



SUSTAINABLE ADVANTAGE

ESG ASSESSMENT PROGRAMME CERTIFICATE



Advanced Utilities Network has undergone the Sustainable Advantage ESG Assessment Programme covering the below areas. A tailored ESG action plan has been created and shared with the ESG committee for implementation with target scores set.



ENVIRONMENTAL

E1	Landlord Engagement (Energy)
E2	Landlord Engagement (Waste)
E3	Procurement of renewable or low carbon electricity
E4	Energy data collection and analysis
E5	Energy Consumption Reduction
E6	Energy Awareness
E8	Waste Data Collection
E9	Waste Recycling
E10	Waste to Landfill
E11	Waste Reduction and Communication
E19	Eco-efficient driver training
E20	Company vehicle telematics
E21	Company vehicles - hybrid, electric and low carbon fuels (HVO, biodiesel)
E22	Staff - mode of transport
E22.1	Employee business travel
E23	Measuring and reporting on climate change risks and opportunities
E24	Carbon emissions calculated
E25	Carbon emissions reduction plan
E29	Environmental governance and policy
E30	Environmental Training
E31	Environmental Risk Assessment

SOCIAL

S1	Diversity, Equity and Inclusion - Strategy
S2	Developing Line Managers
S3	Skills and Career Development
S4	Health and Wellbeing
S5	Employee Engagement
S6	Pay Fairness
S7	Pay Levels
S8	Grievances procedures
S8.1	Employee Turnover
S8.2	Employee Absenteeism
S8.3	Company ways of working (flexible / hybrid-working arrangements and approach to overtime)
S8.4	Company ways of working (approach to family-related leave)
S8.6	Recruitment practices / outsourced recruitment via employment agencies
S9	Strategic HR function
S10	Health and Safety (Policy and Data)
S10.1	Health and Safety (Implementation)
S14	Customer Engagement and Satisfaction
S14.1	Influencing customer behaviour
S15	Community Engagement

SUPPLY CHAIN

SC1	Supplier Code of Conduct
SC2	Responsible sourcing policy
SC6	Supply Chain Traceability
SC15	Transport and Logistics in Supply Chain

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Sharon Dekker, ESG Director



GOVERNANCE		ESG INTEGRATION	
G1	Policy Review Management	ESG1	Benchmarking of ESG performance
G2	Policies readily accessible	ESG2	ESG data (metrics) independent review and verification
G3	Training on policies	ESG3	Board engagement in ESG programme
G4	Anti bribery and Corruption policy and procedures	ESG4	United Nations Sustainable Development Goals (UN-SDGs)
G4.1	Business Code of Conduct / Ethical Business Conduct policy and procedure	ESG5	ESG data capture (metrics)
G4.2	Corporate purpose	ESG5.1	ESG Reporting
G4.3	Conflicts policy and procedures	ESG6	ESG Strategy, setting goals and reporting progress
G4.6	Pricing integrity and transparency	ESG8	Providing your ESG information to existing clients
G5	Corporate Criminal Offence policy (tax evasion)	ESG9	Stakeholder engagement
G8	Board / Senior leadership diversity	ESG9.1	Client ESG priorities
G9	Employee Code of Conduct	ESG10	Corporate tendering
G10	Whistleblowing policy and procedure		
G11	GDPR / data privacy		
G12	Cybersecurity		
G13	ESG Risk management and monitoring		
G13.1	ESG related Management Systems		
G14	Business Continuity		
G15	ESG management		
G15.1	Budget for ESG		
G15.2	ESG training		
G16	ESG policy / statement		
G17	Gender Pay Gap		
G19	Modern Slavery Statement and reporting		
G19	Modern Slavery Statement and reporting		

SUSTAINABLE ADVANTAGE ESG ASSESSMENT METHODOLOGY

Sustainable Advantage's ESG Assessment Framework covers 14 material themes and 141 potential individual topics aligning with international ESG frameworks and standards including UNSDGs, GRI, B Corp, CSRD and ISSB.

Company ESG Assessment programme process:

1

Sustainable Advantage ESG scoring framework

141 material topics across 14 themes.



2

We select material topics from our ESG Assessment framework that reflect the unique characteristics of each company we work with, to create a bespoke ESG performance improvement report. Characteristics considered include:

- Sector
- Geographical location(s)
- Business model
- Size
- Client base and their ESG focus
- Ownership structure
- Employees
- Tender requirements
- Compliance requirements
- Stage of ESG journey
- Unique characteristics
- Competitor focus

3

Company ESG Assessment programme

Company is scored across the material themes and provided with an overall score, as well as a target score, alongside key recommendations to support the achievement of these.

- Meet with senior management team to kick off the Assessment programme.
- Conduct a high level stakeholder ESG maturity assessment of the following:
 - Clients
 - Shareholder demands
 - Compliance requirements
 - Competitors
 - Suppliers
 - Employees
- Meet with senior ESG contributors / department heads.
- For each topic, a score between 0 and 4 is assigned reflecting current ESG performance.
- Scores are presented in the Summary of ESG Performance table reflecting Environmental, Social, Supply Chain, Governance and ESG Integration elements, each of which are rebased to 100%. The total score is calculated as a percentage of achieved points over the total points available.
- Set targets for a time period aligned with financial year end.
- Create an ESG action plan to reach the target scores which is driven by materiality as well as strategic priority.
- Propose ESG metric set to track the success of the ESG programme.
- Where appropriate, actions are uploaded to the Sustainable Advantage ESG Performance Tracker platform, with actions allocated for completion by nominated team members, enabling improvement to be monitored in real time.

ESG maturity is based on the total ESG score achieved:



0-19%	Emerging	Company is at beginning of journey to define business success through an ESG risk and opportunities lens. Heightened likelihood of potential for non-compliance / risk areas. Opportunity to adopt ESG practices across the organisation.
20-39%	Progressing	Company has begun to develop ESG initiatives due to reactive / compliance led necessity across some areas of ESG.
40-59%	Established	Company understands the benefits of ESG and has implemented interventions to improve operations but has yet to evolve a mature strategic approach.
60-79%	Excellent	Company has strategically developed and integrated key areas of ESG that are important to business operations.
80-100%	Leading	Company has developed and integrated a holistic approach to ESG and may be considered leaders in the field. The primary role of the business is to create value and benefits for society and the environment. Actively engages across the organisation to tackle systemic ESG issues.

The Sustainable Advantage ESG scoring framework is actions based and thematically aligned with major ESG frameworks including the UNSDGs, GRI and SASB. The core areas of the Sustainable Advantage framework and desired outcomes are as follows:

ENVIRONMENTAL

MATERIAL THEME	SECTION CONSIDERED	FOCUS AND DESIRED OUTCOMES
ENVIRONMENTAL PROTECTION	Governance, policies and pollution management	Understanding operational pollution risks, ensuring a responsible policy management approach and compliance with regulatory requirements and minimising pollution.
BIODIVERSITY	Ecological impact	Understanding the risks and opportunities regarding the operational impacts on nature and biodiversity and ensuring a responsible policy driven management approach. Monitoring and measuring company performance to limit negative impacts on fauna and flora.
ENERGY, WASTE AND WATER	Energy management	Procuring renewable energy (transitioning from fossil fuels to renewable sources), measuring and reducing energy consumption.
	Waste management	Measuring and reducing waste generated, enhancing waste recycled and diverting waste sent to landfill.
	Water management	Measuring and reducing water consumption and identifying opportunities for water re-use.
TRANSPORT	Transport	Responsible approach to driving behaviours, use of technology such as telematics. Evolving fleet to transition from fossil fuels to low carbon fuels or electric vehicles.
		Measuring employee commuting, business travel and home working emissions and influencing behaviours through incentivisation to reduce operational carbon emissions.
GREEN HOUSE GAS (GHG) EMISSIONS REDUCTION	Green House Gas (GHG) emissions	Measuring and disclosing Scope 1, 2 & 3 emissions in line with the GHG protocol. Setting SBTi Net Zero Standard aligned target. Carbon offsetting. Reducing emissions to halt climate change.
CLIMATE CHANGE ADAPTATION AND RESILIENCE	Climate risk and opportunity and TCFD	Understanding business risks and opportunities posed by climate change with a robust climate strategy in place.
		Reporting against the majority / all of TCFD requirements. Qualitative and quantitative climate scenario analysis conducted for >2 scenarios.
MATERIALS, PRODUCT DESIGN AND LIFECYCLE MANAGEMENT	Product sustainability	'Green' or 'environmentally friendly' products / services that make up a material portion of a product /service portfolio whereby the company gains a competitive advantage through these products.
		Company participation in extended producer responsibility (EPR) initiatives including direct product take-back, recovery and recycling / closed loop system.
	Packaging and plastics	Measuring packaging profile, setting improvement targets and reporting performance improvement annually against a baseline. Improve recycled content as well as recyclability of packaging. Use of environmentally friendly inks.
		Measuring the quantity of single-use plastic within product portfolio / used in operations and reporting performance improvement annually against a baseline and reducing these.
ANIMAL WELFARE	Animal welfare in operations	Understanding responsibilities towards animal welfare within operations and ensuring a responsible policy management approach.

SOCIAL

MATERIAL THEME	SECTION CONSIDERED	FOCUS AND DESIRED OUTCOMES
HUMAN CAPITAL	People strategy	Ensuring a responsible policy management approach. Corporate culture focused on diversity, inclusion, equity, wellbeing, engagement and career development. HR can evidence that the workforce feels a sense of belonging and are committed to helping the company achieve its business goals. Reporting performance against comprehensive metrics set annually. Create an engaged and loyal workforce.
	Health and safety	Ensuring a responsible policy management approach and measuring H&S accidents, incidents and near-misses, setting improvement targets if necessary and reporting performance improvement annually against a baseline. Limit H&S incidents.
CUSTOMERS	Product quality, safety and accessibility	Ensuring a responsible policy management approach to product quality and safety with formal external assurance accreditations and certifications in place as applicable. All ESG credentials are substantiated independently. Measuring and disclosing all metrics as applicable.
	Customer engagement	Ensuring a responsible policy management approach to customer relations. Measuring customer sentiment. Corporate ESG commitments are shared and positive sustainability behaviours encouraged. Company has insight into customer ESG behaviours across a sample of policies, behaviours and practices that signal positive citizenship.
COMMUNITIES	Communities	Proactive approach to community engagement with initiatives appropriate to the size of the company. The strategic partnerships approach reflects corporate values and business objectives. Measuring and disclosing all metrics as applicable.
SUPPLY CHAIN	Responsible Sourcing policy and Supplier Code of Conduct	Ensuring a responsible policy management approach with the supply chain fully engaged. Procurement team fully trained on policies and approach. Ensure supply chain is equally focussed on ESG and aligns with the company's requirements and ESG approach.
	Supply chain mapping and ESG performance improvement	Full traceability of tier 1, 2 and 3 suppliers with records in place noting ESG certifications / accreditations. A proactive approach to integrating ESG criteria into procurement decision-making processes. Sustainably certified materials are procured where possible. Supplier audit takes place. Programmes evidenced and disclosed to improve ESG performance within the supply chain. Supply chain transparency where applicable to the sector.
	Nature and biodiversity in supply chain	Understanding the risks and opportunities regarding supply chain impacts on nature and biodiversity and ensuring a responsible procurement approach defined within policies as appropriate.
	Plastics in supply chain	Measuring the quantity of single-use plastics and, if applicable, microplastics, within the supply chain, apportioned to company demand. Reporting performance improvement annually against a baseline.
	Transport and logistics in supply chain	Proactive approach towards selecting lower-impact transportation methods to reduce carbon emissions.
	Digital emissions in supply chain	Ensuring a responsible policy management approach with proactive migration of IT infrastructure to the cloud, with GHG emissions measured and disclosed.
	Animal welfare in supply chain	Ensuring a responsible policy management approach to animal welfare in the supply chain with animal products procured from responsible sources.

GOVERNANCE

MATERIAL THEME	SECTION CONSIDERED	FOCUS AND DESIRED OUTCOMES
POLICY MANAGEMENT	Policy management	Ensuring a responsible policy management approach with employees fully engaged and aligned with the policy suite.
BUSINESS CONDUCT	Business ethics and oversight	The company is a purpose-led organisation with a full suite of responsible business conduct policies in place. Responsible approach to operational risk and business continuity / disaster recovery planning.
	Data and cyber security	Ensuring a responsible policy management approach to ensure compliance with data protection regulations and evidences a defensive posture towards operational cyber security.
ESG INTEGRATION	Benchmarking and alignment	The company is aligned to the United Nations Sustainable Development Goals and can evidence contribution. The company understands its ESG performance in the context of competitor and client performance and information demands. Regular stakeholder engagement on ESG material themes takes place.
	ESG management and performance	Ensuring a responsible policy management approach to ESG management and performance with designated ESG responsibilities assigned throughout the company. Performance progress is reported regularly to the board. ESG budget in place. ESG training in place. Management remuneration is linked to ESG performance.
	Strategy and reporting	A proactive approach to communicating ESG strategy with clear targets, goals and KPIs defined. System in place to capture comprehensive ESG metrics. ESG performance is disclosed into the public domain, updated annually with extensive and insightful explanations and analysis of trends.
	ESG supporting business development	Compliant approach to meet requirements of PPN 06/20 and 06/21 for public sector tendering when applicable. Measuring and disclosing all metrics as applicable.
		ESG performance is integrated into business development function, with evidence that ESG has contributed to winning tenders.
	ESG linked-finance	A proactive approach to implementing internal carbon prices to drive operational emissions down.
		A proactive approach linking ESG performance to external financing.