

Environmental, Social & Governance (ESG) Policy

October 2023

ESG refers to the three central factors in measuring the sustainability and societal impact of a company or business.

Environmental

Monitors and reports how the Group controls 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 and shareholders.

1. Environmental

Hargreaves recognises the potential impact of its activities on the environment. The Group is committed to demonstrating its environmental performance in accordance with relevant legislation through robust measuring systems and appropriate goal setting, tracking and reporting on an ongoing basis. The Group has an internal ESG Working Group, chaired by a Business Unit Managing Director, which contains representatives from all Business Units to ensure collaborative action. The ESG Working Group meets regularly with a remit to ensure that the Group is at the forefront of ESG issues. The ESG Working Group is responsible for developing the Sustainability Framework and in-depth policies for the Group and ensuring each Business Unit has appropriate implementation plans.

Climate Change Assessment

Each business unit undertakes an annual risk assessment of the impact of climate change and embed this into their risk register. Climate change mitigation is reviewed by the ESG Working Group and changes and policies are implemented where necessary.

Net Zero

The Group is developing a Net Zero Plan, to be published in the Spring of 2024 which will commit the Group to deliver Net Zero from corporate emissions by 2030 and all emissions by 2050. The plan is being developed to ensure it aligns with UK government legislation and what is both technologically and economically feasible.

The Group is attempting to reduce carbon emissions by ensuring buildings are suitably insulated with the installation of more efficient boilers. As a master-developer of large-scale sites, Hargreaves Land will endeavour to embed sustainability principles in all its new developments, specifically following the design principles of “twenty-minute neighbourhoods”. In particular, new schemes will incorporate renewable technologies where appropriate and ensure new unit specifications accord with the relevant BREEAM & EPC Sustainability Principles, subject to individual occupiers’ requirements.

Alternative methods of working are encouraged to reduce the need for unnecessary travel. Electric and hybrid vehicles are available to company car users, including a salary sacrifice scheme for these vehicles, alongside providing charging points at both our corporate sites and Hargreaves Land’s new developments, where practicable.

We offer clients the option to use HVO powered HGV fleet where practical. Additionally, alternative fuels will be sought for equipment, such as heavy plant, that is currently diesel powered and used where practical.

Waste Reduction

The Group embraces the five steps of the Waste Hierarchy to reduce waste and limit landfill. Staff are encouraged to reduce waste where possible. All office-based facilities must recycle paper, card, plastic, glass and aluminium. Where possible, IT hardware such as laptops and mobile phones must be reallocated when an individual starts/leaves the business.

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).

2. Social

Employee Wellbeing

People are our most important asset, and the Group is committed to supporting our employees to enjoy a positive work-life balance. To facilitate this, we will continue to provide flexible working opportunities, 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. We nurture promotional opportunities by offering development training which fosters staff loyalty, bolsters morale and encourages the retention of employees.

Hargreaves offers an Employee Assistance Programme which can be accessed free of charge for confidential mental health and physical support, as well as legal advice. To help support employees, we will continue to have an appropriate number of qualified Mental Health First Aiders who will act as the first point of contact around the Group.

Additionally, employees will continue to have access to a confidential whistleblowing helpline, managed by an independent external provider. Hargreaves will 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.

Social Inclusion

Hargreaves believes in a fairer future for all. We believe everyone has the right to live without fear or prejudice regardless of race, age, gender, disability, sexual orientation, social class, religion, and belief. To help us achieve this we will continue to have a Recruitment and Selection Policy and an Equal Opportunities Policy.

We continue to have an emphasis on local employment initiatives. Our commitment, when mobilising a site within the community, is to recruit locally whenever possible by working with local councils and DWP initiative programmes. We work with clients to help achieve their Skills, Employment and Education Strategy by recruiting locally and upskilling and training to help the next generation develop technical skills for future infrastructure projects for the country, in conjunction with local training academies, where appropriate.

The Group is conscious of the need to identify and improve the ethnicity and gender split of our workforce and our employment practices will continue to be designed to achieve this which is reflected in the Group's Equal Opportunities Policy.

Social Engagement

Hargreaves believes in teamwork and through our 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 a number of employees giving their time to distribute food in their local communities.

Corporate Social Responsibility (CSR)

Hargreaves holds gold CSR Accreditation. The accreditation is an effective way to benchmark what a business does with regard to corporate social responsibility and provides a roadmap for planning future activity. The accreditation lasts for three years which enables the process to be ongoing to ensure we remain vigilant and proactive to business and legislative changes.

3. Governance

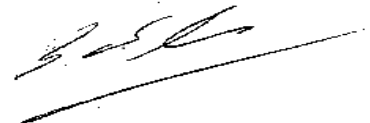
Hargreaves is committed to maintaining high standards of corporate governance and will continue to adopt the Quoted Companies Alliance Corporate Governance Code 2018 ("QCA Code").

The Group will endeavour to hold various ISO and other relevant accreditations which highlight the high standards we seek to achieve. Following an independent assessment, by Integrum ESG, the Group was awarded an ESG A rating which indicates a very 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. The ESG Working Group will ensure that we have a consistent group-wide approach to assessing environmental and social issues, including climate related risks and mitigation. Furthermore, the ESG Working Group must consider future strategy on managing climate related risks and disclosures. 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
Chair of the Audit & Risk Committee



Gordon Banham
Group Chief Executive