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1. **What are Environmental**

(ESG) Issues?

Growing concerns about social and environmental issues being given to corporate governance has led to greater interest in how companies ensure that they carry on their business responsibly. Companies are increasingly expected to consider the future of our planet and its peoples. All these issues are collectively referred to as ESG.

in society as well as more attention being given to legal obligations on companies, which are expected, overseen and should operate to ensure they are in a responsible way. Specifically, companies are expected to consider the future of our planet as well as profit, and the future of our planet and its peoples are collectively referred to as ESG.

Each ESG issue is usually placed under a specific heading: environmental, social and governance issues. Each issue is then grouped together and considered as a whole.

Specific headings: environmental, social and governance issues. Each issue is then grouped together and considered as a whole.

ESG issues include, amongst others: energy efficiency and resource depletion; health and safety considerations; community engagement; bribery and corruption; and money laundering.

Specific issues include: energy efficiency and resource depletion; water and land pollution and waste; health and safety considerations; and equal pay; stakeholder and community engagement; conflicts of interest and anti-money laundering.

ESG will however mean different things depending on the sector they operate in.

ESG will however mean different things depending on their size and the sector they operate in.

2. **Why have an ESG strategy?**

ESG issues have recently assumed more importance for employees, customers and other stakeholders. Specific ESG related disclosures relevant to SME companies may include: as posing a litigation, physical, community engagement, and compliance by various parties.

ESG issues have recently assumed more importance by regulators, and SMEs are outside the scope of any specific requirements to tackle ESG issues that are relevant to SME companies may include: as posing a litigation, physical, community engagement, and compliance by various parties.

Considering this, and to minimise reputational risk, a company should develop an ESG strategy, commensurate with its size and the sector it aspires to be.

Companies may wish to put in place an ESG strategy, commensurate with its size and the sector it aspires to be.

3. **What should an ESG strategy cover?**

For most SMEs, an ESG strategy should cover a range of policies and practices to cover amongst others:

For most SMEs, an ESG strategy should cover a range of policies and practices to cover amongst others:

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

¹ As a SME, the company will not be subject to the Environmental Information Regulations 2022 (SI 2022/31) & the Limited Liability Partnerships (Environmental Information) Regulations 2022 (SI 2022/46).

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How ESG affects each of these categories will depend on the importance that the business places on each one.

Each is dealt with by a business will depend on the importance that the business places on each one.

This ESG strategy is, by its very nature, a dynamic document that highlights the key areas that businesses should focus on when determining their ESG strategy.

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ESG Strategy:

1) Introduction

We are, <<include the name of the Company>>, a company that includes any specific social/environmental, social and governance (ESG) standards appropriate to its size and the communities within which it operates. The management of its activities.

description of its activities. This should include any specific social/environmental, social and governance (ESG) standards appropriate to its size and the communities within which it operates. The management of its activities.

The Company aims to implement ESG standards appropriate to its size and the communities within which it operates. The management of its activities.

description of its activities. This should include any specific social/environmental, social and governance (ESG) standards appropriate to its size and the communities within which it operates. The management of its activities.

Rapidly developing legal and voluntary environmental concerns, all mean that to keep pace with this change, the Company must:

shareholder demands and increasing regulatory requirements are becoming a top priority for businesses. To

- keep abreast of the most up-to-date legal and voluntary requirements; and
- understand the risks and opportunities associated with these requirements; and
- take action to ensure that the Company is in the best position to meet these requirements.

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- take action to ensure that the Company is in the best position to meet these requirements.

It is recognised that a failure to take appropriate action to, amongst other things, regulate commercial, financial and reputational sustainability and resilience.

relevant to the Company may lead to, amongst other things, regulatory, commercial, financial and reputational sustainability and resilience.

The directors of the Company are committed to the success of the Company, to promote its success. They consider, in good faith, would promote the interests of the members as a whole.

Section 172 of the Companies Act 2006, to promote its success. They consider, in good faith, would promote the interests of the members as a whole.

However, in addition, the directors will develop a robust and transparent ESG strategy that goes further than this and affects and enhances all areas of the Company's business in line with the relevant to how the Company operates on environmental, social and governance issues>>.

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The Company wishes to adopt this ESG strategy and to manage its ESG issues relevant to the Company's business in line with the relevant to how the Company operates on environmental, social and governance issues>>.

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2) ESG Audit

The Company is a SME and operates in the <<insert specific areas that are relevant to how the Company operates on environmental, social and governance issues>> sector.

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In the first instance, it will carry out an ESG audit and material risk assessment across its business to establish:

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² If the business or industry has specific practices that it should/must adhere to, these should be referenced and worked into the ESG strategy.

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- what ESG means for the
- which stakeholders should
- an ESG baseline.

Materiality

The Company considers the following

<<insert the key ESG issues that are most likely to affect the company/business>>

Stakeholders

The Company will consult with:

<<insert relevant key stakeholders, employees, customers, suppliers etc>>

Baseline

It is important to identify an ESG baseline. The Company shall identify existing policies, processes and practices it already has in place under matters closely aligned with ESG.

The following policies, processes and practices are considered relevant:

<<insert any relevant policies & processes, environmental, employment or social impact policies etc>>

These policies will be assessed against the Company's ongoing ESG related activity and may also be useful to establish a baseline. The Company should prioritise and which stakeholders it should consult.

3) ESG objectives and

Having carried out a thorough ESG assessment, the Company will identify its priority areas and set out its ESG objectives through an ESG framework based on these priorities through new policies, processes and practices relevant to the Company's size and sector.

4) New ESG Policies and

The new policies, processes and practices will implement will include: [An ESG policy which incorporates the Company's ESG areas and ESG objectives].

<<insert any relevant policies, processes and practices that will be implemented>>³

5) Board Terms of Reference

The Company aims for its board to have the highest board standards. It already has robust and transparent legal standards in place but also aims to incorporate relevant ESG considerations into its terms of reference. This will include ESG matters becoming a routine part of the board's decision-making process going forward.

³ The policy or policies will most likely cover the Company, its employees, customers, suppliers, health & safety, environment and the community.

forward and the Company putting
and advise the board accordingly.

[A copy of the committee's terms of

6) Updating Existing Policies

The Company has implemented
[staff/people, customers, suppliers
bring these policies in line with the
proposed new ESG policy document
as environmental, employment or

7) Measuring and Reporting

The [ESG committee and the]
stakeholders at suitable intervals of
[and new ESG policy]. This will include

<<insert relevant measures by which
reports to shareholders, statements

8) Other

<<Include any other relevant consid

specifically consider ESG matters

appropriate to its business that consider
environment and the community]. To
strategy and ESG requirements [and its
insert relevant policies to update such
>>.

review, measure and report to
process in implementing its ESG strategy

and reporting shall take place, e.g.

company's strategy>>.

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