

ENVIROMENTAL, SOCIAL & GOVERNANCE POLICY STATEMENT

Policy Owner: Associate Director Governance & Strategy

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ESG policy statement: ensuring social and sustainable value are at the heart of everything we do



Introduction

At Commercial Services Group (CSG), we believe that growth is more sustainable and better achieved when it is aligned with positively contributing to the local communities we operate within and are part of.

Delivering social and sustainable value is core to our purpose and services. Operating across the UK and internationally, our communities are never far from CSG; our people can be seen managing local recycling centres, advising public and private organisations on energy and carbon solutions and delivering resources and professional services to our schools.

Additionally, being wholly owned by Kent County Council means that the value we generate is

returned back to the public sector for re-investment into front-line services ('profit with a purpose'). Through our wider joint venture and partnership models, any surpluses are shared with our local authority partners, generating dividends to support communities and local economies across the UK.

Our Commitment

We are committed to achieving our objectives through economically, environmentally and socially sustainable means. We endeavour to conduct our activities with integrity and demonstrate the highest ethical standards in our dealings with all stakeholders.

We believe in actions not words. Our ESG statement sets out how we promote responsibility for the environment, how we manage social and governance issues within CSG, and integrate ESG factors into our corporate operations and generate social and sustainable value.

What is ESG?

ESG stands for Environmental, Social and Governance. There are three pillars that organisations are expected to report within, and can be used as a framework for assessing how organisations and companies manage their operations:

- **Environmental:** Sustainability practices, including climate impact, resource conservation, and waste management.
- **Social:** How an organisation engages with its employees, communities, supply chain(s) and broader society, encompassing aspects like diversity and inclusion, education and training, wellbeing, and human rights.
- **Governance:** Structure and integrity of an organisation's leadership, addressing areas such as board composition, due diligence, transparency, and ethical standards.

ESG factors relevant to our business include:

Environmental	Social	Governance
Net zero	Community wealth building	Corporate governance
Air and water pollution	Diversity, equity, inclusion & belonging	Anti-bribery, corruption, fraud & money laundering
Energy & water efficiency	Employee engagement & relations	Conflicts of interest
Renewable energy	Health, safety & wellbeing	Data protection & privacy
Waste management	Human rights & modern slavery	Legal & regulatory compliance
Travel & freight	Product quality & safety	Risk management
Use of resources	Supplier management	Transparency
	Volunteering	

Environment

- We are committed to achieving net zero emissions by 2050 for scopes defined by PPN 06/21 and have published a [Carbon Reduction Plan](#) setting out how we will do this and progress to-date.
- Furthermore, Kent County Council has committed to achieve net zero greenhouse gas emissions from their own estate, operations and wholly owned traded services by 2030, this commitment applies to scopes 1, 2 and selected scope 3 emissions. As a wholly owned

traded service, CSG are committed to reach net zero for these scopes by 2030.

- We report quarterly environmental performance data setting out our progress against these targets.
- We assess risks and opportunities to the business presented by environmental aspects and impacts, including those posed by climate change.
- Our Environmental Management System has been certified to ISO 14001.
- We minimise our environmental footprint and resource use at our premises through energy efficient lighting, rainwater harvesting and solar panels.
- Our Bowerhouse II solar farm generated over 22GWh of renewable electricity in 2023, the equivalent of powering 5,500 homes.
- We support customers to decarbonize through our Zero Carbon future services.
- [LED lighting upgrades](#) completed by LASER in 2023 will save 5,358 tCO₂ over their lifetime and reduce customer energy costs by c.£270k per annum.
- We support customers to electrify their fleet through our compliant procurement frameworks.
- We minimise waste in our own operations through reduction, re-use and recycling and support the wider public to do so at our CSG Managed Waste sites.
- We minimise emissions from staff travel through our electric vehicle salary sacrifice scheme, cycle to work scheme and hybrid working options.

Social Value

- Our Corporate Social Responsibility Policy sets out our wider commitment to the social and environmental wellbeing of our employees, stakeholders and the communities we work in.
- As a local authority-owned group surpluses generated are reinvested in the public sector, supporting vital front line community services.
- Through our public sector joint ventures we support local authority services across the UK. In 23/24 we returned £3m back to the public purse while creating over 100 local jobs, engaging over 8,00 local residents in work and supporting 66 local SMEs with supply chain opportunities.
- [LASER Energy's purchasing](#) helped public sector organisations avoid £211m costs compared to average market prices and avoid £1.96bn costs compared to the peak of market prices for the October 2022 to September 2023 delivery period.
- We are committed to creating a workplace where everyone feels valued, empowered, and represented, and where people feel comfortable and accepted as their authentic selves, including at the most senior levels.
- Our latest Gender Pay Gap Report can be found [here](#).
- In 2023 our [Specialist Employment Service](#) supported 153 clients with disabilities to find and sustain employment, worked with 58 schools to empower their SEN students to move into the world of work and trained 23 employers in disability inclusion.
- We invest in our people and wellbeing, being recognised with liP Gold accreditation
- The health, safety and wellbeing of our people and service users is an essential priority. We promote a SAFE person/equipment/practice/place approach and health and safety arrangements including incidents and near misses are reviewed by directors as a standing agenda item. As of June 2024 we have an internal network of 77 trained Mental Health First Aiders.

- We undertake due diligence of our supply chain(s) and business partnerships to ensure product quality and they are not inadvertently supporting modern slavery, forced labour, human rights abuses or environmental degradation. Our Modern Slavery Statement can be found [here](#).
- We are Prompt Payment Code signatories, supporting small businesses to be paid on time.
- We support all staff to take one day of paid leave each year to undertake volunteering within the community or for charitable institutions.
- We actively support local and national charities.

Governance

- CSG has adopted the Wates Corporate Governance Principles for Large Private Companies. This provides a framework for the Board to monitor corporate governance of the Group and identify where standards can be raised to a higher level across the business. We believe this, in turn, results in a better engagement with our stakeholders and ultimately builds trust with our customers, colleagues and shareholder, providing the right environment for the Board to make decisions for the long-term success of the Group.
- We are committed to acting ethically and meeting our legal and ethical obligations.
- An Audit & Risk Committee has been appointed with responsibility for the integrity of the Group's financial statements, the effectiveness of internal controls, the performance and independence of internal and external auditors and the Group's compliance with legal and regulatory requirements.
- A whistleblowing policy and procedure has been communicated to staff enabling any concerns to be raised around misconduct and unethical practices.
- Our privacy notices set out how we protect the personal data of our staff, customers, service users and other stakeholders.
- We hold ourselves to the highest quality standards, assured through external audit. Details of our external accreditations and certifications can be found [here](#).

Scope

This policy covers the Commercial Services Group ('CSG', 'the Group'), all its subsidiary entities and trading brands and all activities for which CSG has responsibility for delivery across all sites occupied by the Group.

It applies to all those undertaking work for, or on behalf of CSG including: employees, contractors, volunteers, partners, suppliers, customers and others who use or visit our premises or may be affected by our activities.

Review

This policy will be reviewed annually as a minimum, or in line with changes in business context and requirements and updated as required.