

Environmental, Social & Governance (ESG)


Strategy Framework to 2030



Contents

CEO Foreword	4
The Scale of the Net-Zero Opportunity	5
Our Strategy Development Process	7
Our Material Issues	8
Our ESG Ambitions to 2030	9
Delivering the Strategy	11
Priority Areas for 2023/24	12
Key Targets for 2030	13
We want your views	15



A teal geometric network graphic consisting of interconnected lines and circular nodes, forming a complex web-like structure. It is positioned in the upper left quadrant of the page.

Invest NI has a major role to play in making a positive impact on the lives of our citizens through our market interventions and project support.

Our ESG Strategy outlines how we, and the companies and eco systems we support, can make that positive contribution by looking at how we operate, the services we offer, and the policies we follow, through a social and environmental lens. The ESG Strategy provides us with a framework to assess business practices and performance on sustainability and social issues and provides a way to measure business risks and opportunities in those areas.

A teal geometric network graphic consisting of interconnected lines and circular nodes, forming a complex web-like structure. It is positioned in the lower right quadrant of the page.

CEO Foreword

As Northern Ireland's Economic Development Agency, Invest NI is pivotal in the delivery of the government's economic development strategy. While our key role is to grow the local economy, there is a growing recognition within the organisation and among our many customers and stakeholders, that economic growth must be sustainable.

Growth and sustainability do not make easy bedfellows, but it is increasingly clear that we at Invest NI must encourage and support sustainable growth, while also addressing our own impacts on the environment and wider society. As Chief Executive, I am fully committed to leading the changes in policy and practice that this shift in perspective requires.

The Climate Action Plan (2023-2027) currently in development for Northern Ireland will help to frame Invest NI's targets and activities when it comes to addressing climate change. Likewise, the Department for Economy's (DfE) **10X Vision** will shape priorities for how we will create an economy that is 10 times better for the people of Northern Ireland and the markets we serve. The 10X triple-bottom line principles of inclusivity, innovation and sustainability underpin this ESG Strategy, demonstrating alignment in Invest NI's approach.

Also aligning with the Northern Ireland Executive's **Green Growth Strategy** and DfE's Energy and Circular Economy Strategies, Invest NI's strategic priorities in delivering sustainable, responsible growth will be vital to the realisation of a better future for all in Northern Ireland.

In committing to support and align with these wider Government strategies, some of which are still in development, we will create joined-up, meaningful action towards the key issues facing Northern Ireland, its businesses and its citizens. This means that we can't finalise every metric in this ESG strategy just yet, but we can set out our goals and ambitions as we look towards 2030 and share details of our priority actions for 2023/2024.

We want Northern Ireland to be known as a place where businesses can invest and grow, secure in the knowledge that, while profits matter, environmental, social and governance issues increasingly sit at the heart of doing business here. Growth that costs the earth is neither sustainable nor desirable to Invest NI and our investments and support over the years ahead will be selected with that ethos in mind.

Mel Chittock
Interim Chief Executive,
Invest NI



The Scale of the Net-Zero Opportunity

Whilst addressing climate change is not the sole focus of this strategy, we recognise that it is a critical challenge and that Invest NI has a vital role to play in harnessing and reducing the impact of business on the problem.

The UK is committed to bringing all greenhouse gas emissions to net zero by 2050, and has put this at the heart of its Industrial Strategy and the UK Industrial Decarbonisation Strategy. In supporting the goals laid out in the Climate Change Act, DfE's 10X Vision has sought to build on this net zero target by 2050, by increasing the focus on supporting and encouraging clean growth immediately, with the aim of doubling NI's Green Economy by 2030. The Northern Ireland Executive's **Green Growth Strategy** further builds on this, putting in place a multi-decade strategy, balancing climate, environment and the economy.

Policy now provides our businesses with a commercial imperative to reduce their carbon footprint and adopt environmentally responsible and sustainable business practices in order to maintain their long-term viability, profitability and competitiveness. Invest NI's activity in this area will primarily focus on two key areas:

1. Identifying new market opportunities in the green economy and ensuring that companies, across key sectors, are supported in competing for these global opportunities
2. Supporting NI businesses to go greener, focusing on green efficiencies, decarbonisation and circular economy principles.

In addition to adopting a convenor role with companies and stakeholders in supporting green growth development, we will work to leverage further green growth funding in NI, tapping into national sources, such as the forthcoming Green Innovation Challenge Fund, as well as City Deal initiatives and new energy efficiency support for businesses. We will also work with other government departments to ensure businesses have access to the skills and resources they need to make the transition demanded by a green economy.

Where businesses need to pivot to address supply-chain needs, we will support them, working with industry and partners to identify opportunities and innovate to exploit these. With regards to international investment, we will build our proposition to attract investment in key areas where we have identified primary opportunities: offshore wind; green hydrogen; low carbon retrofit; and clean water.



The challenge is significant, with Northern Ireland's Climate Change Act setting a target of **net zero** emissions by **2050**, along with an interim target of **48%** reduction in emissions by **2030** - effectively achieving twice as much in the next decade as was achieved in the 30 years to 2020.

Yet the opportunities are significant too and Invest NI is fully committed to a shift in the focus of our support to ensure businesses can meet those opportunities by embracing innovation, being inclusive in skills development and making sustainability central to their growth.

Our Green Economy Team will lead much of our work in this area, identifying opportunities for investment in renewables and low carbon technology, supporting the development of businesses in this sector and delivering targeted funding to help companies capitalise on emerging opportunities that will support our transition to net-zero by 2050.

48%
reduction in
emissions by
2030

100%
reduction in
emissions by
2050



Our Strategy Development Process

The development of this ESG Strategy is fundamental to the future sustainability efforts of Invest NI. An internal working group within Invest NI was set up to drive the development of the strategy, with the full support of the Executive Leadership Team. The internal group involved representatives from all key areas of Invest NI's business to ensure widespread engagement and enable appropriate knowledge and insights to inform discussions.

During the process, consultations were carried out with the wider staff team and the senior leaders at Invest NI to ensure the views and priorities of all internal stakeholders were considered in developing this ESG strategy.

Externally, research was undertaken to explore the best practice approaches taken by other organisations and to learn from relevant experiences and expertise. The research involved a mixture of meetings, discussions and desk-based reviews of strategies, reports and policy information in the public domain.

Identifying **key stakeholders** and developing a **materiality assessment** were initial steps on our journey, leading on to the creation of a planning framework for our key ESG ambitions. Once agreed, we then mapped out priority milestones and actions to help us progress on our journey. The highlights from that process are included in this document.

Our next step is to fully operationalise the strategy and ensure we have the resources, skills and knowledge in place to realise the ambitions we have set out here.

A number of external factors restricted full consultation with stakeholders outside of Invest NI during the development of this strategy. To that end, further external engagement has been identified as a priority action for 2023/24 as we consult on our ambitions and priorities to refine and finalise our materiality assessment.





Our Material Issues

Fully understanding the issues that are most material to us and to our stakeholders is a critical aspect of being a sustainable and responsible organisation. Full engagement with stakeholders to this end is a priority we will address during 2023 as we consult on our ESG ambitions and ensure our goals are aligned with the expectations and demands of business, government and wider society.

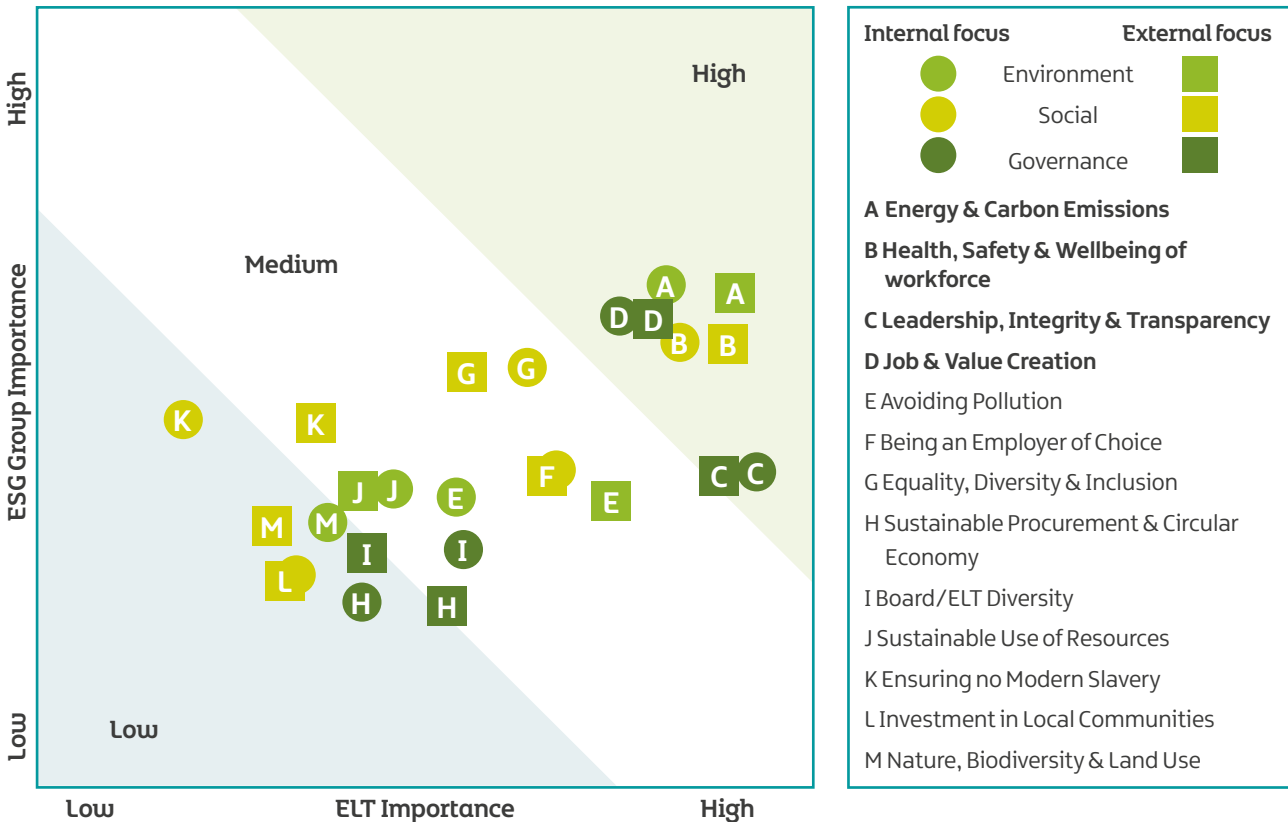
The graphic below illustrates Invest NI’s own assessment of its most material issues mapped both with an internal focus on our own operations and an external focus on the influence we have on businesses and the wider economy. We expect to refine and update this materiality assessment periodically throughout the period of the ESG Strategy.

It shows that, both internally and externally, environmental, social and governance issues are fairly spread in terms of their importance.

It should also be noted that everything which appears on this diagram is considered material, regardless of whether it is marked high, medium or low.

This identification of material issues was central to agreeing our ambitions to 2030 which appear on the next page. These ambitions provide the draft framework for action on which this strategy is based.

Material Issues - Internal vs External Focus





Our ESG Ambitions to 2030

We have set ourselves ten key ambitions within the Strategy, approaching each with both an internal and an external focus where applicable. These are outlined below.

Mindful of the global reach of our companies and the need to contribute to global sustainability efforts, we took time during the creation of this strategy to explore the UN Sustainable Development Goals (SDGs) and understand where our efforts could best contribute to these.

To that end, we have prioritised eight UN SDGs as part of our ESG Strategy and we will work to encourage businesses across Northern Ireland to consider how they can contribute through their own sustainability efforts.

Environmental	Social	Governance
<p>1</p> <p>We have decarbonised our own and our clients' operations</p>	<p>2</p> <p>Equality, Diversity and Inclusion are central to our work, helping to tackle inequality in society</p>	<p>3</p> <p>We deliver job and value creation that enhances NI's social, economic and environmental prospects</p>
<p>4</p> <p>Our investments protect and support nature and the environment</p>	<p>5</p> <p>Our work environment has health, safety and wellbeing at its core</p>	<p>6</p> <p>Integrity and transparency are critical in our leadership</p>
<p>7</p> <p>We have delivered a circular economy in Northern Ireland</p>	<p>8</p> <p>We develop talent and skills to provide a world-class workforce</p>	<p>9</p> <p>Our leadership reflects NI society and embraces diversity in its many forms</p>
	<p>10</p> <p>We share our skills and resources to benefit local communities</p>	

UN Sustainable Development Goals Alignment


4 QUALITY EDUCATION



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



17 PARTNERSHIPS FOR THE GOALS





Delivering the Strategy

In order to deliver on this strategy, Invest NI needs to have a skilled and committed team and good governance and reporting structures in place. We have also identified a need for an intuitive and efficient data measurement and reporting platform to monitor progress against targets and ensure real-time access to data as the strategy gets underway.

Putting the team in place

The first is appointing a **Champion at Executive Leadership Team** level to provide strategic oversight, direction and ensure the ambitions outlined here transition seamlessly to business as usual and become embedded in how Invest NI does business. Alongside this, a senior **ESG lead** will be required to coordinate delivery by the various teams involved as well as leading external consultations, seeking opportunities for collaboration and scanning the horizon to stay abreast of new information that may influence the development and delivery of the ESG strategy.

While delivery of the full strategy is a cross-organisational responsibility, in order to ensure that ESG becomes part of the culture at Invest NI and to send a clear message to internal and external stakeholders as to its importance, making it a standalone role is a priority.

An **ESG Steering Committee** will be appointed to lead on the targets and actions outlined in the strategy, meeting bi-monthly and reporting progress to the Executive Leadership Team and the Board on a regular basis.

Securing the data

We will seek to procure a data management platform to assist in the measurement and reporting of our ESG strategy. This tool will give us and our stakeholders confidence in our progress against the ambitions set out in our Strategy, providing real-time evidence of our impact and covering all the topic areas so we have a holistic overview of what we are doing at any point in time and can adapt or refocus if necessary.

Once in place it will be our intention to report annually and publicly on progress against the ambitions set out in this strategy.





Priority Areas for 2023/24

The following priority areas effectively provides the operational workplan for delivery of our ESG Strategy in year one. At this stage the priority areas will provide the focus for more detailed investigation and action and will be developed into an Action Plan for 2023/24.

The focus of our activity is on our work and our workforce. To reflect this our priority areas are presented through an internal and external focus, though in reality there will be much overlap between the areas. As we start to implement the ESG Strategy, the focus in year one will be on baselining data, and education and awareness raising amongst staff and customers.

Internal Focus:

Environmental	Social	Governance
<ul style="list-style-type: none"> Quantify the environmental impact of our operations Explore and agree environmental targets and reduction plans Raise staff awareness and understanding of environmental issues relating to sustainable business 	<ul style="list-style-type: none"> Develop, launch and implement a strategic approach to: <ul style="list-style-type: none"> Diversity and inclusion Health and Wellbeing Raise staff awareness and understanding of social issues relating to good business Become and accredited Real Living Wage Employer 	<ul style="list-style-type: none"> Explore how we align and integrate ESG into our governance, audit and risk management and assurance policies and procedures. Identify what ESG data is required at each stage of the customer journey and how it can be collected Consult with staff to refine our approach to ESG

External Focus:

Environmental	Social	Governance
<ul style="list-style-type: none"> Agree environmental conditions/clauses to include into our support to customers Explore how we can quantify the environmental impact of our customers' operations Develop an online tool for clients to develop their own sustainability transition plan 	<ul style="list-style-type: none"> Agree social conditions/ clauses to include into our support to customers Measure impact of current investments in tackling social inclusion and agree future targets Explore how our support can be distributed fairly across society and create opportunities for all 	<ul style="list-style-type: none"> Engage with customers and external stakeholders to refine our strategic approach to ESG Explore how we engage with our customers and stakeholders to obtain the feedback needed to continuously improve Explore options for a 'Good Business' Charter for customers



Key Targets for 2030

As we look towards 2030 and our ESG ambitions, we know we're on a journey and that we may not have a clear run at every stage. No doubt we will face barriers, diversions and speed limits on the way, but we know where we need to get to and we've set out some key milestones to help us navigate our way and stay on track.

When it comes to bringing the business community with us on that journey, our approach will be to educate, influence and ultimately require a clear demonstration that they have the same destination in mind when it comes to operating sustainably, practising inclusion and embracing innovation. By 2030, the requirements we put on companies in which we invest will look different from those we apply today, but any change will be both proportionate and introduced with support and education.

The key goals that we are able to share at this stage are outlined in the table on the next page. Other goals are still in development and will be clarified as part of the out workings of the 'priority areas' identified on page 12. These will be shared as soon as it is feasible and meaningful to do so.





	2030 Goal - Internal	2030 Goal – External
Environment	50% reduction in scope 1 and 2 operational emissions and full mapping and targeted reduction of scope 3 emissions	All clients will be required to demonstrate clear pathways to net-zero by 2050 according to science-based targets
	Greener, healthier offices with waste eliminated and water and paper use reduced to half	All clients will be required to demonstrate adoption of measures to protect and enhance the environment and nature
	Resources used and procured reduced by 50% with increase in repurposed, reused or certified sustainable materials	Clients required to commit to circular economy practices and measurable targets for sustainable resource and materials use
Social	Improve gender balance across all grades to 50/50 Achieve Diversity Mark Gold	Increased investment in programmes to support businesses to target and champion inclusion
	External recognition and accreditation as an employer of choice with a focus on employee engagement	Increased investment in workplace skills to ensure we have the talent we need for a transition to a net-zero economy by 2050
	At least 20% of Invest NI’s employees engage in volunteering that helps to address inequality in our society	Clients are encouraged to engage in social inclusion activities to address inequalities in society and asked to share this in their applications
Governance	Our employee value proposition will have been externally recognised	Client companies will be required to commit to paying the Real Living Wage and to demonstrate not only economic, but also social and environmental value
	Our senior leadership will have at least 40% female representation	20% of our senior leaders will share their skills and expertise on the boards of organisations committed to inclusion and sustainability
	We will increase scores on leadership, integrity and transparency in employee surveys by up to 20%	We will increase scores on leadership, integrity and transparency in external stakeholder surveys by up to 20%

We want your views

This framework for our ESG Strategy is a living document and we are keen to get feedback from key stakeholders to allow for further refining as necessary.

We will organise consultation meetings to discuss stakeholder feedback. In preparation for those discussions, we'd like your views on the following questions:

1. Are the ten ambitions set out here the right ones for Invest NI?
2. Have we gone far enough in our efforts to support the net-zero transition of the NI economy within this framework?
3. Have we missed any key commitments needed to help make that transition?
4. Do you have any concerns about the ability to achieve what's committed to here?
5. It's important to Invest NI that we are setting standards that we ourselves are meeting – do you see this framework adequately addressing our internal ambitions in order to ensure we do that?
6. Do you agree with the need to adjust our perspective on economic growth and focus on sustainable growth?
7. The triple bottom line of Inclusion, Innovation and Sustainability set out in DFE's 10X vision has been reflected in our framework – do you believe we've done enough to address these issues?
8. We need to collaborate with government departments, agencies and private sector bodies to achieve these ambitions – do you see any misalignment between our framework and the goals of other key actors when it comes to creating a sustainable future for Northern Ireland?
9. Have we been bold enough or is there room to be bolder still?
10. How can we help each other?

Please forward your input to ESG@investni.com



