

COVID 19 – MORE INCONVENIENT TRUTHS

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The current global pandemic has had an unprecedented impact upon our lives changing the way in which we work, shop, commute, socialise, exercise and even how we entertain ourselves. How long this 'new normal' will last only time and Government policy will tell but one thing is certain the old normal has gone forever.

WHY?

Because what the pandemic has made all of us do as individuals is to examine almost every aspect of our lives and to challenge what had become the norm. For instance, here in the UK the primary social activity at weekends for many had become retail therapy often buying things we didn't need with money we didn't necessarily have from retailers with questionable claims of sustainability and ethical procurement.



SO WHAT HAS THE IMPACT BEEN AT AN ORGANISATIONAL LEVEL?

One of the biggest impacts has been home based working with millions now working from home discovering that not only our telecoms infrastructure is sufficiently robust and reliable to enable effective home working but their staff can be trusted to work with minimum supervision. In fact, home based staff are often more productive as they don't have the time or stress related with commuting and whilst their domestic circumstances might offer distractions these are probably no more impactful than the chats around the coffee machine or the opportunist meetings we all find ourselves dragged into when in the office.

Moreover, organisations have woken up to the fact that not only can their staff can be trusted to work remotely without adversely impacting upon organisational effectiveness or productivity they are also questioning the economic and operational viability of continuing to operate large estates.

This will not only have an impact upon their own business model and associated costs but those of their suppliers including cleaners, maintenance staff, food service businesses and support staff.

From an environmental perspective, there will be less travel related emissions and energy consumption and waste associated with commercial premises will also be significantly reduced.

However, manufacturers have faced a different set of challenges depending upon the criticality of their products and the associated level of demand.

For example, food manufacturers have faced an increase in demand for their products whilst managing a reduced workforce and practicing safe working practices including social distancing whilst for others the last few months has been quite simply a fight for survival.

For many the fragility of supply chains has also become very apparent and the continuance of modern supply practices such as Just in Time called into question.

Geographically contiguous suppliers had largely become a thing of the past and as globalisation took hold supply chains became extended and suppliers ever more distant from their customers often leading to a disconnect between supplier and customer.

Conflicts, political unrest, natural disasters and severe weather events in regions thousands of miles away have a real impact upon the rest of the World particularly where key components, raw materials or food is usually sourced. The World has become interconnected and interdependent to such an extent that it is almost impossible for any single country to be entirely self-sufficient.

With increased sustainability reporting it is no longer acceptable for organisations to absolve themselves of responsibility of the actions of their suppliers no matter how geographically

distant they might be or how far down the supply chain they are. Companies are being compelled to be more transparent and legislation such as the recently introduced Streamlined Energy and Carbon Reporting (SECR) combined with greater stakeholder awareness and pressure will result in more accountability and improved sustainability. Greenwash simply won't cut it anymore!

In 2019 the UK Government announced a legally binding target to achieve Net Zero GHGs by 2050 compelling all organisations to achieve the same with some electing for more ambitious targets.

To achieve Net Zero an organisation will need to address not only their own direct emissions i.e. Scopes 1 & 2 but also those of their suppliers. In so doing, organisations need to have a far greater understanding of their suppliers, not only in terms of their GHG emissions but also in terms of their sustainability as a whole including issues such as child labour, slavery, impacts within their local environment and communities. In reality, an organisation needs to fully understand of all their sustainability impacts resultant from their business activities and to seek to improve them wherever possible.

The Covid-19 pandemic completely dominates the news headlines leading to David Attenborough recently warning that climate change has been "wiped off our front pages".

However, I believe that whilst it may have a temporary impact upon individual's awareness and their immediate priorities it has also forced people to re-evaluate how they live their lives from walking or cycling as opposed to automatically jumping into their car and to really appreciate the simpler things in life.

Similarly, organisations have had to adapt their working practices to the demands and constraints the lockdown has placed upon them which in turn has led many to challenge the old 'normal' which, I believe, will hopefully lead to significant systemic change.

From a business perspective, business as usual is simply not an option and as the former Governor



of the Bank of England, Mark Carney warned in a recent BBC interview "Businesses ignoring Climate Change will go bust within 10 years".

Our previous rampant consumerism, irresponsible procurement and operating practices has caused irreversible damage to our planet which is clearly unsustainable and therefore has to change.

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Nevertheless, our High Streets were increasingly populated by coffee shops, building societies and charity shops and our local independent retailers struggled to match the allure and prices of the major online retailers. But perhaps, just perhaps, no longer as lockdown has resulted in people turning to local independent businesses for many of their needs and in response these same businesses have reinvented themselves by offering home delivery service or new services resulting in new customers and a new connection with the local community.

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