

## **Environmental, Social and Governance Strategy**

**Understanding the significance of Environmental, Social & Governance (ESG) Issues is crucial for SMEs. These issues, which encompass environmental, social, and governance concerns, are increasingly shaping the business landscape and should not be overlooked.**

The current societal landscape is marked by escalating concerns about social and environmental issues, a growing emphasis on corporate governance, and increasing legal obligations to companies. This confluence of factors has significantly heightened the importance of how companies are governed and overseen. The need of the hour is to ensure that companies conduct their business responsibly, taking into account not just profit, but also the purpose and the future of our planet and its people. These collective issues are what we refer to as ESG.

Each ESG issue is usually placed under one of the following headings: environmental, social and governance issues. Each issue is a discrete area, but increasingly, they are collectively grouped and considered under the title, ESG.

ESG issues include, amongst other things, climate change and greenhouse gas emissions; energy efficiency and resource depletion; emissions to air, water and land pollution and waste; health and safety considerations; diversity, inclusion and equal pay; stakeholder and community engagement; bribery and corruption; conflicts of interest and anti-money laundering.

ESG will, however, mean different things to different companies depending on their size and the sector they operate in. This adaptability allows SMEs to tailor their ESG strategies to their unique circumstances, empowering them to take control of their sustainability efforts.

### **Why have an ESG strategy?**

ESG issues have gained significant prominence and importance among regulators, employees, customers, and other stakeholders. While SMEs are currently not mandated to make specific ESG-related disclosures, failing to address relevant ESG issues could lead to regulatory enforcement and pose risks such as litigation and physical, commercial, financial, and reputational risks. These risks could potentially threaten the sustainability of a company. Moreover, the growing trend for ESG requirements and compliance is becoming a prerequisite for companies to contract with other parties.

Given the potential risks, SMEs are advised to develop an ESG strategy that aligns with their size and sector, outlining the type of organisation they aspire to be. This proactive

approach can help SMEs mitigate risks and demonstrate their commitment to sustainability.

### **What should an ESG strategy cover?**

For most SMEs, an ESG strategy will involve putting in place a framework of various policies and practices to cover, amongst other things:

- Staff/people;
- customers;
- suppliers;
- health & safety;
- environment; and
- the community.

### **Our ESG Strategy:**

At Reddington Crane & Company Limited, a Private Client Consultancy Services corporation, we are committed to implementing the highest environmental, social, and governance (ESG) standards appropriate for our size and sector. We believe that the prosperity of our Company and the communities in which we operate is contingent on our commitment to the sustainable management of our activities.

Rapidly developing legal and voluntary frameworks, stakeholder demands, and increasing environmental concerns mean ESG is quickly becoming a top business priority. To keep pace with this change, the Company wishes to:

- keep abreast of the most up-to-date information available to it;
- understand the risks and opportunities ESG presents; and
- take action to ensure that the Company continues to satisfy stakeholders and places itself in the best position for long-term, sustainable development.

It is recognised that a failure to tackle ESG issues that are relevant to the Company may lead to, amongst other things, regulatory enforcement as well as to pose a litigation, physical, commercial, financial and reputational risk to the Company that may adversely affect its sustainability and resilience.

The directors of the Company already have acknowledged their duty to promote its success. This means that each of its directors must act in the way they consider, in good faith, would encourage the success of the Company for the benefit of its members as a whole.

However, the directors have also decided to develop a robust and transparent ESG strategy that further affects and enhances all areas of the Company's business in line with ESG issues, namely Travel and business Consumables of all types, including stationery and power.

The Company wishes to adopt this strategy as a framework for how the directors will manage ESG issues relevant to the Company's business.

The Company aims for its board of directors to achieve the highest board standards. It already has robust and transparent legal and professional standards in place but also aims to incorporate relevant ESG considerations into the board's terms of reference. This will include ESG matters becoming a routine consideration in the board's decision-making process in the future, and the Company will put in place a committee to consider ESG matters and advise the board accordingly.

The Company has implemented several policies appropriate to its business that consider staff/people, customers, suppliers, health & safety, the environment and the community.

The directors will regularly review, measure and report to stakeholders on the Company's progress in implementing its ESG strategy at suitable intervals.