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## **Fosters Funeral Directors (The Independent Family Funeral Directors Limited) ESG (Environmental, Social and Governance)**

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For publication on the web site and extracts in branch posters.

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## INTRODUCTION

We believe to creating long-term value that operating sustainably and responsibly is fundamental, in this industry, where more than most, people judge you on what you do rather than what you say you will do.

At the heart of our business is a commitment to doing the right thing in the right way: behaving ethically, working safely, reducing our environmental impact, attracting, and developing our people and having a positive social impact in our communities. This is for the people we care for and the people who cared for them, we serve both equally.

Our objective is not only to provide and enhance the reputation of our company, the life blood of funeral repeat business, but also to promote and embed a culture of responsibility and performance that adds value to our clients, our people, and the local communities we serve.

Our corporate responsibility activities are an important way for us to deliver upon our strategic objectives. We believe that the best way to attract a sustainable business is to act in the long-term interests of all our stakeholders, in addition to making a positive contribution to the communities in which we operate.

### Environmental

We are committed to reducing our environmental impact. We will do this by:

- Reducing our energy consumption and greenhouse gas emissions.
- Using sustainable materials and practices in our operations.
- Working with third party specialists to educate ourselves, our teams and engage our customers in the impacts we can make in key areas of the 17 Sustainable Development Goals specifically within the funeral sector.

### Social

We are committed to creating a positive social impact. We will do this by:

- Promoting diversity and inclusion in our workplace.
- Providing safe and healthy working conditions for our employees.
- Supporting our local communities through charitable giving and volunteerism.

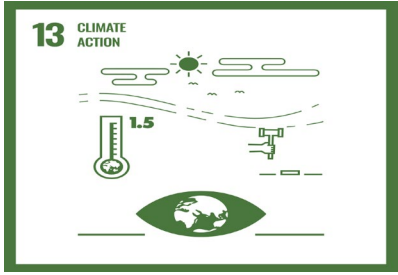
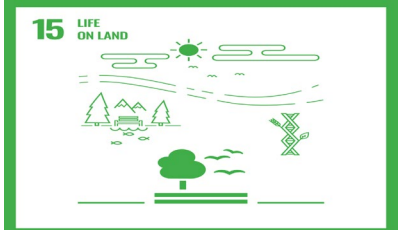

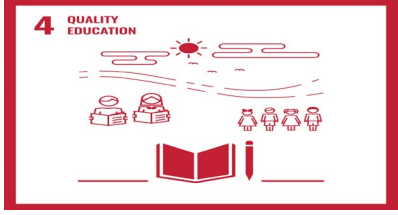

### Governance

We are committed to good corporate governance. We will do this by:

- Ensuring that our board of directors and leadership team is independent and diverse.
- Implementing robust risk management and internal controls.
- Communicating openly and honestly with our stakeholders.

## ENVIRONMENTAL TARGETS

Actions/ commitments we are undertaking now, making today count.

<p>Develop and utilise operating practices which minimise operational carbon footprints.</p> <ul style="list-style-type: none"> <li>• Commitment to move to electric vehicles</li> <li>• Flexible working for staff who can operate remotely</li> </ul>	 <p><b>13</b> CLIMATE ACTION</p>
<p>Ensure minimisation of embedded carbon costs in Fosters supply chain.</p> <ul style="list-style-type: none"> <li>• Sustainable supply chain</li> <li>• Improving coffin information to aid choice</li> </ul>	 <p><b>15</b> LIFE ON LAND</p>
<p>Support the eradication of Funeral Poverty in Scotland</p> <ul style="list-style-type: none"> <li>• Support for Local Authorities Funeral schemes</li> </ul>	 <p><b>1</b> NO POVERTY</p>
<p>Increase understanding of funeral impact on the environment internally and externally</p> <ul style="list-style-type: none"> <li>• Training for staff</li> <li>• Information provision for customers</li> </ul>	 <p><b>4</b> QUALITY EDUCATION</p>
<p>Ensure good governance in the business and the sector</p> <ul style="list-style-type: none"> <li>• Policy and procedural governance</li> <li>• Reporting transparency</li> </ul>	 <p><b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS</p>

## ENVIRONMENTAL GOALS

Our key longer-term goals aligned to the SDG goals.

<p>Actively work to reduce emissions, waste, and energy use, where applicable.</p>	
<p>Increase measurement of emissions, waste, and energy usage where appropriate, with the aim of analysing and initiating required changes over the next 3 years.</p>	
<p>Engage more consumers in the conversation regarding alternatives to current high carbon disposal methods (burial and flame cremation) and the possible alternatives.</p>	
<p>Continue to demonstrate and report publicly our ESG progress over the short, medium, and long term.</p>	
<p>Increase ESG due diligence to ensure that suppliers, contractors, &amp; stakeholders are aligned with our principles.</p>	

## RELATIONSHIPS AND LOCAL COMMUNITIES

From the clients and families, we care for, to the communities we serve, building and maintaining strong external relationships is critical in achieving overall success for our business. Funeral services are built on trust and reputation, hard to win easy to lose, so more critical than most, Funeral businesses need to be relevant and present in their communities.

In the case of our at need funeral clients, relationships frequently extend beyond the funeral itself – after all, the grieving process will affect different people in different ways over different timespans and the advent of new Funeral service options for example Direct Cremation, are changing the ways individuals may experience and respond to loss.

A significant demand is evident for services in our funeral homes connected with a direct cremation afterwards, affording families the opportunity to carry out their loved one's wishes for a direct cremation but also enabling them some time to say goodbye, a critical element of the grieving process.

A well understood and practiced initiative has been the memorial services coordinated by our colleagues in the build up to Christmas. We organise many across the country, both for clients we have helped, as well as wider members of the community who also wish to participate.

The services are a chance to remember and celebrate loved ones, family members are invited to light a candle or add a commemorative message to a Christmas tree. Poignant, emotional, but also comforting, it is a chance for Funeral Arrangers and other in the team to speak with families and offer further support if required.

### Community

Fosters is proud to work on a local basis with several charitable partners, sometimes through fundraising activities or sponsorship, or alternatively by giving up our time and offering assistance to local projects near our branches, in our communities. Typically, these are chosen by our frontline colleagues or are specifically focussed on issues we may come into more regular contact than most because of the sector we operate in. Here are some examples.

Our Fosters team took part in the Memory Walk raising £1,000 for Alzheimer Scotland. For the second consecutive year, some of the Fosters team pulled on their walking boots to walk around Strathclyde Park for the annual Alzheimer's Scotland Memory Walk.

Fosters Funeral Directors have been working closely with our official charity partners, Alzheimer's Scotland, to make sure that all our employees have been given Dementia Friends training. This fantastic initiative aims to raise awareness of dementia and reduce any stigma that the term 'dementia' may bring.

'Friends of Bankhead' community group received a bursary award of £500 from Fosters Rutherglen.

The Friends of Bankhead community group, which is set up and ran by parents, regularly organise fundraising activities and events for the Bankhead Primary School.

This includes extra-curricular trips, to provide every child equal access to learning opportunities. However, due to Covid-19 restrictions, the group has been unable to support children with the same opportunities over the past 12 months. The bursary funding will allow Friends of Bankhead to provide an outdoor space for young children at the primary school to learn practical skills such as growing their own food. It will also fund outdoor clothing to keep them warm and dry on rainy days.

Prince & Princess hospice – Rutherglen branch raised £697 for Landamer Day

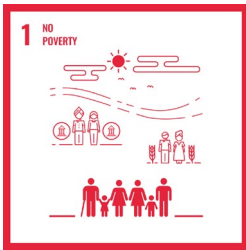
Stirling & Alloa - Coffee morning in aid of Strathcarron Hospice – raised £1115.00

The £1115.07 will cover the cost of 46 hours of specialist nursing care, by Doctors, Nurses, and Multi-Disciplinary Team for one individual.

Food bank collections take place routinely in Cumbernauld and Rutherglen branches

We conduct an annual Easter egg collection - Among the charities supported are several Women's Aid organisations that provide a confidential service offering vital information, support and temporary accommodation to women and their children who have experienced domestic abuse. As well as supporting women and children to recover, the Women's Aid campaign to raise awareness of domestic abuse and its impact on the lives of those who are or have suffered.

## Championing Funeral Poverty



Funeral poverty is growing concern, Since January 2019 Fosters funeral Directors has been committed to engaging with families in our local communities including local authorities.

When a family advises us that they are currently in financial hardship we recommend for them to contact correct bureaus including Money matters, Citizen's advice, and funeral support team at mygov.scot.

Fosters is proud of its support over the years in this area and will continue to support local authority and other schemes to help ensure everyone can have access to a dignified funeral.

## Fosters support for Public Health State assisted funerals

Public health funerals are for people who have died and: Have no next of kin Or have family who are unable or unwilling to pay for a funeral

Example, someone might have a public health funeral if:

- They lived alone and had no family or did not leave any money to organise their funeral.
- Their family cannot pay for the funeral.
- They were estranged from their family and their family do not want to be part of the funeral arrangements.

In these cases, local councils must provide public health funerals under section 46 of the Public Health Act 1984. This is to protect the public's health and make sure that all people are treated with respect whatever their circumstances.

## East Ayrshire

In 2019 we were awarded the East Ayrshire state assisted funeral contract for three-year term and in April 2022 we were rewarded additional three-year term with option of 1 year extension due to the dedication and comment of tackling funeral poverty.

## Glasgow City Council

In 2019 we were awarded the Glasgow City state assisted funeral contract for three-year term and in May 2022 we were asked to extend for additional one year then May 2023 we were asked to extend the contact another six months due to the dedication and comment of tackling funeral poverty.

## Funeral Support Payment

Funeral Support Payment helps pay for funeral costs if you live in Scotland. The payment is contribution towards funeral costs, The applicant must be receipt of the following benefits to be entitled to financial support.

## Benefits

- Universal Credit (UC)
- Income Support
- Pension Credit
- Working Tax Credit (disability or severe disability element)
- Housing Benefit
- Income-based Jobseeker's Allowance (JSA), not contribution-based JSA
- Income-related Employment and Support Allowance (ESA), not contribution-based ESA receiving:

Fosters Funeral Directors will continue to support families that are eligible for the funeral support payment, we have funeral packages in place so that our clients do not have financial determination after funeral support payment is received, the average awarded amount is usual Between £1600 - £1800 for cremation, Since 2019 We have supported 1631 families who were eligible for funeral support payment.

## Supporting Families make informed choices pre-need and at need

Funeral Directors have a unique position in supporting families both at the loss of a loved one and when an individual is considering their own mortality and wants to plan for what should happen upon their death.

*Deceased organ and tissue donation in Scotland*

*"Only 1% of people die in a way that makes organ donation possible. This means every opportunity for donation is precious.*

*Scotland has a system of 'deemed authorisation' for organ and tissue donation. This is often referred to as an 'opt out' system.*

*This means that if you have not opted out of donation when you die, the system allows for the donation of certain organs and tissue for transplantation. This only applies if you are 16 or over".*

- NHS Inform web site



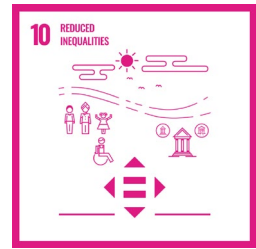
All Fosters funeral plan clients receive a welcome pack with their plan summaries, Fosters will include a copy of the Scottish Government's leaflet explaining the process of organ donation with every plan to support clients to understand the law in Scotland and make informed decisions and tell their families their wishes in advance.

## Bereavement support on legal and procedural matters relating to death

*"It is incredibly difficult to know where to start when your loved one passes away. Simply trying to cope and deal with the loss and emotional burden, can be physically and mentally draining. On top of this, there are the important legal, financial, and administrative duties that need to be addressed at this time and, whilst it is difficult to do so, it is important at this stage to understand and prepare for the practical things that you need to do and how to prioritise them. This is where we can help." Jones Whyte introduction to bereavement support*



Fosters Clients who are arranging an at-need funeral with us, are offered a free of charge meeting with our legal services partner Jones Whyte to help guide them through the first steps in managing legal affairs and dealing with the estate of their loved one. They have a dedicated team to support clients throughout the administration process and their role is to reduce both the legal and practical burdens as much as possible.



# FOSTERS CODE OF CONDUCT

## POLICY STATEMENT

The Independent Family Funeral Director Limited (*hereinafter referred to as the "Company"*) has developed this Code of Conduct Rules Policy to outline the tiered rules that employees are expected to adhere to in relation to the Financial Conduct Authority's Code of Conduct Standard ("COCON") for both individual and senior manager rules. The Company takes every reasonable step to ensure that staff are aware of the rules and their obligations and that they have continual access to the guidelines and rules in the COCON module and any supporting guidance.



Staff are appointed to the relevant roles based on their suitability, honesty and integrity and are assessed according to the Financial Conduct Authority's Fit and Proper test for Employees and Senior Personnel ("FIT") criteria to ensure that they are fit and proper to perform the role they have been assigned to. This policy summarises the COCON rules and provides employees with guidance on how to meet the rules and comply with any associated FCA requirements and guidelines

The purpose of this policy is set to out our objectives and intentions for the COCON rules and to ensure that staff are aware of their obligations and responsibilities when it comes to the conduct rules for both individuals and senior managers.

The policy covers the individual rules which are based on a person's characteristic and the manner in which they perform their role, as well as the dedicated senior manager rules that specify which functions and areas are to be complied with by senior managers carrying our SMF (Senior Management Function) roles.

This policy relates to all staff (*meaning permanent, fixed term, and temporary staff, any third-party representatives or sub-contractors, agency workers, volunteers, interns and agents engaged with the company in the UK or overseas*) within the organisation and has been created to ensure that staff deal with the area that this policy relates to in accordance with legal, regulatory, contractual and business expectations and requirements.

## OUR PEOPLE

Our people principally come from the communities they serve; some are experienced in the sector other new to Funerals. We encourage diversity from the board down and recognise the industry has been for some time limited in this area. We offer training to colleagues across a broad spectrum of activities including where appropriate subscriptions and professional fees.

We have engaged colleagues in professional courses through college – AAT advanced diploma in accounting, Learning and Development CIPD, Digital Marketing for Practitioners Award, CMI level 5 in Management and Leadership and train the trainer and pay the professional fees associated with AAT and CIPD.

## LONG SERVICE

17 per cent of Fosters staff have over 5 years' service.

## EMPLOYEE DIVERSITY

### TOTAL EMPLOYEES/RATIO (% AND NUMBER)

Male - 45% (40 employees) Female - 55% (50 employees)

## **EMPLOYEE SERVICE (% AND NUMBER)**

Less than 1 year - 15% (13 employees)

1-4 years - 68% (62 employees)

5+years - 17% (15 employees)

## **UNDERSTANDING AND IMPROVING ENGAGEMENT**

We are focussed on communicating sensitively with clients, we must therefore ensure the same care and consideration is shown towards our own people too. That means regular dialogue, which is accessible through a variety of channels, with the opportunity for colleagues to interact and easily share their feedback.

In a market experiencing fundamental change in the first time for a long time, employees will also want to know how these changes affect them and their roles.

Regular team briefings and early engagement on new products, proposition changes and sharing ideas for feedback are customary practice in the business. Feedback is captured routinely from all training that takes place and as part of the implementation of new initiatives as part of our continual improvement.

Every funeral we conduct is followed up by a call to check on the service received including opportunities to improve, colleague behaviours including any positive or indeed negative comments etc.

Every plan we sell has a follow up welcome call to ensure the customer received what they wanted, and we did so in line with our service standards and regulation.

This will be further enhanced in July 2023 by the introduction of an annual colleague survey. We will share the results of this survey with the team and update on actions from their feedback.

## **SUPPORTING EACH OTHER**

We care deeply about the wellbeing of our people and continue to offer access to an Employee Assistance Programme. This free and confidential advice service is available 24/7 and enables colleagues to discuss any issues that may be causing them concern, be they related to work, home life, or their physical and mental health.

## **KEEPING PEOPLE SAFE**

Safety in the workplace remains a priority, helping to protect the people who work at, and visit, our premises. Working in a safe environment allows us to focus on delivering excellent service to our clients, while also supporting employee engagement and retention.

- We offer optional online training including Healthy Lifestyle courses - Food, Drink, Exercise, and sleep, managing personal stress and supporting your colleague's mental health.
- We also engaged the support of the City of Glasgow College in providing colleagues across all levels and departments of the business in a Level 5 Award in First Aid for Mental Health - How to provide advice and practical support for a person presenting with a mental health condition, How to recognise a range of mental health conditions, How to recognise and manage stress, The possible impact of substance misuse on mental health, Understand implementing a first aid action plan for mental health, Implementing a positive mental health culture in the workplace, Practical demonstration of the first aid action plan for mental health.
- SAMH - Mental Health in the Workplace for the leadership team to give Managers the skills to support and manage positive mental health in the workplace by focusing on the

definition, impact and individual journey of a colleague's mental health, the science behind it and an organisation's legal responsibilities. This includes how use a Wellness Action Plan.

- SAMH - Maintaining Wellbeing for all colleagues to help colleagues understand how to build a mentally healthy workplace from an individual and organisational perspective, what stress is and how this affects individuals, the use of a wellness action plan and why this is important, the SAMH tools available to protect our mental health.
- Additional management training – Effective Leadership programme run June 2023 for all leaders.
- Through City of Glasgow College, we engaged 7 colleagues across the business in a First Aid at work course.

Through City of Glasgow College, we engaged 14 colleagues in the Institution of Occupational Safety and Health Managing Safely training. These colleagues are now certified in Assessing Risks, Controlling Risks, understanding business Responsibilities, Identifying Hazards, Investigating Accidents and Incidents, Measuring Performance and Protecting Our Environment.

The team works hard to minimise incidents and improve our safety culture and behaviours. We monitor health and safety through a safety calendar of events including periodic reviews and reporting alongside formal compliance reviews and specialist safety reviews by third parties. All accidents and incidents are reported to the board on a month basis.

We also proactively identify areas requiring action with the intention of further risk reduction across the business.

## MANAGING OUR ENVIRONMENTAL IMPACT

Our business is mindful of the importance of minimising the impact our activities have on the environment and the need to mitigate future risks wherever possible.

Fosters coffin suppliers manufacturing facility has ISO14001 certification, an internationally recognised standard for an effective environmental management system that is designed to address the balance between reducing environmental impact and maintaining profitability.

Our coffins are manufactured using raw materials that originate from well-managed and sustainable sources. Our supplier is fully accredited manufactured using timber certified by the Forest Stewardship Council (FSC®C012153).

Since 2020 our supplier has eliminated the use of any unregulated mahogany type timbers from its production.



Our supplier has an industry leading approach to production and the facilities are unrivalled in the UK for their progress on ESG actions both in terms of their own production and supply chain management but in education and information on coffin supply and production for the public.

We are engaged with them on a development programme for our colleagues which will provide training and information on the eco coffins resulting in individual certification for them. This will contribute to their own CPD (Continuous Professional Development) as well as supporting better information provision for customers.

## WASTE MANAGEMENT SERVICES

After carrying out a detailed review of our supplier agreements for waste management we have entered a new partnership to handle our general and mixed recyclable waste across Scotland and a separate specialist contractor to manage clinical waste.

Our clinical waste is subjected to a controlled 2 step disposal process by our supplier.

Step one: Is mechanical treatment: the waste is shredded so it cannot be recognised and transferred into an autoclave bin through the process.

Step two: is thermal inactivation: the autoclave bin is then put into the vessel (Bondtech autoclave) where steam is injected for a period (this time and temperature is set at validation stage of the process) they achieve a minimum of 4 log10 inactivation. This is verified through efficacy testing and validation testing, both of which are submitted to the regulator.

Working with a new general waste provider, we are now able to monitor the total volume and mix of waste we produce. This includes understanding the proportion going to landfill (currently 18%). After a 6-month period of data gathering and evaluation we will review the findings and introduce a plan to improve the overall impact we are having with our own waste products.

Meantime we have implemented an internal waste awareness and waste reduction campaign aimed at engaging our colleagues to consider the impact they can have personally in this area as well as sharing the action we are taking as business to better understand the volume of waste we produce and target reduction. We will update colleagues with the outcome of the 6-month review and discuss how we target improvements because of the findings.

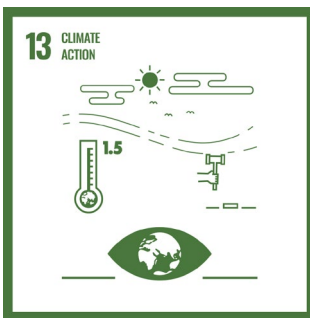
## ENVIRONMENTAL REPORTING

As part of our ongoing commitment to reduce our carbon footprint and environmental impacts, we are working on widely known and understood sources of Carbon emissions which are present in our business. In the next 3 years we aim to improve reporting and our understanding of further changes we can make but are acting now on the already identified areas.

### Reducing emissions

**The business has a long-term commitment to reduce emissions.**

In the near term a flexible working policy is in force, allowing colleges who can work remotely to do so. This is supplemented by a company backed cycle to work scheme enabling reduced cost purchase of bikes and equipment.



While the ceremonial fleet makes up much of the company fleet and is by its nature a long-term asset, the business will replace its local vehicle run around cars with electric when due for renewal and all future ambulance purchases are planned to be electric or hybrid instead of diesel. As the new electric hearse and limousines available are proven to be reliable and commercially viable we will move to this as a principal source of new ceremonial fleet when required.

Where customers are being given the option to transact by phone or on video reducing the need for travel to the site to make arrangements or buy a plan.

By centralising all our direct cremations in one site, we have reduced the road miles for this service with multi deck ambulances being used for dignified transportation.

We actively work with our main coffin supplier to reduce the need for one off deliveries of coffins and special orders, reducing in the last year the frequency by challenging all orders of this nature.

We have historically had multiple contracts for supply of gas and electricity making management and understanding of usage problematic especially with the pressure suppliers have been under to provide accurate billing because of the cost of these services increasing due the impact of the war in Ukraine.

Significant work was done regardless of this to gather real time information on branch usage, instil a cyclical process or taking meter readings from all sites manually and recording vs available supplier information.

The output from this was the identification of 4 sites with abnormal high usage, they are being investigated and action take to improve performance and reduce our carbon footprint.

We have moved broker and centralised all Electricity and Gas under 2 suppliers. This will enable us to better monitor usage and take action to reduce excess with third party validation, reviewed and reported independently including calculating our energy carbon footprint.

### **The business will explore opportunities to reduce emissions through new processes and procedures**

Flame based cremation (Gas Cremation or Electric cremation) produce substantial carbon emissions as well as harmful gasses despite the best available technology implemented in crematoriums. Alternatives to this are available today in the form of Water cremation.

Traditional burial in a coffin brings its own challenges with the slow decomposition, leakage of fluids into the ground water and ongoing maintenance of the grounds all producing harmful by products or carbon.

Alternatives are available including shroud burials and human composting.

We are committed to engaging in the conversation with customers, raising awareness of the issues with current practices and understanding customers willingness to make changes as and when these capabilities are available.

We will conduct research annually with clients through our client survey to explore the subject and make available resources to inform customers about these alternatives on our web site.