

# ESG

FRP Advisory Group plc  
Environmental, Social and Governance ("ESG") Report 2022

[frpadvisory.com](http://frpadvisory.com)

The logo for FRP, consisting of the letters 'FRP' in a bold, white, sans-serif font. The background of the entire page is a landscape photograph of rolling green hills under a sunset sky, with a large white chevron shape overlaid in the center.

# Environmental, Social and Governance ("ESG") Report 2022



We are mindful of our responsibility to protect the environment, support colleagues and operate in a transparent way that reflects our values.

Geoff Rowley  
Chief Executive Officer

FRP are mindful of their responsibility to protect the environment, support colleague workplace ethics and manage risk, both internally and externally, via our supply chain and referral networks.

Whilst there is no formal auditing body for ESG in the UK at present, the Group's ESG Committee are using the Value Reporting Foundation ("VRF") recommendations, where applicable, to measure effectiveness for data security, workforce diversity & engagement and professional integrity, in particular.

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# Environmental

	FRP standard policy	Basis for control
<b>Environmental</b>	FRP's environmental impact is low and FRP is mindful of the need as a business to engage in energy efficient solutions.	
<i>Recycling/ Streamlined Energy and Carbon Reporting (SECR)</i>	<ul style="list-style-type: none"> <li>➤ FRP is committed to providing mixed recycling outlets in all locations</li> <li>➤ FRP will provide a paperless working environment by the end of FY23</li> </ul>	<ul style="list-style-type: none"> <li>➤ FRP recycles paper, glass, plastics, food, cardboard and general waste</li> <li>➤ FRP uses re-usable glassware, ceramics and cutlery in place of single use plastics where possible</li> </ul>
<i>Energy ratings/efficiency</i>	<ul style="list-style-type: none"> <li>➤ The electricity consumed by FRP relates solely to the routine power requirements of its offices</li> <li>➤ The gas consumed by FRP relates solely to the running of boilers for heating and hot water in its offices</li> </ul>	<ul style="list-style-type: none"> <li>➤ 67% of FRP's company energy needs are met with renewable energy. FRP are working towards converting the remainder to fully renewable tariffs</li> <li>➤ FRP has encouraged landlords to upgrade to more efficient gas boilers</li> </ul>
<i>Travel/vehicles</i>	<ul style="list-style-type: none"> <li>➤ FRP's GHG emissions related to fuel combustion derive solely from the payment to colleagues of mileage allowances where they use their private vehicles for Group business</li> </ul>	<ul style="list-style-type: none"> <li>➤ FRP do not provide company cars and encourage all client related journeys/commuting to be by public transport where applicable</li> <li>➤ Subject to client commitments and where appropriate FRP offers a flexible working environment. The impact of some remote working reduces colleague commuting</li> <li>➤ FRP offers the opportunity for colleagues to negotiate terms to lease or purchase electric cars, as part of their flexible benefits package</li> </ul>
<b>Air</b>		
<i>Carbon emissions/ Carbon neutral &amp; improving the climate</i>	<ul style="list-style-type: none"> <li>➤ FRP are committed to be carbon neutral by 2030</li> </ul>	<ul style="list-style-type: none"> <li>➤ CO<sub>2</sub>e per total £ million sales revenue during FY2022: 0.7 (2021: 1.6)</li> </ul>
<b>Water</b>		
<i>Waste</i>	<ul style="list-style-type: none"> <li>➤ FRP's water consumption relates solely to sewage disposal and standard kitchen/bathroom waste</li> </ul>	<ul style="list-style-type: none"> <li>➤ FRP's consumption is low impact</li> </ul>
<i>Use of water in a business process</i>	<ul style="list-style-type: none"> <li>➤ FRP is not a provider of any services that require the use of water in a business process</li> </ul>	<ul style="list-style-type: none"> <li>➤ FRP's use is low impact</li> </ul>
<b>Land</b>		
<i>Impact on quality of land</i>	<ul style="list-style-type: none"> <li>➤ FRP is not a provider of any services/equipment that impact the quality of the land used during a business process or activity</li> </ul>	<ul style="list-style-type: none"> <li>➤ FRP's activity is low impact</li> </ul>
<i>Leased office space within multi-use buildings</i>	<ul style="list-style-type: none"> <li>➤ FRP is an office-based business and primarily operates from leased premises</li> </ul>	<ul style="list-style-type: none"> <li>➤ FRP's land footprint is small</li> </ul>

	FRP standard policy	Basis for control
<b>Social</b>	<p>FRP works hard to attract and retain highly skilled professionals by creating a rewarding, high performance environment.</p> <p>FRP has a robust succession programme which highlights numerous ways to progress within the business with the aim to Attract, Retain &amp; Develop colleagues.</p> <p>FRP understand that the Group's people are central to it's success and are a most valuable asset.</p>	
<b>Diversity &amp; upward mobility</b>	<ul style="list-style-type: none"> <li>➤ FRP is committed to continued investment in Learning and Development</li> <li>➤ FRP maintains an Equal Opportunities Policy and recruits the right people offering the right skills that are required for a professional services business, regardless of ethnicity, race, sexual preference or disability</li> <li>➤ FRP's total attrition rate for both voluntary and involuntary leavers is 11% to end FY2022 (2021: 9%). The UK average is approximately 15% (source: Xpert HR labour turnover rates private-sector services). The voluntary attrition rate is 8% (2021: 6%)</li> </ul>	<ul style="list-style-type: none"> <li>➤ FRP offers the same route to recruitment whether candidates are from schools, academies, universities or a market sector outside of the professional services industry</li> <li>➤ FRP encourages diverse recruitment panels and works with recruitment agencies who provide CVs to include a balance of gender, skills and ability according to the role advertised</li> <li>➤ FRP supports CPD and provides time in lieu and funding for further professional qualification</li> <li>➤ FRP promotes colleague membership of professional forums and related Associations and to those that offer ethnic or diverse opportunities</li> <li>➤ FRP encourages ideas and recommendations that support all colleagues. FRP has formed various working groups to discuss, monitor and help implement diversity and inclusion initiatives across the Group</li> <li>➤ FRP employs AAT, ACA, ACCA, IT, Marketing and HR apprentices, as well as working with various apprentice providers, and offers a graduate programme</li> <li>➤ FRP's Gender Pay Gap is available on the Company website</li> <li>➤ FRP has signed up to the 10,000 Black Interns Programme, a registered UK Charity</li> </ul>
<b>Employee Health and Safety</b>	<ul style="list-style-type: none"> <li>➤ FRP adheres to relevant safety, health and welfare at work legislation, as appropriate</li> </ul>	<ul style="list-style-type: none"> <li>➤ FRP offer qualified First Aiders, H&amp;S training, Defibrillators and Fire Marshalls at every location</li> <li>➤ FRP also has qualified Mental Health First Aiders in many locations</li> </ul>

	FRP standard policy	Basis for control
<p><b>Social continued</b></p> <hr/> <p><b>Employee Health and Safety continued</b></p> <p><i>Well-being</i></p>		
	<ul style="list-style-type: none"> <li>➤ FRP maintains a culture of regular engagement with its colleagues and through multiple channels to ensure their views are taken into account appropriately.</li> </ul>	<ul style="list-style-type: none"> <li>➤ FRP offer colleagues flexible benefits which include discounted leisure activities, buying and selling holiday, cash plan insurance (dental, optical, health screening, alternative therapies), private medical, permanent health insurance, critical illness insurance and life cover, flu vaccinations or vouchers and childcare vouchers, with some as core benefits so they are nil cost to colleagues</li> <li>➤ FRP offer a 24-hour Employee Assistance Programme for everyday challenges such as money or legal matters, buying/selling a house, health concerns and family advice, in addition to bereavement and other forms of counselling</li> <li>➤ FRP also has an app to support all locations with mental health and guidance</li> <li>➤ FRP offer mental health first aiders and provide development documentation explaining how MHFA and HR work together</li> <li>➤ FRP scored 7.9 for both Engagement and Happiness in an Internal Culture Survey in 2021, where 8 is deemed excellent</li> </ul>
	<p><b>Community relationships</b></p> <ul style="list-style-type: none"> <li>➤ FRP supports integration with local communities</li> <li>➤ FRP is committed to support charities or similar organisations that provide aid for those who are homeless, in poverty, for children's education, well-being and health, and for environmental issues</li> </ul>	<ul style="list-style-type: none"> <li>➤ Community engagement includes but is not limited to:                     <ul style="list-style-type: none"> <li>Sponsorship, charitable donations, fund-raising, foodbank &amp; emergency relief donations, volunteering, recycling office furniture and equipment to schools and supporting client initiatives</li> </ul> </li> </ul>

# Governance

	FRP standard policy	Basis for control
<b>Governance</b>	<p>FRP has an Enterprise Risk Management, Information Security Management System &amp; Cyber Security framework.</p> <p>FRP adheres to the QCA (Quoted Company Alliance) Corporate Governance Code.</p>	
<b>Customer privacy, Data security</b>	<ul style="list-style-type: none"> <li>➤ FRP seek annual certification of a government backed cyber security scheme, which includes an independent specialist testing the Group defenses against the most common cyber-attacks</li> <li>➤ For all vendors, FRP evaluate both Data Privacy assurance &amp; Security resiliency in line with Regulatory, contractual and certification requirements</li> <li>➤ FRP maintains its privacy program through central compliance tools that provide one place for privacy, security, marketing, and third-party risk management in line with commitment to the UK GDPR, Data Protection Act 2018 and Privacy and Electronic Communications Regulation</li> <li>➤ FRP's robust systems and procedures have prevented any reportable incident to the Information Commissioners Office</li> <li>➤ FRP has robust policies and procedures with respect to health &amp; safety, data protection, supply chain, compliance and regulatory issues</li> </ul>	<ul style="list-style-type: none"> <li>➤ FRP perform proactive policy management &amp; compliance through a centralised platform, supported by a Policy Review Group providing policy oversight &amp; assurance and determining sign-off authority</li> <li>➤ FRP uses security ratings scoring of third parties cybersecurity performance, which is also used for internal review to benchmark against industry comparisons</li> <li>➤ FRP are working towards attainment of ISO 27001 certification by the end of FY2023</li> </ul>
<b>Selling, advertising &amp; product labelling</b>	<ul style="list-style-type: none"> <li>➤ FRP primarily secures work through its referral network, rather than advertising externally</li> <li>➤ FRP ensures their relationship-based referral network is maintained successfully through partner lock-ins and strong office networks with local referrers</li> </ul>	<ul style="list-style-type: none"> <li>➤ FRP has no physical products, except a limited amount of sales and marketing collateral, and does not have a need for product labelling in the course of its business activities</li> <li>➤ FRP referrers complete a GDPR process and are advised of FRP's responsibilities as the Data Controller in accordance with the GDPR, Data Protection Act 2018 and Privacy and Electronic Communications Regulation</li> </ul>

	FRP standard policy	Basis for control
<b>Governance continued</b>		
<b>Product Quality &amp; Safety</b>	<ul style="list-style-type: none"> <li>FRP's Modern Slavery &amp; Human Trafficking statement is available on the Company's website</li> <li>FRP expects all external suppliers and professional services advisers to be similarly opposed to slavery and human trafficking</li> </ul>	<ul style="list-style-type: none"> <li>FRP suppliers are subject to a due diligence on-boarding process which includes confirmation of their slavery and human trafficking policy</li> <li>FRP provides internal training courses that include modern slavery, human trafficking and associated risks in the business and supply chains</li> </ul>
<b>Ethics &amp; Transparency</b>	<ul style="list-style-type: none"> <li>FRP publishes an audited Annual Report &amp; Accounts, an unaudited Interim Report and trading updates as appropriate, in line with other UK listed professional services firms and in accordance with Companies House reporting deadline dates</li> </ul>	<ul style="list-style-type: none"> <li>FRP's group accounts are presented on an IFRS basis</li> </ul>
<i>Culture</i>	<ul style="list-style-type: none"> <li>FRP's culture is supportive, inspiring, empowering and collaborative</li> <li>FRP offer a rewarding, high performance environment to attract and retain highly skilled professionals</li> <li>Senior Executive Leaders promote the four FRP core values of being straightforward, confident, pragmatic and real</li> </ul>	<ul style="list-style-type: none"> <li>The Board monitors and acts to promote a healthy corporate culture and are directly responsible for defining corporate governance arrangements</li> </ul>
<i>Diversity</i>	<ul style="list-style-type: none"> <li>FRP offers HR analytics to enable monitoring of recruitment, resulting in increased diversity awareness (LGBTQ+ etc)</li> </ul>	<ul style="list-style-type: none"> <li>FRP are committed to employ skilled and qualified colleagues, regardless of age, disability, gender reassignment, marriage or civil partnership, pregnancy or maternity, race, religion or belief, sex or sexual orientation</li> </ul>
<b>Shareholder Protection</b>		
<i>Ownership Structure</i>	<ul style="list-style-type: none"> <li>At year end FRP Partners owned more than 51% of shares, they are actively involved in the business. A further 8% was owned by the Employee Benefit Trust (IPO and Acquired post IPO) and 41% by institutional and retail investors</li> <li>The biggest individual partner shareholding was c.7%, hence no one person or persons, have an outsize influence over business decisions</li> <li>Post year end Partners participated in a 20% sell down but remain significant shareholders and committed to the long term objectives of the Group</li> </ul>	<ul style="list-style-type: none"> <li>Partners are subject to lock-in arrangements, with no share sales allowed without Remuneration Committee approval until March 2023</li> <li>There is one class of share, which has full voting rights. The Employee Benefit Trust that holds shares that back employee options, has waived its rights to dividends</li> </ul>

	FRP standard policy	Basis for control
<p><b>Governance continued</b></p> <hr/> <p><b>Shareholder Protection continued</b></p>		
<p><i>Capital Discipline</i></p>	<ul style="list-style-type: none"> <li>➤ FRP pays c.70% of reported Profit After Tax as dividends and has a high dividend payout ratio</li> <li>➤ FRP uses its capital to invest in M&amp;A and organic growth opportunities</li> </ul>	<ul style="list-style-type: none"> <li>➤ FRP has a strong balance sheet and a good Equity/Debt mix</li> <li>➤ FRP has a well-balanced capital allocation strategy which is well communicated</li> </ul>
<p><i>Risk Management</i></p>	<ul style="list-style-type: none"> <li>➤ FRP's Strategic, Operational &amp; Project risks are managed centrally as part of an integrated approach to Governance, Risk &amp; Compliance, providing visibility of all risk the business faces</li> <li>➤ FRP holds Membership of relevant regulatory bodies</li> <li>➤ FRP is supervised by ICAEW AML Legislation</li> <li>➤ FRP has a group MLRO and a deputy MLRO with AMLROs at every office</li> <li>➤ FRP's Enterprise Risk Management Framework aligns to ISO 31000 with ownership &amp; accountability at all levels within the business and is available in the Annual Report &amp; Accounts</li> <li>➤ A Disclosure Committee is responsible for supporting the FRP Board in relation to compliance with the Market Abuse Regulation, the Disclosure, Guidance and Transparency Rules and the AIM Rules for Companies and the identification, control and disclosure of "insider information"</li> <li>➤ FRP has suitable professional indemnity insurance</li> <li>➤ FRP employ their own Legal Counsel</li> </ul>	<ul style="list-style-type: none"> <li>➤ FRP's Risk framework is the responsibility of the Operational Risk Committee, which meets on a monthly basis</li> <li>➤ Regulatory visits take place every three years, as well as interim visits</li> <li>➤ Each office has a Technical Officer responsible for ensuring Technical updates are available on a timely basis and Technical reading time is allocated to colleagues working hours</li> <li>➤ All colleagues receive monthly AML newsletters and induction training, which is renewed on an annual basis</li> <li>➤ FRP perform proactive policy management &amp; compliance through a centralised platform, supported by a Policy Review Group providing policy oversight &amp; assurance and determining sign-off authority</li> <li>➤ Overall responsibility of the Risk Framework is provided by FRP's Audit &amp; Risk Committee, with the Senior Executive Leadership team accountable for FRP's risk position and who act as a decision point for escalated risks</li> <li>➤ FRP submits regular and ad-hoc submissions to the FCA as required, for FRP Corporate Finance Limited (FCA regulated service line pillar)</li> </ul>

	FRP standard policy	Basis for control
<p><b>Governance continued</b></p> <hr/> <p><b>Board Oversight</b></p>		
<p><i>Independence</i></p>	<ul style="list-style-type: none"> <li>➤ A Nomination Committee comprising FRP Board members, has responsibility for reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board and giving full consideration to succession planning</li> </ul>	<ul style="list-style-type: none"> <li>➤ The Board consists of three Executive Directors and four Non-Executive Directors</li> <li>➤ As vacancies arise, the Board will review the market, giving consideration to the competence, value and experience a candidate brings to FRP and take into consideration a balanced and diverse representation of Board members</li> </ul>
<p><i>Business Relevance</i></p>	<ul style="list-style-type: none"> <li>➤ FRP's Board of Directors offer a wide breadth of experience across Private Equity, Insolvency, Banking, Legal Services and Retail</li> </ul>	<ul style="list-style-type: none"> <li>➤ The FRP Board are directly responsible for defining corporate governance arrangements</li> </ul>
<p><i>Track Record</i></p>	<ul style="list-style-type: none"> <li>➤ FRP's objective is to deliver shareholder value in the medium to long-term while protecting the business from unnecessary risk</li> <li>➤ The business model underpinning this objective is to generate revenues from selling professional services. Fees are charged on a basis suitable to the engagement</li> </ul>	<ul style="list-style-type: none"> <li>➤ FRP is delivering on a clear growth strategy both organically and through acquisitions</li> <li>➤ FRP is operationally geared with a significant proportion of relatively fixed salary and property costs</li> </ul>
<p><b>Management Accountability</b></p>	<ul style="list-style-type: none"> <li>➤ The Statement of Directors' responsibilities are detailed within the Annual Report &amp; Accounts and failure to execute this strategy would impact executive remuneration</li> <li>➤ FRP conducts financial and legal due diligence and financial modelling exercises to minimise the risk of overvaluing an acquisition and to understand any issues within the target</li> </ul>	<ul style="list-style-type: none"> <li>➤ FRP's profitability is liable to short-term fluctuations dependent on activity levels</li> <li>➤ In the unlikely event that FRP had a significant slowdown in cash collections the business has a number of further options available to preserve cash</li> </ul>

	FRP standard policy	Basis for control
<p><b>Governance continued</b></p> <hr/> <p><b>Management Accountability continued</b></p>		
<i>Tenure</i>	<ul style="list-style-type: none"> <li>&gt; The FRP Board have a good reputation and can demonstrate a mixture of skill sets and backgrounds relevant to the business</li> </ul>	<ul style="list-style-type: none"> <li>&gt; The FRP Board includes a mixture of more recent NEDs and NEDs with greater knowledge of the business. The Board has experience including managing PLCs, Financial and professional service companies, restructuring and corporate advisory</li> </ul>
<i>Board compensation</i>	<ul style="list-style-type: none"> <li>&gt; Full details are published in the Annual Report &amp; Accounts, within the Remuneration Committee report</li> </ul>	
<b>Group Resources</b>	<ul style="list-style-type: none"> <li>&gt; FRP website <a href="http://www.frpadvisor.com">www.frpadvisor.com</a></li> <li>&gt; FRP plc Board <a href="http://www.frpadvisor.com/investors/board/">www.frpadvisor.com/investors/board/</a></li> <li>&gt; FRP Annual Report &amp; Accounts 2022 <a href="http://www.frpadvisor.com/investors/financials-documents/">www.frpadvisor.com/investors/financials-documents/</a></li> <li>&gt; FRP Corporate Governance <a href="http://www.frpadvisor.com/investors/corporate-governance/">www.frpadvisor.com/investors/corporate-governance/</a></li> <li>&gt; FRP Privacy Notices <a href="http://www.frpadvisor.com/legal-and-regulatory-notices/privacy-notices/">www.frpadvisor.com/legal-and-regulatory-notices/privacy-notices/</a></li> <li>&gt; FRP Modern Slavery &amp; Human Trafficking Statement <a href="http://www.frpadvisor.com/modern-slavery-statement/">www.frpadvisor.com/modern-slavery-statement/</a></li> <li>&gt; FRP Gender Pay Gap Report 2021 <a href="http://www.frpadvisor.com/about/approach/corporate-social-responsibility/equal-opportunities/">www.frpadvisor.com/about/approach/corporate-social-responsibility/equal-opportunities/</a></li> </ul>	



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