

# Fexco Sustainability: Transformation in Action

2023



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At Fexco, our founding principle is creating a positive impact for our people, communities, and customers. As an Irish multinational and one of the largest employers in Southwest Ireland, we recognise the significant role we play in providing meaningful and progressive employment opportunities.

Throughout our four decades of supporting community development, nurturing our people and upholding strong governance have been ingrained in our DNA. It is equally crucial that we ensure the creation of a fully sustainable business for the future. This entails not only delivering sustainable services and products, but also conducting our business in a sustainable manner.

The concept of ESG, which measures an organisation's sustainability against Environmental, Social, and Governance targets, has always been close to our hearts at Fexco, even before it became commonly recognised globally.

We acknowledge that we are only at the beginning of our journey in documenting our progress against more structured goals to meet the sustainability challenges of the future. We are also in the early stages of rolling out this programme in a more consistent way across all our markets to ensure we are engaging our staff cohesively, to enable them to contribute to our future direction.

In early 2022, we began exploring ways to formalise and structure the various initiatives taking place

across Fexco's different business units, country offices, and group companies. Given the broad scope of our Group, it was essential to thoroughly understand the extent of our impact — with staff across 29 countries and 240 locations. Having established a clear starting point, we can further enhance the rigour of our efforts moving forward. We



have been deliberate and meticulous in constructing an outcome-focused reporting approach. This approach will enable us to hold ourselves accountable for the commitments we have made.

We are also actively considering how our entrepreneurial approach and history of innovation will contribute to delivering the energy transition required for a net zero future. For instance, through our aviation business PACE, we are assisting the airline industry in measuring and reducing its carbon footprint.

Moving forward, our product roadmap will continue to explore novel ways to support the shift towards a more sustainable economy, such as investing in renewable energy technologies and developing business areas that promote sustainability.

As we build on our core principle, this report will map out how we will work towards creating a lasting positive impact on our planet and shaping a beneficial and sustainable future for all.

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**Neil Hosty**  
CEO



# About Fexco

We are proud to be an Irish Multinational success story. Driven by an innovative spirit and an entrepreneurial ethos, we have created a portfolio of businesses in Payments and Business Services, built on pioneering technology. These businesses have created sectors and changed industries, all with the consistent goal of making our partners' lives easier.

## A legacy of exploration

Fexco has, and continues to play, a pivotal role in creating the future trajectory for Payments, Business Services, and New Ventures. This has brought Fexco to 50 countries, with more than 2,600 staff.

We encapsulate Fexco's impact across the world into three key sectors, all driven by our spirit of innovation.

-  **Payments**
-  **Business Services**
-  **New Ventures**

### Payments

Fexco revolutionised the FX market globally. Now, we play an integral role in delivering FX and payments products to businesses across the world. Essentially, everywhere a traveller transacts, you can find Fexco.

### Business Services

We combine advanced technology, deep industry knowledge, and a customer-centric approach to simplify complex challenges and deliver seamless experiences for our partners and their customers.

### New Ventures

Fexco has a history of building and commercialising solutions in response to emerging business areas. Over the last decade, Fexco has been focused on exploring opportunities in digital transition and the green economy. This has resulted in ESG technologies and platforms, co-created in partnership with domain experts.



## Payments

- Dynamic Currency Conversion
- OpenConnect
- ClearFX
- Corporate Payments
- Retail Foreign Exchange UK & Ireland
- Fexco Pacific
- Fexco Asset Finance
- Metamo

## Business Services

- Managed Services
- Advisory Services
- Prize Bonds
- Aviation Services
- Property Services
- Insurance Claims

## New Ventures

- Platform for Analysing Carbon Emissions ("PACE")
- Energy Transition & Renewables
- Internal Co-Creation
- External Co-Creation
- Venture Capital
- RDI Hub



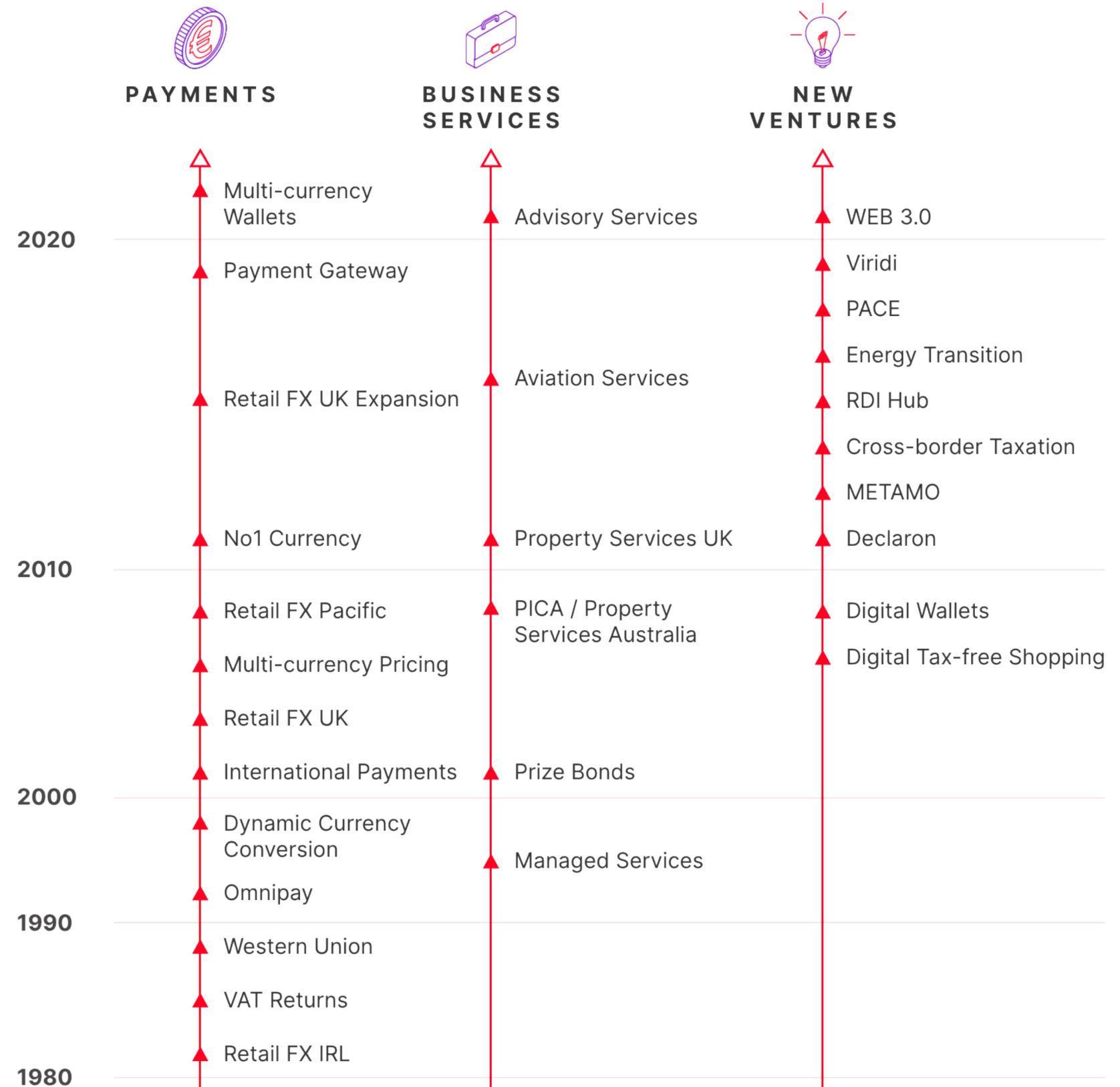
Our Ethos Culture Ambition

In more recent years, we have set our sights on sustainability. This has seen the evolution of our Asset Finance Business to provide financing for small businesses to install renewable energy technologies. In aviation, our Platform for Analysing Carbon Emissions (PACE) business has become the de facto solution for the sector to measure carbon emissions and inform the industry's journey to net zero. We will continue to develop services and solutions to further support sustainability.

Setting aside our business ventures, our 'culture of giving-back' has been central to our identity - recognising the role we play as a key contributor to the communities in which we are embedded. This has included a singular focus on providing employment opportunities, developing our people, and championing local, national, and international charities and causes that support people in need.

At the heart of Fexco is a recognition that businesses have a role in delivering value beyond profitability - that we have a duty to play our part in improving the lives of our employees, their families, and the communities and ecosystems in which we exist.

## Our journey is driven by innovation



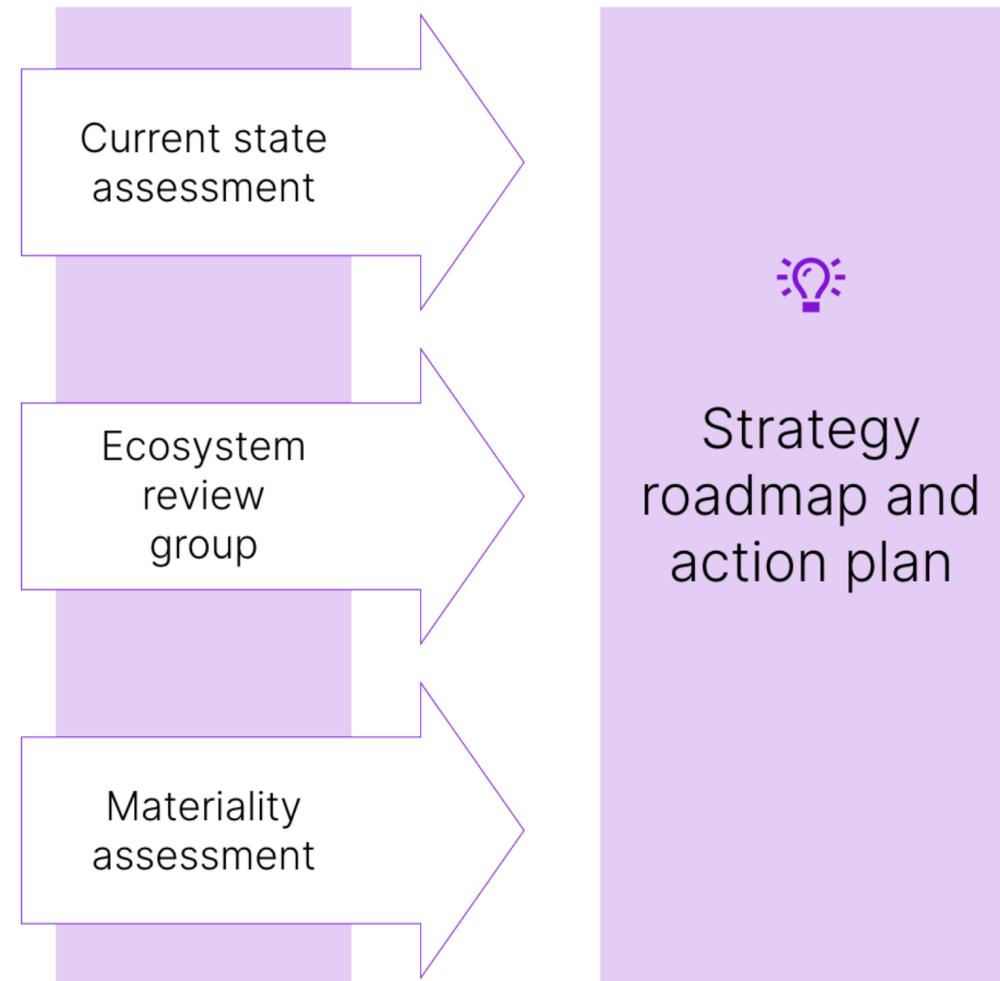
# Fexco's ESG Strategy: focused on authenticity and integrity

## Development of our strategy

In early 2022, Fexco made a commitment to formalise the approach towards our employees, communities, and environmental obligations. Our Executive Leadership Team and key members of our ESG programme dedicated significant time to developing an ESG strategy roadmap, framework, and action plan. From shareholders to employees, there was a shared belief that Fexco should consider its wider stakeholder base. As a result, ESG became the foundation stone of our group strategy, crucial to our success.

We will continue to build upon these foundations, unwavering in our commitment to ESG. We are proud of the progress made so far and excited about the journey ahead.

As a first step, in conjunction with external consultants, we conducted a current state assessment and ecosystem review of Fexco from an ESG perspective that looked at our stakeholders – both internal and external, our peers, the markets in which we operate, and regulatory expectations.



Informed by this comprehensive exercise, a detailed materiality assessment was completed which enabled us to identify our material issues and priority areas, both from a positive and negative impact and risk perspective, across our businesses and locations. We considered best practice approaches, frameworks, and standards, referencing TCFD, GRI, SASB, GHG Protocol, as well as the CSRD draft and existing EU regulation.

The five stages of this process were:

- 1** Defining Fexco's key objectives in relation to environment, social, governance, and sustainable growth.
- 2** Identifying potential material issues across these four pillars.
- 3** Engaging with stakeholders to understand and prioritise these issues, considering both their importance to Fexco and their importance to our stakeholders.
- 4** Developing a materiality matrix, based on this engagement, which considers the objectives within each pillar.
- 5** Executive Leadership and Board validation of the materiality matrix and its alignment with Fexco's overarching ESG objectives.

This culminated in the Fexco ESG Strategy Roadmap – one which reflects who we are as an organisation and what we want to bring to our sustainability journey – authenticity and integrity in our vision, objectives, and implementation. This comprehensive document details our sustainability strategy, framework, and short-, medium-, and longer-term objectives. We reflect this across four pillars – Environmental Stewardship, People and Communities, Corporate Governance, and Sustainable Growth.

## Strategy

<b>Vision</b>	To improve the lives of our people, our communities, and the planet as we deliver on our business objectives.			
<b>Pillars</b>	 <b>Environmental Stewardship</b>	 <b>People and Communities</b>	 <b>Corporate Governance</b>	 <b>Sustainable Growth</b>
<b>Objectives</b>	Reducing environmental footprint and supporting the transition to a low carbon business and economy.	Embedding a diverse, inclusive, and equitable culture for employees and communities.	Aligning leadership, strategies, policies, and monitoring frameworks to a consistent purpose across Fexco.	Investing in the long-term viability of the business by developing innovative sustainable solutions.
<b>Priority Areas</b>	<ul style="list-style-type: none"> <li>• Carbon emissions and energy</li> <li>• Resource efficiency and waste</li> <li>• Water management</li> <li>• Biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>• Local communities</li> <li>• Talent attraction</li> <li>• Employee engagement</li> <li>• Diversity, Equity, and Inclusion</li> <li>• Health and safety</li> <li>• Human rights</li> <li>• Financial inclusion</li> </ul>	<ul style="list-style-type: none"> <li>• Ethics, values, and culture</li> <li>• Cybersecurity, privacy, and data retention</li> <li>• Compliance and regulation</li> <li>• Risk Management, including ESG risks</li> <li>• Environmental and social impacts of investments, products, and services</li> <li>• Responsible sourcing</li> </ul>	<ul style="list-style-type: none"> <li>• Customer responsibility and satisfaction</li> <li>• ESG-related business</li> <li>• Innovation</li> <li>• ESG/Climate opportunities</li> </ul>

ESG Governance – creating the control environment to manage and integrate ESG issues.



Delivering performance outcomes across the UN SDGs



## ESG Governance: embedding our strategy to drive positive change

As a dynamic organisation that has significantly evolved, we understand the major changes required to effectively embed our ESG strategy to create a truly sustainable organisation. Our culture must now be rooted in sustainability, with a collective vision to meet our ESG objectives, and an understanding that responsibility and accountability sits with all of us, across businesses and locations.

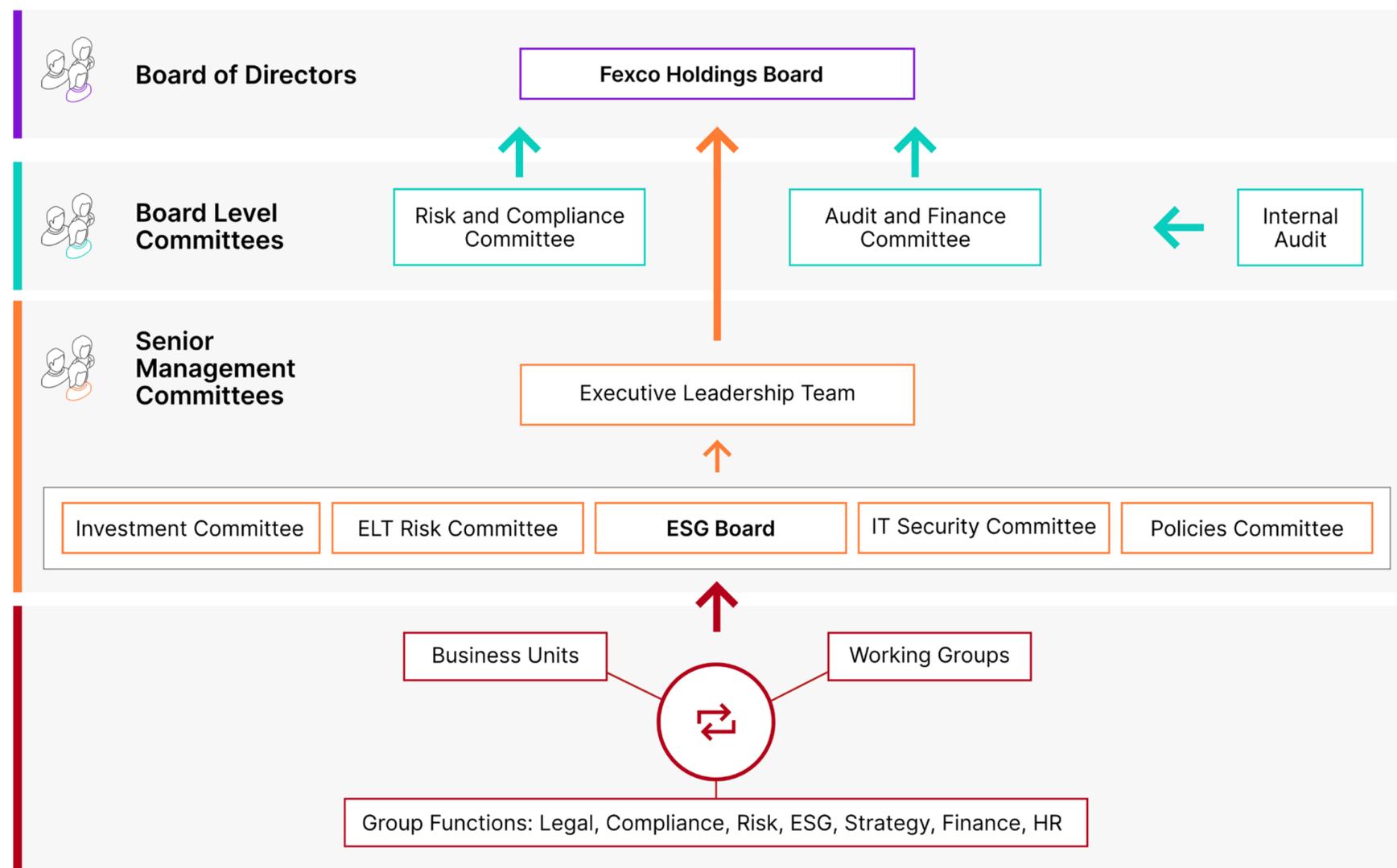
We faced this task with significant strengths - a highly effective and robust corporate governance and risk management structure, developed from Fexco's many years in financial services as a key partner to international financial institutions, banks, and state bodies.

Fexco's overarching governance structure consists of multiple layers of responsibility and oversight.

Using the existing governance framework as a foundation, we have expanded the scope and authority of our ESG governance structure to seamlessly integrate Fexco's ESG strategy and objectives.

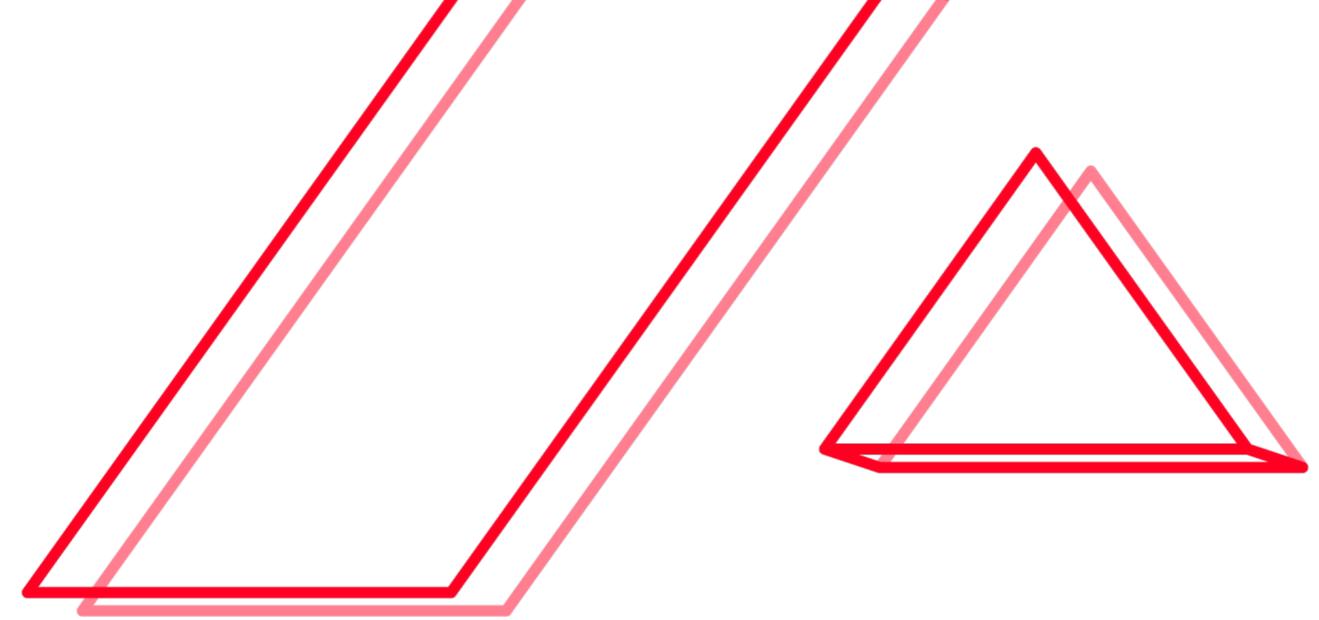


### How ESG is governed



## ESG Board

In 2022 Fexco established the Fexco ESG Board, chaired by the Chief Strategy Officer, a member of the Executive Leadership Team. The nine-member board, which has primary responsibility for the delivery and progression of Fexco's ESG strategy, includes three additional members of the Executive Leadership Team, with the remainder being part of Fexco's Senior Leadership Team.



Board members are:



**Bertie Murphy (Chair)**  
Chief Strategy Officer,  
member of the Executive Leadership Team



**Paula O'Sullivan**  
Group HR Director,  
member of the Executive Leadership Team



**Simon Phillips**  
Director Fexco Retail Foreign Exchange



**Denise Pigott**  
Sustainability Lead



**Nuala Johnston**  
Group Facilities Manager



**Karl Aherne**  
Chief Operating Officer,  
member of the Executive Leadership Team



**Martin Ryan**  
Managing Director of Managed and Advisory  
Services, Chair of Fexco CSR Committee,  
member of the Executive Leadership Team



**Eoin Shields**  
Head of Group Risk



**Cyril Moloney**  
Head of Communications



The ESG Board meets monthly, with members having specific responsibilities and accountability across the four pillars of our ESG programme. Denise Pigott, together with the ESG Team, coordinates and drives the strategy at an operational level, and Simon Phillips, representing our international businesses, supports the global integration of our ESG strategy.

The ESG Board, through the Chair, reports to the Fexco Risk and Compliance Committee on a quarterly basis, and directly to the Fexco Holdings Board every six months, with responsibility for ESG at the Fexco Holdings level being held by the Chair of the Risk and Compliance Committee, Ger O’Sullivan, also a non-executive director of the Group.

To ensure group-wide reach and focus, the ESG Board is further supported in delivering Fexco’s ESG programme through various governance committees, in addition to working groups which feed directly and indirectly into the Board, representing both employees and our businesses across our global locations.

These include:



### **The Environmental Sustainability Working Group (ESWG)**

The ESWG was formed in late 2022 as part of the Group’s ESG governance framework, with specific focus on the Environmental Stewardship pillar. The group currently comprises eleven

Sustainability Champions representing our global businesses in addition to the Sustainability Lead, who steers the group. The Sustainability Champions are supported in their work by ESWG sub-groups within the businesses as well as our ESG and Facilities teams.

The ESWG’s purpose is to drive environmental awareness, initiatives, and expertise both at a group-wide level and within the various businesses throughout Fexco’s global operations, with a view to:

-  reducing energy usage/ increasing energy efficiencies, thereby reducing emissions;
-  increasing the organisation’s use of renewables;
-  reducing Fexco’s waste output, in particular waste going to landfill, and maximising recycling and circularity in our waste management;
-  reducing water consumption;
-  increasing Fexco’s positive contribution to biodiversity and nature across its footprint and beyond; and



 working with other stakeholders across the Group to set and deliver on targets in relation to the above key areas.

### **The People Council**

The People Council was established in late 2021 to support and encourage people initiatives across all divisions in Fexco through the collective promotion and identification of work practices, work events, and social and voluntary activities that offer positive benefits to both Fexco and our employees.

Although established in advance of the development of our ESG strategy, the People Council is now fundamental in driving our people objectives within the People and Communities Pillar. The group has twelve members, representing a cross section of the employee base, including strong executive sponsorship with Paula O’Sullivan, Group HR Director as lead, in addition to Anna Savage, Group CFO, and Martin Ryan, Managing Director of Managed and Advisory Services, onboard.

As Fexco's employee resource group, the People Council exists to nurture and support the professional and personal employee experience at Fexco. Working closely with Fexco's HR teams, the People Council:

- ☒ provides both a voice and opportunities for all employees, regardless of position, location, identity, or orientation;
- ☒ influences policies, practices, and people-related initiatives across the organisation to enhance the organisation's employee experience; and
- ☒ recommends future people improvement initiatives, ensuring alignment of programmes with Fexco's People objectives and key priority areas.

The People Council integrates and interfaces with other groups including Fexco Wellbeing Champions, Employee Engagement Ambassadors, Fexco Women in Payments, Fexco Social Club, and the Flexible and Remote Working Group.





## The CSR Committee

Fexco's CSR Committee is a longstanding institution within the organisation, created to support our communities. It was founded by the organisation's shareholders and reflects their commitment that Fexco, as an organisation, creates and maintains sustainable employment within communities. We invest in and support our communities through significant CSR financial support and sponsorship at a local, national, and international level in areas including:

- ☒ charitable support;
- ☒ education support;
- ☒ community support and sponsorship;
- ☒ sustainability support;
- ☒ culture and arts sponsorship; and
- ☒ sports sponsorship.

The current CSR Committee, responsible for delivering our CSR objectives within our People and Communities Pillar, has eight members and is chaired by Martin Ryan, Managing Director of Managed and



## The ELT Risk and Compliance Committee

The ELT Risk and Compliance Committee is responsible for overseeing day-to-day risk management of the Group, the implementation of the relevant parts of the Risk Appetite Statement, and ensuring the active management of financial and non-financial risks.

The Committee has specific responsibility to review:

- ☒ the Risk Appetite Statement, its implementation, and any associated exceptions;
- ☒ the Enterprise Risk Management Framework and Compliance Framework approaches;
- ☒ emerging risks to the business;
- ☒ updates from the IT Security Committee;
- ☒ updates on Operational Resilience;

Advisory Services, and a member of the Executive Leadership Team.





-  training completion rates, the results of phishing campaigns, open audit items, etc.; and
-  material regulatory updates or material data protection updates.

All nine members of the Executive Leadership Team sit on this committee in addition to the joint General Counsels, the Regulatory Counsel, the Head of Data Privacy, the Head of Group Risk, and the Group Internal Audit Manager.

### IT Security Committee (ITSC)

The role of this committee is to apply its expertise in setting and approving IT security governance and security policies and procedures, evaluating new threats and reducing risk of intrusion, loss of data integrity, and compliance violations.

The ITSC is co-chaired by Karl Aherne, Chief Operating Officer and Eoin Shields, Head of Group Risk. Other members are the Director of Corporate Governance, the Chief Security & Operating Officer Fexco Drive, the Head of IT Security, the Head of Risk and Compliance for PFX, the Group Head of Data Privacy, the Group BCP Coordinator, the Data and Information Systems Manager, the



Head of IT Operations, the Operation & Technical Manager Prize Bonds, and a representative each from Group Internal Audit, Group HR, and Fexco Property Services.

### Innovation Board

The purpose of the Innovation Board is to:

-  provide oversight and visibility of new product innovation activities across the business;
-  overcome divisional silos and ensure cohesive Innovation activity; and
-  provide a mechanism for sharing and discussing prioritisation.

The Board's key responsibilities include:

-  review Future Focus themes and determine which themes should be prioritised for further investigation;
-  review innovation research outputs from an opportunity and threat perspective;
-  review output of New Product Innovation activity and provide

perspective on alignment/ impact regarding Fexco Growth strategy;

-  ensure correct mix and balance in Innovation portfolio in terms of
  - near and far-term Horizon opportunities
  - across Business Model Innovation, Co-Creation and Innovation Ecosystem activity; and

-  agree Innovation KPIs and review progress against these KPIs.

The Innovation Board meets every six weeks, with separate thematic sessions held every six months. The board includes Cathal Foley (Chief Commercial Officer, Fexco Drive), Liz McLaughlin (Head of Product and Innovation Management), Sean Crowe (Chief Commercial Officer, Fexco Group), Bertie Murphy (Chief Strategy Officer, Fexco Group), Martin Ryan (Managing Director of Fexco Managed and Advisory Services), and chaired by Karl Aherne (Chief Operating Officer, Fexco Group).



## Fexco Customer Boards

In Fexco, understanding our customers is not just beneficial, but essential to our business. Traditional avenues like NPS and customer experience surveys provide valuable insights, and we enhance this through the context and human connection of customer facing teams that can be lost if not cultivated deliberately. This is where Fexco's Customer Boards come into play. We have created dedicated, cross-collaborative groups of engaged customer-facing leaders who voluntarily contribute to an International and an Ireland Customer Board to provide ongoing, in-depth feedback which benefits both our long-term customer relations and the commercial potential for our businesses.

Our International and Ireland Customer Boards also add value by enriching the Group's internal culture. They embody our desire to advocate for our customers and fosters a culture of customer-centricity, which has always been a crucial ingredient for Fexco's long-term success.

Customer Boards create a channel for real-time dialogue between Fexco and its customer base. This enables Fexco to capture nuanced feedback that might not be easily distilled through conventional

data analytics or brief surveys. Members of a Customer Board are highly engaged, and offer authentic, candid insights into how our customers experience our businesses.

These Boards can act as an early warning system. Before launching a new product or feature, the Board can provide preliminary reviews which provides Fexco with the valuable opportunity to correct course proactively.

The Customer Boards offer a robust, dynamic, and multifaceted approach to understanding our customers. They not only fill the gaps left by traditional feedback mechanisms, but also offer strategic advantages that can significantly impact both customer satisfaction and the bottom line for Fexco.

## Corporate Sustainability Reporting Directive (CSRD)

As a large private organisation within the EU, Fexco will be required to report under CSRD in 2026, based on 2025 ESG data. A significant focus over the next year will be ensuring that our reporting meets the requirements of the Directive, delivering quality data and reporting in line with the related

European Sustainability Reporting Standards (ESRS) on Fexco's material ESG areas. This work will draw on the specialist skills and knowledge being developed by our ESG, Risk, Finance, HR, and Strategy teams to support our businesses and the organisation in delivering on our CSRD obligations.



# Our Environmental Stewardship: developing solutions with lasting impact

Headquartered in the Reeks District in Southwest Ireland, in a region with multiple areas of special protection and conservation, Fexco has always been conscious of its environmental commitments. As an organisation, with businesses and employees located in six of the seven continents, we are acutely aware of the impacts of both the climate crisis and biodiversity loss in our communities.

Driving Fexco’s environmental efforts within the group is our Environmental Sustainability Working Group (ESWG), with members representing our global businesses and locations. With the support of the ESG Board and the Executive Leadership

Team, Fexco’s Sustainability Champions (and their subgroups within our businesses and regions), are working with our Facilities’ managers and teams, focused on delivering positive change across four key areas:



Emissions and energy



Waste and circularity



Water



Biodiversity

## Measuring and understanding our global presence

As a global organisation we are cognisant of the scale of the climate crisis and the commitments and actions required by all to deliver Irish, EU, and global targets. We are not underestimating what this means for Fexco, as a diversified multinational with 240 locations scattered across the planet, many of which are leased. Our focus, therefore, in the last year has primarily been on developing a more detailed understanding of our individual locations, including

local factors such as state environmental regulations, policies and climate action, and infrastructure (e.g., waste management/recycling, renewable energy), and taking into consideration regional cultures and traditions.



### Environmental metrics

We have developed internal metrics for energy and emissions, waste, and water based on current best practice, including GRI, TCFD, and GHG Protocol, enabling us to drive progress using our data, with this evolving over the next year as we build in the requirements of CSRD. Rollout globally of our environmental reporting is ongoing, reflecting local challenges, particularly in relation to waste and water metrics where infrastructure and services are less advanced. Available metrics, both quantitative and qualitative, are considered monthly at an ESG Board and working group level, and are reported more widely through our ESG governance structure on a quarterly basis.

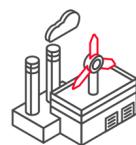




## Carbon footprint

Global reporting has been achieved across Scope 1 and 2 in relation to Fexco's GHG emissions, with the Group setting 2018 as its baseline year. Our current focus is delivering BAU GHG reporting for our consolidated organisation regarding Scope 1 and 2, which will be followed by layering in Scope 3 emissions.

## Progress on initiatives



**Reducing our dependence on fossil fuels** – Having invested time in understanding our global locations, we know our Scope 1 and Scope 2 emissions outside of Ireland primarily relate to the electricity we purchase, with a much lower impact coming from the motor vehicles we use. In Ireland, where most of our locations are owned, we also use fossil fuels for heating our buildings. To reduce our use of fossil fuels, either directly or through the electricity we purchase, we delivered the below this year:

- investment in renewable energy through the installation of photovoltaic panels at our Killarney Road building in Killorglin, which is expected to provide c. 50% of our current energy needs for this site;



upgrading the existing heating systems in our other Killorglin buildings to significantly reduce fossil fuel dependency;



in our Irish operations that previously used LPG as the heating source, we have switched to biofuels;



where possible, we are purchasing renewable energy from our Irish electricity providers;



we have installed EV charging points across our Irish owned property portfolio and are investing in fleet EVs as existing vehicles are retired. Our EV charging points are also available for staff to charge their personal EVs to encourage their move to cleaner transport; and



in Samoa, we have commenced a solar air conditioning unit trial within our leased property portfolio. If successful, we will roll out further as units come to end-of-life.





## Environmental initiatives

In tandem with the above actions, the organisation is delivering wider positive environmental changes. This is driven by the ESG and its sub-groups, together with our facilities teams, driving initiatives at a groupwide and local level, both large scale and small, and focusing on employee awareness and engagement.



**Reducing our energy needs** – Using clean energy is clearly important but we know we also need to reduce our energy needs. Our property portfolio consists of owned office buildings, and both owned and leased office space and retail stores. Consequently, the equipment we use and how we use it significantly impacts the energy we require. Steps we have taken to reduce our energy consumption include:



updating our computers, laptops, and other office equipment to ensure their energy efficiency;



installing sensor lighting in our owned buildings and updating all Irish lighting to

LEDs, with the majority of our UK locations also upgraded; and



this year we invested in an energy metering system to inform energy reduction plans across our Irish owned properties.



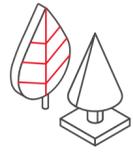


**Waste and water** – As a service organisation, we are committed to reducing waste and water consumption, even though the amounts produced may not be significant. We have implemented water efficiency sensors and infrastructure solutions in our properties, resulting in significant water savings. We work with reputable waste management service providers to properly handle our waste streams and educate our employees on waste segregation. However, we acknowledge that more needs to be done, particularly in our international locations where waste and water management may be less regulated.

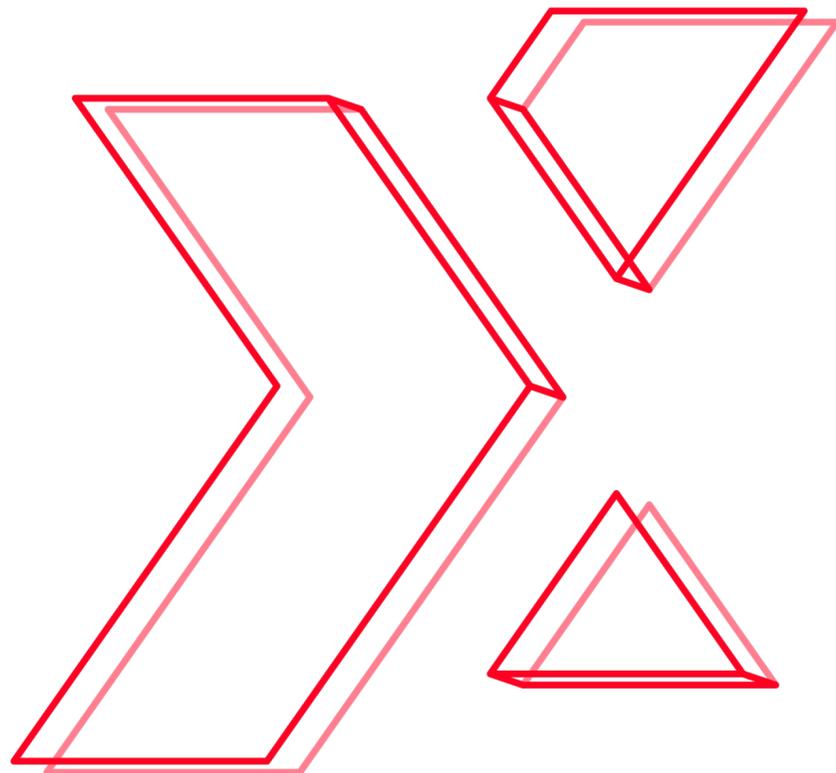
Our waste and water initiatives have primarily focused on our operations in Ireland due to their scale and existing regulations. We conducted audits of our waste streams to understand their processing after leaving Fexco locations. We also reviewed our water metering and infrastructure in collaboration with Uisce Eireann and local councils to ensure proper functioning and address any leaks. These efforts have provided a foundation for developing detailed plans to minimise waste and water volumes.

This year, we successfully eliminated plastic bottles from our Irish and UK locations, leading to a significant reduction in our international footprint. Additionally, we have joined Munster Technological University's Circular Bioeconomy Cluster Southwest to support our transition towards a more circular economy.





**Biodiversity** – Unlike many organisations, Fexco’s Kerry offices have significant green space, in areas of outstanding natural beauty and importance. Our sites are planted with mixed species, including pollinator-friendly plants, and are maintained without the use of harmful chemicals. But we know we can do more, given the potential of our sites and their locations. We are currently engaging with a consultant ecologist, specialising in the protection of native flora and fauna, to develop tailored action plans for our Irish sites. This comprehensive exercise, which includes habitat mapping, is considering the ecosystems in the wider environs of each site, thus ensuring our future positive contribution to local biodiversity.





**Increasing employee engagement** – An important focus of our environmental stewardship strategy has been engaging with our employees globally, developing their understanding of our commitments, and enabling their participation, through training programmes, communication sessions, and the network being developed by our Sustainability Champions. We are continuing to expand our channels, through our internal social media channels, newsletters, and environment events. Highlights from this include:



Fexco's Earth Day 2023 hybrid event, featuring Dr Paul Deane, University College Cork energy scientist, focusing on climate and energy.

The event also included video contributions from across the globe on the impact of climate change on employees' personal and professional lives.



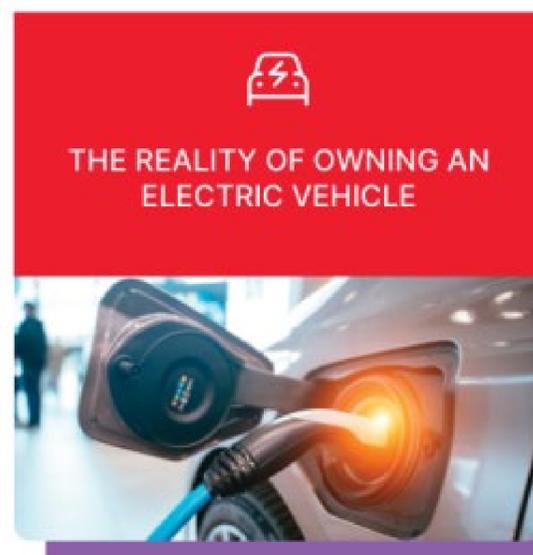
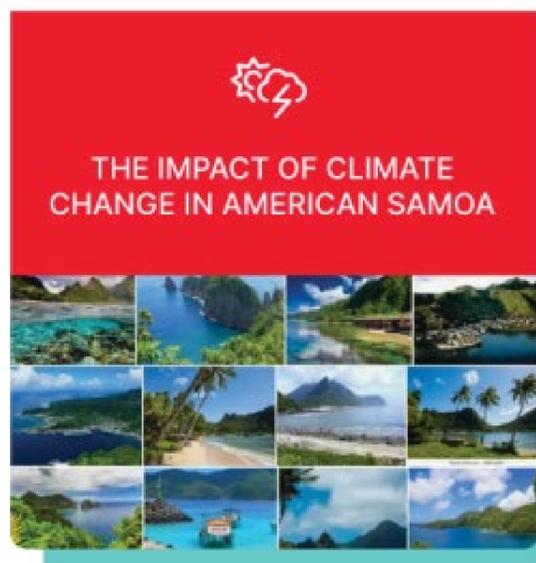
To coincide with Earth Day, Fexco Property

Services issued a challenge to its fellow UK colleagues as to who could grow the tallest sunflower.



Launch of the ESGW's quarterly environmental newsletter.

# Environmental Stewardship



## Fexco Global Green Week 2023

Our inaugural week of fun, raising awareness, and getting engagement on all things environmental across our businesses and locations took place in September, organised by our ESWG.

Highlights from the week reflect the diversity of Fexco's people, cultures, and environments, but all were aligned in focusing on our core priorities within Environmental Stewardship - Carbon Emissions and Energy, Resource Efficiency and Waste, Water, and Biodiversity.

In American Samoa and the Cook Islands activities like the community WAVE and massive clean-up campaigns not only promoted environmental awareness but also engaged participants in hands-on efforts to address waste management issues.

Fiji's green trivia and online sessions with climate change experts contributed to raising awareness about energy conservation and the importance of mitigating climate change impacts – a real problem for the region.

Samoa's landfill visit shed light on waste management challenges, emphasizing the importance of waste reduction and recycling efforts to conserve resources and minimise environmental impact.

Tonga's initiatives, including growing vegetable gardens and attending climate change presentations, addressed the importance of water conservation and

sustainable agriculture.

In the UK, Retail FX and Fexco Property Services (FPS) both rolled out themed daily events across their locations, including energy reduction and green commuting, circularity, and a biodiversity discussion by FPS' in-house horticulturalist. However, the showcase of the UK events was the finale of the Fexco UK inter-group sunflower growing competition, a fun, yet environmentally informative activity.

In Ireland, Green Week events were wide ranging, including groupwide awareness sessions, quizzes, and a Recycled Monster art competition. Locally, our Sustainability Champions held biodiversity walks, a 'Swap Shop' and discussion on fast-fashion, with Facilities kicking off their waste management education programme.



## Our People and Communities

Our people and the communities we serve are at the heart of Fexco. Our ESG strategy now brings structure and a renewed awareness of our strengths in these areas.

### Our People: ensuring our colleagues thrive

We believe that our real competitive advantage lies in our people. Our past, current, and future success is dependent on engaging, nurturing, and listening to them. We are proud of our special culture and shared values – a warm and familial environment, which is also professionally challenging, and seeking to push the boundaries. Our global HR functions, led by our Group HR Director, are passionate and proactive advocates for our employees. As a further support, the People Council was established as a channel for our people. It is a collaboration of representatives from across our businesses that discusses and progresses people-centric initiatives. The many working and social groups ensure employees' voices are heard, and act as ambassadors and promoters, encouraging participation, creating awareness, and giving feedback.

Fexco's key focus areas for our people are:

-  Employee engagement
-  Employee wellbeing
-  Employee learning and development
-  Diversity, equity, and inclusion



*RFX Employee Service Celebrations*

### Employee engagement

We have always been committed to building an environment where everyone is supported, feels rewarded and of value, and can reach their full potential.



We have developed a range of benefits for our employees:



## Remuneration and benefits

We operate a Pay for Performance model within Fexco, engaging with independent third parties across the organisation to support us in benchmarking our pay and benefits against the market to ensure we are offering fair and competitive remuneration across our various locations. Benefits include a defined contribution pension scheme, bonus schemes, health insurance subsidy, death in service insurance, and professional subscription fees.



## Leave entitlements

Additional annual leave based on length of service, with other paid leave including maternity, paternity, adoptive, compassionate, wedding, and sick leave. Fexco also provides an additional annual leave purchase scheme.



## Flexible working policy

During COVID-19 our employees gave above and beyond from their homes to ensure Fexco's future. Since then, we have maintained a flexible and hybrid working policy, where feasible. Our people are fully equipped to work from home, with their home working environments assessed from a health and safety perspective.



## Right to disconnect policy 2023

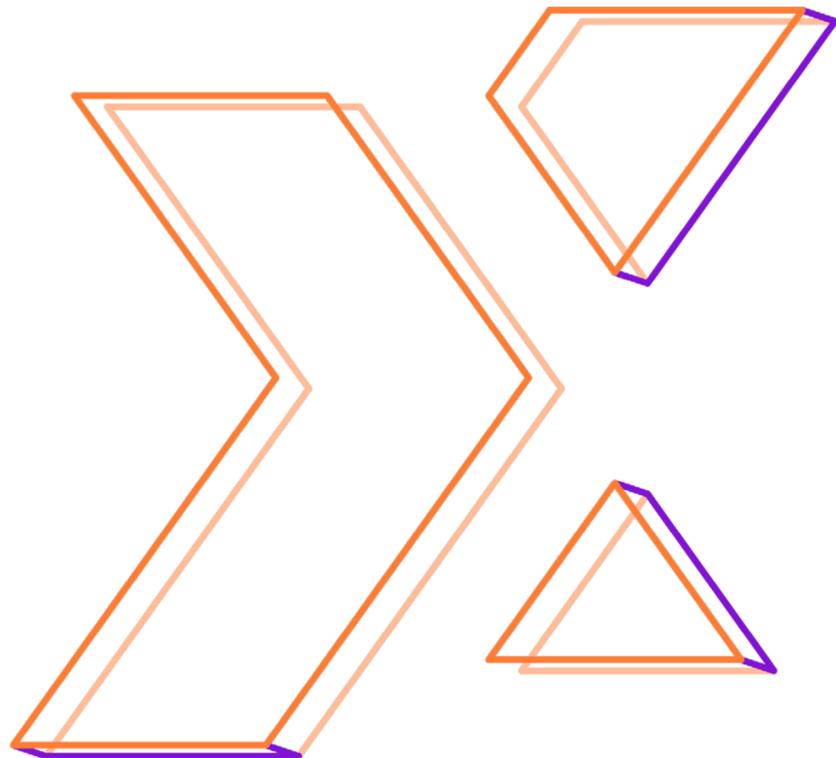
Conscious of the blurring of boundaries when working from home, Fexco developed a Right to Disconnect policy this year. We encourage and support all our employees in balancing their working and personal lives, and in prioritising their own wellbeing, to achieve a healthy and sustainable work-life balance.



# Our People



**Fexco Family Insights** - In 2021 we engaged external consultants to conduct a confidential employee engagement survey across the Group regarding their experience working at Fexco. This initial survey provided a tangible baseline to assess our progress, and having listened, we created local working groups to address feedback and areas of concern. We are delighted to see the benefits of these efforts and in 2023 we continued to make progress, with engagement scores above national benchmarks in Ireland and the UK, our primary employment areas. This feedback remains crucial to help us plan and adapt so we can all thrive and build upon the progress we have made.





**Employee Service Awards** - In March 2023, Fexco held the Employee Service Awards, recognising 107 employees from across the globe who, during the period of 2020-2023, achieved 20, 25, 30 and 35+ years of service with the Group.

-  20 years' service - 39 employees
-  25 years' service - 36 employees
-  30 years' service - 18 employees
-  35 years' service - 14 employees

This special occasion was hosted in our Killarney Road office and gave us the opportunity to celebrate employees who have dedicated much of their lives to working at Fexco and helping to make it a unique and special place. Included in those recognised that day was our founder and former chairperson, Brian McCarthy. In total the organisation has 123 employees with greater than 20 years' service, with 16 more due to reach that accolade in the next year.



## Fexco Be Well

Be Well is Fexco's award winning employee wellness programme, focusing on both the physical and mental wellbeing of our people, with the objective of ensuring a happy and healthy workforce. This programme has been developed and expanded over recent years, building on the capabilities of hybrid and virtual events and, in particular, ensuring our employees wellness was supported during the challenge of COVID-19's remote working and isolation.



### Wellbeing Champions

We have established a team of Wellbeing Champions across the Group to help deliver, evaluate, and sustain a comprehensive wellbeing programme. The Wellbeing Champions gather ideas and opinions from all our employees across each business area regarding their health and wellbeing concerns which inform our initiatives and supports. Additionally, they take an active part in driving and promoting activities and events, encourage use of relevant health and wellbeing opportunities, and signpost colleagues to relevant resources and services.



### Employee Health

In addition to annual initiatives such as health stations for a health assessment, flu vaccinations, and providing vouchers for eye testing, post-COVID-19 we have increased our focus and conversation in relation to mental health and wellbeing. Fexco has trained Mental Health First Aiders (MHFAs) and Mental Health Champions (MHCs) across the organisation, to provide support and initial help and guidance in an understanding and empathetic way.



### Employee Assistance Programme

Fexco provides a confidential support service across all Fexco locations to all employees and their family members through Workplace Options.



### Wellbeing Webinars and Workshops

Throughout the year we run wellbeing workshops and webinars. These sessions cover a wide variety of interesting topics on wellbeing.





## Fexco Social Club

We have a dedicated Social Club Team who organise many social events for employees throughout the year.



## Fexco Walking Club

Given Fexco is headquartered in Killorglin, surrounded by both the McGillicuddy Reeks and the Brandon Range, it is not surprising we have a very active walking club, culminating in our now annual Three Peaks Challenge.



## Fexco Togetherness Week

This is a new annual groupwide initiative where we look to celebrate the diverse nature of our employees, featuring events, talks, and employee initiatives including:



### Fexco Family Global Cookbook

As part of Fexco's annual Togetherness Week, employees around the world submitted recipes for our Fexco Family Cookbook. It contains recipes which have meaning to our colleagues, whether that be a secret family recipe, a delicious dish had whilst on holiday, a dish which represents their heritage, or simply just something others would enjoy.



### Fexco Spotify Playlist

We also compiled a playlist, with employees sending in songs that were meaningful to them or represented their culture. Once curated, this was shared with employees in the run up to the Pieta House Darkness into Light Walk.



### Fexco Daily Events

The week saw daily mindfulness and yoga sessions, as well as mental health and resilience talks by both internal and external speakers, including David Gillick.



## Developing our people

We like to push the boundaries, bringing our curiosity and fresh thinking to deliver solutions across our diverse businesses and beyond. This is possible through our adaptive Learning and Development (L&D) strategy, where L&D specialists across the Group work with our businesses to assess and design supports and programmes to meet local needs and ensure maximum impact, while reflecting the complex needs of our people, businesses, and stakeholders.

### Our supports and programmes include:

- ☒ providing challenging and rewarding job and development opportunities to facilitate our employees' career development;
- ☒ supporting on-going and appropriate learning opportunities through:
  - on the job coaching;
  - continuous on-site training;
  - technical and functional upskilling;
  - talent assessment and development;
  - training courses via our training management system, LeaP, and through bespoke LinkedIn Learning programmes;
- ☒ programmes tailored to meet the needs of our existing leadership teams to ensure they are

equipped for their own roles and to support the organisation and their teams;

- ☒ Fexco's LEAD Programme: a partnership development programme with the Irish Management Institute that supports the development of future leaders within Fexco;
- ☒ providing the full tuition costs, exam fees, and paid leave for qualifications that are necessary for a role;

☒ an inclusive Performance and Review Framework;

- ☒ Fexco Career Hub which provides career guidance, supports, and opportunities for our employees to progress; and
- ☒ Fexco Mentoring Hub, providing mentoring to our employees.



## Diversity, Equity, and Inclusion (DEI)

We want our people to be their genuine selves within our organisation, to feel part of Fexco just as they are. We also require integrity from our employees, in their interactions with each other and our stakeholders. We know a diverse, equitable, and inclusive Fexco makes it stronger, more successful – and happier. Fexco strives to be an organisation which respects diversity including but not limited to sexual orientation, age, gender, race, ethnicity, disability, civil status, personality, thinking style, and religious beliefs - where our people are seen, heard, valued, and empowered to succeed.

In 2023, we are focusing on further improvement when it comes to our DEI policies. Our global Diversity, Equity and Inclusion code was published in February, and in this we commit to:

-  living the Fexco Values of Innovative Partnership, Teamwork, Integrity & Trust, and Diversity, and ensuring these are the cornerstone of our work environment, policies, and practices;
-  treating all our employees equally and fairly throughout their career with us;
-  providing policies and practices that support our employees in managing a positive work-life balance.;
-  continuing to invest in and provide



development opportunities that are accessible to all and empower our employees to progress their careers;

 ensuring all committee structures in the organisation include a diverse range of skills and representative voices, to support inputs and decision making, such as the People Council and our Wellness Champions;

 providing employment opportunities for those with additional needs and ensuring accommodations are made where required to support employees in reaching their full potential;

 raising awareness of our own unconscious biases through formal training and challenging ourselves and our communications in terms of fairness and equality for all;

 working together and creating a positive working atmosphere which promotes strong morale and team spirit; and

 responding quickly and responsibly to any complaints of discrimination, victimisation, intimidation, harassment, bullying, or misconduct.

It is further supported by the following policies:

- Code of Conduct
- Accessibility in the Workplace Code of Practice
- Anti-Bully and Anti-Harassment Policy
- Discipline & Grievance Procedure
- Employee Wellbeing Policy
- Employment Equality Policy
- Flexible Remote Working Policy
- Health & Safety Statements
- Educational Assistance Policy

Our Executive Leaders underwent an inclusive leadership programme focused on inclusivity, unconscious bias, and other diversity, equity, and inclusion (DEI) areas throughout the year. We aim for a 50:50 gender balance in our programmes, such as the LEAD and Intern Programmes. While our organisation currently has a majority of female staff (57% in 2023), we recognise that gender distribution varies across different levels, functions, and businesses. We are working on improving gender representation across all areas, and we have seen progress in promoting women to board and executive

positions over the past two years. In 2023, 60% of internal promotions went to female colleagues.

## Fexco's Women in Payments (WIP)

inspires and supports women to reach their full potential. It provides employees with access to invaluable peer support circles, runs events on a variety of topics, provides industry insights, skills training, and partners with Group HR to support and promote various HR initiatives to their members.

**30% Club** - We are a member of the 30% Club, a global campaign led by Chairs and CEOs taking action to increase gender diversity at board and executive committee levels by highlighting the importance of gender diversity and inclusion in leadership.

**DEI Events in 2023** include our Togetherness Week in April, in which we celebrated the culture and diversity of the organisation, regular events by the Fexco Women in Payments (WIP) including webinars and masterclasses throughout the year, and the WIP annual event in September.

## The 2023 Women in Payments Conference

event continued to push the conversation on DEI with guests and speakers including a selection of global industry leaders, partners, and customers, who contributed to insights on not only DEI, but a diverse range of topics including sustainability and AI.



Fexco Women in Payments Conference



## Our Communities: focusing on empowerment and giving back

We are proud of the global organisation that we have built. But we are deeply conscious of and grateful for our roots and the communities that enabled our growth and can-do attitude. Our relationship with Killorglin, where we are headquartered, and our wider community in Kerry, can be described as symbiotic – one wherein we, our people, and the community have all mutually benefitted. We do not take this for granted; instead we recognise this as an asset and strive to bring this community engagement and participation to our wider national and international communities.

### Fexco CSR Giving Programme

We maintain close links to the communities in which we operate and are committed to creating and maintaining sustainable employment from Killorglin, in Kerry, to our locations across the globe. We invest in and support these communities through significant CSR financial support and sponsorship at a local, national, and international level across initiatives covering charity, education, community support and sponsorship, culture and arts, sustainability, and sports sponsorship.



CSR initiatives must deliver one or more of the following benefits within the relevant community:

- ☒ positively engage with the communities in which Fexco operates;
- ☒ positive contribution in the national interest;
- ☒ positive contribution to the countries in which Fexco operates;
- ☒ support relief for natural disaster or conflict;
- ☒ support initiatives that promote care in the community and community cohesion;

- ☒ create a sustainable future for our communities;
- ☒ protect the rights and dignity of the communities where Fexco operates in; and
- ☒ reflect and promote Fexco's values.

Some highlights from our Giving Programme:

## FEXCO X CSR Giving Activity - 2023 Report

We promote a culture that endeavours to make a positive impact across societal, environmental and economic levels, at a local, national and international level.

### Ongoing Support Of



- Junior Achievement Ireland
- Business in the Community Programme
- All-Ireland STEM Passport for Inclusion Programme

### Local Annual Support



- Ring of Kerry Cycle Support
- Puck Fair Support
- K-Fest Support
- Kerry Cancer Support Bus

### SLT Giving Day



- 500 SLT Hours volunteered in May 2023
- Kerry Parents & Friends
  - St. Mary's of the Angels
  - St. Joseph's Home
  - Killorglin Resource Centre

### Grass-Roots Support



Sponsorship of the men's international Tonga Rugby team aligning with our commitment to supporting communities in which we operate, and significantly contribute to the development of rugby at the grassroots level in Tonga.

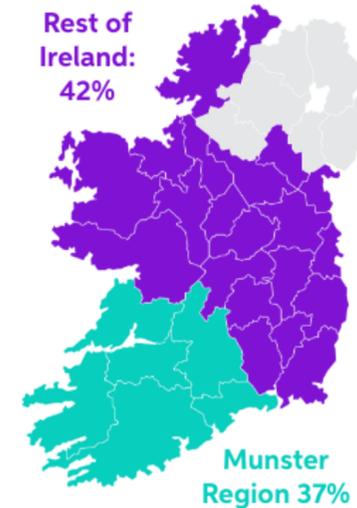


### Fexco Giving Fund Distribution

Charitable Support	23%
Community Support & Sponsorship	34%
Culture & Arts Sponsorship	16%
Education Support	9%
Relief Support	6%
Sports & Social Sponsorship	12%

In 2023, our continued CSR financial support, investment and sponsorship from the Fexco Giving Fund amounted to over 2% of Fexco's annual profit donated at a local, national and international level.

### Global Fund Distribution



Rest of the world: 21%



### Benefits

- 31% of all fundraising and sponsorships positively engage with the communities in which Fexco operates.
- 27% of all fundraising and sponsorship support initiatives promote care in the community and community cohesion.
- 16% of all fundraising and sponsorships reflect and promote Fexco's values (diversity, teamwork, integrity & trust, innovation).
- 20% of all fundraising and sponsorships protect the rights and dignity of the communities where Fexco operates in.



### Togetherness Week 2023

- Global Darkness into Light/ Togetherness Week May 1<sup>st</sup> - 6<sup>th</sup> 2023
- Donations to Pieta House, totalling €8,000 from Fexco, with over €2,400 being contributed directly from Employees.



### National Charities

- Annual Trocaire support
- GOAL Earthquake South East Turkey & Northern Syria Support
- Irish Pilgrimage Trust Support
- Focus Ireland - Christmas support totaling €10K



### International Support

Ongoing charitable initiatives across Fexco's international locations, both aligned to HQ initiatives, and run locally to directly benefit the communities in which we operate.

## Tonga Tsunami

In January 2022, the massive undersea volcanic eruption of Hunga Tonga–Hunga Ha’apai sent shockwaves across the globe and resulted in two devastating tsunamis and the release of plumes of soot, water vapour, and sulphur dioxide impacting Tonga, with an estimated hit to the local economy of around US\$182m and the devastation of buildings, roads, and communities themselves. Fexco and our people across the Pacific Islands were quick to support our colleagues in Tonga and their wider community with the relief efforts and contributed to the Red Cross, and direct to local relief efforts.

## Tonga Rugby

This year Fexco announced the sponsorship of the men’s international Tonga Rugby team by Fexco and No1 Currency, our Retail FX brand, extending through 2023 and into 2024. This marks a significant milestone for Fexco as it represents our first sponsorship of an international rugby team. It aligns with our commitment to supporting communities in which we operate and further establishes Fexco as a truly global brand. It will significantly contribute to the development of rugby at the grassroots level in Tonga, making the sport accessible to players of all ages and abilities.

## Cancer support

Fexco is a long-standing supporter of Kerry Cancer Support Group’s Health Link Bus, a vital local service since 2010. Its 30-seater bus, funded solely from sponsorship and fundraising, travels to Cork hospitals five days a week bringing the service user for treatment free of charge.

## Ukraine

In response to the massive humanitarian crisis caused by the outbreak of war in Ukraine in early 2022, Fexco set up an urgent response group to provide immediate financial support, accommodation, and importantly, established a welcoming supportive community for the incoming Ukrainian families in Kerry. Our support is ongoing to these families, working in conjunction with public services, other community groups and organisations, to ensure a holistic and enabling support framework.

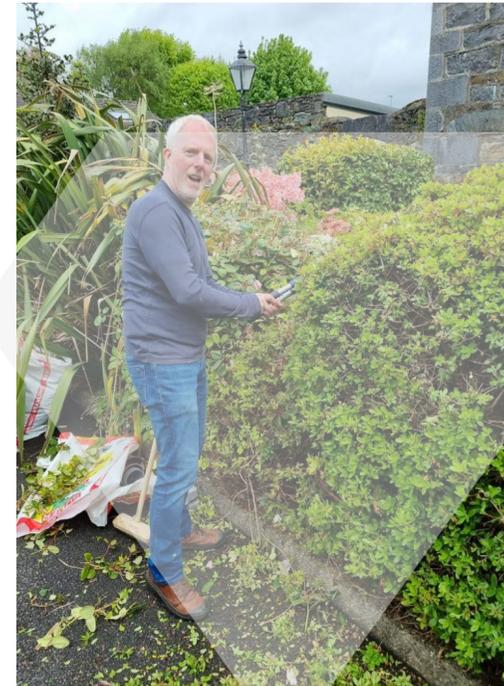


## Giving back to our local communities

Fexco employees have a long tradition in volunteering within our communities, be it fundraisers, sporting events, and school and community programmes. To add to this, we created more structured volunteering initiatives, starting with Fexco's Senior Leadership Team (SLT) in May 2023. This saw our SLT across Fexco get together to contribute 500 hours of work within community projects in Kerry.

Supported projects included:

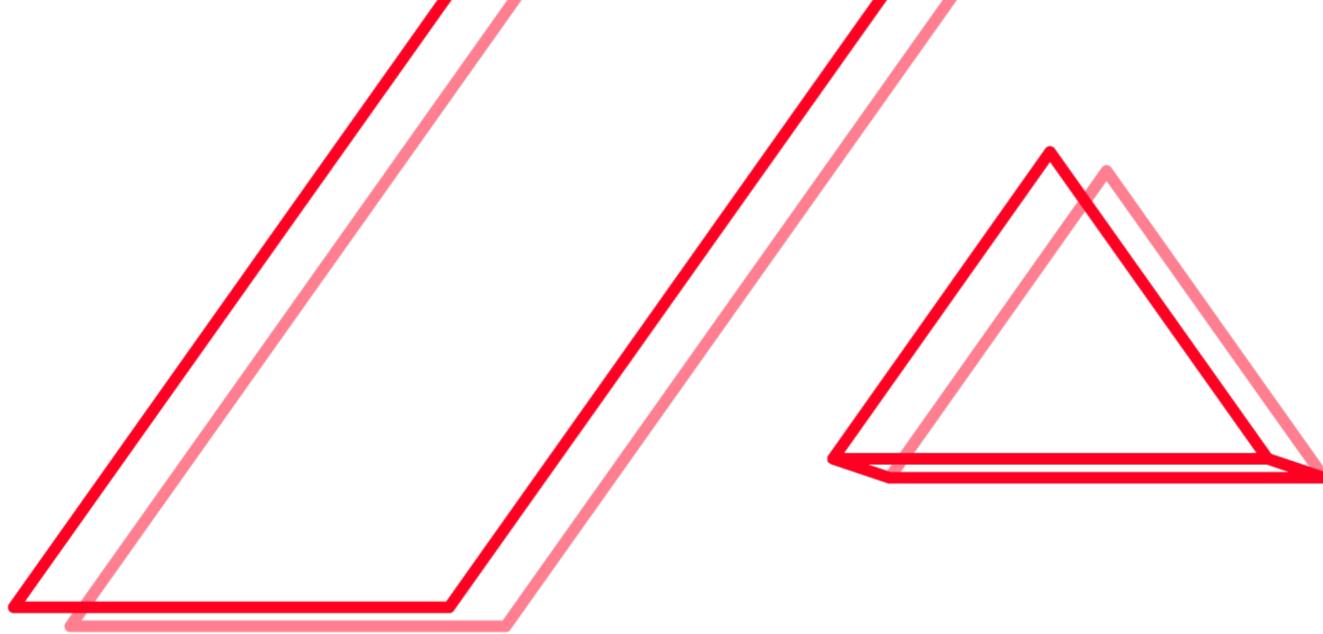
-  St Joseph's Home is a purpose-built home for the elderly, providing varying levels of residential care in addition to hospice services, situated in Killorglin;
-  Killorglin Family Resources supports families, individuals, and young people, in the Mid-Kerry area;
-  St Mary of the Angels in Beaufort, part of Saint John of God Community Services, is a very special home and community providing full-time residential care for 75 adults with intellectual disabilities; and
-  Kerry Parent and Friends Association, Killarney, is a voluntary organisation committed to the delivery of life enhancing services to people with an intellectual disability in Kerry, connected to support networks in their communities.



# Our Communities

Supporting mental health:  
Pieta House's 'Darkness into Light' and UK Mind





Ring of Kerry Sponsorship



K-Fest visual and performing arts festival Sponsorship



Interfirm Blitz and Quest Adventure Series



## Time to Read and Time to Count

Since 2015, Fexco employees in our Kerry locations have volunteered in the Time to Read and Time to Count programmes, national initiatives by Business in the Community Ireland, aimed at improving the literacy and numeracy levels in primary schools.

## Junior Achievement Ireland (JAI)

JAI is a not-for-profit organisation which has programmes designed to give students an appreciation of the value of work and enterprise and prepare them for the world of work. Fexco is delighted to be partnering with JAI to teach Business, Entrepreneurial, and STEM skills to schools in the Kerry area.

## STEM

Our joint initiative with Munster Technological University and Kerry County Council resulted in Fexco funding a technology lab in the RDI Hub to support Maynooth University's STEMP Inc Passport for Inclusion Programme, a programme empowering young women from DEIS schools to see themselves differently, encouraging them to take STEM as a career option. Over the 2023-2024 academic year 500+ transition year girls from across Munster will participate in the programme, in conjunction with MTU, covering areas including learning to code, managing data, and design thinking. To further support STEMP Inc, Fexco is creating the FEXCO

STEM Passport for Inclusion Award to further incentivise participants.

## The Arts, History and Heritage

Fexco has been privileged to fund the Atlas Series by Dr John Crowley of University College Cork. This series of award-winning books, which received wide acclaim nationally and internationally and inspired various documentary projects by RTE and ARTE, includes the Atlas of the Great Irish Famine (2012), the Atlas of the Irish Revolution (2017), and the Book of the Skelligs (2022), with his latest project being the Atlas of the History of Irish Sport.



# Our Corporate Governance: committed to delivering excellence

As a key player within financial services and payments globally, Fexco's reputation is critically important. Over the last 40 years, we have invested significantly, both financially and in developing competencies, policies, and controls, to ensure our reputation remains intact, being one of honesty, service excellence, and a trustworthy partner.

We presented the robust approach taken in developing and structuring our ESG strategy earlier in the document. This section looks at our operational and ongoing progress to ensure excellent standards in business conduct, with both internal and external stakeholders and those within our value chains, in addition to our approach to ESG risk management.

Fexco's key focus areas in this pillar are:

-  **Ethics, Values, and Culture**
-  **Cybersecurity, Privacy, and Data retention**
-  **Responsible Sourcing**
-  **ESG Risk**

## Fexco ethics, values, and culture

We do not see sustainability and ESG as a compliance issue. Our objective is to have sustainability and ESG at the heart of what we do, internally together and in how we deliver our services and interact with our stakeholders. Such a focus is not a new concept in Fexco. Key to our success over the years has been the Fexco Code of Conduct, embodying the standards by which we do business and reflecting our core values. Our success is built on integrity-driven performance as well as complying with the regulatory, legal, and ethical requirements of the markets in which we operate. Our employees are required to follow both the letter and spirit of the Code in their dealings with others, both internally and externally. We further reinforce our commitment to regulatory compliance, high standards, and service excellence through internal policies, overseen by our Policies Committee.



In the last year we have formally extended that focus and conversation to include our environmental values in addition to our social and governance ones, with the development of our ESG strategy. We are addressing this through ongoing internal communications by our Executives, senior leaders, and operational teams across the Group, making ESG part of our daily and operational narrative.

We also understand the breath and challenge of ESG, given the pace of change in regulation and requirements, in addition to the reality of addressing the climate crisis. Educating and empowering our various stakeholders is a necessity for them to contribute and deliver on our objectives. We have developed, as part of our ESG programme, a range of resources, including external and internal trainers, tailored and bespoke courses, and using existing L&D resources, such as LeaP and LinkedIn Learning.

Within Fexco we have taken a **three-tiered approach** to our training with our key audiences.:

- 1** Shareholders, Fexco Holdings Board, and Board Committees.
- 2** Those involved in steering and implementing ESG operationally - our ESG Board and its supporting working groups, the ESG Team, our Facilities staff across the globe. This tier will expand as reporting requirements under CSRD and other local regulations are enacted.
- 3** All Fexco employees.

## 🛡️ **Cyber Security, Privacy, and Data Retention**

Fexco is the payments and foreign exchange partner of choice for leading financial institutions globally, processing billions worth of transactions on their behalf. Consequently, Fexco takes the area of security extremely seriously and continues to invest in security capabilities to ensure the confidentiality, integrity, and availability of our services and systems. The IT Security Committee meets monthly to review security metrics, project statuses, audit results, budgets, and policies, with review of policies and tabletop exercises undertaken annually.

## **Accreditation and Auditing**

We have ISO 20000, ISO 27001, and PCI-DSS accreditations. Our internal audit department assures

that there is effective risk management, governance, and internal control processes.

## **Training**

Monthly phishing tests and automated tools provide staff training when needed. All staff complete cybersecurity training annually, with additional training completed as appropriate in areas of the Group subject to specific compliance, such as PCI and AML.

## **Staff and Responsiveness**

Our IT Security department consists of qualified professionals with expertise in IT security. External and internal support levels are available 24/7.

## **Data privacy**

Within the Group, data privacy is overseen by the Group Head of Data Privacy, also a member of the Executive Committee of the Confederation of European Data Protection Organisations, supported by a Data Protection Team and a Data Breach Team. The Group takes seriously its obligations under GDPR, ensuring the privacy of data relating to its employees, customers, and partners, through robust policies, procedures, and mandatory annual GDPR training.



## Responsible sourcing

Fexco's ethical procurement is governed by the Group's Procurement Policy, which has been in place since 2013.

This ensures that we comply with applicable laws and regulations for procurement and supply chains. It also guarantees that our processes and interactions with our suppliers are of the highest ethical standards. This year the policy has been updated to require consideration of ESG criteria in supplier selection, emphasising responsible and sustainable procurement, free from human rights abuses, bribery, corruption, and unethical practices. Additionally, in Ireland, we have developed a Supplier Code of Conduct (SCOC), which is being incorporated into our supplier contracts and that reflects our internal values from an environmental, social, and governance perspective.

## ESG Risk

Fexco's Enterprise Risk Management Framework (ERMF), within which ESG risk has been incorporated, is designed to detect, evaluate, and manage risk across the Group, ensuring that we are well prepared to navigate a rapidly evolving business environment. A key part of the Group's ERMF is the adoption of a 'Three Lines of Defence' model to provide clear accountability for risk, governance, management, oversight, and assurance responsibilities. The table

below summarises the key responsibilities of each of the lines of defence:

### 1. Business Operations

Business units' staff and management form the first line of defence with responsibility for identifying and managing risk within their area. Controls are designed to ensure risk management and compliance are embedded into all relevant decisions and operations.

### 2. Legal, Risk, and Compliance Functions

The second line of defence is provided by the legal, risk, compliance, and data governance teams. They are responsible for developing and monitoring implementation of the ERMF and the Group Compliance Framework. They support the first line of defence in executing risk management responsibilities, ensuring consistency.

### 3. Internal Audit

The third line of defence is Internal Audit, which provides independent and regular reviews of risk management activities to provide assurance that the control environment is satisfactory. They take a risk-based approach to their evaluations.

In 2023 an initial ESG physical and transitional risk analysis assessment was completed across the organisation. Building from this insight, scenario analysis will be completed to identify physical and transition risks over the short, medium, and long term, with further analysis being undertaken on an ongoing basis on the resiliency of the Group's strategy and business model in response to climate-related risks.



# Our Sustainable Growth: amplifying our legacy of exploration and innovation

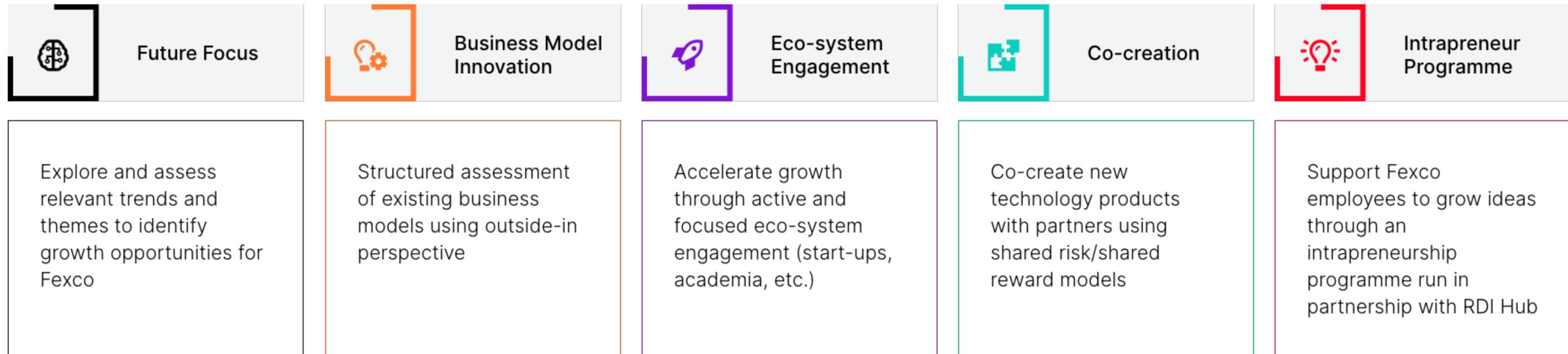
We have been on a mission to explore high growth niche markets, such as digital transformation and the green economy, and launch new businesses that are focused on the betterment of the planet, in alignment with our corporate goals. We are also actively exploring opportunities for co-creation with industry partners in the energy transition arena. With an ambition to create a portfolio of technologies and platforms through innovative co-creation and investment, we are committed to developing

sustainable solutions that deliver value to our people and communities, stakeholders, and the planet.

Innovation activity will be structured across five Pillars to deliver impact across partner engagement, strategy definition/alignment, trend awareness, and eco-system and employee engagement.

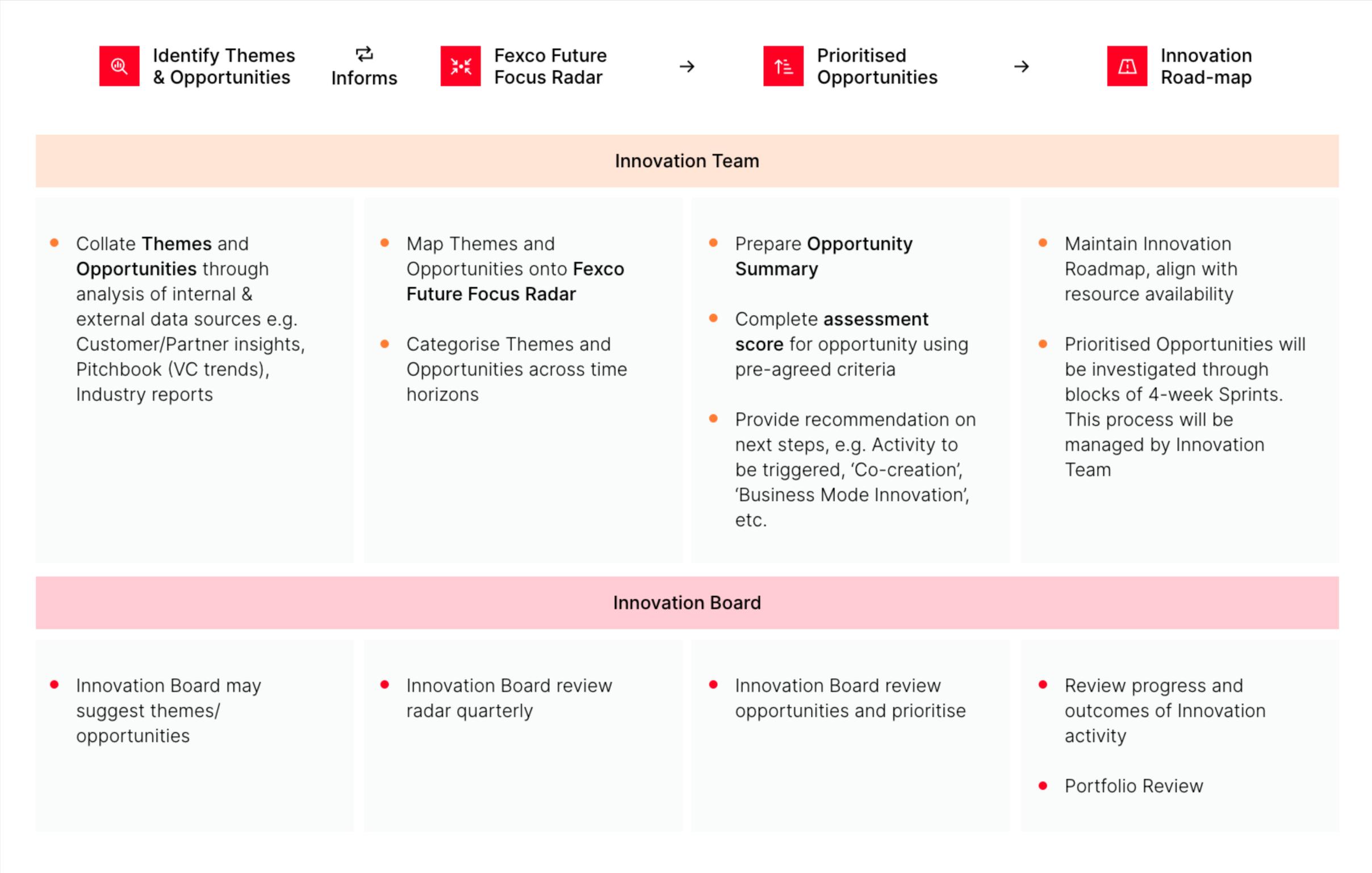
## How are we doing this?

At the intersection of innovation, co-creation, and sustainable technology, we are bringing our four-decade focus to supporting, investing, and creating the next generation of sustainability solutions.



# Process for Identifying and Prioritising Innovation Activity

Sustainable Growth



## Our progress so far



### The RDI Hub

The RDI Hub is a not-for-profit partnership led by Fexco, Kerry County Council, and Munster Technological University. With a €21 million investment, it has transformed Kerry into a globally connected technology innovation and skills hotspot. It is recognised as a pioneering, sustainable, world-class digital innovation hub and living lab ecosystem. The Hub is also a main centre for the National Digital Research Centre in Ireland. Killorglin has been designated as a Startup Village, the sole Irish member of the European Startup Village Forum, contributing to the EU's action plan for rural areas. Despite opening just before COVID-19, the RDI Hub has grown significantly, hosting over 50 companies that have collectively raised €12 million in funding, created 250 jobs, and developed 29 new products and services in three years.



### PACE: the Platform for Analysing Carbon Emissions

PACE is Fexco's platform for measuring carbon emissions. Partnering currently with aviation, this global software platform and customer success

programme supports stakeholders committed to carbon reduction and the drive for net zero. It leverages four decades of Fexco's innovation experience as a key partner in helping organisations and sectors to manage their biggest challenges. It has become one of the most authoritative voices within aviation, through innovation and strategic partnerships with key players in the aviation sector (SMBC, JMPC), supporting the sector in its challenge to understand and reduce carbon emissions.

## Partnering with aviation to drive net zero



### Assuring Governance

Assuring that carbon emissions reporting meets corporate governance standards, remaining integral to organisations' ESG strategies.



# sustainable Growth



## Unlocking Opportunity

Unlocking the potential to grow business in the most sustainable way, embedding carbon insights in future strategies.



## Succeeding Together

Succeeding through regular engagement with PACE's dedicated Customer Success team, continually sharing knowledge and education.

An ambition to drive sustainable growth across Fexco Group has led to the roll out of an **Energy Efficiency Loan Scheme (EELS)** within our **Fexco Asset Finance** business. EELS provides low-cost loans to meet the needs of Small to Medium Enterprise (SMEs) wishing to invest in energy-efficient equipment to enhance their sustainability and reduce energy costs.



Our **Fexco Property Services** business has invested in managing and enhancing its expertise in fields such as ecology, horticulture, and arboriculture. This helps its clients to both devise and preserve effective landscape and ecological plans for their respective developments. FPS also works with third-party agencies to conduct energy audits and implement retrofitting projects for various clients across different buildings under FPS's management, ranging from large purpose-built complexes to grade II listed buildings.





**Thank  
you**

For more information,  
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