

The background of the entire page is a close-up photograph of several green leaves. The leaves are covered in numerous small, clear water droplets of varying sizes. The lighting is soft, highlighting the texture of the leaf veins and the glistening surface of the water. A solid purple shape, resembling a folded corner of a page, is positioned on the left side of the image, partially overlapping the text.

Our **ESG**
policy

PKF

Introduction



At PKF, we want to be judged on more than just our financial performance.

The most admired and successful businesses are those that not only deliver profit but also those that recognise their impact more widely in the community and environment, and seek to contribute in a positive way – whether that is by looking after and developing their staff respecting the natural environment or engaging with local communities, to name but a few examples.

We work hard to make a difference in line with our Values – and, in particular, our commitment to showing respect to each other and those around us – we believe that we can and should have a positive impact on our teams, our clients and our stakeholders.

We believe that we have an important role to play in making a positive contribution to our world and helping to create and support sustainable, fair, healthy, and inclusive communities. This belief is intrinsic to our business, including how we run our Firm, develop and implement new projects and services, collaborate with stakeholders and report progress.

This Policy outlines how we aim to bring these ambitions to life as individuals and as an organisation.

Dominic Roberts
Managing Partner



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Introduction

PKF Littlejohn LLP (PKF or the Firm) is committed to integrating Environmental, Social, and Governance (ESG) into our business processes and activities. This ESG Policy (the Policy) outlines our Firm-wide approach to ESG and aligns it with our Values.

Our Values

Our aim is to understand people, the organisations they run, and what matters to them, so we can simplify the complex and help them achieve their ambitions.

Drawing on our Values, we have three important guiding principles that make a big difference in our business and they also have a significant impact on our clients' organisations:

1. People matter; making a difference for the people we work with and the people we work for is our priority
2. We are relentlessly curious, because we want to know each client's organisation as well as they do, even better if we can
3. And we are good at getting things done.

Simplicity is complexity resolved.



We are curious

We want to better understand the world around us and enjoy getting under the skin of important issues. This drives us to challenge, explore and ask questions. We never simply assume. We seek out 'the new' and 'the different' – innovative ideas, original ways of thinking and emerging technologies. Our inquisitiveness helps us to anticipate change and take the lead in shaping its impact.



We value authenticity

We admire character, honesty and courage. We are the type of people who refuse to compromise, sell out or change our principles. We do not feel the need to put on a 'work persona' and do not expect anyone else to have to do so either. In fact, we encourage our colleagues and clients to be themselves rather than forcing them to fit a particular stereotype.



We are respectful

We live by the motto that we should treat our clients and colleagues the way we want to be treated ourselves. We recognise that we are at our best when we feel valued, so we invest time and effort to make the people we work with feel valued too. This helps us to build strong, lasting and trusted relationships.



We enable

We are here because we want to make our clients more successful. We are driven to provide clever solutions to complex problems. We thrive when facing a challenge. We are eager to get involved and we are not afraid to take the lead in making things happen.

Our Values underpin how we operate as a business.

About this Policy

The purpose of this Policy is to provide information about ESG and how it applies to us, both as individuals and as a business.

It is up to everyone in our Firm to apply the Policy and bring it to life in our day-to-day work.

The Firm's Leadership Team has overall responsibility for the effective operation of this Policy and is advised by the ESG Group. Suggestions for change should be made to Andrew Konieczko.

This Policy is reviewed at least annually by the ESG Group who will make recommendations for changes to the Leadership Team for approval. Changes may be made at any time as government guidance, industry best practice, new technologies etc develop and are adopted.

This Policy does not form part of any contract of employment or other contract to provide services, and we may amend it at any time.





What does ESG mean for us?

Environmental, Social and Governance (ESG) provides a framework for an organisation to consider its impact on the environment and society, as well as the robustness and transparency of its governance. At PKF, our commitment to ESG can be summarised as follows:

• Environmental

Environmental sustainability is an ethical and commercial imperative. Managing our impact on the environment we operate in goes hand in hand with the strategic necessity to operate efficiently and is a fundamental consideration for our strategic objectives.

• Social

Our people make up our business. We aim to create a developmental environment where ambitious people, regardless of background, feel supported, valued and encouraged to fulfil their potential. While we have progress to make, we are committed to cultivating and empowering change by building an inclusive workplace where all talents can thrive.

• Governance

Good governance is foundational to our business and all aspects of ESG. We cannot be successful without paying attention to our compliance obligations. Our Firm goes beyond the concept of 'box-ticking' and embeds compliance into the heart of our business.

The three pillars of ESG are incorporated into our business processes and activities - including our services to clients – and are aligned to our Values.

Our approach to ESG is also informed by the United Nations' Sustainable Development Goals. Given the nature of our business and our geographical footprint, we are particularly focused on supporting the following UN goals so we can make a practical and tangible difference:

United Nations' Sustainable Development Goals

Goal 3	Good Health and Well-being
Goal 4	Quality Education
Goal 5	Gender Equality
Goal 8	Decent Work and Economic Growth
Goal 11	Sustainable Cities and Communities
Goal 12	Ensure sustainable consumption and production patterns
Goal 13	Climate Action

ESG and our Firm

As a Firm, we recognise that we have a duty to our people, our clients, our communities and the wider world. ESG brings all of this together. We understand the broader benefits of investing in our people, protecting our environment and being a good corporate citizen.

Fostering openness, sustainability and respect are among our key objectives, in line with our Values. Our view on ESG is that it is a continuous process of aligning our operations with our Values.

Our commitment to improve our social and environmental performance reflects a strong, well-informed management attitude and a purpose-focused, Values-led culture that is both alert and responsive to the challenges and opportunities of doing business responsibly and sustainably.



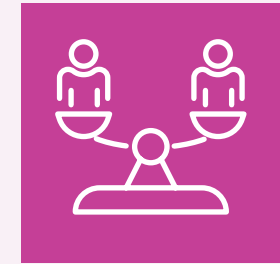
Environmental Our impact on the world we live in

- Climate change and greenhouse gas emissions
- Emissions to air, water and land, pollution and waste
- Biodiversity, deforestation and land use
- Energy efficiency
- Resource depletion (including water)



Social Our contribution to the communities we operate in

- Human rights (including modern slavery and forced labour)
- Health, safety & wellbeing
- Diversity, Equality and Inclusion (DEI)
- Conflict zones and conflict materials
- Community engagement
- Learning and development



Governance Our license to operate

- Executive pay and board structure & independence
- Conflicts of interest
- Anti-money laundering, bribery and corruption
- Responsible tax strategy
- Stakeholder engagement
- Learning and development

Our statement on climate change and the environment

We are committed to minimising the impact of our business on the environment.

We recognise that all have a responsibility to tackle climate change – but it is far from easy. The United Nations has stated that “transitioning to a net-zero world is one of the greatest challenges humankind has faced”.

As a Firm, we have started our journey towards reducing our energy and carbon usage, and look forward to continuing our progress in the future.

We recognise that our carbon footprint is primarily driven by energy usage in our offices and by the travel that we undertake. Our focus is therefore on reducing our carbon emissions from these sources. We participate enthusiastically in activities that have been proven to reduce our carbon footprint and overall impact on the environment, through:

- our choice of office space - energy efficiency, location, size, fit out, configuration etc.
- our procurement - IT equipment etc.
- our ability to reduce waste and encourage re-use and recycling. The Firm was an early adopter of a paperless office, our reliance on non-sustainable materials and recycling those that we do use
- our flexible working policy and our investment in online communication platforms
- our travel policy – particularly in relation to air travel

- our support for our Partners and staff in using more sustainable forms of travel.

We are committed to making environmentally-conscious decisions wherever we have the ability to do so or can influence the choice of the decision-maker to do so. However, we recognise that we do not have full control of all of the above elements. Where our choice is limited, we will focus our attention on the positive changes that are within our control.

As part of our commitment to corporate sustainability, we not only comply with current environmental legislation and work to minimise the impact of our activities on the environment but also regularly assess the social, economic and cultural implications of our operations to identify, add or modify green initiatives. Past, current and planned initiatives include:

- reusable water bottles for every employee; all single use cups have been removed from our offices
- paper and plastic recycling
- occupancy sensors for lighting
- energy-saving appliances and low energy lighting
- digital documentation and cloud storage
- open working environment

- video conferencing to reduce travel
- encouraging our people to make conscious, climate positive decisions when booking air travel and support premium/business class travel only for long-haul flights
- building our teams around our clients’ locations where there is an opportunity to do so, using local PKF teams to help us to keep travel to a minimum level.
- agile working, including working from home
- promoting greater use of public transport through annual season ticket loans
- encouraging cycling by providing secure cycle parking and changing facilities within our offices
- introducing a salary sacrifice scheme to enable our staff to lease electric vehicles at a more affordable cost
- partnering with our landlords to reduce energy consumption in our offices.

We recognise the recommendations of the Taskforce on Climate-related Disclosure (TCFD) and seek to engage with our stakeholders and encourage enhanced disclosure on climate change, biodiversity, and the United Nations’ Sustainable Development Goals, including efforts to advance the underlying goals, such as those of the Paris Agreement.

Our statement on social responsibility

Our focus is to strengthen relationships with our key stakeholders by demonstrating respect to our employees, clients, suppliers, communities and other stakeholders. In particular, we are committed to:



Supporting our local communities

We want to be a good neighbour and believe it is important to support the communities in which we are based. We aim to help our local communities and, in particular, are keen to support charities that work within areas in which we have a presence.



Promoting respect for everyone.

We work hard to make our Firm a great place for everyone. We believe that we all have a role to play in celebrating our diversity and continuing to better understand and support one another. Our commitment to inclusion, diversity and equality is reflected in our core policies and ways of working - including how we train, promote and reward our people – as well as through the activities that we organise to support better understanding.



Looking after our people.

We believe that we have an important role to play in supporting each other's wellbeing and personal growth. We encourage people to find a sustainable balance between their careers and other priorities in their day-to-day lives. We work hard to foster a strong team spirit and create a welcoming environment, which looks after our colleagues' health and wellbeing.



Fulfilling our potential.

We aim to create a supportive environment where ambitious people, regardless of background, can fulfil their potential and help our clients realise their ambitions. To this end, we recognise the value of our learning and development activities, though a combination of both formal and informal training focusing on both technical skills and soft skills, such as emotional intelligence, resilience, communication, coaching and team-building.



Our statement on governance

We recognise the value of strong oversight, transparency and risk management at all levels of our Firm, ensuring the resilience and long-term success of our business.

We maintain strong corporate governance practices through strong Leadership Team stewardship, management accountability and proactive risk management, which is led by our Audit and Risk Committee.

We mitigate risk exposure and build the resilience of our business to environmental and societal change.

We are committed to high ethical standards through a strong Code of Conduct, Staff Handbook and professional standards overseen by our Professional Standards Committee which, amongst other things, implements professional standard notes and ethics training and leadership that promotes a culture of authenticity and respect based on our Values.

We cultivate strong stakeholder relationships through transparency, open communications and responding to stakeholder input.

We establish clear and effective governance for ESG, set ESG objectives and establish accountability. A summary of these ESG objectives and ESG activities is published on our website. This is managed by our ESG Group who report their findings to our Leadership Team and Board.





ESG and our supply chain

We recognise that our Firm does not operate in isolation. Value is created through collaboration and partnerships – particularly with our suppliers and clients. This section explains how ESG informs our relationships with our suppliers; the role of ESG in shaping our relationships with our clients is outlined later in this document.

When we consider our supply chain, we can better understand the impact of our Firm’s decisions on the wider world. Ethical procurement within the context of ESG means, for example, paying attention to the carbon impact of a supplier as well as its employee practices.

This means that we need to understand the risks within each supplier relationship and take concerted action to reduce those risks.

As a Firm, we have developed trusted, long-standing relationships with our key suppliers. This gives us an in-depth understanding of these organisations and their values; it provides us with the insight to accurately ascertain how closely they align with our own

Firmwide Values and the influence to suggest improvements in cases where we believe they fall short.

We preserve and promote the protection of human rights and welfare within our own business activities, as well as those of our supply chain, in accordance with our Values, Code of Conduct, Staff Handbook, and our Modern Slavery and Human Trafficking Statement.

As our Firm continues to grow, we recognise the need to formalise our procurement process and develop a robust supplier policy, which documents the steps we take to verify, challenge and influence the operations of our suppliers. This is something that we are working towards.

ESG and our clients

Our clients are increasingly asking how we are managing our impact on the world. It is imperative on us as a business that all of our interactions with clients are reflective of who we are – as defined by our Values - and that we behave like an adviser that they are proud to work with and recommend.

We recognise our responsibility in ensuring that we partner with those clients that share our commitment to environmental, social or governance matters. This does not always prevent us from working with a potential client that is at an earlier stage of its ESG journey - it means that we must understand the risks within each relationship and satisfy ourselves that the client is committed to addressing those issues. This can help actively improve matters, as opposed to simply refusing to work with an organisation.

Historically, our due diligence systems have focused primarily on the governance risk associated with potential clients, through processes designed to highlight the risk of, for example, money laundering.

We will continue to embed ESG-related risks into our client selection and onboarding processes, increasing our focus on potential environmental and social risk screening.



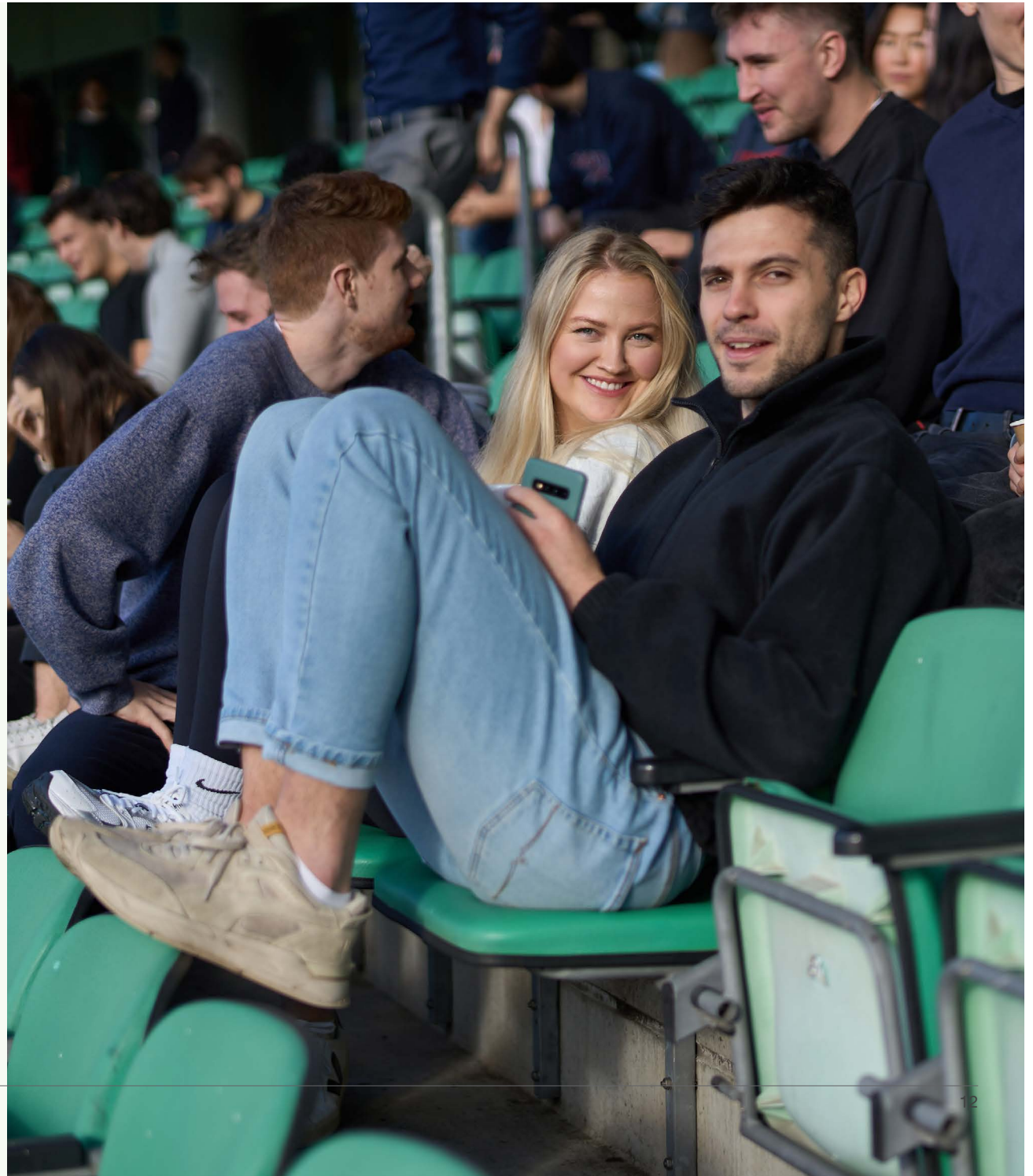
Our individual roles in promoting ESG

It is vital that each of us understands our role in all areas of ESG

Each of us should know:

- The Firm's strategic ESG goals
- How we plan to achieve them
- Our individual and team contribution to those goals
- How to discuss our ESG ambitions with clients and third parties
- Where to report potential concerns or actions that go against our policy

It is our intention to embed ESG expertise across the Firm in everything we do and in every engagement delivered to our clients. We want everyone in the Firm to be able to have meaningful conversations with clients so as to support them in their ESG journeys.



Our individual roles in promoting ESG

We strive for a highly coordinated approach to ESG, aligning best practices, Firm-wide initiatives, and regularly reporting to stakeholders where applicable. In practice, this means:



Environmental

We can all help to reduce carbon emissions and minimise our impact on

the environment. We should consider the choices we make and their environmental impact. For instance, you should consider whether:

- when travelling, there are more environmentally friendly travel options;
- some meetings can be conducted remotely instead of travelling; and
- you really need to print.



Social

We believe that we all have a role to play in celebrating our diversity and continuing to

better understand and support one another. We want to build a workplace where everyone feels supported and encouraged to continue to develop and fulfil their potential. Our Inclusion & Wellbeing Group has been created to act as a representative for the Firm on workplace inclusion topics and wellbeing initiatives, and to support the Leadership Team with the delivery of these activities. Everyone at PKF can help by:

- challenging and reporting discriminatory or offensive behaviour;
- being an active ally for groups that are often underrepresented; and
- leading by example in your work and workplace interactions.



Governance

Good governance goes beyond having the right policies and procedures in place - it is about

embedding compliance in our day-to-day work. From completing training on time to actively understanding how regulations affect our work, good governance starts from the individual acting ethically. We can take governance seriously by:

- Referring to policies and procedures instead of shortcuts
- Being aware of red flags for compliance failures and risks in your area of work
- No being afraid to call out poor behaviour or report failures

We are in the process of training our first cohort of ESG Champions who will be equipped with the knowledge to engage with clients on ESG matters, either directly or by supporting colleagues. Our ESG champions will also support the ESG Group during the Firm's ESG journey.



Our ESG targets

It is tempting for organisations like ours to set bold ESG-related targets, such as committing to becoming net zero by a particular point in the future.

However, our view is that very few of these targets are backed by a deliverable strategy – which makes it difficult to attach much confidence to the commitments. How can, for example, an professional services firm with clients that have operations overseas claim with any certainty that it will be net zero in the next five years, given currently available technology?

To avoid falling into a similar trap, and conflating aspirations with targets, our target for our Firm is to show year-on-year improvements in our core ESG metrics.

We are currently developing these metrics and will update this Policy once they are finalised.

Monitoring, enforcement and governance

We seek to proactively prevent and mitigate instances of non-compliance with this Policy.

Any breaches or concerns, including ethical concerns or potential breaches in our commitment to high ethical standards, Code of Conduct, Staff Handbook and/or other policies and processes, should be reported as soon as possible to the Firm's Leadership Team or through our whistleblowing channels.

Progress on this Policy is reported to the Leadership Team on a regular basis. Active participation and engagement at all levels of the business is of great importance to ensure ownership of ESG by all of us in the Firm.

Our ESG Group has an important role in monitoring and enforcing this Policy. Its purpose is to gather and review data from all parts of the business, then filter and summarise it upwards to the Leadership Team.

The aim of the ESG Group is to establish a unified view of ESG, increasing

understanding of all three aspects - environmental, social and governance.

The key objectives of the ESG Group are to:

- Emphasise the importance of environmental measures, sustainability goals and performance, at all levels of the business.
- Provide best practice guidance on the structure, policies and regulations that impact the business
- Increase understanding and awareness of corporate governance and social aspects that affect our Firm and the wider industry
- Implement and promote common and workable standards of corporate governance for the business
- Monitor the implementation and performance of the ESG Policy, reporting its findings to the Leadership Team and Board.





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