

# Is it an ESG Armageddon or are you The Survivor?

written by Steve Mackowski | January 23, 2023

**Net Zero Carbon – Article 4. A possible way towards meeting an ever-expanding ESG agenda.**

Wow. Article 4 is here already and this will finalise my thoughts on how ESG Concerns are going to have an influence on the Net Zero Carbon goals. And as a reminder, this is only two points off the list. Further articles will address the issues of Technology, Power Requirements, and Human Resources.

In my first article, I introduced a [planning dilemma](#) that I had been tasked to look into. Mining in a First Nations National Park. Sounds daunting but there are planning/decision steps you can control and others you cannot. This ESG response that follows was part of my solution to that dilemma. It is also a major part of the ESG issues that will be faced as we attempt to advance on a Net Zero Carbon future. It is also my generic model for any resource business.

As we move into an age where accountability looms large, it would seem obvious that our systems, our processes, and our outputs need to be transparent, understandable, and very importantly defensible. You may think of your systems as your legal defence should things go astray or as your curriculum vitae (CV) to attract/impress your stakeholders.

## **Step 1. International certification of your management systems.**

The [International Standards Organisation](#) (ISO) is an independent, international organisation with a membership of 167 national Standards bodies. Through its members, it brings

together experts to share knowledge and develop voluntary, consensus-based, market relevant International Standards that support innovation and provide solutions to global challenges.

OK. That's the official words but what is it to us? It's independent. It's internationally accepted. It's certification of your management systems through thorough independent, industry-experienced professionals who audit every relevant aspect of your business. So, your environmental management system can get the ticks (ISO 14000 series). As can your safety and health system (ISO 45000 series). This is where you can address the recent EID (Equality, Inclusion, Diversity) inclusions as a mental health related issue. You can also include your risk management systems (ISO 31000 series). And it will also be wise to include your quality systems (ISO 9000 series) as the internationalisation of the Net Zero Carbon solution progresses. That may seem like a lot of expense (it isn't if you do it properly). I prefer to define it as the cost of doing business. It's your instruction manual. It's the way we do business. It's also a line of defence should anyone challenge your credentials. I prefer to see it as a starting point to excellence. Remember the First Nations National Park.

## **Step 2. Becoming a Best-in-Class operation.**

Now you may think that ISO certification is a pretty good standard to reach. As it is. And it's cost effective if you think of it as a type of corporate insurance policy. I use it as the glue of the business. Operation to the Standards, verified by independent audit, is a foundation that maintains the status quo, while capturing any gains your business can attain through commencing the journey to best-in-class. The Standards don't really help here in the way of further improvement. The Standards encourage a continuous improvement ideal but of themselves do not provide the mechanism to get to a position of

excellence. I will introduce a suite of tools which when used properly provide an excellent road map through regulatory compliance, ISO certification and onwards to best-in-class.

I would like to introduce [DNV](#). Det Norske Veritas. (The Norwegian Truth).

DNV are an independent expert in assurance and risk management. Driven by their purpose, to safeguard life, property and the environment, they empower their customers and their stakeholders with facts and reliable insights so that critical decisions can be made with confidence. As a trusted voice for many of the world's most successful organisations, they use their knowledge to advance safety and performance, set industry benchmarks, and inspire and invent solutions to tackle global transformations. For us, though I would like to reference three of their system development products.

The International Safety Rating System (ISRS).

ISRS consists of 15 key processes, each embedded in a continual improvement loop. Each process contains sub-processes and questions. It is designed as a measuring tool but I have used it in reverse by utilising the questions within the sub-processes to design the steps and activities needed to build the management systems itself. So your progress through regulatory compliance, ISO certification and progress to best-in-class can be planned effectively and rolled out as part of your normal business planning process.

The following is an extract from the DNV website.

An ISRS assessment is a thorough evaluation of these questions and involves interviews with process owners where the questions are scored and commented. The scope of the assessment is entirely flexible determined by the size and complexity of the

organisation and the management team's requirements. Detailed verification is conducted and organisations must be prepared to offer evidence to support their answers. The process scores determine an overall level of performance between one and ten. The results provide a detailed measure of performance and a gap analysis against the organisation's desired level of performance. This becomes the planning basis for improvement during the next period. ISRS seventh and eight editions are structured with 15 processes embedded in a continuous improvement loop:

1. Leadership
2. Planning and administration
3. Risk evaluation
4. Human resources
5. Compliance assurance
6. Project management
7. Training and competence
8. Communication and promotion
9. Risk control
10. Asset management
11. Contractor management and purchasing
12. Emergency preparedness
13. Learning from events
14. Risk monitoring
15. Results and review

During my early years of developing ESG systems, the ISRS protocol was extensively used around the world and is available today. To expand the ISRS concept, DNV further developed IERS (environmental) and IQRS (quality). I used these protocols to fully integrate ESG into the normal business planning process. And then the benefits can be clearly seen and achieved (My next series of articles: *Better business outcomes using ESG*

*principles).*

### **Step 3. Communicating with stakeholders**

Having developed your systems and implementing best-in-class processes, you want a return. This clearly comes by effective communications with your stakeholders. Everyone should know about your efforts and achievements. How else do you think you will be trusted/selected to do that First Nations National Park project? How else do you think the Critical Minerals developments necessary to attempt to reach Net Zero Carbon will continue to get effective and expeditious approvals from the regulatory bodies? How can you provide a response to the eco-challengers that are surely lurking ready to cancel you? And very importantly, how to convince prospective employees that you are the industry that they wish to base their careers around?

Here are some promised references you may wish to peruse to help your thinking on the Net Zero Carbon quest. You may think I am biased towards the negative on this issue. Nothing could be further from the truth. I have sufficient solar power installed such that I require no annualised input from the grid; I am self sufficient in water supply; I am an active recycler and my property has been developed with full ESG aspirations in mind. The fact that I haven't provided more fact based pro-Net Zero articles is purely to do with, well, they are not available, compared to the numerous pro-nuclear and negatively focused anti Net Zero Carbon debate. I will keep you posted.

### **The Australian newspaper, January 11<sup>th</sup> 2023**

Ted O'Brian. Federal Government opposition energy spokesman.

[Nuclear Energy? Who better to ask than Japan, whose history is inextricably linked to it.](#)

Comment: Part of the Australian proposed debate on the future of nuclear power.

[The Rice Video – CO2 in perspective, Malcolm Roberts. The Galileo Movement.](#)

One Australian view of the issue of anthropological climate change.

Comment: A little old, but the numbers used are factual.

Till next article, stay safe.