[INSERT COMPANY HEADER]

[*NAME OF COMPANY*]
Environmental Policy (Template)

Mission statement

We recognise that we have a responsibility to minimise impacts on the environment as much as possible, and to conduct our business in a way which contributes to the sustainability of the environment, whilst continuing to deliver a high-quality service to our clients.
We are committed to reducing our environmental impact and continually improving our environmental performance as an integral part of our business strategy and operating methods, with regular review points.
We will work with and encourage our clients, suppliers and other stakeholders to do the same.][1]

Responsibility and Oversight

The Board of Directors are responsible for ensuring that the environmental policy is implemented. The Company's Board of Directors has assigned *[**Name relevant team or individual**]* with responsibility to oversee the implementation of this Sustainability Policy and to ensure the Company complies with its environmental objectives.
However, all employees have a responsibility in their area to ensure that the aims and objectives of the policy are met. All employees are aware of the role they are required to play in implementing the policy and are encouraged to identify opportunities to continue to minimise negative environmental impacts.][2]

Environmental Objectives3

This Environmental Policy sets out our approach to managing and reducing our corporate environmental impact. We endeavour to:

- promote, develop and implement waste prevention, reduction, re-use and recycling in a systematic and cost effective manner;
- increase the use of renewable energy sources,
- decrease water consumption through efficient water management practices;
- achieve net-zero carbon emissions by 2030 in alignment with science based targets;
- promote efficiencies within operations including energy efficient design and operation of our buildings;
- procure suitably energy efficient office space where possible.

[1] Note to draft: Please review and adjust, as appropriate.
[2] Note to draft: Please review and adjust, as appropriate.
[3] Note to draft: Other examples to consider, as applicable:

- encourage landlord to improve the environmental performance of the buildings we occupy; and electrify company fleet.]

- reduce our greenhouse gas emissions.

- favour suppliers and contractors that adopt the best environmental practices (including in relation to the use of food, transport and accommodation, as applicable) and work closely with our suppliers and clients towards achieving our environmental policy aims; and

- comply with applicable Ireland and EU legislation relating to the protection and preservation of the environment, transfer of waste, prevention of pollution to the environment and the preservation of trees, plants and wildlife.]

Environmental Issues

Environmental issues for our direct business operations currently include:

- energy usage / efficiency;
- reliance on could data centres;
- the use of suppliers;
- waste production; and
- travel.][1]

Environmental Actions

Environmental actions to address the environmental issues identified above:

- Energy usage / efficiency:
  - to seek to reduce the amount of energy used as much as possible;
  - to explore the use of renewable energy, where available, in conjunction with our chosen energy supplier;
  - to keep electrical equipment and lights switched off when not in use; and
  - to install motion sensors/auto power-off lights and to use energy efficient lights (LED); and - to adjust heating levels with energy consumption in mind.

- Data Centres:
  - to choose a data centre providers that:
    - have net zero carbon goals and ambitions to reach 100% renewable energy usage; and
    - currently use a high percentage of renewable energy and engage in the latest cooling methods and technologies.

- Suppliers:
  - where possible, to encourage the use of local suppliers for office products where required;

[1] Note to draft: Please review and adjust, as appropriate.

- to minimise the environmental impacts of transporting goods;
- to favour the use of suppliers that adopt environmental best practices; and
- to favour more environmentally friendly and efficient products wherever possible and to operate a flexible equipment depreciation policy which takes into account environmental impact when making an investment decision on the purchase of new equipment.

- Waste production –
  - to encourage the reduction and recycle of waste where possible;
  - to minimise the use of paper in the office and promote a paperless office environment where possible;
  - to seek to buy recycled and recyclable paper products;
  - to reduce office consumables;
  - to reuse and recycle materials/equipment where possible; and
  - to liaise with our waste collection and disposal service provider to ensure waste produced is recycled or composted where possible.

- Travel –
  - to encourage the use of travel alternatives such as e-mail or video/phone conferencing, where appropriate; and
  - to promote and make additional efforts to accommodate the needs of those using public transport or bicycles.][2]

Culture

We will look to involve staff in the implementation of this policy, for greater commitment and improved performance. We will maintain staff awareness and where necessary, implementing training in relation to energy efficiency and the impact of our projects and services upon the environment together with the encouragement of a positive and proactive approach towards sustainability and environmental protection.][3]

[Review

This policy will be reviewed and updated (as necessary) by the Board of Directors at least once annually to ensure that the policy genuinely and accurately reflects our business at any given time.][4]

Last reviewed [ ] 2024 Last updated [ ] 2024

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[2] Note to draft: Please review and adjust, as appropriate.

[3] Note to draft: Please review and adjust, as appropriate.

[4] Note to draft: Please review and adjust, as appropriate.

DRAFTING NOTES

NOTE TO VC/PE FIRMS:

The following are recommendations and guidelines from Invest Europe on how to establish an ESG policy at portfolio company level:

The two key aspects of developing and implementing a good ESG policy at portfolio company level are:

a) what it includes – this should centre around achievable goals and targets, measured by Key Performance Indicators (KPIs); and
b) how an organisation will then disclose its ESG performance – this should focus on reporting and analysing anything that will impact its material operations.

Against that background, there are a number of actions you can consider and work on with your portfolio companies when developing an ESG policy:

1. Assess and identify: Start by assessing and identifying which ESG factors are the most relevant and material to the portfolio company.
2. Consider what you already have: In tandem with step one, consider the key policies or ways of operating that the company already has in use that directly relate to those identified factors.
3. Set goals: With that baseline the company can then set goals for how they will continue and/or improve on their ESG performance.
4. Align with a framework/standard: Decide or confirm the appropriate framework and/or standard to align with in order to ensure that reporting of current and continued monitoring of performance is feasible in the long term. (See the Mapping of the ESG Ecosystem for more detail on existing frameworks and standards.)
5. Examine the regulatory framework: In considering current and future ESG performance, the applicable mandatory ESG requirements, i.e., the regulations, should also be kept at the forefront.
6. Implement policy: Once all this has been done, an ESG policy that reflects the identity of the company within the context of the economic and regulatory environment can be created and put to good use. A clear understanding of the relevant standards and regulatory requirements will facilitate the definition of actionable ESG performance objectives. These goals can be reviewed and improved on periodically as the risks, opportunities, and best practices of that market develop as well.

Indeed, in addition to the sustainability risks, it is important to consider the sustainability opportunities and potential value drivers when designing an ESG policy with your portfolio companies. Developments around technologies used by an organisation at various points in its value chain as well as changes in the profile of its consumers will inevitably present opportunities. An organisation may find that the changing market landscape allows them to alter the value proposition they present to their relevant stakeholders (from investors, to employees, suppliers, and consumers, etc.). For example, an organisation may be able to reduce its operating costs by being more conscientious and efficient with water, energy, waste management and with the materials used in its production and/or distribution processes. All in all, both risks and opportunities have a direct impact on a company's performance financially and operationally, as well as on the overall reputation of the organisation.

Inevitably, regulation will play a certain role in determining what goes into an organisation's ESG policy. A lot of the time, regulation can help to provide a starting point for a good ESG policy, linking potentially abstract ESG factors with material, financial risk. Most mandatory reporting will include KPIs, which will ensure that all areas (including the vaguer metrics) are easy to benchmark and compare between industry peers. In this way, investors and managers can clearly understand how an organisation's ESG performance develops and changes over time.

NOTE TO PORTFOLIO COMPANY:

When drafting your environmental policy, please consider the material and relevant risks (and also opportunities) that apply to your company and products/services – split the thought process between a) your products and services; and b) how your business operates and its processes. It is important to create a framework that reflects what is important to you and your business and that is appropriate to your products/services. A successful environmental policy is also based on long- term planning rather than simply focuses on the short-term.

The following are guiding points / questions to consider in drafting an environmental policy, which can assist with informing the content of your policy and what measures and procedures you wish to put in place for your business:

1. Do you already measure your carbon footprint?[5]
2. Do you currently have a policy and programme in place to achieve net zero carbon (including a stated date for achieving net zero with specific milestones and monitoring plans)?
3. Do you have external carbon certifications for your business, or do you include carbon reporting in your annual external audit?
4. Do you use any carbon offsetting tools or initiatives to offset your carbon emissions?
5. Do you know what percentage of your office's energy consumption comes from renewable sources?
6. Do you know what percentage of your employees take part in sustainable travel initiatives?
7. Do you have a corporate scheme in place to reduce the emissions of your plane travel?
8. Do you have measures to reduce the emissions of your own distribution fleet (if applicable) or do you prioritise logistics companies that have a net zero policy?
9. Do you have a separate policy to reduce or reuse hard to recycle waste?
10. What percentage of your procurement spend includes suppliers that are local to your business?
11. What percentage of your procurement spend goes to suppliers that have you screened for carbon efficiency (e.g., data centres, IT / hosting providers, manufacturers, etc.)?
12. If you have your own warehouse / manufacturing facilities, do you have initiatives in place to limit energy and carbon footprint?
13. What percentage of your suppliers have you conducted sustainability due diligence on?
14. Do you manage the negative impact / footprint impact of your products / services?

Where relevant, you may wish to consider developing an environmental management system according to certified standards (e.g. ISO 14001).

Consider also taking the B Impact Assessment to benchmark your company's sustainability and positive social impact.

[5] Note to draft: Your carbon footprint includes GHG emissions resulting from your company's operations (Scope 1), from the purchase of energy to power offices (Scope 2), and from operations within the company value chain (Scope 3).