

# ESG Policy

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POL22-ESG-001 Sustainability and ESG v0-4.doc

## Environment, Social, and Governance (ESG)

Responsiv is implementing Environmental, Social and Governance (ESG) standards that are appropriate to our business and our values. The prosperity of the company and of our staff, customers, families and friends is dependent on the good financial and social health of our company and the environment in which we operate.

Changes in social awareness demand that companies demonstrate their environmental, social, and governance credentials. Responsiv values of “simple, effective, distinctive” are aligned to this demand; our offices are environmentally sensitive; and our approach to software development is to seek simplicity and effectiveness.

*Sustainability reporting and disclosure on environmental, social, and governance (ESG) issues is increasing globally. In 2011, 20 percent of S&P 500 companies published sustainability reports; by 2019, that number reached 90 percent. This dramatic increase reflects how sustainability reporting is increasingly seen as a way for companies and their stakeholders to see a changing world more clearly and create long-term value. (<https://www.bsr.org/en/reports/five-steps-to-good-sustainability-reporting>)*

This policy sets a baseline for improvement and to document our expectations.

### Policy Statement

The aim of this policy is to detail what is considered in the scope of the ESG policy and how Responsiv aim to deliver a sustainable and socially responsible company.

Responsiv is committed to implementing responsible corporate behaviour and to complying with all laws, regulations and other requirements which govern the conduct of our operations. We are fully committed to instilling a strong ESG aware culture and to compliance with all ESG legislation relevant to Responsiv now and in the future.

We recognise that the greatest contribution we can make to the goals of ESG is to support encourage our customers to improve efficiency and to deliver solutions that make efficient use of computer storage, power, and compute resources.

This policy has been approved and authorised by:

**Name:** *R. Whyte.* **Richard Whyte, CEO.**

**24-May-2023**

## Background

The directors of the company have a duty under Section 172 of the Companies Act 2006, to promote its success. Each director must act in the way they consider, in good faith, will promote the success of the company for the benefit of its members. We consider that improving our understanding of sustainability and what it means to our company, and adoption of this ESG policy will help to protect the environment and the company from future regulation. It will also help us to respond to ESSG demands from other companies.

In short, this policy ensures that the company continues to satisfy our stakeholders and places itself in the best position for long term, sustainable development. The following definitions will be used for these broad terms.

**Environmental Sustainability** means making efficient use of, and avoiding pollution or destruction of the company surroundings or conditions in which the company operates.

**Social concerns** are focused on the social welfare of people touched by the company and assuring that we are transparent in our dealings with customers and suppliers, that we do not discriminate on characteristics that are not relevant to the work to be completed, that we protect our staff during their work time, and that we fairly compensate them for the value they bring to the company.

**Governance** of this policy and others is dependent on the operational structure and practices of the company. Implementation of this policy is the responsibility of the executive team and will be reviewed on an annual basis to measure its impact on the company and refine its content as appropriate.

### **Customer Enablement: Sustainability in Software Delivery and Usage**

As a software development company, we seek to make a difference to our energy usage through the development of efficient software, and its use in our clients. We follow the emerging ideas defined in the Green Software Foundation principles (<https://learn.greensoftware.foundation/introduction/>).

#### ***Sustainable Design***

Our software design considers the efficiency of the products we build, and the algorithms used. Through this, we reduce the amount of compute power required, and therefore electricity required to achieve an outcome. This efficient design aligns with clients' desire to reduce costs whilst benefitting the environment more broadly.

Specifically, as part of our architecture practices and code reviews efficient code design and execution is reviewed.

#### ***Sustainable Impact for Customers***

Responsiv provide integration and automation software to many customers, typically they are much larger and more asset intensive organisations. Using Responsiv products and services enables more efficient use of the systems and the data that they hold. This has direct impact as integration and automation improves reuse of data, requiring less copies of the data to be stored saving energy needed to run storage devices and the associated infrastructure.

More impactful is our customers use of the data to better manage their organisations. Improving the efficiency of a client process will lead to significant improvements of their energy usage through highly utilisation of the infrastructure and improvements in quality of outcomes that are enabled.

## Policy Scope

This policy applies to all Responsiv staff as a standard good practice whilst operating with customers, suppliers and other third-party organisations.

Responsiv work with customers from across the industrial spectrum. If a business or industry has specific practices, policies and procedures that it should be adhered to, these may be referenced and worked into the Responsiv ESG strategy where relevant.

By request, Responsiv will seek to adopt ESP practices for specific projects and engagements that are appropriate to individual customers.

## Governance

This policy is part of a set of policies controlled by the Responsiv governance framework. Each policy explains how some part of the business operates and how people and processes will respond to circumstances. Policies are not legally binding. They set expectation and support transparency in behaviour and action.

## Responsibility for Compliance

This Policy applies to all employees, agents, contractors, subcontractors, consultants, business partners and any other parties (including individuals, partnerships and bodies corporate) associated with the Company or any of its subsidiaries.

It is the responsibility of all the above-mentioned parties to ensure that ESG is implemented and evidenced, and all such reports should be made as stated in this Policy.

All Company employees must, in carrying out their duties, adhere to the principles and objectives of this ESG Policy Statement. Training may be given to employees to ensure that they are familiar with, and work in accordance with, this ESG Policy Statement.

The Company expects and trusts that suppliers of goods and services to the Company and contractors working for the Company [and their suppliers and sub-contractors] to adopt and implement the ESG Commitment in their own businesses.

## Regulative considerations

Responsiv is a small to medium business. It is not subject to the companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (SI 2022/31) or the Limited Liability Partnerships (Climate-related Financial Disclosures) Regulations 2022 (SI 2022/46).

Environmental, Social, and Governance (ESG) ratings are assessments of ESG matters. They are increasingly driving investment decisions in markets. As part of the Edinburgh reforms in December 2022, the UK Chancellor announced that the government wants to ensure improved transparency and good conduct in the ESG ratings market.

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. Responsiv does not consider that embarking on independent or formal ESG Performance Evaluations is in the best interests of the company.

- <https://kpmg.com/uk/en/blogs/home/posts/2022/05/mandatory-esg-reporting.html>
- <https://www.nortonrosefulbright.com/en/knowledge/publications/110bb2f1/esg-key-regulatory-risks-for-financial-services-firms-in-the-uk-and-us-and-how-to-manage-them>

## Policy Implementation

Responsiv has existing policies that detail our approach to achieving different aspects of this ESG policy. The role of this policy statement is to bring them together and provide a guiding context for them as a cohesive set.

### Environmental Sustainability

Avoiding business activity that leads to contamination of the natural world.

- POL21-HR-031 Driving for Work v2-0.pdf
- POL21-HR-032 Home Working v2-0.pdf
- POL21-HR-028 Flexible Working v2-0.pdf

Adopting business practices that lead to sustainable consumption of resources and efficiency of work in Responsiv and that support ESG strategies of our customers.

- POL21-SOC-009 Environmental Protection v2-0.pdf
- POL21-SOC-011 Responsiv Quality Policy v2-0.pdf
- Software development practices based on delivering solutions that are Simple, Effective, and Distinctive.

Reduction of business activities that adversely impact people outside the company, for example helping our customers to avoid transportation (haulage miles).

### Social Concerns

Recruiting and promoting individuals based on merit and the value they bring to the business.

- POL21-HR-037 Recruitment v2-0.pdf
- POL21-HR-038 Anti-slavery and Human Trafficking v2-0.pdf
- POL21-HR-039 Employment Contracts v2-0.pdf

Avoiding practices, processes, or developing a culture that discriminate on the grounds of religion, nationality, gender and sexual orientation, political, or age.

- POL21-SOC-010 Responsiv Values v2-0.pdf
- POL21-HR-023 Harassment and Bullying v2-0.pdf
- POL21-HR-024 Equal Opportunities v2-0.pdf

Conducting events that support wellbeing and social inclusion, including health and safety.

- POL21-HR-022 Health and Safety v2-0.pdf
- POL21-SOC-008 Charitable Giving v2-0.pdf
- POL21-HR-041 Outside Business Interests v2-0.pdf
- POL21-HR-043 Compassionate Leave v2-0.pdf

### Corporate Governance Concerns

Responsiv ensures that its investments and business conduct is transparent and aligned with our values and policies.