

## And action...

Why it's important for all of us to meet our ESG requirements



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**I**t is encouraging that many companies are now including ESG – Environmental, Social, and Governance – as part of their credentials.

These non-financial factors are increasingly being used by third parties to recognise the principles upon which a company is built. They also provide a powerful reason why they should be working with or supplying those adopting these working practices, as opposed to ones that don't.

However, it is one thing to give a nod to ESG but putting it into practice is the important thing. That's why ESG is high on the agenda at Reward. Increasingly employees, customers, and investors will expect every organisation to have something to say on ESG and they will expect that message to be authentic and for management's commitment to be sincere.



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With this in mind, I thought it would be useful to outline the various plans we have put into practice, not in an attempt at virtue-signalling but rather to show that it is possible to make a difference through a series of simple steps, many of which I am sure most NACFB Members are already taking.

At COP26, which took place in Glasgow towards the end of last year, the conference highlighted that extreme weather events, rising global temperatures and the depletion of both natural resources and animal species are now irrefutable.

The UK Government has therefore signed up to binding legal commitments to eliminate carbon from the UK economy by 2050. Legislation to support the targets is already apparent, with lots more to come. Those businesses that do not adapt and change their business model to a carbon neutral one won't have a future. Beyond the commercial imperative for respecting the environment, is the larger truism that it is just the right thing to do.

At Reward we have adopted an ESG framework where the E of Environment is seen as the area where we can make the biggest immediate impact. We have committed to achieve net zero by 2030 and will bring this forward if we possibly can. We will ensure that none of our waste product goes to landfill and that all our energy is from renewable sources. We are also looking critically at our travel to work practices.

What has been particularly motivating so far, when considering ESG, has been the initiative and enthusiasm with which our team has embraced this agenda. There have been some brilliant suggestions already about reducing our carbon footprint, giving back to the community and about how we interact as a team. The generation entering the workforce now, and in the future, quite rightly have different hopes and expectations of what their employer can provide for them, which is where the S (Social) of ESG comes in, with regards to our people.



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As we head further into 2022, those companies hoping to attract and retain the best talent need to have a positive, nurturing culture. Colleagues now expect their employer to care about the environment, have progressive, flexible policies towards the team as rounded individuals and have a sincere interest in learning and development. At Reward we are keen to ensure that the team feels involved and invested in what the company is doing and that we positively reflect their input in shaping the business for the future.

In Social matters, Reward has included community in addition to our people initiatives. For a long time we have maintained an active programme of support for our two chosen charity partners. Energy goes into organising fundraising events, and we get a lot of satisfaction from our team's commitment to the causes. We also recognise the importance of the community around us, and we take pride in supporting local employment through the SME businesses we fund.

Maintaining high standards of Governance and ethical behaviour takes both effort and commitment and is a very powerful asset for any company. At Reward from day one, we have prided ourselves on being a responsible lender and on treating customers fairly. This involves us continually maintaining close contact with our customers and, should something not go according to plan, working with them to achieve the best outcome for all parties. ●