

# **Environmental, Social & Governance (ESG) Policy**

**March 2025**

ESG within Hargreaves refers to three factors in measuring and managing the sustainability and societal impact of a company or business:

**Environmental:** Monitors and reports how the Group controls and improves its impact on the environment.

**Social:** Examines how the Group manages its relationship with employees, suppliers, and communities.

**Governance:** Controls and monitors how the Group deals with its leadership, internal controls, risk management, regulatory compliance, and shareholder communications.

## Environmental

Hargreaves recognises the potential impact of its activities on the environment. The Group is committed to demonstrating its environmental performance following relevant legislation through robust measuring systems and appropriate goal setting, tracking, and reporting basis.

The Group has an internal ESG Working Group, made up of representatives from across the company's business units to ensure collaborative action, chaired by the Head of ESG. The Group meets regularly with a remit to ensure the Hargreaves Group is at the forefront of ESG issues, that Sustainability Frameworks are developed as needed, in-depth policies are in place, and appropriate ESG-related initiatives are underway to facilitate the continued advancement of sustainability at the Company. Each Business Unit has appropriate implementation plans in situ, which are cascaded into operational deliverables.

### Climate Change Assessment

Each business unit undertakes an annual risk assessment of the impact of climate change and embeds this into the risk register.

Climate change mitigation is reviewed by the ESG Working Group and changes and policies are implemented where necessary. Additionally, a Group Climate Change Policy has been developed, due to be implemented in Spring 2025.

### Net Zero

The Group has developed a Net Zero Plan, published in May 2024, which conveys the Group's commitment to deliver Net Zero from corporate emissions by 2030 and all emissions by 2050. The Plan is publicly available via the Company's website ([www.hsgplc.co.uk](http://www.hsgplc.co.uk)) and aligns with UK government legislation and what is both technologically and economically feasible.

The Group is working to further reduce carbon emissions by reviewing energy production and consumption to identify suitable opportunities for carbon reduction. This is an on-going area of work.

As an operator of a logistics fleet and plant machinery, reducing vehicle emissions is a key consideration for Hargreaves. The Group is exploring new technologies and green-fuel-based options to reduce dependency on fossil fuels and enhance efficiencies; Investments include electric excavators and bio-gas trucks, which have recently been deployed.

Furthermore, the Group continues to offer clients the option to use HVO/alternative powered HGV fleet where practical and several long-term service contracts are now in place on this basis. Additionally, the Group is exploring behaviour based initiatives to reduce emissions where possible in advance of any change to alternative fuels.

As a master developer of large-scale sites, Hargreaves Land continues to embed sustainability principles in all its new developments, from design stage through to completion, with due consideration to future societal use. Wherever applicable, new schemes incorporate renewable technologies, and developments will be designed to achieve BREEAM status and EPC Sustainability Principles, subject to individual occupiers' requirements.

Hargreaves Land is increasingly engaged in the delivery of renewable energy projects, which include the development of wind farms and battery storage facilities, the Company is acting as lead enabler on numerous UK sites. Additionally, the Group has planted thousands of trees on Company-owned land, with more planned through 2025 and beyond.

Through its Environmental Services business, the Group has successfully rejuvenated extensive landscapes, facilitating biodiversity and returning fauna and wildlife to acres of countryside.

Employees' vehicle emissions are reduced where possible with hybrid/remote working and the use of digital communications for meetings to reduce unnecessary travel. The range of electric vehicles (EVs) and hybrid vehicles (HVs) made available to company car users has been extended, and there is a steady increase in the uptake of salary sacrifice scheme-based EVs with EV charging points available for use on most major sites.

### **Waste Reduction**

The Group embraces and promotes the five steps of the Waste Hierarchy to reduce waste and reduce waste to landfill. All office-based facilities must recycle paper, card, plastic, glass, and aluminium. Additionally, new systems are being implemented to enable the recycling of food waste. Where possible, IT hardware such as laptops and mobile phones are reallocated when an individual starts/leaves the business or recycled at the end of life. The Group is also working to identify suitable ways to recycle and re-purpose PPE.

### **Metrics & Targets**

The Group currently measures and reports on the Energy Savings Opportunity Scheme (ESOS), Scottish Pollutant Release Inventory (SPRI,) and Streamlined Energy and Carbon Reporting (SECR) framework. Additionally, the Group utilises external non-mandatory sustainability scorecards and frameworks to benchmark against industry standards and identify areas for improvement.

## **Social**

### **Employee Wellbeing**

Hargreaves values its people and is committed to supporting employees and to promote a positive work-life balance. To facilitate this, the company provides flexible working opportunities where applicable, and maternity and paternity leave.

At point of recruitment, and whilst in employment, all employees are subject to our Recruitment and Selection Policy, Equal Opportunities Policy, Positive Work Environment Policy, Grievance Procedure Policy, and Further Education Policy. These policies must be strictly adhered to in addition to occupational health screening when appropriate to the role in question.

The Company nurtures promotional opportunities by offering development training, which fosters staff loyalty, bolsters morale, and encourages employee retention.

Hargreaves offers an Employee Assistance Programme which can be accessed free of charge for confidential mental health, physical support, and legal advice. Additionally, trained Mental Health First Aiders are in place who act as the first point of contact around the Group.

Employees have access to a confidential whistleblowing helpline, managed by an independent external provider.

Hargreaves work with the Government Apprenticeship Scheme and associated Levy, which helps encourage and support young people in the world of work, as well as welcoming pupils and students for work experience.

### **Equality, Diversity & Inclusion**

Hargreaves believes in a fair future for all and everyone has the right to live without fear of prejudice regardless of race, age, gender, disability, sexual orientation, social class, religion and belief.

Hargreaves commits to:

1. Encouraging equality, diversity and inclusion in the workplace.
2. Creating a working environment free of bullying, harassment, victimisation and unlawful discrimination; promoting dignity and respect for all and fostering an environment where individual differences and the contributions of all staff are recognised and valued.
3. Taking complaints of bullying, harassment, victimisation, and unlawful discrimination by fellow employees, customers, suppliers, visitors, and the public seriously, and any others in the course of our work activities. Such acts will be dealt with as misconduct under the company's grievance or disciplinary procedures, and appropriate action will be taken.
4. Making opportunities for training, development, and progress available to all employees, providing help and suitable support to develop employee skills and talents.
5. Making decisions concerning employees based on merit (excluding necessary and limited exemptions and exceptions allowed under the Equality Act).
6. Reviewing employment practices and procedures when necessary to ensure fairness, updating policies as needed to reflect changes in the law.
7. Monitoring the composition of the workforce regarding information such as age, sex, ethnic background, sexual orientation, religion or belief, and disability, and using this information to encourage equality, diversity and inclusion, and meet the aims and commitments set out in the equality, diversity, and inclusion policy.

The Group is conscious of the need to identify and improve the ethnicity and gender split of its workforce. Employment practices continue to be designed to positively change this, which is reflected in the Group's Equal Opportunities Policy.

The Group operates a Recruitment and Selection Policy and an Equal Opportunities Policy and promotes local employment initiatives, recruiting locally whenever possible.

### **Social Value**

Hargreaves is proud to support communities, to enable community growth, deliver community benefits and create social value. This is an expanding area of activity within the Group with ongoing investment.

The Group works with customers and supply chain partners to maximise the social, economic, and environmental wellbeing of local communities, setting targets, and delivering projects that reflect our social value priorities, ambitions, and goals and is committed to monitoring and reporting on social value delivered by using recognised independent tools such as the National TOMS Framework, as well as internal systems.

### **Social Engagement**

Hargreaves believes in teamwork and through its global Corporate Social Responsibility Fund ("CSR Fund"), the Group is committed to supporting a combination of employee sponsorships, charities, and clubs directly linked with employees, and office-based charity events, in addition to enabling our employees to participate in volunteering initiatives within their respective local communities.

Hargreaves holds a gold CSR accreditation that lasts three years and is reviewed annually to ensure the company remains vigilant and proactive to business and legislative changes.

## **Governance**

Hargreaves is committed to maintaining high standards of corporate governance and will continue to adopt the Quoted Companies Alliance Corporate Governance Code 2018 ("QCA Code") and will transition to the updated 2023 iteration of the code during the financial year ending 31 May 2025.

The Group will endeavour to hold various ISO and other relevant accreditations demonstrating the high standards the Company seeks to achieve.

Following an independent assessment, by Integrum ESG, the Group was awarded an ESG A rating which indicates a good overall approach to ensuring a company acts in line with expected standards for ESG matters.

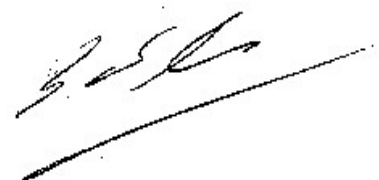
Hargreaves' ESG Working Group will continue to review the Group's strategy on environmental and social matters and ensure there is a consistent group-wide approach to assessing environmental and social issues, which includes giving due consideration to future strategy regarding climate-related risks, mitigation, and disclosures.

Significant progress has been made in rationalising and improving the accessibility of the Group's key policies in the last twelve months, as the Group recognises the importance of ensuring visibility and understanding of key policies by all members of staff.

The ESG Working Group will continue to report to the Audit & Risk Committee, and, through that, the Group's ESG activities will continue to have Board level engagement. The Board will remain aware of the Group's ESG responsibilities and will continue to develop its governance arrangements in respect of environmental and social matters to comply with relevant legislation and reporting requirements.



**Nigel Halkes**  
of the Audit & Risk Committee



**Gordon Banham Chair**  
Group Chief Executive