



# Corporate Social Responsibility

## Introduction

Environmental, social and governance responsibility is fundamental to the ongoing success of the Group. We acknowledge the impact our business activities have on the environment and communities in which we operate, and have systems in place to identify, analyse and manage key risks arising from our operations. This includes ensuring that we comply with relevant environmental legislation. We recognise that as an employer we have a responsibility to our employees for their safety and welfare whilst at work.

This responsibility extends to their training and development, as well as to setting appropriate standards for their dealings with customers and suppliers. We take business conduct seriously, and have policies and guidelines in place which set standards concerning ethics, sound business practices and wider governance issues.

## Board responsibility and management framework

The Board member with overall responsibility for environmental, social and governance (“ESG”) risks is the Group Finance Director, with the Divisional Managing Directors responsible for ESG within their respective divisions. This responsibility also specifically includes employees and health and safety. Significant ESG issues arising in or affecting our businesses are discussed at each Board meeting.

The Company recognises that being a socially responsible company adds to and enhances the Company’s overall value, both short and long term. For example, mishandled ESG risks can be damaging to the Company’s reputation as an employer, supplier or business partner. The financial costs from mishandled ESG risks can affect the Company’s profitability. The Board therefore has systems in place, including access to adequate information, to identify and assess ESG risks, and to ensure that these risks, and our exposure to them, are managed appropriately.

The principal ESG risks to the Group include: failure to retain and develop key staff; failure to provide safe working conditions for staff; failure to have systems in place that prevent the occurrence of environmental hazards arising from our operations; failure to manage risks that can damage corporate image and reputation; failure to ensure that the Group’s operations are conducted on a lawful, sound and ethical basis and in compliance with Group Policies and Procedures; failure to carry out adequate due diligence or business planning on joint venture partners/acquisitions.

A description of the Company’s internal control system for the management particularly of financial risks is in the Corporate Governance report, [summarised here](#). Although the remuneration of executives is not directly related to attainment of ESG objectives, our bonus arrangements allow senior managers to base a proportion of performance related pay for executives on achieving personal goals such as improving staff turnover rates or improving injury or aircraft incident rates. These flexible arrangements apply to station managers at Aviation and branch managers at Distribution.