

2022 ESG POLICY

Our environmental, social, and
governance commitments





WHAT IS ESG?

ESG (Environment Social Governance) is on the minds of most businesses and investors today. It can represent risks and opportunities that will impact a company's ability to create long-term value. This includes environmental issues like climate change and natural resource scarcity. It covers social issues like employee practices, health & safety, and data security. And it involves governance matters that include board diversity, executive pay, and tax transparency.

At its simplest, ESG provides an umbrella framework to consider a company's impact and dependencies on the environment and society, as well as the quality of its corporate governance.



Environmental

Minimising the impact of a company on nature

Includes controls of: carbon emissions, impact on deforestation and nature loss, over-consumption of non-renewable resources, and production of waste products. Also incorporates positive contributions such as the financing of environmental improvements (e.g. green finance initiatives).



Social

Contributions of a company to fairness in society

Considers contributions to equality, trust and welfare in society (including improving labour rights and diversity and inclusion) within a company's workforce, and across its supply chain and distribution. Also includes product safety, respect for privacy and data security.



Governance

Processes for decision making, reporting and ethical behaviours

Focuses on the quality and scope of reporting, the nature and type of accountability, level of independent oversight, and ethical behaviours in a firm - on both ESG and non-ESG matters. Considers elements such as board structure, director and audit independence and executive compensation.

OUR APPROACH TO ESG

For us, this isn't just a box-ticking exercise. Beyond just appearing socially responsible to the outside world, we want to address the real risks associated with ESG issues and maximise the underlying opportunities that may also exist.

ENVIRONMENTAL:

Minimising our impact on nature.



Operations:

- Carbon emissions net-zero by 2030, business travel reduced and offset.
- Paper reduction through digitalisation.
- Buildings, energy reduction, renewable energy providers.



Products and services: underwriting-incentivised pricing to support renewable and emission-reducing energy assets.



Supply chain: increased use of renewable resources, recycled consumables and waste recycling. Due diligence and audit of suppliers.

SOCIAL:

Contributions of a company to a fairer society.



People:

- Diversity & Inclusion: ensure equal pay, treatment and opportunities for all employees regardless of their protected characteristics (see [Equality Act 2010](#) for full list of protected characteristics).
- Health & Safety, Wellbeing: programmes to support health & wellbeing, including employee mental health programmes.
- Personal development: including upskilling of employees and training provided.
- Employee Promoter Score (EPS)



Community: leave a light footprint, cycle to work, electric vehicle (EV) schemes, community days.



Charity: support local businesses, charity days, match charitable fundraising.

GOVERNANCE:

Quality of processes for decision making, reporting and ethical behaviours.



Transparency: providing accurate and timely reporting to stakeholders vs recognised standards.



Accountability: ensuring leaders are accountable for performance, risk management and ESG, and pay is aligned to these outcomes within company.



Ethical behaviour:

- Corporate governance: undertaking business in an ethical manner (e.g. avoiding bribery and corruption).
- Ensuring appropriate independent oversight, including board composition, diversity and remuneration.



Our initiatives for 2022

Environmental

We currently ensure adequate **office recycling** is carried out, and change to use **LED lighting** and **recycled chairs** for reduced environmental impact. For 2022, our objectives are:



Operations

Increase our ability to measure our emissions and offset them through a reduction plan.



Products and services

Reduce pricing for certain green assets by 5% in agreement with insurers and lessors.



Supply chain

Implement a simple due diligence checklist for suppliers and replace where required.

Social



People

At Acquis, we ensure that **all employment is based on competence and merit**, and is remunerated fairly above the National Living Wage. We also provide a **benefits package** to help plan for the future (pension, DiS, Income Protection), access to **wellbeing programmes** and opportunities for **job shadowing** and **career planning**. We also conduct regular **employee engagement surveys** and run a **monthly employee forum**. Our objectives for 2022 include:

- Supporting hybrid working models across the business
- Conducting an annual gender pay review
- Improved maternity pay and paternity package
- All employees have a personal development plan
- Achieve >90% Employee Promoter Score (EPS)



Community

We currently have a **Cycle To Work** scheme and are aiming to provide **2 days per annum per employee** to participate in **supporting their local community** and an **electric vehicle (EV) scheme** for 2022.



Charity

We have appointed a **charity ambassador** and are aiming to continue to provide all **food supplies to 50+ children in a Children's home and safe house in Tanzania**. In 2022, we will also:

- Support the Moebius Syndrome Foundation
- Support the LATCH children's cancer charity
- Match fundraising up to £500 per employee a year

Governance



Transparency

While we currently have a **compliance function and risk committee** in place, we are aiming to establish a **cross functional ESG committee** to ensure company-wide participation. We will also establish the **Three Lines of Defence** model, including an **internal audit team**.



Ethical behaviour

We are committed to updating our **annual policy** and deliver **procedure training** for our staff. Our next step is to further **align company training to our ESG policy**.



Accountability

Our **bribery and corruption policy** ensures we address internal and third party risks. Our yearly company-wide **FCA training** ensures our staff has an adequate understanding of the risks associated with bribery and corruption.

Our spectrum of ESG ambition

Commercial insurance solution example

By following a maturity model, we identify which aspects of our services are aligned with our ESG commitments and areas of improvement for our insurance solutions.

Now in our **emerging stage**, we are adapting our products to emerging opportunities and enhancing the quality of our ESG communication and reporting for better transparency and accountability.

Environment

Minimum requirement:

Review product portfolio to ensure it meets **minimum requirements for prioritised stakeholders'** environmental concerns (e.g. reporting and risk management)

Emerging:

Tactically offer green products and incentives (e.g. electric vehicle fleet coverage preferential premiums for reducing environmental liability)

Mature:

Offer new products and services which seek to actively minimise **environmental impact** across the entire supply chain (e.g. energy efficient insurance)

Leading:

Provide **consulting services to support transition to greener business models** (i.e. carbon emissions assessment paired with energy efficient insurance)

Social

Minimum requirement:

Deploy tactical changes to meet **minimum requirements for stakeholders' social concerns** (e.g. amending product branding)

Emerging:

Subsidise existing products to support emerging businesses that further social welfare (e.g. to support an adult training start-up)

Mature:

Proactively develop products to support **emerging risk areas and underserved markets** (e.g. property coverage for social enterprises such as adult training and employment not-for-profits)

Leading:

Provide **consulting services to advance to social development goals for insurers** (e.g. increasing gender equality in workforce)

Governance

Minimum requirement:

Provide summary reports of ESG impact across of all product lines at a high-level

Emerging:

Providing reports on how **individual products** are contributing to ESG objectives (e.g. focusing on electric fleet insurance products)

Mature:

Providing data to policyholders on **ESG product performance** to assist and incentivise their own ESG objectives

Leading:

Leading **industry groups to develop consistent approaches to reporting** and providing full transparency of ESG impact of all products



A GOOD THING FOR LESSORS & INSURERS, A GOOD THING FOR ACQUIS.

ESG presents transition challenges and opportunities to financial services. Narrowly defined, the transition to a low-carbon economy presents risks for those who do not adapt their business model and products. But it also provides significant opportunities for those in the leasing & insurance sectors who address these topics.

Acquis has been providing services to the finance and leasing industry for more than a decade, and during this time we have built successful long term relationships with clients across Europe, helping them deliver sustainable results for their asset portfolios through high-quality insurance solutions. Simultaneously, our role as a valued and trusted partner has allowed us to gather insights from finance providers of all sizes, including some of the largest banks in Europe. These relationships have enabled us to reach a holistic understanding of their ESG considerations and how they are used to better understand today's risks and opportunities while having a positive impact on our environment, our economy and our society.

At Acquis, we're proud to be an active part of a leasing community that continues to address ESG issues by embedding them more and more into their business strategies. We're aware of the potential our sector has to make a difference and, for this reason, we will keep encouraging and participating in these critical conversations with our clients.

Sources:

1. ESG and Insurance, strategy. Part of the PwC network.
2. Making sense of ESG, CFO direct, PwC