



Environmental, Social and Governance Strategy

Newable's vision and commitment on ESG

February 2021

Newable

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Our ESG Strategy Framework

Our Purpose

To make sustainable profits by helping other businesses to thrive

Our Strategy

To help UK SMEs to unleash their potential, to build their resilience and to grow by providing the Money, Advice and Workspace they need

Our Priorities

1. Drive economic growth through all we do
2. Deliver sustainability for a better future
3. Operate transparently and responsibly

Our Approach

Social



Great workplace for all our employees

Promote equality, diversity, inclusion health, and wellbeing

Environmental



Optimise our inputs and reduce our outputs

Be an advocate for sustainability

Governance



Maintain transparency across our businesses

Operate responsible supply chains

Actively manage risks and opportunities

Result

Sustainable economic growth and prosperity

Our Mission

Our mission at Newable is to make sustainable profits by helping other businesses to thrive.

We do this by providing products and services in three key areas: Money, Advice and Workspace. We've been dedicated to our mission for almost 4 decades now, and in this time we've helped thousands of businesses start up, sustain and scale their businesses.

Every business decision we make is driven by a focus on both our sustainable growth and on optimising our business impact. We're also a values driven business, so we work to align our corporate decisions at every level, across our entire business to our 5 company values: **Dream Big, Get Going, Grow together, Always Improve** and **Pass It On**. These decisions touch every part of our business, from the people we hire to the companies we acquire, and everything in between.

We are committed to acting responsibly across all of the activities we undertake and in all of the markets in which we operate. In this Environmental, Social and Governance (ESG) Strategy, we outline our vision to:

- Contribute to **economic development** by helping other businesses to thrive.
- **Deliver sustainability** for a better future.
- **Operate transparently and responsibly** in all that we do.

Businesses turn to Newable for help in good times and bad, and this means that our vision and commitment to ESG **extends beyond us**. Each year we work with over 43,000 SMEs and are therefore uniquely placed to lead by example. We recognise that we have a platform from which to proactively engage and positively influence, thereby enhancing our total positive impact, both internally and externally.

We recognise this opportunity but we also understand the challenge. That's why we have developed this strategy to define how we plan to address both, with measurable targets to ensure we deliver on our promises.

We hope you enjoy learning more about our commitments. If you'd like to find out more, please visit www.newable.co.uk/ESG or contact us at ESG@newable.co.uk.

Best wishes,



Chris Manson, Newable CEO





Social

Our commitment

To support our staff and contribute to inclusive economic growth

Because Newable is a people focused company, with a strong social focus, we start our ESG strategy with our Social goals and impact.

In 2015, the United Nations Sustainable Development Goals were adopted by the 193 Member States of the United Nations in a bid to ensure **prosperity for all** by 2030. Business engagement with the Global Goals opens business opportunities, whilst finding shared value for the communities we all live and work in. Newable works with UK businesses to accelerate the pace and scale of their work and therefore helps to deliver the UN Sustainable Development Goals.

We help people start and scale businesses. We support people to access new markets, develop new products and open new premises, which all contributes to the UN goal of **prosperity** for all. We focus our recruitment policies on finding the best people, and we offer training and development opportunities to provide satisfying and fulfilling careers at Newable.

In order to maximise our Social impact on the Global Goals, we're focusing on the four key Global Goals where we are confident that we are able to make the greatest contribution. These goals are:

- **Decent Work and Economic Growth**
- **Gender Equality**
- **Reduced Inequalities**
- **Good Health and Well-Being**

Each year, Newable helps SMEs across the UK to unleash their potential, to build resilience and to thrive by providing the Money, Advice and Workspace they need to grow. We support SMEs throughout every stage of business development, and throughout the numerous socio-economic challenges they face. By way of example during the COVID-19 pandemic we successfully pivoted and redeployed bespoke support via digital channels to better serve a wider audience of affected businesses. We want to continue to amplify our impact, and have developed three key objectives to ensure that we are best positioned to do this.



Our Objectives

1. **To drive inclusive economic growth through our business support services.**
2. **To provide a great place to work for all employees.**
3. **To positively impact the communities around us.**

In the following section, we describe how we plan to deliver on our objectives and the goals we are committing ourselves to. For more information, please visit www.newable.co.uk/esg/social.

Delivering on our Objectives

1. Drive inclusive economic growth through our business support services

In our contribution to the Global Goal of **Decent Work and Economic Growth** we are supporting sustained and inclusive economic growth that drives progress and creates decent jobs. Each year, our business supports 43,000 businesses at the heart of the UK economy, focusing on small and medium sized enterprises (SMEs) which represent 99% of all businesses and account for 52% of private sector turnover. We do this through the provision of products and services in three key areas: Money, Advice and Workspace.

We will expand our offer through growing existing products, developing new products and expanding our national footprint, delivering to a wider SME client base. We aim to treble our impact on economic growth through our commercial activities by 2025.

Advice

Our Advice teams give free, impartial advice to 16,000 businesses annually, helping them to thrive through the export and innovation growth services we deliver on behalf of HMG. We help them:

- Export to a new country/region for the first time (£8.7bn generated since 2017).
- Secure patents, grants and investment to fund tech innovation (£27.9m funding raised for our clients since 2017).
- Access HMG business advice, including on COVID-19 and EU transition.

Our Advice division includes Social Impact Programmes, focused on generating inclusive economic growth. Newable champions diversity and inclusion in all aspects of business, and we deliver a number of programmes that actively support underrepresented segments of our society. Some examples of these programmes include:

Fuelling Ambition: Supporting female-owned businesses (now helping all minority groups).

Enabling Enterprise: Creating Inclusive Supply Chains (supporting growth and connecting diverse entrepreneurs with new markets/new supply chains).

Global Young Innovators: An Innovate UK pilot supporting young innovators from the UK and South Africa to deliver the Sustainable Development Goals in South Africa.

For more information on our programmes, please visit newable.co.uk/advice/programmes



Money

Every business is different. That's why we have developed a range of finance solutions that cater for a wide variety of types of businesses, and provides access to the finance they need to take the next steps with their business growth.

Newable Finance helps SMEs with loans for mortgages, working capital funding and vehicle leasing. Our team have a reputation for providing simple, clear advice and sourcing finance faster than our competitors have, allowing them to focus on their business. Under Newable Finance, we provide access to funding to underserved sections of our society, ensuring they have the access the finance they need.

Newable Capital provides SMEs with an alternative to a trade sale for founders seeking to protect and pass on their business. We adopt the 'patient capital' approach and can secure longer-term buy-ins (instead of shorter cycle Venture Capital). We are committed to growing our Newable Capital business to 13 companies within 3 years.

We also plan to develop other products to support SMEs as all of our finance options support economic development.

Workspace

Our **Workspace and Development teams** provide a range of flexible solutions (across 37 business centres from Aberdeen to Brighton) to building owners and landlords (amounting to 10,000 work stations and 1,500 SMEs). We manage sites on behalf of landlord clients, and offer SMEs flexibility with their workspace. Our network of business centres provide homes for businesses to grow.

We also have a 30-year-track-record in converting brownfield sites to light-industrial units (with 191,000 square feet of lettable space developed in 2020).

2. Provide a great place to work for all employees

In our commitment to Decent Work and Economic Growth, we are continually striving to ensure that Newable is a great place to work, where our people demonstrate our values in everything they do and where their contributions are welcomed and recognised. We want to be rated as a Top 100 UK employer by 2026. We have been recognised and accredited as being among the 'Ones to Watch' in the Best Companies employee engagement surveys over the last three years, which demonstrates our progress against this target. We will meet this ambitious target through the following initiatives:

Advocating equality, diversity and inclusion

In developing the workplace for our employees, we focus on equality, diversity and inclusion policies and our on-going commitment to reduce gaps in gender or ethnic pay. This ensures we contribute to the Gender Equality and Reduced Inequalities Global Goals, helps us to hire the best people for any role, and provides us with the ability to reward performance in a fair, transparent and consistent way.



Our **Fuelling Ambition Inside** initiative is a truly inclusive programme which encourages all employees to take the lead with their personal and professional development. Through the provision of workshops, seminars, networking opportunities and mentoring, this programme helps our people grow in confidence and develop the skills they need to take the next steps with their career.

Our successful **Apprenticeship scheme**, in partnership with Multiverse, is now in its third year. It aims to encourage young people to join us at the early stages of their professional career so we can provide them with an interesting and comprehensive on-the-job learning experience across all aspects of our fast-paced environment.

We have also deployed the **Rooney Rule** across Newable to reduce unconscious bias throughout the recruitment process. Every job application to Newable is submitted anonymously and our internal custom built system removes any reference to race, sex or age. Each interview shortlist requires that at least one BAME candidate and one male/female candidate (depending on the prevailing team make-up) is invited for final interview.

Promoting health and wellbeing

In our contribution to the Good Health and Wellbeing Global Goal, we promote and encourage a healthier and happier workplace through our **Health and Wellbeing Programme**. These programmes provide financial, physical and mental health and wellbeing support for all of our people. This includes a dedicated team of Mental Health Champions who can signpost the right help through our Employee Assistance Programme, and a 24-hour Confidential Helpline.

3. Positively impacting our communities

We provide fundraising support and volunteer our time to a number of charities and good causes in the local community. We have a number of people volunteering with Urban Synergy's e-mentoring programme which aims to improve the lives of talented young people who are currently underachieving because of socio-economic factors.

Going forward, we will develop a Group-wide social mobility policy and participate in the Social Mobility Index by end March 2022.

Social Summary

We inspire, engage and challenge UK businesses to help them to thrive. Our support is amplified across the UK through our employees, particularly our network of business advisers and consultants who contribute to economic development each and every day. Internally, we improve this impact by ensuring our people are motivated, supported and healthy, ensuring they can deliver on our external objectives. For more information, please visit newable.co.uk/esg/social



Environmental

Our commitment

To deliver sustainability for a better future

We need to limit our impact on the environment and address climate change for our clients, our company and the world. Everyone must play their part in this and, as a trusted adviser to companies globally, it is our responsibility to ensure the growth that we deliver is sustainable.

Under our commitment to the United Nations Sustainable Development Goals we have identified three Global Goals through which we can make the greatest contribution in Environmental:

- **Responsible Consumption and Production**
- **Climate Action**
- **Sustainable Cities and Communities**

We are also committed to the Paris Agreement and its goal to keep the increase in global average temperature to below two degrees Celsius.

Our Objectives

To deliver on our commitment to these goals we have developed a comprehensive package of programmes so we can:

1. **Optimise inputs**
2. **Reduce outputs**
3. **Advocate for sustainability**

We have set ambitious targets to limit our environmental footprint and we rigorously examine our policies and practices to ensure consistency across all parts of our group. For more information, please visit newable.co.uk/esg/environmental.



Delivering on our Objectives

1. Optimise our inputs

Energy: Newable pledges to use 100% renewable electricity by 2030, building on other measures already in place. We comply with, or exceed, all relevant and upcoming legislation, regulations and codes, as detailed in our new Environmental Management System (EMS) in 2021. This provides comprehensive reporting on environmental performance and helps embed continuous improvement across our offices nationwide.

Paper: We will reduce our paper usage in 2022, through new technologies which provide alternatives to paper and deliver increases in efficiency. In our Advice business, for example, we introduced an event management system using electronic signatures which drastically reduced the number of forms required for attendee registrations. We are introducing similar technologies across Money and Workspace and thus expect to make further cuts in paper used.

Single-use plastics: we will reduce the use of single-use plastics by 20% by 2022, achieving this through a comprehensive review of procurement.

We intend to achieve **Green Mark Level 3 accreditation by 2021** and **ISO 14001 certification by 2022** at all Newable locations.

2. Reduce our outputs

Carbon emissions: Newable helps limit the rise in global temperature and will achieve **Net Zero Emissions by 2030** for carbon in our utilities and transport.

In the near term, we will do this through Streamlined Energy & Carbon Reporting from 2021, which includes reporting on greenhouse gas emissions (in carbon dioxide tonnes equivalent) and metrics to quantify impact per employee.

Newable will use this reporting to fully understand our carbon footprint and to develop a Carbon Roadmap from 2021 to achieve carbon neutrality.

Longer term, Newable will use the Carbon Roadmap (plus energy efficiency solutions, low-carbon and renewable energy generation and purchase, as well as carbon offsetting) to achieve net zero emissions by 2030.

Direct waste: Newable will decrease waste by ensuring that the majority of our output is part of a circular economy rather than landfill. We commit to sending no waste to landfill by 2030.

We will achieve this aligning our business with the 5R principles of: Refuse, Reduce, Reuse, Repurpose and Recycle.



3. Advocate for sustainability

Newable's aim is to build confidence to help businesses addressing the challenges they face and, to do this, we provide the tools, capital and advice needed at critical points in their lifecycle.

Our unique position means that we are ideally placed to influence and support businesses in making sure that their growth is sustainable - and this extends to the partners with whom we collaborate.

Under our **Advice Net Zero** initiative, our advisers are trained to support businesses on their carbon neutral journey, and we encourage these UK SMEs to incorporate sustainability into their business model to ensure they remain competitive in the global marketplace, focusing on the impact of climate change, including its knock-on effects on customer responses to their products and employee retention.

Newable will follow the **Task Force on Climate-related Financial Disclosures from 2022** as part of approach to risk and opportunity management, and integrate climate change and risk management procedures into the due diligence conducted by the Newable Capital Investment Committee.

As part of our **Green Agenda**, we will develop green products and services in each business unit by 2022 and engage with 30% of stakeholders annually on ESG matters by 2022.

Environmental Summary

We believe that sustainability should be an important consideration in all our business decisions and, to that end, we must communicate our environmental aims clearly and encourage and support our people to align with them.

Newable embraces the challenge and will achieve green growth through the delivery of products and services across Money, Advice and Workspace.

Newable also embraces the opportunity to be a sustainable business leader by demonstrating to our clients, suppliers and stakeholders that a strong environmental proposition can create business value, reduce enterprise risk and ensure long-term success.

For more information, please visit newable.co.uk/esg/environmental



Governance

Our commitment

To operate transparently and responsibly in all that we do

Newable is committed to the highest standards of corporate governance. Our Group Board is responsible for ensuring that we have the structure, strategy and people to deliver corporate governance that is effective, visible and transparent.

This includes not only complying with corporate governance codes and best practice, but also adopting strong risk management processes, robust anti-corruption policies and an ethical approach to both the spirit and letter of tax legislation.

We have also committed to the **Sustainability Accounting Standards Board framework for 2021/22** and will adopt the requirements of the **Task Force on Climate-related Financial Disclosures from March 2022** onwards.

Our approach to strong corporate governance brings many benefits. Firstly, it aligns us all with our company values, and encourages the same positive behaviour from employees across all of our businesses. Secondly, there is a clear and demonstrable link between organisational governance and rapid decision-making for improved performance. Our approach to good corporate governance is core to who we are and also supports our performance, ensuring longevity and helping deliver more value to our customers.



Our Objectives

Our corporate governance framework has defined our objectives, which are defined into three key areas:

1. **Maintain transparency across our business.**
2. **Operate a fair, honest and responsible supply chain and safeguard human rights.**
3. **Manage responsibly future risks and opportunities.**

Delivering on our Objectives

1. Maintain transparency across our business

The Group Board recognises that Newable, because of its status as a company limited by guarantee, does not have traditional shareholders and therefore does not benefit from the challenge that they would ordinarily offer to the Board.

As a consequence, Newable seeks to apply a particularly high standard of corporate governance, proactively seeks objective challenge during the normal course of its business, and has applied this approach to corporate leadership consistently throughout its history.

We take financial crime extremely seriously, and have rigorous anti-money laundering processes in place. This includes full compliance with the UK Bribery Act, 2010, which provides for the prosecution of both individuals and companies for bribery offences, and with related legislation, including the US Foreign Corrupt Practices Act, 1977.

In addition, Newable's regulated activities are required by the Financial Conduct Authority (FCA) to maintain effective systems and controls to counter the wider risk of financial crime, including bribery and corruption. Newable's anti-financial crimes policies comply fully with FCA requirements.

To maintain this high standard of governance, the Group Board has adopted the Quoted Companies Alliance corporate governance code (QCA code). The details of the QCA code, Newable's compliance with it and details of our governance structures are set out here in the Annual Report and Financial Statements.

2. Operate a fair, honest and responsible supply chain and safeguard human rights

Governing our supply chain

Our procurement is based on objective criteria reflecting the principles of non-discrimination, equal treatment, transparency, procedural fairness, mutual recognition, proportionality and business efficiency.



To support this, we have an enhanced supplier code of conduct to launch in 2021, which will build on our existing third-party assurance process. Our new code will require all significant suppliers and counter-parties to positively confirm their approach and policy in relation to key standards, including environmental policy, anti-corruption, corporate governance, data protection and the treatment of staff.

In addition, Newable will offer training courses to suppliers through our contract with JP Morgan to assist them in improving their approach to ESG.

We already carry out due diligence on prospective partners and suppliers and they are expected to agree to our contractual terms and conditions, confirm they will comply with our policies and provide their services in accordance with all applicable laws and regulations.

Newable expects its partners and suppliers to exercise due diligence on their own partnerships or supply chains and we are introducing specific obligations in our agreements to require them to comply with all laws relating to modern slavery and human trafficking. In addition, we will ensure that our major suppliers have environmental credentials to ensure they are actively managing and minimising their own environmental impact.

Safeguarding human rights

Newable has a zero-tolerance approach to any form of modern slavery and acts in an ethical manner, with integrity and transparency in all dealings. We have systems in place to safeguard against any form of modern slavery or human trafficking in our businesses, partnerships or supply chains.

Our commitment to our clients is very clear: we will always treat people in our businesses, partnerships or supply chains with respect and we expect our employees, suppliers and partners to act responsibly and to comply with this at all times.

3. Manage future risks and opportunities

The identification, reporting and management of Newable risks is of increasing importance to the Group Board given Newable's ambitious growth agenda. It is imperative that we manage risks effectively both internally and throughout the acquisition and growth process

Our Risk Framework

Newable has developed a comprehensive risk framework to manage the key risks. This risk framework promotes:

1. **A positive risk culture throughout our business**
2. **A culture supporting open and honest conversations surrounding uncertainty and opportunity**
3. **A clearly defined risk-reward trade-off to improve decision making.**



Our proactive approach to managing risk

Newable's risk processes are supported by a proactive approach to raising and maintaining awareness of risk to ensure that:

- all staff at every level (including Board members) manage risks appropriately as an intrinsic part of their day-to-day work;
- our culture supports open and honest discussions of uncertainties or opportunities;
- we encourage staff to express any concerns they have and we maintain processes to elevate such concerns to the appropriate level promptly;
- we can calibrate the risk to reward trade-off through improved decision making; and,
- we comply with the QCA corporate governance code and FCA regulations.

Our culture promotes open and honest conversations around risk and opportunities, and we have built our framework to ensure that risks are identified and managed effectively.

Governance Summary

We believe that operating transparently and responsibly in all that we can do is the only way to run a successful business. Our approach to governance is at the very core of who we are as a business. Since our formation in 1982, we have implemented a high standard of corporate governance which has grown with us.

Extending beyond us, we embrace the challenge of positively impacting those around us and we have big ambitions for our supplier due-diligence programme. By working exclusively with companies who also deploy a high standard of governance, and whose values therefore align with ours, we will play a larger part towards safeguarding human rights and positively impacting the environment.

For more information, please visit newable.co.uk/esg/governance

ESG Strategy Summary

We're committed to enhancing our positive impact through the development of a robust, clear and concise ESG strategy. Within each area, we've outlined clear objectives which aim to focus our efforts and which ensure that we are able to maximise our impact by focusing on the key areas where we can engage and influence our stakeholders. Our objectives are thought through, aligned to our company values, and aligned to the UN Global Goals, so we can best position our skills and experience to work towards building prosperity for all.

We believe we are strongly placed to **deliver real change** both within our organisation but also within the thousands of businesses we work with each year, therefore amplifying our positive impact. We have a clear roadmap ahead of us, and a lot of work to do. We look forward to delivering on our commitments to support prosperity for all.

Please visit newable.co.uk/esg for more information.

Our Road Map to ESG Goals



Social

Making responsible profits by helping other businesses to thrive

Drive inclusive economic growth through all we do:	2022	2023	2024
Advice: Double the number of companies we support through Advice by 2024	20,000	26,000	32,000
Money: Target Brokerage volume of £300m by 2024	£200m	£250m	£300m
Money: Grow our Newable Capital business to 13 companies within 3 years.	6	9	13
Workspace: Increase the workstations provided to 30,000 by 2024.	15,000	20,000	30,000
Great workplace for all our employees:			
Overall Best Companies Index score with accreditation by 2026 (Three star rating - score threshold 738)	660	690	720
Exceed 13.8% employed from an ethnic minorities background (Equivalent to UK population rate) (Target may change in line with census results)	Y	Y	Y
Less than (<) 5% median pay gap for gender and ethnic minorities by 2026	Less than 12.5%	Less than 10.6%	Less than 8.7%
Best Companies well-being factor score (maximum 7)	5	5.2	5.4



Environmental

Deliver sustainability for a better future

Optimise our inputs and reduce our output:	2022	2023	2024
100% renewable electricity by 2030	60% renewable	65% renewable	70% renewable
Net Zero of Greenhouse gas emissions by 2030 per employee	-10% of 2021	-15% of 2021	-20% of 2021
Number of Newable offices certified with ISO 14001 certification	56	56	56
Advocate for sustainability			
Proportion of stakeholders engaged on ESG matters	30%	40%	50%



Governance

Operate transparently and responsibly

Maintain transparency across our business:	2022	2023	2024
Milestone: Adopt Sustainability Accounting Standards Board framework for 2022	Y	Y	Y
Milestone: Adopt requirements of Task Force on Climate-related Financial Disclosures from April 2022	N	Y	Y
Publish Board Composition statistics	Y	Y	Y
Operate responsible supply chains:			
Our Supplier Engagement Targets to be met:			
Modern Slavery Act 2015 (percentage of relevant suppliers to adhere to Modern Slavery Act 2015)	100%	100%	100%
Paying Living Wage (percentage of relevant suppliers)	80%	90%	100%
Environmental Accreditation (percentage of relevant suppliers to be accredited)	50%	75%	100%
Equality Diversity and Inclusion (percentage of relevant suppliers to hold an EDI policy)	50%	75%	100%
Actively manage risks and opportunities:			
Group Risk & Governance Committee Established and Operating	Y	Y	Y
Risk Appetite Statement	Y	Y	Y
Risk Registers Operating for the Group and for individual Newable Business Units	Y	Y	Y

Newable