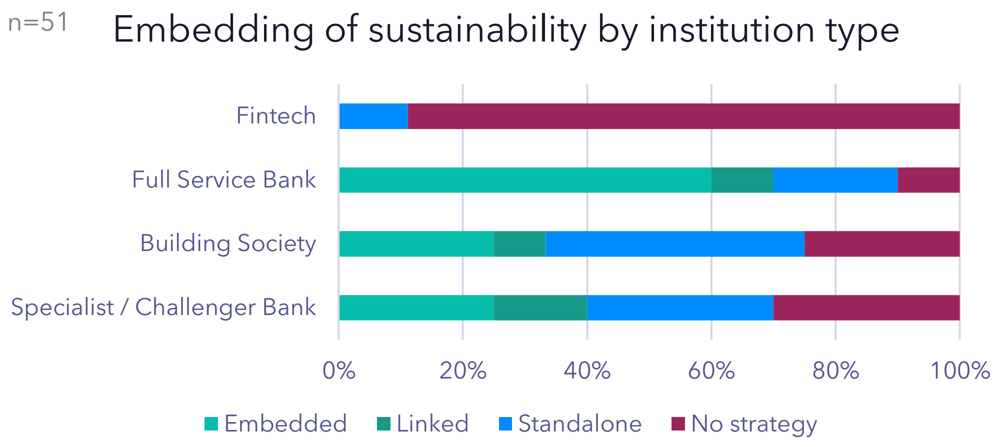
Larger, Full Service Banks were most likely to have embedded their sustainability strategy (at least from a structural perspective) into their core corporate or commercial strategy. This demonstrates a maturing of their approach in recent years. Such an embedded approach supports coherence of narrative, clarity of prioritisation and alignment of activity and those embarking on inaugural (or refreshing) sustainability strategies may wish to consider this.

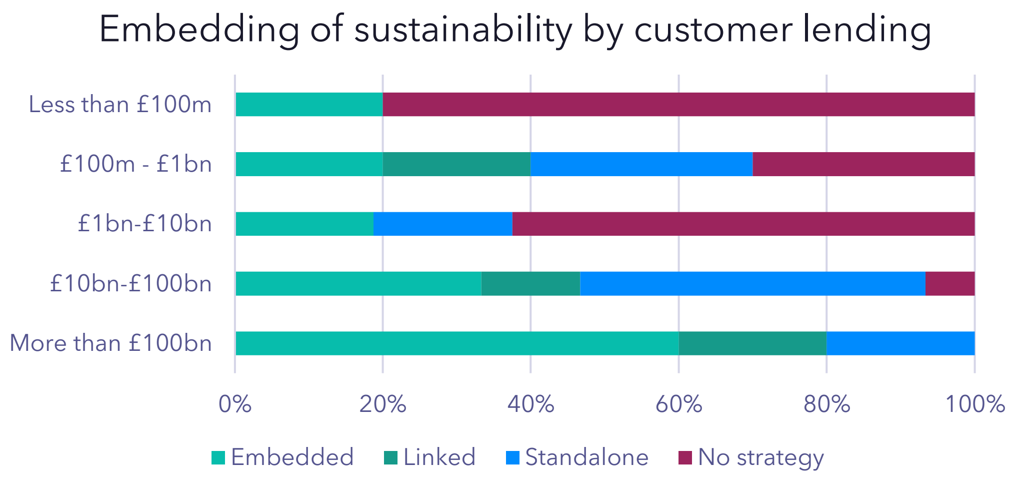
Embedding of sustainability



We also found that the UN Sustainable Development Goals (UN SDGs) continue to be the most common framework for institutions to align their strategies to. Of those with a sustainability strategy, 64% cited UN SDG alignment. Even three institutions without a sustainability strategy had still aligned their efforts to the UN SDGs, demonstrating the far reaching and enduring nature of this impact framework.

Embedding of sustainability - breakdown





Climate reporting is becoming increasingly established across the spectrum of UK financial institutions

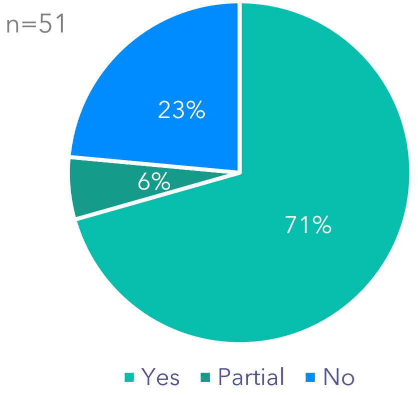
Streamlined Energy and Carbon Reporting (SECR) is required for quoted and large unquoted UK companies (meeting two of the following criteria: >£36m turnover, >£18m assets, >250 employees). Taskforce on Climate-related Financial Disclosure (TCFD) aligned reporting is mandatory for premium listed companies and, from accounting periods starting after 6 April 2022, will be mandatory for other large UK companies with (as a rule of thumb) >500 employees. This will then likely be enhanced by the incorporation (into FCA listing rules and Companies Act legislation) of IFRS Sustainability Disclosure Standards and Transition Plan Taskforce (TPT) recommendations over coming years.

While twelve institutions (23%) did not report under SECR due to not meeting the threshold or being otherwise exempt due to group structures, eight institutions that were out of scope for SECR chose to report voluntarily either partially or in full. TCFD reporting followed a similar theme, with five of the 21 institutions that did not meet the threshold for TCFD-aligned reporting in the period completing at least partial disclosure on a voluntary basis. Only four of the 22 institutions that will be in scope for TCFD-aligned reporting from 2023 had not already started TCFD reporting in 2022.

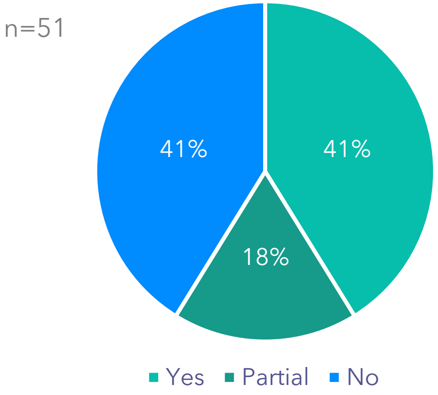
Reported greenhouse gas emissions tended to focus on the easy-to-measure (scope 1, 2 and operational scope 3 – things like business travel and waste), followed by financed emissions which usually account for around 90% of a financial institution's emissions and so are material. Institutions continue to struggle with making progress on analysing supply chain emissions, suggesting a lack of awareness about spend-based modelling approaches, and few yet focus on the remaining, arguably less material (and hard to estimate) downstream emissions.

Environmental reporting analysis

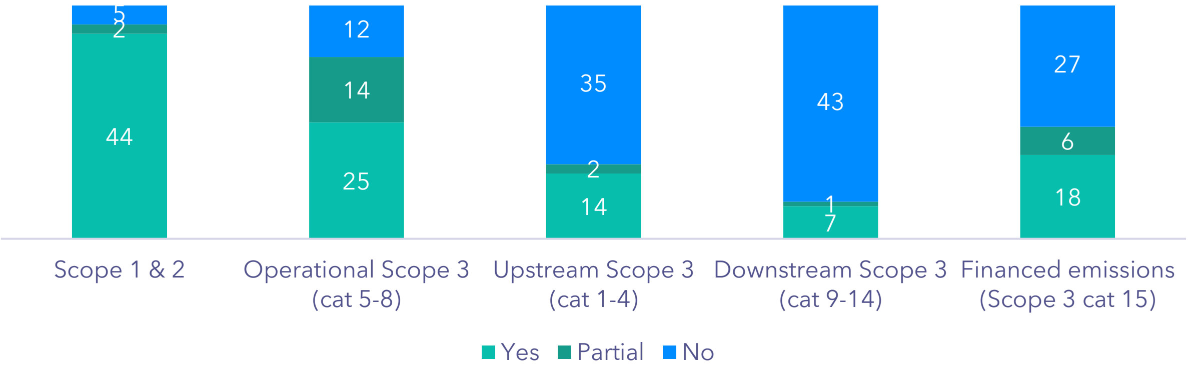
SECR disclosure?



Reporting aligned to TCFD?

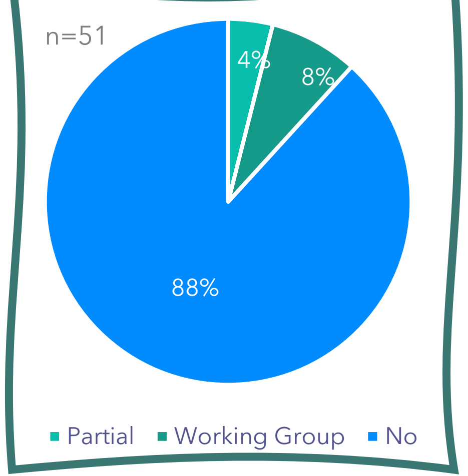


Coverage of reported emissions



Nature-related reporting remains nascent, for now

TNFD reporting



The Taskforce for Nature-related Financial Reporting (TNFD) released its final framework recommendations in September 2023. Two of the institutions in our analysis had attempted TNFD-aligned disclosures in their latest annual reports while a further four referenced being part of the TNFD working group.

Nature is inextricably linked to climate and the transition to net zero and therefore will continue to increase in prominence. For example, the transition plan sectoral guidance for banks, launched by the TPT in November 2023, highlights the importance of disclosing nature-related risks and opportunities within the transition plan.

Significant steps are still required for companies to fully embed and operationalise climate-related reporting in the UK as ISSB Sustainability Standards and TPT recommendations are mandated via the FCA listing rules and UK SDS. The concept of adding Nature to the agenda when teams and budgets are already stretched, particularly in the smaller institutions, is challenging.

TPT Sectoral Guidance

However, there is growing clarity and consistency, and tools and resources are available, to support forward-thinking institutions to start incorporating nature-related risks, opportunities and impacts in their thinking and reporting. For those who have not yet started on climate-related reporting, there's an opportunity to embed both together and maximise efficiency.

Access the Science Based Targets Network Global Commons Alliance resources on Nature

Access the TNFD disclosure recommendations

Access the Nature Strategy Handbook from *It's Now for Nature*

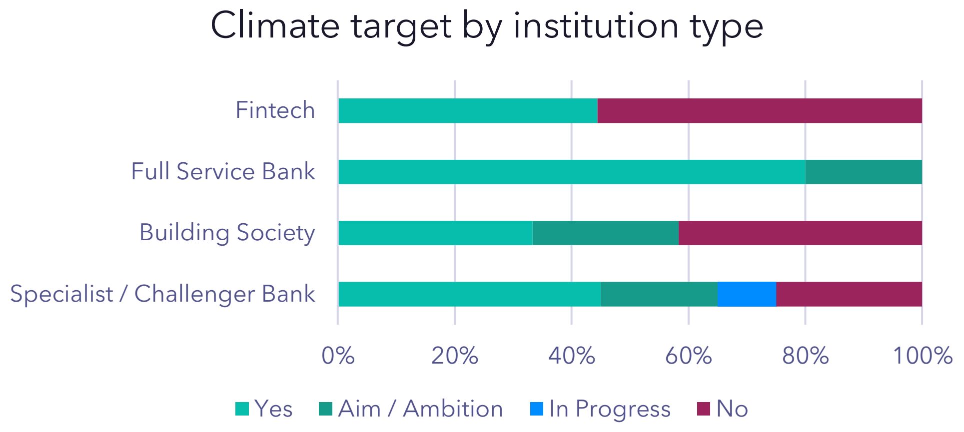
Long-term climate targets are now widespread, particularly in publicly-owned institutions, focused mainly on 2050 net zero

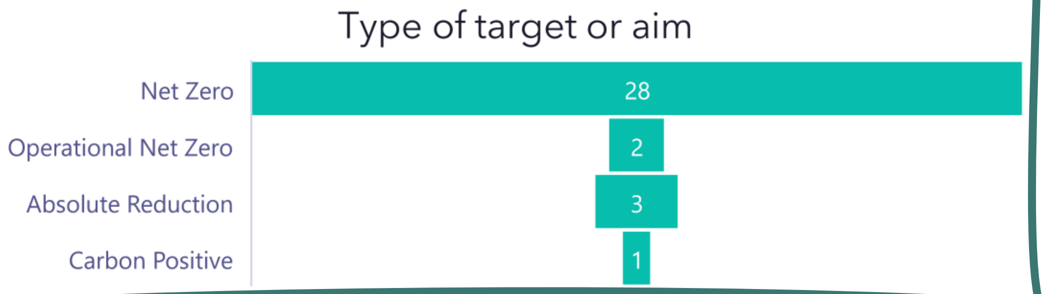
We analysed the longest-term climate targets set by institutions. Most were indeed long term; however, the longest-term target for some was within the next decade. Half of the institutions in our analysis had set and disclosed a climate target. A further 22% had an aim or stated that they were in the process of setting targets.

That left 15 institutions (29%) with no climate target, the majority being smaller Building Societies and Fintechs. Looking at ownership structures gave a more pronounced split: 100% of publicly-owned institutions in our analysis had a target or aim in place (one was in progress). For privately- or member-owned institutions, this dropped to 57%.

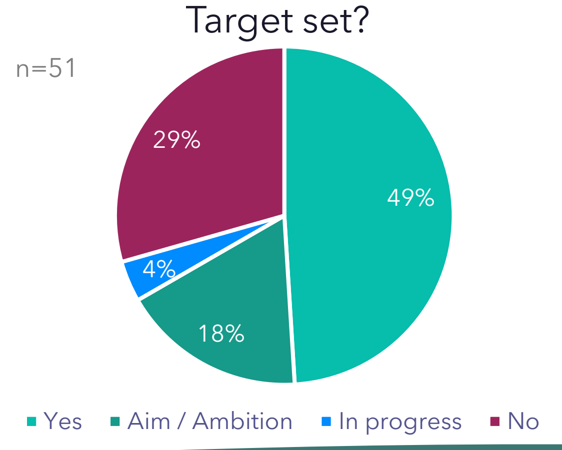
Net zero was the most popular type of long-term target and 2050 the most common target year, aligned to the UK legislative net zero target.

Long-term climate target breakdown



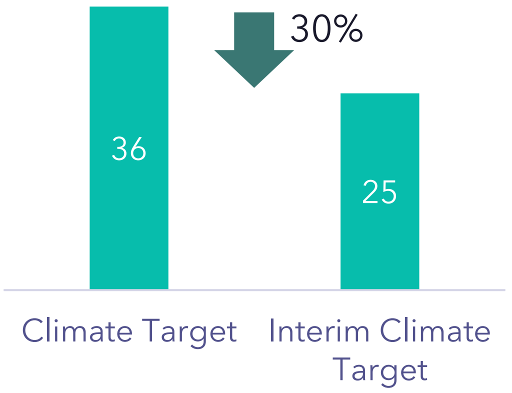


Long-term climate target



There were nine institutions that set the date of their longest-term climate target sooner than 2050. 2025 or 2030 targets tended to focus on absolute reductions or operational net zero. The earliest net zero target was 2035. Some institutions were unclear about which categories (if any) of scope 3 emissions were included in their climate targets.

Interim climate targets are slightly less prevalent and vary in style

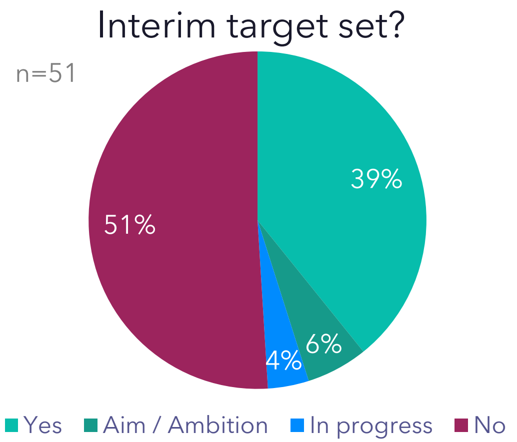


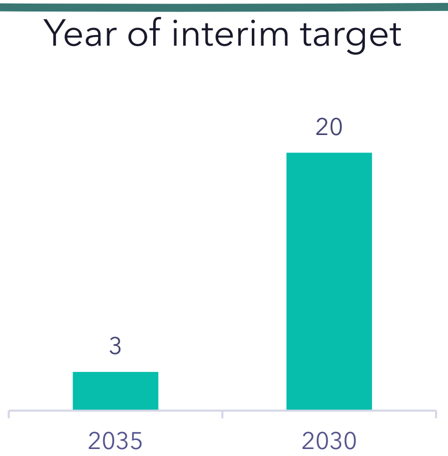
36 institutions had set, or were in the process of setting, a ‘long-term’ climate target and, of these, 23 had set and two were in the process of setting interim target(s). There is therefore a 30% drop off between overall climate targets and interim climate targets. Of the interim targets that institutions in our analysis had set, the majority focused on 2030.

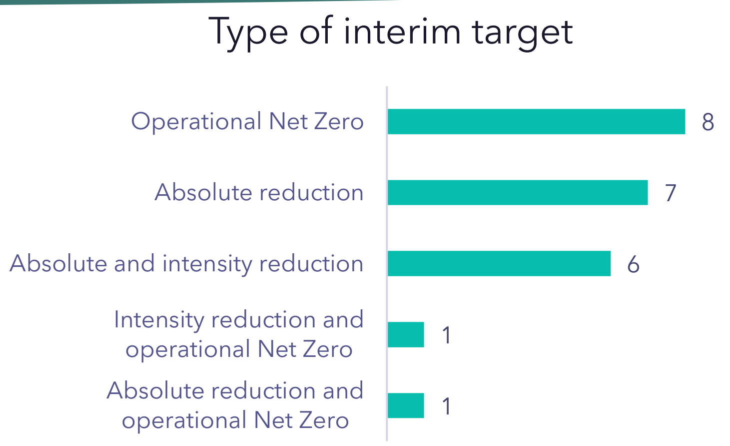
The interim targets came in a range of styles, with a marked split between the larger Full Service Banks versus Speciality / Challenger Banks. Notably, 88% of Operational Net Zero targets belonged to Banks and Building Societies with customer lending of less than £25bn. The larger Full Service Banks and Building Societies have distanced themselves from historic operational net zero targets in recent years, in favour of the scientific approach of absolute or intensity reductions.

As more institutions mature their climate targets and align them to climate science, we expect a move away from operational net zero targets and claims. This might be accelerated by the introduction of the FCA’s anti-greenwashing regulations (see link below).

Interim climate target analysis



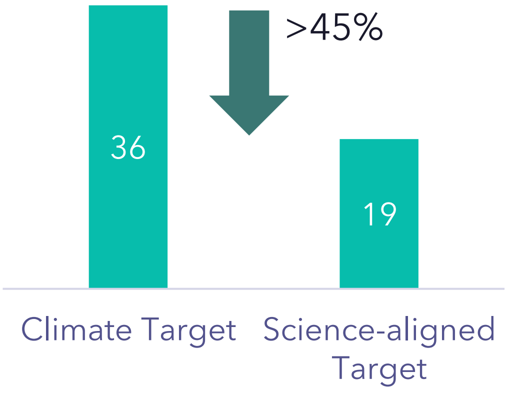




Access science-based target setting resources

Access the FCA anti-greenwashing rules

Science-alignment of climate targets is not yet the norm and coverage of scope 3 emissions varies significantly



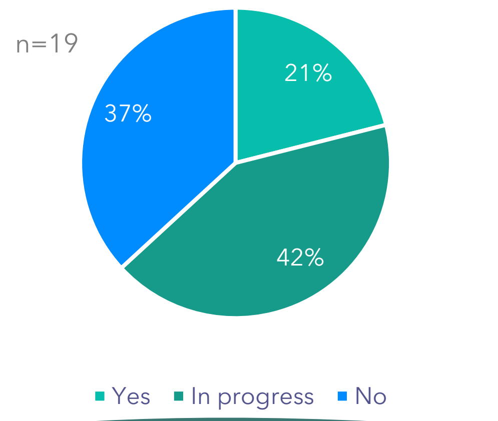
There is a further drop off between those with a climate target and those that specifically state that their target is (or is in the process of being) aligned to the latest climate science.

Essentially, this means that the targets must support the halving of greenhouse gas emissions by 2030 and a reduction to net zero by 2050. This will align them to the 2015 Paris Agreement which committed to curb global temperature rises to well below 2^{0}C and pursue efforts to limit warming to 1.5^{0}C.

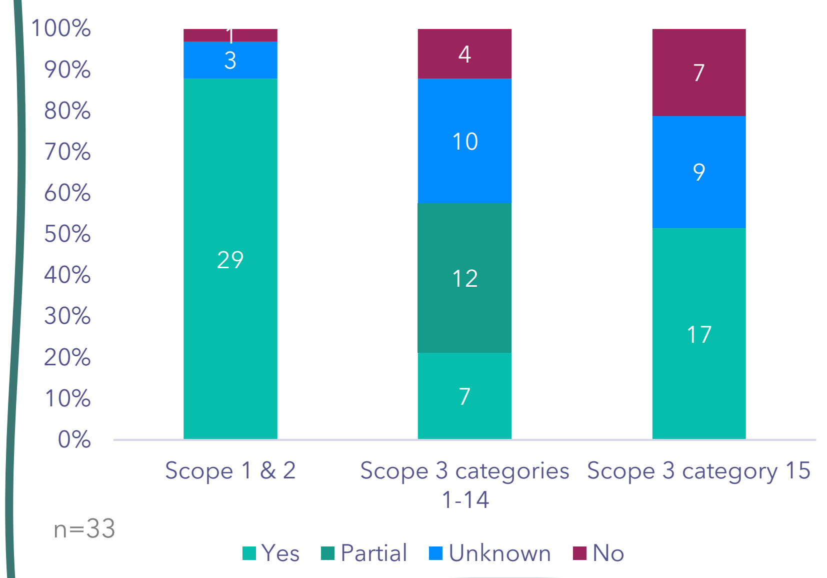
The Science Based Targets Institute (SBTi) provides free tools and guidelines and, in this way, institutions can align their targets to what science tells us is required to meet the 2015 Paris Agreement.

There is also the option for an institution to go further and submit its targets (and pay the fee) for validation by the SBTi. Of the 19 institutions in our analysis with science-aligned targets, 21% had already done this and a further 42% stated that they were in the process of doing so.

SBTi validation



Scope coverage of targets / aims

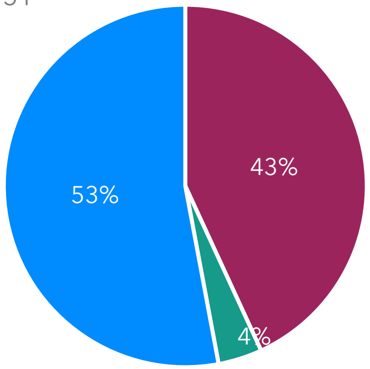


In terms of target coverage for those with climate targets, scope 1 and 2 emissions were the norm across the institutions in our analysis. There was then often ambiguity about which scope 3 emissions were covered by targets, with up to a third of institutions not clearly stating coverage across upstream, operational and downstream scope 3 emissions, including financed emissions (scope 3 category 15). This sort of ambiguity needs to be addressed as a priority to help organisations to get clarity on their transition plans and adhere to tightening climate disclosure legislation and stakeholder expectations.

The use of carbon credits for emissions offsetting prevails, with multiple institutions claiming carbon neutrality

Approach to carbon credits

n=51



- Used for 'offsetting'
- Used for 'beyond value chain mitigation'
- No carbon credits purchased / disclosed

22 of the institutions in our analysis stated that they purchased carbon credits for the purpose of offsetting their emissions (usually limited to operational emissions). Of these, 15 went further and made statements about being operationally carbon neutral and some additionally displayed a carbon neutral certification or badge, issued from an external organisation.

31%

Claim operational carbon neutrality

The SBTi corporate standard states that carbon credits cannot be used to contribute to a science-based target except at the point where carbon reduction efforts have been exhausted and high-quality carbon credits can be purchased to neutralise the tail of remaining, hard-to-abate emissions and reach net zero.

The SBTi also calls on companies to go above and beyond their science-based targets by also investing to mitigate climate change beyond their value chains, providing a broader social contribution to net zero. This is known as Beyond Value Chain Mitigation (BVCM) and only two of the institutions in our analysis referred to their carbon credit purchasing activity in this way.

Several pieces of incoming reporting legislation and regulation will, in our view, lead to a tightening in how organisations advertise things like operational carbon neutrality. There is an opportunity for institutions to get ahead of the curve and ensure they adhere to the latest best practice in their approach to and disclosure of carbon credits in 2023 reporting.

FCA anti-greenwashing rules

Due to come into force 31 May 2024, these require any sustainability statements to be correct, clear, complete and comparable.

SBTi guidance on BVCM

Recommends that offsetting is used to neutralise final <10% of hard-to-abate emissions and BVCM is undertaken to mitigate emissions.

TPT guidance on carbon credits

Recommends that an entity discloses certain detailed information about how is uses or plans to use carbon credits to achieve its net zero transition plan.

TPT recommended carbon credit disclosures

- Extent to which targets rely on carbon credits to offset*
- No. of credits sold, purchased and retired
- Which 3rd party scheme(s) has or will verify / certify credits*
- Which standard or methodology of certification
- Type of credit (reduction or removal, nature- or technology-based)*
- How the entity identifies and manages dependencies
- Any other factors necessary to understand the credibility and integrity of the carbon credit*

* Denotes guidance that is also included in IFRS S2 (Climate-related Disclosures Standard)

A reminder of our recommendations

As many financial institutions work on the production and publication of annual reports over winter 2023/4, we recommend that they consider the following key findings of our analysis.

1. Materiality
(assess it)

- Consider doing a materiality assessment, or refreshing your existing one – it can be powerful when done well
- If you do, make sure that it's Double Materiality
- And if it's Double Materiality, make sure that it's a robust process that considers your balance sheet and offers a 'so what'

2. Strategy
(embed it)

- Recognise the purpose your institution has beyond making money for shareholders / owners
- Ensure that your strategy encompasses this purpose and other sustainability priorities (ideally identified through materiality)
- Avoid building a standalone sustainability strategy that does not link to your core strategy or just 'ticks a box' for ESG

3. Reporting
(forward plan)

- Reporting legislation continues to swell, make sure you're aware of what's required under IFRS Sustainability Disclosure Standards, Transition Plan Taskforce recommendations and, for some, European Sustainability Reporting Standards
- Whether you have published your first transition plan or have yet to publish a SECR disclosure, it is a good idea to think about how you will smartly and efficiently embed nature considerations over coming years

4. Targets
(be clear)

- Best practice is now much clearer: organisations should have a long-term net zero target supported by interim targets that are aligned to the goals of the Paris Agreement – use the multitude of free resources to start developing these
- Be clear on target dates and which scopes of emissions are covered by targets – there is too much ambiguity still

5. Carbon credits
(be careful)

- Bold claims about carbon neutrality are increasingly risky and could appear as greenwashing – avoid them
- If able, purchase high quality carbon credits to mitigate your emissions as you continue to reduce them
- Describe your carbon credit activity carefully and fully

Definitions

Scope of analysis:

Full Service Bank – offers a broad range of retail and business banking services, including current accounts.
Specialist / Challenger Bank – focus on a particular part of the retail or business banking market or do not offer a full range of services.
Fintech – banking offering based on an innovative technology platform.

Financial institutions included in analysis:

Aldermore
Allica Bank
Allied Irish Bank
Arbuthnot Group
Atom Bank
Bank of Ireland
Barclays
Bath Building Society
Belmont Green Finance
British Business Bank
Cambridge and Counties Bank
Cambridge Building Society
Castle Trust Bank
Charity Bank
Chetwood Financial
Co-Op Bank
Coventry Building Society
Cynergy Bank
Darlington Building Society
Dudley Building Society
Gatehouse Bank
Hampden Bank
Hampshire Trust Bank
Leeds Building Society
Lloyds Banking Group
Melton Building Society
Metro Bank
Monument Bank
Monzo
Nationwide
NatWest Group
Newcastle Building Society
Oak North
One Savings Bank
Paragon
Revolut
Sainsbury's Bank
Santander UK
Secure Trust Bank
Shawbrook Bank
Skipton Building Society
Starling
Suffolk Building Society
Tandem
Tesco Bank
Tide
TSB
Vanquis Bank
Virgin Money
Wetherbys Bank
Yorkshire Building Society

Glossary:

BVCM – Beyond Value Chain Mitigation; investment in greenhouse gas reduction or removal outside a company's value chain, for example through purchasing high-quality, verified carbon credits
CSRD – Corporate Sustainability Reporting Directive; EU regulation that mandates a broad set of EU companies to report on sustainability matters in accordance with ESRS (see definition below).
ESG – stands for Environmental, Social and Governance
ESRS – European Sustainability Reporting Standards; new standards for sustainability reporting that are being mandated for a broad set of EU companies under CSRD (see definition above).
GRI – Global Reporting Initiative; international organisation that provides a framework to help companies report their economic, environmental and social impact.
Impact – a company's actual or potential positive or negative influence on people, the planet or economic prosperity
ISSB – a standard-setting body established under IFRS with the mandate to develop sustainability-related financial reporting standards; has issued sustainability (s1) and climate (s2) standards
SBTi – Science Based Targets Institute; an organisation that defines and promotes best practice in science-based target setting and independently assesses and approves companies' targets.
SECR – Streamlined Energy and Carbon Reporting; a requirement for Large and Medium-sized Companies and Groups to report information on greenhouse gas emissions in their Directors' Reports
Sustainability – environmental and social risks, opportunities and impact
TCFD – Task-force for Climate-related Financial Disclosures; a global organisation that developed a set of recommended disclosures on climate-related financial risks and opportunities, now subsumed into the ISSB
TNFD – Task-force for Nature-related Financial Disclosure; sister body to TCFD, an organisation that has developed a global set of recommended disclosures on nature-related financial risks and opportunities
TPT – Transition Plan Taskforce; a body launched by HM Treasury that has developed the 'gold standard' reporting framework for private sector climate transition plans
UK SDS – UK Sustainability Disclosure Standards; published by the Department for Business and Trade (DBT), UK SDS will be based on the IFRS Sustainability Disclosure Standards issued by the ISSB
UN SDGs – United Nations Sustainable Development Goals; an urgent call for action by all countries and shared blueprint for peace and prosperity for people and the planet, now and into the future.

If you would like to contact Perigon, click **here** to send us an email

www.perigonpartners.co.uk

Perigon offers strategic sustainability / ESG advice to Financial Services companies that builds enterprise value and real-world impact.

Founded by two senior banking professionals, Perigon operates on the strong belief (built from lived experience) that companies must build sustainability / ESG considerations into the core of their strategy and operating model to thrive over the medium and long term.

Perigon helps its clients to clearly prioritise what they must, should and could do to achieve compliance (as ESG regulation continues to build and evolve), cement their credibility as sustainable companies and develop areas of value growth and differentiation. We work with clients in the following areas:

- Sustainability Maturity Diagnostic / Due Diligence
- Double Materiality Assessment (compliant with incoming CSRD regulation)
- "Quick Start" operating model changes to incorporate ESG (policies, accountabilities, governance)
- Sustainability Strategy Development, linking to / embedding within commercial strategy
- Climate and Nature measurement and Net Zero Transition Plans
- Sustainability / ESG Reporting and Disclosures (aligned to TCFD, ISSB, CSRD, CDP, TPT, GRI etc.)

Perigon Partners LTD is registered in Scotland (company number SC716835).
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