



Downing B Corp Impact Report

September 2023

Leadership letter – what did we do

Our annual Impact Report is a testament to our unwavering commitment to driving net environmental gain, positive societal change, and effective asset governance through sustainable and responsible investment practices. As we reflect on the year since becoming certified, we find ourselves both proud and mindful of the strides we have made on our journey as a certified B Corporation.

This year has posed extraordinary challenges to businesses and countries worldwide. Despite these, we have remained steadfast in our dedication to creating meaningful impact for our stakeholders. Our efforts have been underpinned by the resounding belief that Downing can make a positive impact and be a force for good, acting with decency in all that we do.

We are exceptionally proud of what we have achieved over the past year, below are a few key accomplishments:

- i. **Community impacts:** we provided debt or equity funding to management teams that run quality care homes, specialist education schools and local pubs, all of which are assets of community value.
- ii. **Environmental stewardship:** we have made progress in this area by investing in renewable energy infrastructure such as solar, wind and hydro, to reduce emissions and mitigate climate change. We have also incentivised UK residential property developers by providing finance to build with sustainability practices in mind. We reward these actions by rebating up to one percentage point off our interest rate changes if they improve their ESG scoring.
- iii. **Transparency and accountability:** We advocate full reporting, transparency and disclosure, ensuring stakeholders have access to accurate information about our environmental impact through our [Sustainability Report](#).



Tony McGing
CEO

Our mission and values – what we said we would do

Our responsible investment strategy headline is 'Investing for return. Caring about the world.'

Downing is dedicated to creating a sustainable future through ethical investments and responsible business practices. We make investments more rewarding, by aiming to deliver attractive returns and by helping businesses grow,, all the while, looking after our largest resource: our staff.

'Investing

We have core behaviours, expected of all staff. We are **bold and ambitious**; we set challenging targets for ourselves and are determined to grow. We are **straightforward**; we have clarity in our communication and do and mean what we say. We **support each other** and all stakeholders to learn from past mistakes and reach our stretched targets.





Journey to certification – what did we do

Downing decided to become a B Corp to demonstrate our commitment to meeting high standards of social and environmental performance, accountability, transparency and governance. By achieving B Corp status, we are emphasising the importance of weaving sustainable investment throughout our fabric. We recognise that we have key stakeholders including staff, clients, communities and the planet - and we have a duty of care to all of them.

Our B Corp certification allows us to reflect on our fiduciary duties of loyalty and care, our legal obligation to show regard to all stakeholders and to build upon our successes, as well as learning from our failures. It sits well within the culture we have created, giving us a further framework to work towards when building a growing company. We recognise that there are difficulties in maintaining the same culture in a company of over 200 staff compared to 100, and as we grow the B Corp assessment offers us a fantastic opportunity to develop. A quote from Jack Welch, former CEO of GE, is relevant to us here: “We want a small company soul and speed inside our big company body.”

Becoming a B Corp has allowed us to reflect on the areas of assessment and refocus our efforts on making Downing a great place to work and integrating sustainability. To show real people doing concrete things, this includes:

- Creation of a sustainability champions network to implement the spirit of B Corp to individual teams.
- Formalising our approach to sustainability in a firm-wide policy.
- Stewardship discussions with investees and clients, on the benefits and steps of becoming a B Corp.

B Corp score and goals for the next 12 months

With much change – including dedicated and experienced resources for sustainability – between starting our B Corp application in early 2021 and since gaining certification in September 2022, there is scope for improvement. Our verified B Corp score was 80.4, which was enough but not *good* enough for us:

Governance – 10.5
Workers – 35.8
Community – 9.3
Environment – 7.6
Customers – 17.1

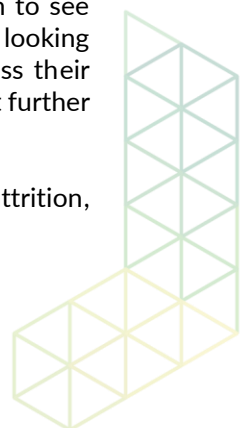
Upon recertification, we are aiming for a score of at least 90, and indeed given the resource mentioned, we are quietly confident that we meet this. Therefore, 90 is a realistic goal for us and we're pleased to note that we have plans afoot to make this progress.

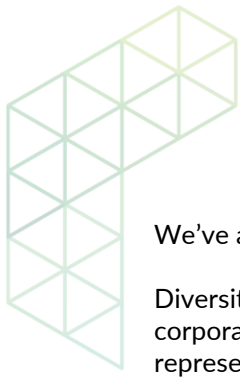
For the majority of these additional points, we will be focussing our efforts on three key areas: workers, community and environment. In addition, our 2023 sustainability report will have specific ESG targets that we shall hold ourselves to account for and report progress on each year.

1. Workers

Through our work with Investors in People we have highlighted areas that our staff are keen to see improvements in, and these align well with necessary actions to improve our B Corp score. We're looking at training and learning management systems, as well as clarity in how someone may progress their career at Downing. As a B Corp, we regard our colleagues as key stakeholders and we will report further on our progress with Investors in People.

We can do more with benchmarking to make sure that we're at an industry standard for attrition, satisfaction, and looking at important demographic groups.





We've already established our hybrid/flexible working environment.

Diversity, equity and inclusion (DEI) is a core ESG focus, alongside climate change/emissions and robust corporate governance practice. We are planning a DEI assessment for all staff, asking whether we are representative of our community? What is it like to work here? Afterwards we will then implement steps to improve the baseline score.

2. Community

Since our original certification we have made available gender-inclusive toilets.

Recently, we have trained eight Mental Health First Aiders (MHFA). These eight MHFAs are scheduled to review our wellbeing strategy in order to be proactive in supporting all staff, ensuring our workplace is inclusive and free from stigma.

We have implemented sustainable procurement policy, with a view to continually improve this with preferred suppliers.

Downing is proud to have the 'Downing Foundation' which supports three staff-nominated charities for three years. We achieve this through money-raising events as well as volunteering activities – most recently we have hosted a Family Fun Day at our office and had volunteers support an event at the ZSL London Zoo.

3. Environment

There are works in plan for significant changes to the building in which we operate. Whilst we are not able to claim these as our own, we are working closely with our landlord to plan for water efficiency as well as heating efficiencies.

We're introducing an annual 'environmental week' to our timetable that shares information and resources with our staff so that they can make sensibly informed decisions as to how they are environmental stewards at home, home offices, commuting, or in the office.

We published our first Sustainability Report at the start of 2023, calculating and reporting our greenhouse gas emissions. We are considering initiatives for quantifiable targets for reducing our emissions.

We are thrilled to say that we are carbon neutral – we have offset our emissions. We will continue to monitor and record our emissions data, and in the longer-term set reduction targets.

Environmental factors such as emissions, water, waste and, particularly from this year, nature and biodiversity – are a core focus in all our investment and engagement activity as well. This includes identifying environmental risk and opportunity in pre-investment due diligence and then managing in post-investment active ownership.

Thank you

The year ahead looks very exciting for us in terms of making real progress, and we look forward to sharing the changes we make in our report next year.

