



SUSTAINABILITY POLICY

Purpose and Vision

As a business we want to make a difference, which we will achieve through action, influence, and leadership; by helping businesses be more sustainable through carbon emission reduction and energy management. Businesses will increasingly seek to reduce carbon emissions and lessen their impact on the climate.

We support New Zealand's commitment to reduce its greenhouse gas emissions by 30 per cent below 2005 levels by 2030, and to reduce net carbon emissions to zero by 2050. This contribution is needed to limit the global average temperature increase to 1.5 degrees Celsius above pre-industrial levels. We will align with the globally recognised Science Based Target Initiative to underpin our commitment.

ESP recognises that our major contributions to sustainability, particularly the environment, is via the work we do with our customers. However, we must be environmentally conscious and responsible ourselves; ensuring that our activities, wherever possible, have the least harmful impact on our environment.

Leadership for ESP means helping many businesses contribute to these goals, contributing to networks with similar ambitions and to continuously improve our practices to sustainably reduce our footprint. Our approach will be to avoid carbon emissions where possible, mitigate what we cannot avoid through alternative approaches and lastly, to utilise 'insetting' for the remainder – this means identifying the costs of offsetting and investing a matched amount on internal non-BAU projects to reduce carbon emissions. This approach is better than passive offsetting, as it fosters local innovation and solutions, and supports New Zealand as our home.

Our Impacts

We will achieve our commitments by understanding our impacts and by adopting and implementing environmentally sensitive practices in our choices and how we operate including.

- We emit greenhouse gas and other air pollutant due to our business. We will be reducing our emissions, support environmentally sustainable electricity for our office, and reduce the use of liquid fossil fuels for our transport.
- We produce waste from our operations. We will reduce waste and effectively manage recycling in our office.
- We utilise third party products in our supply chain and daily operations. We will improve the sustainability of our direct procurement and work to reduce the environmental impact of our suppliers' delivering products and services to us.
- We make a positive impact through our work with our customers. These benefits are long term and accrue to our customers which is difficult to align with the short-term impacts.
- We will raise the awareness and knowledge of our staff and clients and support them to contribute to environmental sustainability.

Our Approach

To define our plan our approach will be as follows:

1. Establish our overall goal
2. Establish our baseline emissions
3. Determine the significant contributors to each emission type and any milestone stages that need to be worked around e.g., company vehicle replacement
4. Identify actions that could navigate our path through milestones to achieve specific goals for emission types
5. Validate actions with departments and individuals for embedding into policies and practices
6. Take corrective actions
7. Measure progress
8. Publish and communicate
9. Offset / Inset as appropriate

Appropriate stages will be confirmed and signed off by relevant senior team members and the board as well as communicated to the team.

The responsibility for managing and maintaining this policy lies with the CEO and Leadership team with general implementation delegated to managers and employees.



OPERATIONAL PRACTICES – CARBON FOOTPRINT

Scope of Practices:

The following are in scope of our Emissions Reduction Practices, guided by ISO 14064-1

- Scope 1 – Direct Emissions
 - Company vehicles (for company supplied vehicles that we allow for private use we will account for all emissions).
- Scope 2 – Indirect Emissions
 - Purchased Electricity for ESP Office
- Scope 3 (Mandatory) – Supply chain
 - Couriers
 - Business travel - third party vehicles used while doing business
 - Flights
 - Waste to landfill

Commitments

The company is committed to meeting or exceeding the progressive carbon reduction budgets as set by the government and we will:

- Utilise data as a basis for decision making. We will implement, monitor, and promote environmental management systems and operations
- Integrate data into our decision making by reporting.
 - publicly on an annual basis
 - monthly at team lead meetings and
 - at each board meeting
- Set targets and define environmental improvements to achieve the targets through.
 - the efficient use of energy and resources; and
 - actively involving team members in the setting and execution of these targets and actions
- stay abreast of relevant environmental legislation and good practice to ensure minimum standards are met at least and where feasible, exceeded
- encourage suppliers and contractors to improve their own sustainability practices
- Annually monitor the policy and update when appropriate



- We will ensure transparency of our performance through our reporting, practices, and progress. Whilst not adopting third party verification we will play an active role in the SBC.

Objectives

Objectives	Milestones	Scope	Actions
Company Vehicle Emissions	Cars lease timeframes – every 3 years will have the opportunity to improve car efficiency.	Scope 1	<p>In FY 20-21, ESP have reduced their company fleet size to 1 vehicle (Hybrid) from 2 vehicles previously. Track business related travel through either expense claims or mileage.</p> <p>Progress toward a full electric fleet as a policy. All new vehicles will be hybrid as a minimum and ideally full electric.</p> <p>Report on intensity basis per travelling employee. Set target reductions for the same. Trips will be planned to minimise travel distances through booking trips to as many customers and prospects in a region and car sharing.</p>
Non business vehicles (e.g., sales, taxi, hire)	Car fleets becoming more efficient	Scope 3	<p>ESP have implemented reduced national road travel by grouping client visits in the same region into one trip. Additionally, remote online virtual meetings are conducted as where possible.</p> <p>ESP will use carbon friendly car hires to ensure staff are renting cars with significant reduced emissions, where reasonable. e.g., electric or hybrid cars or small cars</p> <p>Report on intensity basis per travelling employee. Set target reductions for the same.</p>
Business Air Travel	Nil – we can start immediately. As air travel becomes more efficient, we will take advantage.	Scope 3	<p>Report on Intensity basis to accommodate growth</p> <p>Eliminate unnecessary air travel by planning to minimise travel distances through booking trips to as many customers and prospects in a region.</p> <p>Offset air travel. All Air NZ flights will be offset during booking. All Jetstar will be completed once a year.</p>
Energy efficiency	<p>Current we occupy most of the office and account for all non-sublet space in our emissions.</p> <p>However, we are looking to sublet.</p>	Scope 2	<p>Targeted efficiency improvement of 5% annually</p> <p>Write up energy management plan with specific actions.</p> <p>Utilise internal monitoring and apply consultants to target a savings goal and reduce use in association with co-tenants and our landlord.</p>
Waste	Nil	Scope 3	We will reduce waste to landfill by taking all organic waste off site and disposing of it organically.



OPERATIONAL PRACTICES – PROCUREMENT

Principles

Our goal in sustainable procurement will be to acquire products and services that meet or exceed our performance needs, minimise environmental impact especially carbon emissions, deliver long term value, maximise local social and economic benefits, meet ethical standards and comply with relevant legislation.

We make the following purchases on a frequent and/or regular basis:

Products

- Electronic monitoring equipment and communication equipment
- Office stationery and consumable supplies
- Kitchen and washroom supplies
- Fuel and electricity for business travel

Services

- Couriers
- Installation contractors
- External consultants
- Waste removal
- Electricity
- IT Support
- Office cleaning
- Taxi services
- Lease/Rental vehicles
- Accommodation
- Air travel
- Financial and professional services

In addition, we occasionally purchase; apparel, office furniture, a/v and ICT technology, kitchen equipment.

Commitments

The company is committed to sustainable procurement and will:

- Source fit for purpose products and services that can demonstrate superior sustainability and lower impact on the environment and the biosphere to products and services of the same quality serving the same purpose. This means products that are more sustainable due to; what they are made from, how and where they are made, how they are transported, their durability and whether and how they can be re-used or recycled.



- Verified or third-party accreditation will be well regarded.
- Products and services that originate in New Zealand and create employment here will be favoured.
- We will balance sustainability credentials with performance and financial cost. When considering the cost of products, we will consider whole of life costs when appropriate for the product.
- We will regularly review our contracted suppliers against our procurement policy. We will aim to help them improve the sustainability of their products or services and provide them with the opportunity to demonstrate improvement. If there is no change, we will seek alternatives.

We will give preference to suppliers and service providers that.

- have an environmental management system which has been accredited with ISO14001 or Toitū Envirocare
- can demonstrate successful outcomes from policies, plans and practices which seek to meaningfully reduce their main environmental impacts
- whose products have been certified by a recognised independent accreditation or rating scheme, the main ones being:
 - Non-product type specific – ISO 14024/14025, ISO14044, EnviroChoice (www.enviro_choice.org.nz), PAS 2050
 - Energy using equipment – Energy Star (www.energystar.org), or minimum 4-star energy rating (www.energyrating.org.nz)
 - Water using equipment – Minimum 4-star water efficiency rating
 - Office paper – FSC (www.fsc.org) or PEFC (www.pefc.org)
 - Coffee and Tea – Fairtrade
 - Rented vehicles – Minimum 4-star fuel efficiency rating (www.rightcar.govt.nz)
 - Organic produce – BioGro (www.biogro.co.nz)
 - Accommodation - Qualmark (<https://www.qualmark.co.nz/>)
- have been designed so that the product and its components can be easily re-used or recycled, and/or are covered by a product take-back scheme, and we will seek evidence to justify any such claims through a formal assessment template such as that at https://www.sbc.org.nz/data/assets/pdf_file/0003/50970/Procurement-guide.pdf