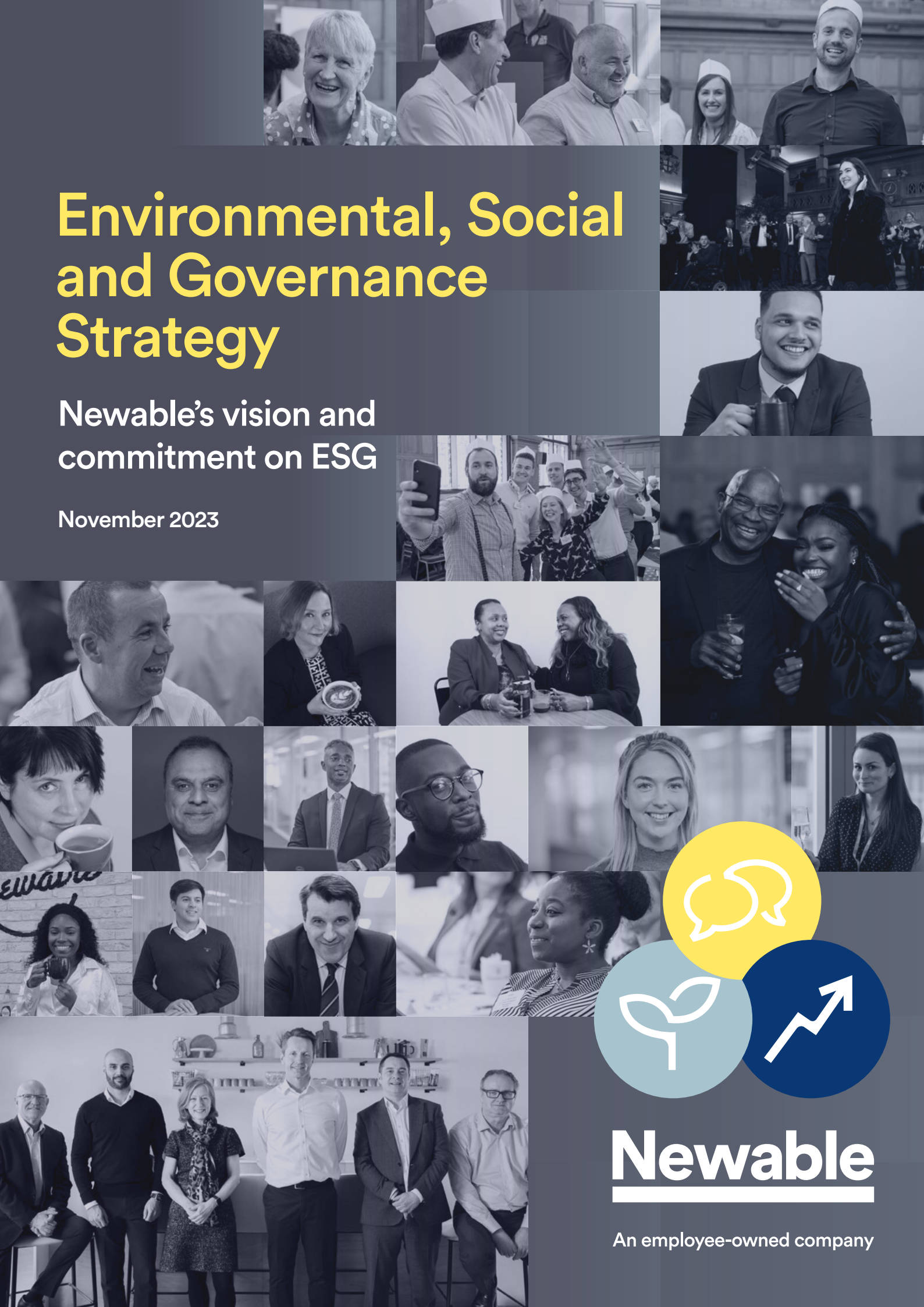


Environmental, Social and Governance Strategy

Newable's vision and commitment on ESG

November 2023



Newable

An employee-owned company

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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 Objectives

Social



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.

Environmental



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

Governance



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.

Result

Sustainable economic growth and prosperity

Our Mission

Our mission at Newable is to make sustainable profits by helping other businesses to thrive, and we do this by providing products and services in three key areas: Money, Advice, and Workspace.

We've been dedicated to our mission for four decades now and, in this time, we've helped thousands of businesses start up, sustain, and scale their operations.

Every decision we make is driven by our focus on sustainable growth and on optimising our impact, and this touches every part of our business: from the people we hire, to the companies we acquire, and everything in between.

We're also a values-driven business, so we work to align our decisions, at every level and across our corporate group, to our five values of **Dream Big, Get Going, Grow Together, Always Improve**, and **Pass It On**.

We are committed to acting responsibly across all the activities we undertake and in all 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; and,
- **operate transparently and responsibly** in all that we do.

In early 2023, Newable became an employee-owned business, united by a shared culture and a shared commitment to our ESG goals. However, our vision and commitment to ESG extends beyond us because thousands of businesses turn to Newable for help in the good times and the bad.

We recognise that both our employee-ownership model and our reach across UK SMEs give us a unique platform from which to lead by example and enhance our total positive impact, both internally and externally.

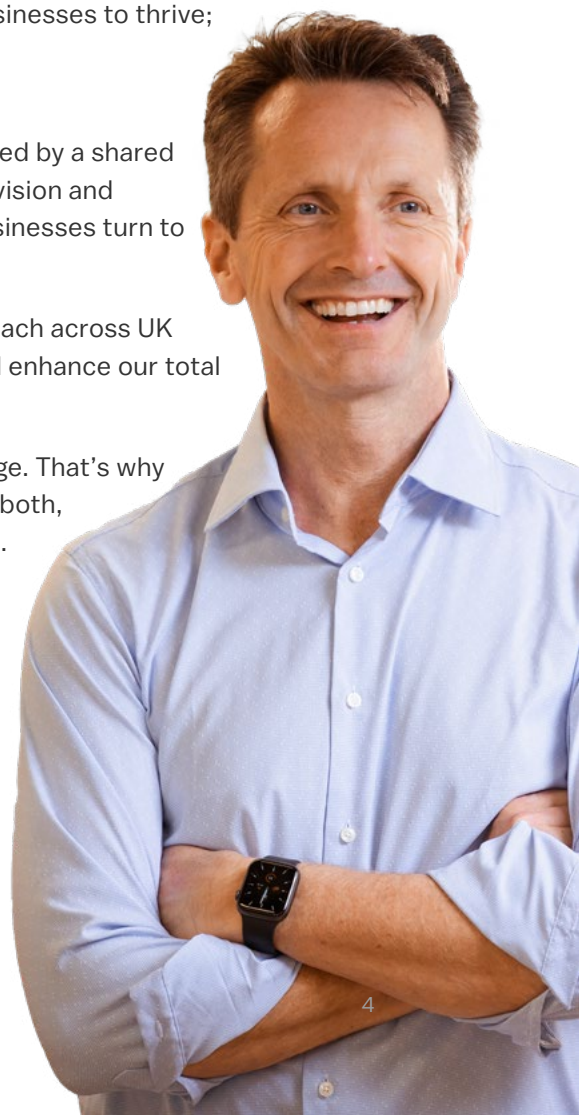
We recognise the opportunity, but we also understand the challenge. That's why we have developed this strategy to define how we plan to address both, with measurable targets to ensure that we deliver on our promises.

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

Best wishes,



Chris Manson, Newable CEO





Social

Our commitment

To support our people and contribute to inclusive economic growth

Because Newable is an employee-owned, people-centred 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 (SDGs) 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 SDGs 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, we are focusing on the following four SDGs where we are confident we can make the greatest contribution:



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, such as running the Barnsley Net Zero Accelerator which offers free and intensive support to businesses to reduce their carbon emissions and run their venture in more sustainable way. 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 newable.co.uk/our-commitment-to-esg

Delivering on our Objectives

1. Drive inclusive economic growth through our business support services

In our contribution to the SDG 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 20,000 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 increase the number of the companies supported through Advice by 50% by 2026..

Advice

Our Advice teams give free, impartial advice to 6,400 businesses annually, helping them to thrive through the innovation growth services we deliver on behalf of HMG. We help them:

- Turn ideas and inventions into commercial reality.
- Secure patents, grants and investment to fund tech innovation (£27.9m funding raised for our clients since 2017).
- Access HMG business advice and mentoring under Help to Grow.
- In-depth advice.

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 have delivered 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.

Global London: Supporting London's small businesses focusing on supporting under-represented i.e. ethnic minority group, women and disabled-led, and underserved businesses.



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 some of our competitors have, allowing them to focus on their business.

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 12 companies within 3 years.

Workspace

Our **Workspace team** provide a range of flexible solutions (across some 55 business centres from Aberdeen to Brighton) to building owners and landlords (amounting to 15,000 work stations and 2,000 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.

2. Provide a great place to work for all our people

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. In 2023, Newable became an employee-owned business, united by a culture that puts people first. Employee-ownership means that employees are rewarded for their contribution and commitment to Newable. We also 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 four 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 people, 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** SDGs, 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 people 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 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 ethnic minority 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** SDG, 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. These include:

- a dedicated team of Mental Health Champions who can signpost the right help and support
- an Employee Assistance Programme with a 24-hour confidential helpline
- regular internal communications to promote awareness and support for our health and wellbeing events; for example Mental Health Week
- up to seven hours per annum is given to each of our people to encourage activities to support their mental health.

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. We have developed a Group-wide social mobility policy and participated in the Social Mobility Index.

Social Summary

We inspire, engage and challenge UK businesses to help them to thrive. Our support is amplified across the UK through our people, 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 planet. Everyone must play their part in this and, as a trusted adviser to companies, 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 SDGs through which we can make the greatest contribution on the environment:



We are also committed to the Paris Agreement and its aim of limiting the increase in the 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 that we can:

1. **optimise our inputs;**
2. **reduce our outputs; and,**
3. **advocate for sustainability.**

We have set ambitious targets to reduce 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 reduce its energy consumption to a minimum, and where this is not possible, to use 100% of renewable electricity by 2030, by building on measures already in place and introducing new ones.

Legislation: Newable pledges to comply with, or exceeds, all relevant environmental legislation, regulations, and codes.

Certification: We intend to achieve appropriate environmental certification at all Newable locations.

2. Reduce our outputs

Carbon emissions: Newable aims to reach Net Zero by 2030 in its scope 1 and 2 CO₂ emissions to help limit the rise of global average temperature.

Reporting: Our Environmental Management System (EMS), which we introduced in 2021, allows us to deliver comprehensive required and voluntary reporting (such as SECR and ESOS) of our environmental performance and helps us embed continuous improvement practices across our offices nationwide.

This required and voluntary reporting also helps us understand what our carbon footprint is. It also allowed us to develop a Carbon Roadmap which guides our efforts to achieve Net Zero through the implementation of energy-efficient and low-carbon solutions and carbon offsetting projects.

Direct waste: Newable is helping to decrease waste by ensuring that the majority of its output forms part of a circular economy and it is committed to sending No Waste to Landfill by 2030.

We will achieve this by aligning our business with the principles of Refuse, Reduce, Reuse, Repurpose and Recycle but also by introducing new technology that offers us alternatives to paper and delivers increases in efficiency. For example, our Advice business uses an event management system incorporating electronic signatures, which drastically reduced the number of forms required for attendee registrations. Similar technologies have been introduced across Money and Workspace which are expected to deliver further reductions in the coming years.

3. Advocate for sustainability

Clients and partners: Newable's aim is to help businesses address the many challenges they face and, to do this, it provides the tools, capital, and advice they need at critical points in their lifecycle.



Our unique position in the market 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 and Net Zero journeys and to encourage them to incorporate sustainability into their business models. This ensures that they remain competitive in the global marketplace by focusing for example on the impact of climate change on customer perception of their products and its knock-on effects on employee retention.

Investments: Newable has integrated **climate change risk management procedures** into the due diligence work conducted by the Newable Investment Committee.

Products and services: As part of our **Green Agenda**, we have been developing green products and services and engaging with our stakeholders on ESG matters since 2021.

Environmental Summary

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

Newable embraces the challenge and is committed to achieving 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 the law” in general (which would include tax legislation).

To support our commitment to strong governance and ESG as a whole, we are reporting against **Sustainability Accounting Standards Board (SASB) Standards** on a yearly basis.

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

Following the reorganisation of Newable and the establishment of Newable Partnership Ltd as the ultimate holding company of Newable, owned by management and staff, it is now even more important that Newable maintains high standards of governance. The establishment of a robust corporate governance framework equips us with the essential mechanisms to effectively execute the remainder of our Environmental, Social, and Governance (ESG) strategy. Our approach to governance allows us to progress against our goals aligned to the below SDGs.



To continue our progress against our ESG goals, Newable will continue to apply this approach to corporate leadership consistently.

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 adopted the Quoted Companies Alliance corporate governance code (QCA code) in 2019. The details of the QCA code, Newable's compliance with it and details of our governance structures are set out in our 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 which was launched in 2021 and which builds on our existing third-party assurance process. This code requires all significant suppliers and counter-parties to 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 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 will introduce where possible specific obligations in our agreements to require them to comply with all laws relating to modern slavery and human trafficking. In addition, we will encourage 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 people, 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 our people 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 our people 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 SDGs, 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:	FY24	FY25	FY26
Advice: Increase number of companies supported through Advice by 50% by 2026	7,000	8,000	9,000
Money: Target Brokerage volume of £300m by 2026	£200m	£250m	£300m
Money: Grow our Newable Capital business to 12 companies within 3 years	6	9	12
Workspace: Increase the workstations provided to 30,000 by 2026	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 19.3% 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:	FY24	FY25	FY26
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 the appropriate environmental certification	95%	95%	95%
Advocate for sustainability:			
Proportion of stakeholders engaged on ESG matters	30%	40%	50%



Governance

Operate transparently and responsibly

Maintain transparency across our business:	FY24	FY25	FY26
Milestone: Adopt Sustainability Accounting Standards Board framework for 2023	Y	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%
Environmental Accreditation (percentage of relevant suppliers to be accredited)	75%	100%	100%
Equality Diversity and Inclusion (percentage of relevant suppliers to hold an EDI policy)	75%	100%	100%
Actively manage risks and opportunities:			
Group Risk & Audit Committee established and operating	Y	Y	Y
Risk Strategy, Risk Appetite Statement and Risk Management Framework in place	Y	Y	Y
Risk Registers and Control Assurance Process Operating for the Group and for individual Newable Business Units	Y	Y	Y
Control Assurance Process	Y	Y	Y
Enhanced Supplier Assurance Process in Place	Y	Y	Y

Newable

An employee-owned company