

TURNING OVER A NEW LEAF.

ESG, a driver of positive change

By Gareth Broekmann

Historically, a prospective clients' decision about which service provider to do business with was mainly based on the cost of the products and services required. Very rarely, was the impact of a company's operations on the planet and society at large considered an important part of the purchasing and partnering equation.

In our experience as an IT services provider, we have noticed the emergence of a new breed of client, one that is no longer just concerned about whether a service provider can meet functional needs as cheaply as possible. Today's prospective clients seek partnerships with service providers who share their values above just making a purchase.

IT and other service providers have been forced to consider different factors that attract today's prospective client, and this collection of factors is widely referred to as ESG.

When most people think of environmental, social, and governance (ESG) practices they think of things like recycling or using eco-friendly products. While important, there is so much more to ESG than first meets the eye. We have found that implementing ESG practices in our business has helped us to reduce risk, improve performance and create a more sustainable workplace.

In this article, we will explore the basics of ESG and how you can begin incorporating them into your business. Are you ready to turn over a new leaf?

So, what is ESG?

ESG is an acronym for Environmental, Social and Governance, the three broad categories that house the factors that are important to today's ethical client. The three categories, when adopted by service providers, allow clients the opportunity to consider value alignment before choosing to partner in business.

More than ever, prospective clients have become active in the blacklisting or supporting of companies based on values. This makes the ethical running of companies an imperative.

In short:

- ESG is the acronym for Environmental, Social, and Governance
- Companies are becoming more concerned about ESG as prospective clients demand ethically, sustainably, and responsibly sourced solutions.

To understand the three ESG categories we need to further explore the factors that clients consider when looking for IT and other service providers.

Environmental

This category deals with the impact of company operations on the environment and the preservation of our natural world.

Factors include:

- Carbon emission reduction
- Deforestation
- Water pollution and water scarcity
- Use of renewable energy sources

For instance, at Charles Square we have partnered with Treakly, Treeapp and Ecologi to offset our carbon footprint and implemented the environmental ethos of ESG driving climate positive change.



Through our efforts and investments in various renewable energy projects across the globe we have, offset over **65 tons of CO₂** since February this year. Additionally, with the closure of our London office and use of our **SMART office** in Hertfordshire and Managed Office in London.



We have substantially **reduced our electricity consumption**. Where possible, we have removed 'high consumption' devices from our office space and the power we do use is sourced from **renewable energy suppliers**.



In 2022, to reduce our carbon footprint even further, we've decided to plant one tree for every client purchase, **2000 trees so far**. We are proud of our staff that participate in daily walks which enable us to plant roughly **35 trees per day** totalling an average of **12,775 trees per year**.

Social

A company's consideration of people and interdependencies is the focus of this next category.

Factors include:

- Client success
- Gender and diversity inclusion
- Mental health
- Ethical supply chain operation

“At Charles Square, we know that your trust is paramount. You must find a partner who is not just there to spend your money, rather one who treats your resources and vision as their own.”

Co-founder, Craig Harris

Since its establishment in 2014, Charles Square has always focused on ensuring client success operationally and financially. We have done this by combining the experience and knowledge of our diverse, in-house IT team with the financial benefit of an outsourced service partner. We believe that our diversity inspires quantum leaps for our clients.

With our initial focus on providing outsourced CTO services and curating ethical vendors on behalf of financial organisations, we've now become a fully-fledged CTO consultancy.



Our recruitment ethos reflects how seriously we take diversity, equity, and inclusion (DEI). We actively seek out skill, regardless of age, gender, ethnicity, sexual orientation, disability status or religion. In an industry that tends to be male dominated we are proud that, during the last year, up to 70% of our new hires have been female.

Additionally, in light of the COVID-19 pandemic and the impact it has had on our employees' mental health, we have partnered with a variety of mental health professionals focused on providing 24/7 support to our staff.

Now in its seventh year, Charles Square has been named the **'Best Specialist Financial IT Support Provider – London'**.

Governance

This category deals with the logistical and defined processes and rules for running a company successfully and ethically.

Factors include:

- Embracing corporate transparency
- Board of directors and its makeup
- Executive compensation guidelines
- Hiring and onboarding best practice

As a prospective client, how do I spot a service provider that supports my values?

- Well-organised, and clear information on a company's positive societal and environmental initiatives will often appear on their website or social media platforms.
- Look out for third-party certifications. These could include logos that a company uses online and in publications along with substantiated claims to prove sustainable and ethical business practices.
- For governance, look at the committees that they have set up to govern management and operations.
- They should be honest about what they've achieved and areas of improvement. Positive and negative impacts should be reported, and goals aimed at mitigating negative impacts communicated.

At Charles Square our success is underpinned by transparency, authenticity, and accountability. We don't believe in using jargon or delivering complicated solutions that are difficult to understand and our honest and professional approach drives our client satisfaction.

Remember that there are a vast number of views and perspectives on when companies can be considered ethical or ESG compliant. Before partnering with a service provider make sure that you consider the ESG factors highlighted in this article as a baseline against which to ensure alignment with your values.

As service providers, the key to implementing a successful ESG strategy is to take it slow and start focusing on the factors that resonate with your individual and business values. Ultimately, for those of us who care about the planet and the very real issues of socialisation and outsourcing of problems, ESG provides a proactive approach to driving positive change.

