## **Environmental, Social and Governance Policy**

Policy Name: Environmental, Social and Governance (ESG) Policy

#### Policy Description:

ORGANISATION NAME recognises the need to work in a manner that promotes sustainable, ethical and socially responsible operations. This is also required for a complete understanding of our ESG impact when considering both risk and opportunity.

#### Applies to:

This policy is applicable to all ORGANISATION NAME employees and Board Directors in all its operations and functions including those situations where they are required to work off site. It is also applicable to all potential employees.

#### Definitions

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| ABBREVIATED ORGANISATION NAME | ORGANISATION NAME |
| ESG | Environmental, Social and Governance (goals or obligations). |
| Environmental | Unsustainable or controversial environmental policies may lead to financial penalties, compromised reputation, competitive disadvantage, and negative implications for growth. |
| Social | Poor staffing and labour practices or human rights violations may put companies or countries at risk of unrest or upheaval, impairing economic progress. |
| Governance | Insufficient governance may promote an environment that ignores investor rights and interests while enabling fraud or corruption, limiting our social impact and / or investment returns. It can lead to exacerbation of key business risks. |

#### Relevant policy statements and/or principles

It is the responsibility of ORGANISATION NAME to ensure that it operates in a manner that is environmentally sustainable, socially responsible, and well governed.

**Environmental Sustainability Goals**

ORGANISATION NAME will assess and monitor the impact of the organisation on the environment and measure the success of elimination or minimisation mitigation methods employed including:

* carbon footprint of our organisation
* energy efficiency
* waste management
* conservation of water and other natural resources, and
* treatment of animals.

ORGANISATION NAME is committed to minimising its adverse environmental impact. Accordingly, it has embraced the following 17 Sustainable Development Goals of the United Nations.

1. **No Poverty** – Donate what you do not use. More than 700 million people still live in extreme poverty.
2. **Zero Hunger** – waste less food and support local farmers. A third of the world’s food is wasted, yet 821 million people are undernourished.
3. **Good Health and Well-being** – vaccinate your family. Vaccinations resulted in an 80% drop in measles deaths between 2000 and 2017.
4. **Quality Education** - help educate the children in your Community. 617 million children and adolescents lack minimum proficiency in reading and mathematics.
5. **Gender Equality** – Empower women and girls and ensure their equal rights. 1 in 3 women has experienced physical and/or sexual violence.
6. **Clean Water and Sanitation** – Avoid wasting water. Water scarcity affects more than 40% of the world’s population.
7. **Affordable and Clean Energy** – use only energy-efficient appliances and light bulbs. Three billion people still lack clean cooking fuels and technologies.
8. **Decent Work and Economic Growth** – create opportunities for youth. One fifth of young people are not in education, employment, or training.
9. **Industry, Innovation, and Infrastructure** – fund projects that provide basic infrastructure. Roads, water, sanitation, and electricity remain scarce in many developing countries.
10. **Reduced inequalities** - support the marginalised and disadvantaged. The poorest 40% of the population earn less than 25% of global income.
11. **Sustainable Cities and Communities** – bike, walk or use public transportation. 9 out of 10 urban residents breathe polluted air.
12. **Responsible Consumption and Production** – recycle paper, plastic, glass and aluminium. By 2050, the equivalent of almost three planets could be required to sustain current lifestyles.
13. **Climate Action** -Act now to stop global warming. Global emissions of carbon dioxide (CO2) have increased by almost 50% since 1990.
14. **Life below water** – Avoid plastic bags to keep the oceans clean. Over 3 billion people depend on marine and coastal biodiversity for their livelihoods.
15. **Life on Land** – plant a tree and help protect the environment. Forests are home to more than 80% of all terrestrial species of animals, plants and insects.
16. **Peace, justice and strong institutions** -stand up for human rights. In 2018, the number of people fleeing war, persecution and conflict exceeded 70 million.
17. **Partnerships for the Goals** – lobby government to boost development financing. Achieving the Sustainable Development Goals could open up $12trillion USD of market opportunities and could create 380 million new jobs by 2030.

(source: [UN Sustainable Development Goals](https://www.un.org/sustainabledevelopment/sustainable-development-goals/)

**Social Impact Criteria**

ORGANISATION NAME will embed social criteria measures in the organisation’s business relationships including:

* Examining the suppliers and organisations used to ensure that they hold the same values as ORGANISATION NAME
* Donating a percentage of profits to the local community or encouraging employees to perform volunteer work
* ensuring that working conditions show high regard for the health and safety of its employees’ health and safety
* Taking into account the interests of other stakeholders

**Governance Criteria**

ORGANISATION NAME is committed to being an ethical organisation by:

* not engaging in any unethical or illegal practices
* not using political contributions to obtain unduly favourable treatment
* using accurate and transparent accounting methods
* consulting with stakeholders
* avoiding conflicts of interest

**Reporting ESG Achievements**

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| **Environmental Issues** | **Social Issues** | **Governance Issues** |
| Climate change and carbon emissions | Customer satisfaction | Board composition |
| Air and water pollution | Data protection and privacy | Audit committee structure |
| Biodiversity | Gender and diversity | Bribery and corruption |
| Deforestation | Employee engagement | Executive compensation |
| Energy efficiency | Community relations | Lobbying |
| Waste management | Human rights | Political contributions |
| Water scarcity | Labour standards | Whistleblower schemes |

The Board will include ESG Goals in its objectives and will monitor progress via the receipt of annual reports.

**Types of ESG Criteria**

ESG issues can be difficult to classify neatly, but the Chartered Financial Analyst Institute (CFA Institute) has effectively broken them down as follows: [Source](https://www.cfainstitute.org/-/media/documents/article/position-paper/esg-issues-in-investing-a-guide-for-investment-professionals.ashxp)

ORGANISATION NAME will periodically review progress against these criteria and implement response actions as identified, and as appropriate.

#### Related Legislation, ORGANISATION NAME Documents and Other Documents

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| Legislation: | None in Australia (as yet) |
| Organisational Documents: | Strategic Priorities for the organisation should tested for alignment with the United Nations ESG Goals (listed with URL, above) |
| Other Documents: |  |

#### Policy Management

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| Policy owner (role title): | Board |
| Role responsible for implementing: | CEO |
| Review arrangements: | 24 months |
| Next Review Date: | Sept 2023 |

#### Document History

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| **Date** | **Amendments** |
| July 2021 | Policy created and endorsed by Board |
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