

Caring for Earth – the SIS approach

It is beyond question that the biggest challenge for humanity, now and in the future, is ongoing environmental damage and the need for urgent action to fight climate change.

Over the last two years, SIS has developed a number of useful practices and initiatives, that aid our, and others', climate action journeys.

We work alongside expert partners to provide ways for the SIS team, board, investees, customers and other stakeholders to develop their own knowledge, confidence and Earth-friendly practices.

This statement describes why we place importance on caring for and protecting our planet; our approach; SIS's Earth-friendly actions so far, and our aspirations for the future.

Why we care

SIS's mission is to connect capital with communities to make a lasting difference to peoples' lives. This ambition is thwarted, at a fundamental level, if communities do not have a healthy environment to live in, with reliable access to food, water and adequate shelter.

SIS is committed to ensuring fair and equitable access to finance for all. People who experience the greatest inequality and/ or poverty are also on the frontline of the impacts of climate change - affecting lives, land, livelihoods and economies. Climate inequality is intrinsically linked to financial and other inequalities for individuals and communities.

We share a common global responsibility to ensure Earth can support, nurture and provide joy for the next generation, and generations to come; able to sustain life on land, in the seas and air. By raising and deploying capital to those contributing solutions that sustain life on Earth, SIS can play its part.

Through our 10-year strategy 2020 - 2030 '*Building an Impact Economy*' we seek to minimise harm, maximise positive impacts for people and planet, and contribute solutions to some of society's biggest challenges. It is impossible to do this without placing care for Earth as a central pillar of our work.

Our Earth-friendly approach

At SIS, through our Earth-friendly approach, we seek to:

- Minimise any harm to the planet created through our activity, and our investees' and our suppliers' and stakeholders' activities.

- Develop finance mechanisms so that social entrepreneurs and mission-driven businesses can contribute to solving climate challenges.
- Understand the SIS team's carbon footprint and commit to reducing this on a year-on-year basis.
- Provide tools for SIS team members to understand and reduce their own carbon footprint – both at work and in their personal lives.
- Provide training and toolkits for the SIS team, customers and stakeholders so that we continually build knowledge and climate actions across our areas of influence.
- Adopt a Reduce, Reuse, Re-purpose, Recycle model for all our business needs.
- Share our practices and perspectives with others, aiming to help them develop and deliver their own earth-friendly approaches.

SIS's environmental activities are led by a cross-team working group that research best practice, listen and learn, develop and deliver annual action plans, and respond to emerging needs on a more ad hoc basis.

Collecting, monitoring and understanding environmental impact data

We work with experts in the field to help us understand and reduce our environmental impact. Currently, we collect and analyse data via the following arrangements:

- Individual SIS team member's carbon footprint – Pawprint
- SIS business carbon footprint (under development) – Pawprint
- Recycling performance – Changeworks

Where we are now

SIS is interested in developing earth-friendly practices as a global citizen, employer, investor, investee, sector intermediary and organisation interested in helping others become more impactful.

Since 2019 we have progressed a range of practical initiatives and activities:

- Member of the Responsible Finance *Climate Action Working Group*.
- Early adopter of the Pawprint app as a *Pawprint Pioneer* and rolling out licences and training to the full SIS team.
- Delivered full team training on Circular Economy Business Models.
- Travel policy prioritises sustainable and public transport above others.
- Members of the Cycle to Work scheme.
- Office recycling programme in place, managed through Changeworks.
- Switched to 100% fully renewable energy supply for the SIS office.
- All un-needed IT equipment is donated to the social enterprise The Turing Trust for re-use.

- Reduced travel requirements through a formal move to hybrid working with digital attendance at external events a standard and acceptable option.
- Choose plant-based, meat-free and/ or local catering choices, as a priority, for SIS events.
- 'No-freebie' commitment at SIS led events.
- Procurement processes consider supplier environmental practices and impacts as part of supplier screening and selection.
- Updated treasury policy allowing greater levels of SIS capital to be held in ethical and green bank accounts.
- Environmental impact information is considered within all new investment appraisals.
- With Zero Waste Scotland and the Scottish Government developed a social investment programme providing investment and support for social enterprise and the third sector to transition to carbon net zero.

What we will do next

We will not stand still on this agenda. This is an ongoing journey and continues to be a high priority for SIS.

In addition to continuing the activities above, others we will progress are:

- Focusing on developing more partnerships with expert organisations to increase the team's environmental knowledge, confidence and practice.
- Further deploying the Social Enterprise Net Zero Transition Fund allowing social enterprises to scale and grow their net zero plans.
- Exploring and developing new funding mechanisms to support climate action by social enterprises, third sector organisations and purpose-driven businesses; including ways to progress a Just Transition.
- Fully assessing and setting targets to minimise SIS's carbon footprint, particularly taking into account the impacts of new formal hybrid working arrangements.
- Elevating environmental impact diligence as part of all new investment appraisals providing support to customers and investees to improve their practices.
- Offsetting SIS's residual carbon footprint.
- Exploring more earth-friendly pension solutions.
- Exploring more ways for the SIS team to adopt earth-friendly practices including salary sacrifice arrangements for electric cars.
- Using our learning journey to support other enterprises to develop their earth-friendly practices.

Demonstrating and sharing progress

We aim to be transparent in our activities, challenges and progress. We will demonstrate these elements through:

- A dedicated page on the SIS website.
- Environmental progress reports as part of the annual SIS Impact Report.
- Blogs and other published articles.
- Sharing our experiences through sector events, commentary and other public opportunities.

Reviewing our Approach

Our approach will be continually reviewed and this summary updated on at least an annual basis.

Questions, comments and feedback

If you have any questions or would like to talk to us about any aspect of our *Caring for Earth* approach, please contact Lindsay Wake, SIS Head of Impact at lindsay@socialinvestmentscotland.com

Signed on behalf of SIS,

A handwritten signature in black ink, appearing to read 'Alastair Davis'.

Alastair Davis, Chief Executive Officer
November 2021

A handwritten signature in black ink, appearing to read 'Lindsay Wake'.

Lindsay Wake, Head of Impact
November 2021