

Sustainability First's Strategy 2024- 2026

Who we are:

We promote change in the water and energy sectors for a fairer, more sustainable future. We are passionate about protecting and repairing the environment and promoting fairness for all, including future generations.

As an independent charity and think tank, we promote change by undertaking research, convening policy discussions, making complex issues accessible to engage the public, promote unheard and under-represented voices, and develop solutions to influence government policies, legislation, regulation, and business practices. We will always act as critical friends, holding companies, government bodies, and regulators accountable, in the public and planet's interests.

Our values:

- 1) **Openness & Trust** – promoting transparency, embracing diverse perspectives, prioritising integrity, and reliability.
- 2) **Empathy & Inclusion** – An evidence-based understanding of the needs and experiences of a diverse group of stakeholders that seeks to address these needs effectively.
- 3) **Creativity** – demonstrating passion, seeking innovative solutions, and engaging stakeholders imaginatively.

Our mission – How we make change in favour of sustainability.

- 1) Promote change and practical solutions in the energy and water sectors for a fairer society and address the planetary crisis.
- 2) Help policymakers, regulators, and business leaders to place sustainability at the centre of the energy and water sectors.
- 3) Champion the public interest and amplify lesser-heard voices in decision making to improve inclusivity and equity.

Our vision – the outcomes we want to achieve.

- 1) Address the climate crisis through a fair and affordable transition to clean energy.
- 2) A society that places greater value on the importance of clean water, and resilient water environments.
- 3) Greater connectivity between the public and decision-makers for better informed policymaking, especially when it helps underrepresented groups and future generations who are often an unheard voice in energy and water policy development.

Our Partnership Principles

Recognise the risks – in a proportionate way: understand where the other party is coming from, what they want from the partnership and carry out research and due diligence if appropriate. If in doubt, first test relationships with smaller pieces of work, events etc. Test whether funding is at odds with climate change ambitions, as we do not want the support of organisations who greenwash.

Do not further non-charitable purposes and avoid unauthorised personal benefit, ensure all work can relate back to our public benefit objectives.

Preserve our independence and deal with perceptions around this. Where possible, seek a diversity of partnerships to avoid being, or being seen to be, captured.

Agree clear decision-making processes around how the partnership will operate. Letters of agreement with sponsors and other partners need to be clear how risk and reward will be shared and who will make which decisions.

Address conflicts of interest. If these do arise, formally record these and how these are being addressed and ensure this information is also shared with the Company Secretary through the Declaration of interests process.

Maintain Sustainability First's separate identity so that we can maintain our intellectual capital and 'brand.'

Protect the reputation and integrity of Sustainability First. The greater the risks in this area, the greater the need to check with the Chair / Trustees before embarking on any new arrangements.

Be transparent as to who our partners are – particularly our funding partners. Ensure this information is on the website and kept up to date.

Measure the impact of our partnerships. Periodically assess the impact of our partnerships – in key points in specific projects- and through a stakeholder impact survey that we carry out each year. In the process, we will review whether there are any gaps / issues in our partnership approach that need to be addressed.

The Challenge

The energy and water sectors are currently facing significant challenges and pressures. Rising living costs have made essential services like energy and water more expensive relative to people's incomes, leading to growing public dissatisfaction. Public outcry about rising bills while companies make big profits, has led some executives in the water sector to give up their bonuses. In the water sector, concerns have been raised about declining water quality, with unjustified instances of raw sewage being discharged into UK coastlines and rivers.

The current political context is a backtracking by government that appears to promote the idea that people cannot afford to be sustainable now, in a cost-of-living crisis and that being green is too expensive. There is also a wider public mistrust of institutions (including regulators), and monopoly utilities. The public is bearing the brunt of decisions that they did not make (like higher energy costs and polluted water).

Addressing these challenges is complex and requires upgrading aging infrastructure, reforming regulation, and systems, which inevitably comes at a cost to consumers. It is crucial to involve citizens in discussions and understand their perspectives on trade-offs, such as balancing cleaner waterways with increased water costs. In the energy sector, the primary challenge is decarbonisation to achieve net-zero emissions. However, this task has been further complicated by the surge in gas prices, leading to a significant increase in customer bills. Energy companies face the dilemma of transitioning to clean energy while ensuring energy remains affordable for all. They must also address the unequal impacts of climate change and ensure the fair distribution of associated costs.

Both the energy and water sectors have faced criticism and challenges in their practices. Ofgem and energy companies have been criticised for imposing pre-payment meters on households struggling with energy debt, and changes to the energy price cap have created uncertainty for customers. Additionally, the costs of supplier failures have been passed on to all consumers. There is ongoing discussion about the potential nationalisation of certain financially unstable water companies. Water companies are also under pressure to offer more financial support to people struggling with their bills. Decision-makers' focus on longer-term and environmental issues may be overshadowed by the near time affordability challenge.

Future challenges

The energy and water sectors are expected to face a range of challenges in the future, influenced by the impacts of the climate and ecological crises. These challenges include extreme weather events, heatwaves, droughts, floods, coastal erosion, and the need to address biodiversity loss and species extinction. There will also be a risk of future pandemics. As the sectors transition towards a zero-carbon future, they will need to shift away from fossil fuels and embrace decarbonised energy systems. This entails achieving a balance of renewable electricity and firm capacity, incorporating large-scale energy storage solutions beyond traditional batteries, energy efficiency measures, and recognising the importance of technologies like heat pumps and a robust charging network for electric vehicles.

In addition to the climate-related challenges, the energy and water sectors will also grapple with volatile markets, including energy and food markets, requiring the development of new market models to ensure stability and resilience. A key focus will be on democratising the energy system, enabling local production and consumption of energy, and empowering customers to contribute flexibility to the system, with the aim of provide energy at affordable prices. Water supplies may face depletion, prompting a shift towards water conservation measures such as using rainwater and wastewater for non-potable purposes.

Furthermore, companies in the energy and water sectors will face pressure to upgrade infrastructure to meet evolving demands and address the technological changes and innovations necessary for a sustainable future. This includes embracing smart, automated, and interconnected systems to optimise resource usage and enhance overall efficiency. Artificial Intelligence (AI) will be increasingly important and prevalent across the economy, and it will be important to further understand its applications and impacts in the energy and water sectors.

Our ambitions for the Energy and Water Sectors

We have four key priorities that apply to all energy and water organisations.

1. **Promote literacy through meaningful engagement with citizens** – to enhance public understanding of water, energy, and climate issues, empowering both current and future generations to make informed decisions that positively impact the environment. This involves promoting literacy in these areas and ensuring inclusivity by reaching out to marginalized groups. By fostering greater knowledge and including diverse perspectives, society gains the agency to influence policies, alter consumption patterns, reform business practices, and advocate for fairness and sustainability in regulatory frameworks.
2. **Go beyond net zero and respect environmental limits** – Show ambition and leadership by setting carbon negative targets. Now is the time to ramp up ambition, urgency, and action to take on the climate crisis, head on. Focus on biodiversity, climate resilience, environmental protection, restoration, adaptation, and mitigation.
3. **Place affordability and equity at the centre of pricing and investment decisions** – ensure energy and water resources are affordable and accessible as well as low carbon, keeping those people in the most vulnerable of circumstances at the centre of policy thinking and consumer support, and acknowledging the responsibilities we all have for future generations. Rebuilding public trust and confidence in the energy and water sectors is a major challenge – showing how public interest is at the heart of organisational strategy – and proving it- should help to address this.
4. **Embed sustainability principles to positively transform business culture and operations**- with a focus on equity, diversity, and inclusion, to maximise their potential positive socio-economic and environmental impacts.

What makes Sustainability First special (Our Unique Selling Points).

We are a trusted, independent team with decades of expertise in the energy and water sectors, offering authoritative thought leadership to inform senior decision-makers and engaging the public creatively to tackle environmental and social challenges. We provide a politically neutral perspective, working with central government, regulators, businesses and not-for-profit organisations in the energy and water sectors. With access to the most senior decision-makers in the UK's energy and water companies, Ofgem and Ofwat, and central government, plus over twenty years building a network of like-minded professionals who share our sustainability vision and values, we are a much-respected critical friend to these sectors. We also combine creative public engagement with deep technical knowledge, offering a bridge between decision-makers and the public to help us all collectively take on the biggest environmental and social challenges that society is facing today. We are proud to represent unheard voices in policy development, and even more proud to bring those under-represented voices into direct constructive dialogue with policymakers.

Our objectives

a) Funding: Create a sustainable financial model for the charity.

- 1) Through an advisory group of trustees and advisors, develop and implement a funding model that ensures financial stability and a reliable funding stream, working to cover fixed costs, invest in the future, and ensure financial stability. Regularly assess and evaluate the effectiveness of the funding model. Continuously explore new funding opportunities and adapt the model accordingly. Encourage trustees to actively support our fundraising efforts. Target: Income covers core costs by March 2024; 9 months of operating reserves by December 2024, 12 months operating reserves by December 2025; Thereafter maintain 12 months reserves and invest additional surplus into charitable research and development activity.
- 2) Attract long-term, multi-year core funding through our Sustainability Leader Group membership programme. Target £250,000 per year secured by Dec 2024.
- 3) Seek multi-stakeholder project funding from energy and water companies, regulators, innovation funds, the energy redress scheme, and trusts & foundations. Target 4 funding bids or pitches per quarter.
- 4) Nurture relations with existing and prospective major donors to support our influencing work, including developing consultation responses, conducting research, meeting with government officials, regulators, business leaders and others, and promoting our work through the media. Target £100,000 by June 2024 then review. Target: Major donors' satisfaction and renewal 80%.
- 5) Proactively promote our consultancy services and increase our consultancy capacity. Explore new opportunities to monetise our knowledge base and expertise. Target: To achieve between £60,000 Net annual income from consultancy work by Dec 2024.

b) Organisation and staff: Attract, retain, and develop our people.

- 6) Establish clear aims and priorities: focus areas, goals, and desired outcomes for the next three years to approve annual business plans articulating clear strategic objectives, ensure all staff and associates are clear about priorities, aligning tasks with those goals, prioritising activities, and focusing on quality over quantity to manage workloads effectively.
- 7) Measure success and impact: Develop clear and proportionate metrics and processes for assessing the success and impact of Sustainability First's work. Identify key performance indicators (KPIs) that align with the organisation's strategic objectives. Provide training and resources to staff and associates to effectively measure and communicate the impact of their projects. Develop a clear system for regularly tracking and reporting impact. Set up progress review points to track the

implementation of the organisation's strategy, including at least annually with the Board. Share success stories and outcomes widely.

- 8) Promote staff and associate development: Create a business model that supports the needs and development of staff and associates. Provide opportunities for professional growth, training, and career development. Offer benefits such as flexible working, training opportunities, and reduced pro-bono work. Explore additional benefits like salary sacrifice (e.g., cycle scheme, EV, rail season tickets), healthcare and wellbeing options.
- 9) Foster diversity and inclusion across the organisation: Implement initiatives to attract and retain a diverse team – including staff, associates, trustees, and partners. Review and revise recruitment practices to ensure inclusivity and equal opportunities and seek external support to help developing our own equity, diversity, and inclusion policies.
- 10) Engage trustees and advisors effectively: Develop a matrix of skills and experiences to track and leverage the expertise of trustees and special advisors. Further engage trustees in decision-making and strategic planning through regular meetings and workshops and involve them in task and finish groups on communications, fundraising, and policy.
- 11) Attract new associates: Strengthen the team with experience in energy, water, biodiversity, and nature, actively recruiting new associates through targeted advertising, networking, and outreach efforts.

c) Impact and influence: Cause positive change in policy, legislation, regulation, business practice, and politics to ensure sustainability is prioritised and embedded.

- 12) Align our policy work and engagement work: Using our engagement work to inform our policy thinking through community-level insights, highlight issues and challenges where the public has concerns or flag opportunities where public opinion is best aligned with policy thinking.
- 13) Be a trusted thought leader, authority and influential voice in the energy and water sectors by offering valuable insights and guidance. Allocate resources to deepen policy expertise, recruit high-quality associates, and foster collaborations with strategic partners. Ensure use of scientific based evidence and third party-verified sources as an integral part of our quality assurance process. Provide concise and accessible briefings to decision makers and stakeholders, displaying thought leadership and enabling influence. Commission insight pieces from thinkers in utility and other sectors on issues and opportunities, as well as exemplar business practices.
- 14) Drive positive change through collaboration: influence and advocate for transformative policies, regulations, and business practices in the energy and water sectors to promote fairness and sustainability. Engage decision makers through evidence-based research, analysis, and recommendations to shape sustainability agendas and promote practical solutions. Build and maintain relationships and trust with key stakeholders and influencers to advocate for positive social and environmental outcomes, collaborate with universities, think tanks, and industry specialists to maximise research impact and avoid duplication of efforts.
- 15) Look ahead: distil our messages into a focussed set of themes and recommendations which we can regularly promote and track progress on, for example on net zero, climate adaptation, cross sectoral resilience, and the biodiversity crisis. Establish a policy working group, which also covers regulation and business practices, to help prioritise our focus and look ahead at the next major opportunities and challenges in utility sectors.
- 16) Share knowledge and expertise: build expertise, facilitate knowledge sharing, and engage stakeholders in energy and water sector policies, regulation, and business practices. Develop accessible resources and briefings and encourage policy knowledge development amongst the staff team and our stakeholders where needed. Organise roundtable discussions to inform, engage and build shared understanding of issues amongst stakeholders.

d) Stakeholder and public engagement: Connect and inspire the public with decision makers in energy and water.

- 17) Connect our engagement work with our policy work: Using our policy work to help frame our engagement with the public, so that the community-level insights we seek help us to test, challenge or reinforce our policy views with public interest in mind.
- 18) Listen to the public: champion the public interest and amplify lesser-heard voices in decision making to ensure inclusivity and equity. Specialise in citizens' engagement, implementing initiatives such as workshops and creative activities to involve and empower diverse communities. Use the extensive stakeholder map that we have developed of over 1000 individuals and organisations, to reach and engage underrepresented groups.
- 19) Inspire change through creativity: use creative approaches to engage the public and decision makers, inspiring them to act differently. Use interactive activities like art and creative writing to connect with communities.

e) Communications: Raise the profile of the issues we care about, and the role we play in making change happen.

- 20) Policy papers: continue with innovative industry focused, forward looking, policy papers and recommendations.
- 21) Produce accessible content: disseminate research findings and recommendations in accessible formats. Use plain language and clear visuals to make reports and publications more accessible. Explore infographics, videos, and summaries for diverse audiences.
- 22) Develop our brand: invest in branding and marketing to increase the organisation's public presence. Develop a clearer, accessible brand with consistent messaging and tone of voice. Recognising and managing the different expectations of various partners and audiences. Establish brand guidelines for consistent messaging and branding across all channels.
- 23) Reach target audiences: Develop an audience database to understand and engage with stakeholders effectively. Tailor communication strategies to resonate with the specific interests and needs of different audiences, managing the tensions inherent in close working and trust with key industry partners and the demands of the media and wider public.
- 24) Implement efficient processes and systems: develop clearer processes for communications content, enabling sufficient time planning and quality control. Create an editorial calendar: schedule content types, publication dates, and promotion strategies.

Measuring our impact

Sustainability First's success in its strategy will be measured through the establishment of key performance indicators (KPIs) aligned with our objectives. The Annex below includes some proposed metrics of success. We will need to set benchmarks and targets. These KPIs will facilitate tracking the progress and impact of our initiatives. Additionally, we will conduct regular assessments and evaluations to gauge the effectiveness of our strategies in achieving long-term goals. We will distinguish between impacts, influence, outcomes and outputs and will publish an impact report annually.

Stakeholder feedback, obtained through our annual impact survey from staff, sponsors, partners, and communities, will contribute to a comprehensive understanding of our performance and identification of improvement areas. Sustainability First will establish a transparent and accountable approach to measuring success, consistently refining our strategies to drive positive change.

Annex – Our Key Performance Indicators (KPIs)

We have identified the following KPIS to track our progress on this strategy.

a) Funding

Key Performance Indicators	Target	Deadline
Income	Income covers core costs for at least 6 months	Mar 2024
Reserves	9 months of operating reserves 12 months operating reserves 18 months operating reserves	Dec 2024 Dec 2025 Dec 2026
Sustainability Leaders subscription service	Increase number of members and revenue to reach £250,000 annually.	Dec 2024
Projects and consultancy	Project and consultancy funding, from diverse sources (e.g., energy and water companies, regulators, innovation funds, the energy redress scheme, trusts and foundations) (approx. £100,000 annually)	Jun 2025
Major donors	Track contributions from major donors and in-kind support aim to achieve the target of £100,000. Donor satisfaction and 80% repeat donation support	Jun 2024 Jun 2025

b) Organisation and staff

Key Performance Indicators	Target	Deadline
Our people – satisfaction	Survey and interview staff, associates, trustees, and special advisors to assess their satisfaction with the organisation and support received.	Dec 2024, annually
Attract and retain associates	Recruit new associates and maintain a group of six associates, with expertise across energy, water, environmental and social governance (ESG), biodiversity, and nature.	Dec 2023
Remuneration	Analyse compensation data to ensure pay equity. Gather feedback from staff and associates regarding their perceptions of pay fairness.	Mar 2024, annually

Enhancing governance	Evaluate board effectiveness through an annual review process. Enhance trustee engagement by monitoring participation in meetings, workshops, and training opportunities.	Sep 2024, annually
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c) Impactful influence on policy, regulation, and business practices.

Key Performance Indicators	Target	Deadline
Driving positive change	Number, quality and impact of evidence-based research reports, analysis, and recommendations influencing policy, regulatory and business decisions. Including feedback and examples from the annual impact survey.	Mar 2024, annually
Public engagement	Track efforts to involve the public in decision making and empower diverse communities and underrepresented groups.	Mar 2024, annually

d) Communications

Key Performance Indicators	Target	Deadline
Branding and voice	Establish a clear and strong brand and voice in energy and water sectors assessed via Annual Impact Survey feedback. Maintain brand consistency in all communications.	Mar 2024, annually
Stakeholder engagement and satisfaction	Expand stakeholder database and engage target audiences, gauge feedback via Annual Impact Survey and testimonials.	Mar 2024, annually
Impact and reach of communications	Regular monitoring and analysis of communications metrics, such as website traffic, social media engagement, and media mentions to ensure our communications have impact.	Dec 2024 (baseline), quarterly