

# RESPONSIBLE BUSINESS STRATEGY

Our Responsible Business Strategy sets out medium-term objectives which we aim to achieve by the end of 2025. It aims to incorporate and align our approach to ESG with our commercial strategy, and to ensure our activity and performance is influenced by our Purpose and Values.

## Strategy Structure – how it all fits together

### Our Purpose

is to empower and develop our people to create long-term value and sustainable growth for our stakeholders.

### Pillar 1 – Our People

We will support, develop, engage, and empower our people to have an exceptional working experience, to be the best versions of themselves, and to deliver long-term value for our stakeholders.

### Pillar 2 – Our Places

In fulfilling our Purpose, we will support and engage the communities we work with, and alongside, to create long-lasting social value.

### Pillar 3 – Our Planet

We will protect and preserve our planet by reducing our environmental impact, consuming responsibly and safeguarding our environments.

### Pillar 4 – Our Partners

We will collaborate with our partners to deliver exceptional results, create value and share knowledge, solutions and creativity to address key issues.

### Our Ambitions

will be delivered by our people working closely with our partners – delivering collaborative solutions with real impact.

### Our Values

will underpin and align everything we do.

Our Strategy is aligned to the UN SDGs that we and our stakeholders feel our business can most positively impact



## Responsible Business Strategy – 2022 Progress Report

The tables on the following pages detail the progress we have made against the four strategic pillars of the Strategy in 2022. For more information and case studies please review our Responsible Business Strategy – 2022 Progress Report

## Our People

Our people are our greatest asset and are instrumental in the delivery of our Responsible Business Strategy. As we collaborate with them to create value for our communities and environments, we will invest in them and further develop a workplace culture that encourages openness, collaboration and fairness. We will proactively support their health and wellbeing and be innovative to ensure that our workplace is diverse, accessible, and allows all our people to thrive.

Objectives	2025 Target	2022 Performance	Aligned UN SDGs	Material Issues
<b>OUR PEOPLE</b>				
<b>Promoting positive health and wellbeing for our people</b>	Develop and deliver a Group-wide Health and Wellbeing Strategy with a range of activities and resources available to all.	Our new Health and Wellbeing Strategy has been developed throughout 2022 in collaboration with our senior management, Group Employee Forum, colleagues across the Group, and commercial and community partners. This Strategy launched in early 2023 with a delivery plan supporting implementation.		<ul style="list-style-type: none"> <li>Employee health and wellbeing</li> </ul>
<b>Creating an equal, inclusive and diverse workplace</b>	Encourage greater levels of gender diversity in our workforce and increase gender representation in management positions with 30% of workforce and line managers being female.	We have made strong progress and female representation of our overall workforce is 25% and of our management is 24% (S/R)		<ul style="list-style-type: none"> <li>EDI</li> <li>Education engagement</li> <li>Employee health and wellbeing</li> </ul>
	Reduce our gender pay gap to 20%.	Our 2022 gender pay gap (when measured as a median) was 21.43%. (S/R)		
	Begin reporting on our ethnicity pay gap and set a reduction target to encourage greater ethnic diversity in our workforce.	We have engaged commercial partners to review ethnic pay gap reporting and are undertaking the required work to begin reporting in 2024.		
	Deliver equality, diversity and inclusion (EDI) training to 100% of our people.	We have delivered EDI training to 79% of our workforce and continue to engage our people regularly on this issue.		
	Introduce best practice recruitment processes and reverse mentoring programmes, combined with an annual benchmarking and auditing process to ensure progress against targets.	Our EDI Steering Group and HR team are collaborating to introduce new recruitment processes and a reverse mentoring programme in 2023. We continually review our workforce data and are introducing measures to ensure it is robust and accurate to establish further targets and introduce new diversity initiatives.		
<b>Engaging and empowering our people</b>	<p>Introduce ESG related targets for all senior management remuneration.</p> <p>Ensure that all Group Pension Schemes incorporate ESG factors in investment decisions and that our people are well informed about their investment choices.</p>	<p>All members of our Executive Committee have ESG related targets incorporated into their performance review.</p> <p>ISIO, our pension scheme manager, conduct thorough reviews of ESG capabilities and report performance against their ESG Manager Review Framework. ISIO's financial coaching sessions provided for our people include advice about pension investments and the Group regularly shares information about pensions with employees.</p>	 	<ul style="list-style-type: none"> <li>EDI</li> <li>Employee health and wellbeing</li> </ul>

(S/R) This data is inclusive of Stonebridge Homes and Road Link (A69)

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## Our Places

Investing in, and collaborating with, the communities in which we work is critical to ensure that we create long term meaningful social value. We are committed to supporting thriving local communities, to working in partnership with community organisations, and to harness the skills and passion of our people to improving people's lives. We keenly work with education partners to create excitement about our industry and inspire learners to consider a career with us. We believe that this approach will support our long term success and ensure that we remain a partner of choice for all those we work alongside.

Objectives	2025 Target	2022 Performance	Aligned UN SDGs	Material Issues
<b>OUR PLACES</b>				
<b>Developing collaborative charity partnerships</b>	Contribute £1,000,000 of financial (and equivalent) value to our charitable partners* (including donations of funds, resources, sponsorship and pro-bono support).	In 2022 we contributed a total of £291,692 to a range of our charitable and community partners including financial donations and sponsorship, employee fundraising, and expertise, time and resources provided pro bono.	 	<ul style="list-style-type: none"> <li>Community engagement</li> <li>Employee health and wellbeing</li> </ul>
	Develop long-term strategic partnerships both nationally and regionally, and align all Group charitable giving with our Charitable Giving Pillars – for maximum impact.	In 2022 we developed the relationship with our Group Charity Partner Place2Be and contributed approximately £20,000 to support their vital work. We also continued to develop existing and new strategic charity partnerships and aligned charitable donations with our Charitable Giving Pillars.		
<b>Collaborating with our communities</b>	Contribute 7,500 volunteering hours across our Group to a range of community, charity and education projects.	In 2022, we contributed over 2,250 volunteering hours (equivalent to 281 working days) to a wide range of charitable, community, and education partners.	  	<ul style="list-style-type: none"> <li>Community engagement</li> <li>Employee health and wellbeing</li> </ul>
<b>Engaging learners</b>	Engage 5,000 learners through careers initiatives, curriculum-focused activity, work experience, and mentoring.	In 2022, we engaged over 2,500 learners through a wide range of careers education activity and initiatives including work experience, site visits, career sessions and mentoring.	  	<ul style="list-style-type: none"> <li>Education engagement</li> <li>Employee health and wellbeing</li> </ul>
	Offer 200 entry level employment opportunities or work experience placements with a focus on those who traditionally struggle to access opportunities.	In 2022, we offered 30 work experience placements and 21 entry level employment positions. We engaged a range of education partners to share information about entry routes (including apprenticeships) with learners who traditionally struggle to access careers education.		
	Develop and deliver an Education Engagement Strategy to consolidate and enhance our support and collaboration with education partners, to create significant impact for learners, and to incorporate social and environmental responsibility into our education programmes.	In 2022 we undertook extensive engagement with education and community partners to develop an understanding of their needs and aspirations across the areas in which we work.  Additional engagement was undertaken with our people to review the education support currently provided. The feedback and learnings from this engagement will be incorporated into our Education Engagement Strategy which will be launched in 2023.		

\*Charitable partners includes registered charities, CICs, community organisations, and education partners.

 This data is inclusive of Stonebridge Homes and Road Link (A69)

## Our Planet

We recognise the increasing risk that climate change poses and are steadfast in our commitment to protect our planet for future generations. We have a clear target of achieving NZC for our direct GHG emissions by 2030. We are taking a holistic approach to tackling climate change through clear ambitions to protect natural environments, reduce resource use and waste creation, and encouraging behaviour change. Our targets below (unless stated otherwise) use a baseline year of 2019 for reporting progress.

Objectives	2025 Target	2022 Performance	Aligned UN SDGs	Material Issues
<b>OUR PLANET</b>				
<b>Reducing GHG emissions</b>	Absolute target to reduce Scope 1 and 2 GHG emissions by over 20% to support reaching NZC by 2030.	Our Scope 1 and 2 GHG emissions in 2022 were 2,930 tonnes (a 12% reduction against our 2019 baseline which was 3,313 tonnes).  Whilst this reduction is positive, our direct GHG emissions rose moderately in 2022 due to increased productivity. We remain committed to utilising innovative solutions and measures to ensure our GHG emissions fall and we achieve our medium term targets.  (S/R)	 	• NZC
	Replace 50% of van fleet with electric vehicles (EVs) or other sustainable alternatives (100% by 2030)	In 2022, a fleet project team was established to deliver an infrastructure programme to service our future electric fleet. Two electric vans were ordered and will be piloted to identify any challenges ahead of additional vehicles being sourced to achieve our target.		
	Ensure that all our HGVs are EURO 6 compliant (30% to be replaced with EVs or other sustainable alternatives by 2030).	Our HGV fleet is close to full EURO 6 compliance and monitoring of the developments in sustainable HGVs is regularly undertaken.		
	Supply 50% of electricity demand for construction sites from renewable generators.	Henry Boot Construction trialed a range of sustainable generator solutions across key sites throughout 2022 in order to identify opportunities to reduce reliance on traditional generators.		
	Complete energy, resource and sustainability audits in all of our directly controlled offices, sites and depots – and implement all medium-term recommendations.	Energy Impact Limited, a specialist third party, were engaged and have completed audits of our directly controlled offices and depots. Short term recommendations are currently being implemented. Employee-led sustainability audits were also undertaken to identify further GHG emissions and waste reduction opportunities.		
	Reduce non-sustainable business mileage by 20%.	Business mileage in 2022 reduced by 34% from our 2019 baseline.		
	Use biodiesel as we electrify our fleet.	Due to the volatility of the market for HVO fuel and the complexity around it's credibility, we are not currently utilising biodiesel as a GHG emissions reduction measure.		
<b>Consuming resources responsibly</b>	Cut avoidable waste to 99% for our construction sites (100% by 2030).	In 2022, 99% of avoidable waste reduction was achieved on Henry Boot Construction's sites.	 	• Responsible consumption
	Reduce consumption of avoidable plastic by 50% and undertake Group-wide waste and water monitoring to establish reduction targets.	A programme to monitor and reduce avoidable plastic use across the Group remains in development.		
	Introduce a Group-wide Sustainable Supply Chain Standard to support supply chain collaboration and innovation.	Procurement specialists from across the Group are represented on the Group Climate Forum and will be supporting the development of our forthcoming Sustainable Supply Chain Standard.		
<b>To be a steward of nature</b>	Collaborate with commercial partners to achieve biodiversity net gain (BNG) on our projects and, enhance and preserve natural environments where we work.	We continue to collaborate closely with our customers, supply chain and commercial partners to deliver BNG effectively on our schemes and to share knowledge and solutions.	  	• Nature stewardship
	Deliver nature stewardship training to 100% of our people	Teams from the business have attended BNG seminars with specialist industry speakers. A broader range of training and education will be provided across the Group in 2023.		

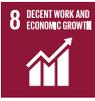
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## Our Partners

We have a clear responsibility to our commercial partners and stakeholders. Our success is not possible without the customers we support and an engaged network of suppliers, advisors, and membership organisations.

It is essential that we collaborate with them to remain a partner of choice in our key markets and foster thriving and inclusive local economies where we work.

We also recognise that we are just one business and that, through collaborative working, we will be able to deliver much greater impact and value for our communities and the environments in which we work.

Objectives	2025 Target	2022 Performance	Aligned UN SDGs	Material Issues
<b>OUR PARTNERS</b>				
<b>Being a partner of choice for our key markets</b>	Pay all of our suppliers the real living wage and secure accreditation with the Living Wage Foundation.	The Living Wage Foundation have been engaged and a review is currently being undertaken of the requirements to secure membership.		<ul style="list-style-type: none"> <li>Community engagement</li> <li>NZC</li> <li>Responsible consumption</li> <li>EDI</li> <li>Nature stewardship</li> </ul>
	Maintain best practice to ensure our sites and supply chain are modern slavery free.	Best practice is maintained by the Group's Modern Slavery Policy (which is routinely reviewed) and engagement has been undertaken with charities focused on this issue including Causeway.		
	Provide resources and support to enable our supply chain to support the objectives of this Strategy.	A range of support has been offered to our supply chain including toolbox talks, bespoke mental health awareness sessions with the Lighthouse Charity, and guidance on regulations and best practice.		
<b>Delivering high impact collaborations</b>	Engage and collaborate with our partners to generate the highest possible social value for our community and charity partners.	We have routinely engaged our commercial partners and supply chain to collaborate on delivering significant social value and employment and skills opportunities in alignment with commercial schemes and community partnerships.		<ul style="list-style-type: none"> <li>Community engagement</li> <li>NZC</li> <li>Responsible consumption</li> <li>EDI</li> <li>Nature stewardship</li> </ul>
	Engage key partners to create a more diverse and inclusive built environment sector and form business led partnerships to improve EDI.	We continue to engage with membership organisations (including the Confederation of British Industry (CBI) and Business in the Community (BITC)) on EDI and engage other businesses to share knowledge and best practice.	 	
	Collaborate with all our partners to reduce our environmental impact. This will include collaborating with business coalitions and membership organisations, and providing access to environmental training and resources for our suppliers.	We continue to engage with membership organisations (including Yorkshire Climate Action Coalition) to share knowledge and best practice. We became members of the UK Green Building Council (UKGBC) and will work closely with their team to educate and inform our people and partners on the latest sector environmental developments. We routinely collaborate with our supply chain and professional partners across all areas of commercial operations to identify opportunities to protect the environment and support the aspirations of our NZC Framework.		