

Corporate Responsibility

Our reputation gives our customers, employees, stakeholders, suppliers, investors and the communities in which we operate the confidence and trust to do business with us.

What does Corporate Social Responsibility mean to us?

Our commitment to being a sustainable business underpins everything that we do; this ethos is fully integrated into our day-to-day operations and it is of the utmost importance for us to demonstrate to stakeholders our approach and its impacts.

We consistently review and address the key social, ethical and environmental impacts of our operations in a way that aims to bring value to all our stakeholders; the programme supports an approach of acting responsibly while we continue to grow, with continuous improvement lying at the heart of our business.

During 2018 we continued to embed 'The Henry Boot Way'; critical to our ongoing success is the positive engagement of our employees working in collaboration with each other. In 2018 we were delighted to confirm that Henry Boot PLC and Henry Boot Developments obtained Investors in People accreditation; this is in addition to the accreditation already held by Henry Boot Construction and Road Link. Our remaining subsidiaries remain on track to obtain accreditation in the near future.

We continue to face a number of challenges; we must continue to act fairly and responsibly, ensuring all our stakeholders are provided with a safe

environment in which to work and making positive progress by trading responsibly and being a great employer.

Rachel White
Head of HR

■ ■ **Henry Boot always aims to do the right thing. We continue to devote our time, energy and money to worthwhile causes to ensure that we have a positive impact on society.**

John Sutcliffe, Chief Executive Officer



Non-Financial Reporting

We comply with the new Non-Financial Reporting Directive requirements. Information on these matters have been provided across the report, with a breakdown summary in the table below.

CSR Stakeholder	Reporting Requirement	Why it is important to engage	Ways we engage	Stakeholders' key interests
People (...) Read more on pages 58 to 60	<ul style="list-style-type: none"> – Employee Matters – Respect for human rights – Anti-corruption and anti-bribery matters – Human Rights – Diversity 	<p>Our people are fundamental to the Group's success. We recognise that their opinions count towards improving the workplace and the continued performance of the business.</p>	<ul style="list-style-type: none"> – Employee Surveys – Speak Up Campaign – Working Group forums – Training and apprentice programmes 	<ul style="list-style-type: none"> – Career Opportunities – Workplace improvement – Developing Group inter-working relationships – Investors In People
Health and Safety (...) Read more on page 61		<p>The welfare of our people and stakeholders is integral in our Values. With commitment and structured procedures in place, we provide a safe working environment to all the communities we operate in.</p>	<ul style="list-style-type: none"> – Internal management systems – Training courses – Workplace and site assessments 	<ul style="list-style-type: none"> – Reducing the risk of accidents at the workplace – Raising awareness of procedures – Endorsing Health & Safety initiatives set by the Group
Our Communities (...) Read more on pages 62 and 63	<ul style="list-style-type: none"> – Social matters 	<p>To understand the changing need and requirements of the communities we operate in. We are then able to develop lasting relationship which can make a positive difference.</p>	<ul style="list-style-type: none"> – Charity of the Year initiative – Group Charity Committee – Community investment initiatives – Investor with South Yorkshire Community Foundation (SYCF) 	<ul style="list-style-type: none"> – Developing lasting relationships – Promoting awareness of their purpose – Raising funds to support their operations
Environment (...) Read more on pages 64 and 65	<ul style="list-style-type: none"> – Environmental matters 	<p>We engage environmental management systems to achieve our responsibility in protecting and enhancing the environment in all business operations.</p>	<ul style="list-style-type: none"> – Impact Assessment and Action Plans – Assessment and Remediation Strategies – Maintaining our ISO 14001 standard – Membership of BITC Yorkshire & Humber 	<ul style="list-style-type: none"> – Minimising the Group's emissions – Impact of Group activities on the wider community – Recycling initiatives

For further disclosures on Non-Financial Reporting please see:

(...) **Business Model** on pages 16 to 19

(...) **Non Financial KPIs** on page 46

(...) **Risks and Uncertainties** on pages 46 to 55

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People

Our people are critical to the success of our Group.

Their talent, commitment and motivation mean that we can enjoy ongoing success. Our Values continue to inspire the day to day behaviours of our employees and wider supply chain, defining how we work together for successful delivery.



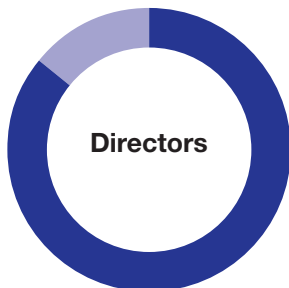
Gender diversity



● Male 405 – 75%
● Female 133 – 25%



● Male 56 – 85%
● Female 10 – 15%



● Male 18 – 86%
● Female 3 – 14%

Our approach

Our people are vital to the delivery of our strategic priorities; engagement with our employees and employee satisfaction are crucial to continued improvement and success across all of our businesses. We strive to maintain a culture of inclusivity and to create an environment that enables us to attract and retain the right people to work at every level, who are committed to working together, and who support our Values.

We have established policies for recruitment, learning and the development of our employees; we remain committed to investing the time and resource to support, engage and motivate our employees to feel valued, to be able to develop rewarding careers, and wanting to stay with us, and we recruit and promote from within wherever possible.

As our businesses continue to develop and grow, we understand that by retaining and inspiring effective and committed employees, we can continue to deliver excellence to all.

Human rights

Henry Boot PLC is committed to the UN’s Guiding Principles on Business and Human Rights. Protecting and preserving human rights is embedded

in our culture and is fundamental to our Values. This is reflected in our policies relating to anti-corruption, diversity, and whistleblowing, coupled with our actions towards our people, suppliers, clients and the communities in which we operate.

Modern slavery

The Henry Boot Group has, following the introduction of the Modern Slavery Act 2015 (the ‘Act’) implemented a number of measures which seek to bring about greater transparency and scrutiny into our various supply chains, in order to combat slavery and trafficking activities. We continue to keep under regular review our Human Trafficking and Slavery Statement (the ‘Statement’), setting out the activities undertaken to reduce the risk of slavery and trafficking activities being present within our business operations. These measures include the introduction of an Anti-Slavery Policy, due diligence requirements, and mandatory contract clauses seeking compliance by our supply chain with appropriate anti-slavery measures. Additional measures that have recently been put into place to increase knowledge and vigilance throughout our organisation and supply chain include posters and awareness cards across our sites. We will continue to regularly work with our partners, contractors, suppliers

and other stakeholders to monitor our approach for effectiveness and consider any changes or additional measures as appropriate.

Diversity and inclusion

The approach of Henry Boot PLC is underpinned by our belief that all individuals should be treated fairly and should have access to equal opportunities regardless of their status. Our Equality & Diversity Policy states that no prospective employee should receive less favourable treatment on the grounds of, amongst other characteristics, disability. We have continued the employment, wherever possible, of any person who becomes disabled during their employment with us, and opportunities for learning, career development and promotion do not operate to the detriment of disabled employees.

Gender pay equality

Our gender pay gap is currently 26.14% (2017: 27.22%) which for Henry Boot is reflective of the ratio of men and women employed at just over 3:1 rather than an issue relating to how we pay our people.

We have a proportionately low number of women in all roles and therefore our data is skewed; we believe that without a representative increase in the number of women we employ, the gap will be difficult to reduce. We have a number of employment policies in place around flexible working which we hope will see our gender split decrease over time and have a positive impact on our gender pay gap. We continue to forge links with local groups and educational establishments to encourage diversity and change perceptions to view our industry as a positive career choice.

The Group are not obligated by statute to report our gender pay gap as none of our legal entities meet the required reporting thresholds. However, we will continue to report voluntarily.

Our pension arrangements

During 2018 we continued to operate two pension schemes; employees are members of either The Henry Boot Staff Pension and Life Assurance Scheme (defined benefit pension closed to new members in 2004 and subject to a salary cap from 2012) or the Henry Boot PLC Group Stakeholder Pension Plan (defined contribution pension).

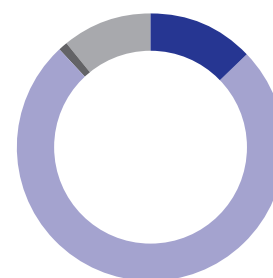
Employees who are members of The Henry Boot Staff Pension and Life Assurance Scheme have the opportunity to join the Henry Boot PLC Group Stakeholder Pension Plan, investing their residual salary i.e. the difference between their actual salary and their capped pensionable salary in The Henry Boot Staff Pension and Life Assurance Scheme.

Henry Boot PLC has implemented the UK's auto-enrolment pension requirements; this is provided by AVIVA. Employees are informed of auto-enrolment and other pension choices through letters and online via the Group Intranet. In 2018, we auto-escalated our pension contributions to a minimum of 5% matched by the Company; we have no further intention to increase the minimum above this level at present. However, employees can choose to contribute above this level and the Company will match increased contributions up to a level of 8%.

Anti bribery and Anti corruption

The Company values its long-standing reputation for ethical behaviour and integrity. Conducting its business with a zero tolerance approach to all forms of corruption is central to these values, and the Group's image and reputation. The Company policy sets out the standards expected of all Group employees in relation to anti-bribery and corruption and the Board has overall responsibility for ensuring this policy complies with the Group's legal and ethical obligations and that everyone in our organisation complies.

As at 31 December 2018 the active membership of the pension arrangements stood at (employees):



● The Henry Boot Staff Pension & Life Assurance Scheme	72
● Henry Boot PLC Group Stakeholder Pension Plan	419*
● Road Link (A69) Limited Pension Plan	5
● Stonebridge Projects Limited Pension Plan†	60

*59 employees within this total have invested their residual salary from The Henry Boot Staff Pension and Life Assurance Scheme into the Henry Boot PLC Group Stakeholder Pension Plan.

†Now a category within the overall Henry Boot PLC Group Stakeholder Pension Plan.

⋮ Read about our **Governance Policies** on page 82

Corporate Responsibility

People

Our performance

Growth across all our businesses has seen an increase in headcount to 538 directly employed people across the Group at the end of 2018 (2017: 514).

An integral part of the strength of Henry Boot is the low turnover of employees. The retention and development of our internal talent remains critical to our success and our turnover remains around the average for the UK at 15.2% (2017: 14.2%). Our high retention rates ensure that we have a solid base on which our employees can grow, develop and achieve their potential; we have key pathways in place for our Apprentices and Trainees to ensure our talent pipeline continues to flourish.

In 2018, as a result of our work on The Henry Boot Way, we established with an external consultant a Senior Leadership Development Programme; this was launched with our Managing

Directors and has since been delivered to two further cohorts of Directors and Senior Managers, with a further two cohorts to be delivered in 2019. This key investment in our internal talent pool has resulted in a number of our Directors and Senior Managers identifying areas of development which are being addressed via coaching and mentoring programmes.

In 2018 we also held our inaugural Management Conference attended by all Executives, Directors and Senior Managers across all the subsidiary businesses, where best practice was shared and feedback sought on business plans and strategies for the future of the individual companies and the Group as a whole.

In 2018 we delivered 1,187 learning and development days (2017: 1,130 days); in addition to this and in recognition of the diverse range of skills within our workforce

there was also an unquantifiable amount of ad-hoc learning and development which takes place on a daily basis on sites, in offices and at depots.

In 2018 we recruited a further 12 trainees and apprentices across our businesses; all trainees and apprentices are enrolled on formal courses of education and have development plans in place to gain operational and technical knowledge from mentors. Our preferred succession planning method is one of in-house development and growth; consequently we also have a number of experienced employees enrolled on formalised education programmes to enhance their skills and knowledge in anticipation of career development and promotion within the business in which they operate. We anticipate an increase in the number of trainee and apprentice recruits in 2019, primarily as part of our succession plans but also in response to the Apprenticeship Levy.



Health and Safety

As a responsible business, a fundamental commitment of the Group is to ensure that the health, safety and welfare of our employees, stakeholders and the wider public is safeguarded, together with protecting the environment in the course of all our areas of operations.

We are proud of our team's expertise and enthusiasm in making this happen, working collaboratively with our project teams and supply chain to drive innovation and achieve best practice.

■

As a responsible business, we are committed to ensuring that the health, safety and welfare of our employees, stakeholders and the wider public is safeguarded, together with minimising the environmental impact of our business operations. This is done by applying robust health, safety and environmental management controls and best practice. Construction activities operate to an Integrated Management System, approved to OHSAS 18001, ISO 14001 and ISO 9001 which ensures that risks are identified, minimised and where possible eliminated, coupled with continually improving Company performance.

Richard Grafton,
Head of Policy & Compliance

Our approach

Henry Boot PLC continues to focus on health and safety as our primary business priority. We remain committed to providing a safe and healthy working environment for our employees, stakeholders and contractors. We operate all our business activities on the principle that good management of health and safety is fundamental in creating a safe and healthy working environment and contributes to improving our business performance. Our leadership teams manage all aspects of our business in a safe manner and instigate measures to eliminate or minimise risk and to minimise any environmental impact.

Our performance

Our Accident Frequency Rate (AFR) and Accident Incidence Rate (AIR) performance in our Construction segment remains strong and we are delighted that for the seventh consecutive year, our construction related AFR and AIR for our directly employed staff and operatives is zero.

We are also delighted to report a strong overall (including subcontractors) AFR of 0.05 per 100,000 hours worked and AIR of 102 per 100,000 workers.

This result is a combination of the effectiveness of our management processes, continuous improvement and company Zero Harm initiative.

We continue to benchmark our Construction segment Health and Safety performance against Constructing



Excellence Health and Safety Key Performance Indicators (KPI) which show a KPI performance of 100%.

In 2018, our Construction segment achieved re-certification to the OHSAS 18001, ISO 14001 and ISO 9001 standards, following a successful Certificate Renewal audit by Lloyd's Register Limited. This is supported by other Company accreditations, including the Rail Industry Supplier Qualification Scheme, and BSI Verification of our BIM processes to PAS 1192-2. We also continue to be a Considerate Constructors Scheme Partner.

Our strong Health and Safety management culture has resulted in the Company securing a prestigious RoSPA Gold Medal Award for the ninth consecutive year. This is alongside further industry awards including New Build of the Year at the NFB Awards; CIOB awards for Project of the Year, Collaborative Working, Team of the Year and Social Value; a Recognition of Excellence Award at the Yorkshire Property Awards; and three Generation for Change (G4C) Awards.

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Our Communities

We are dedicated to the support of our local communities both in Sheffield and across our UK wide operations.

By listening to our local communities, our customers and our employees we can ensure that we are best placed to understand the changing societal needs and can respond and support initiatives which are key such as health and wellbeing, literacy and unemployment.

■ ■
We have had a great year fundraising for Dementia UK; I am incredibly proud to have been part of the team that raised such a fantastic sum of money for such an important cause.

Amy Oakley,
 Head of Legal (Commercial)
 and Company Secretary

■ ■
Our partnership with Henry Boot PLC has been extremely successful, raising over £30k in one year. We are so grateful to their staff who took part in a range of fundraising activities, such as hosting football tournaments and selling Dementia UK branded Christmas cards. Their enthusiasm and creativity has been brilliant. Thank you to everyone at Henry Boot PLC.

Reshma Vishram,
 Corporate Partnerships Executive,
 Dementia UK

Our approach

We continue to contribute to the social and economic impacts of the communities in which we operate. We offer support to a wide range of charities and organisations of all sizes, by working to provide them with donations that are of most benefit to them and their particular cause, whether it be a financial donation or non-financial in the form of participation or the donation of our time.

Our key criteria for charitable support are:

- Charities and organisations local to our business operations;
- Charities and organisations that support educational improvements for children/adults;
- Charities and organisations that support social improvement through sport.

The Group also supports a number of funds which are held and managed by South Yorkshire Community Foundation (SYCF); where a charitable request does not fall within our stated criteria we signpost relevant enquiries to them. We can also use our funds with SYCF in order to collaborate with other supporters to provide grants to applicants who are assessed for eligibility by SYCF. We also make direct donations to discretionary funds held by SYCF for specific purposes, for example in 2018 we made a significant donation to the Young People's Mental Health Fund. Further details are on our website.

We support an annual Charity of the Year which is elected by our employees. We then host a variety of activities during the year to raise money in support of them.

Our performance

We continue to support and promote a wide range of charitable giving and community volunteering initiatives by employees, focusing on activities that best reflect the needs of their local community and issues of direct significance for them.

Our Charity of the Year for 2018 was Dementia UK, who provide specialist dementia care and support through their Admiral Nurse network, who work in the community for the NHS, in care homes, hospitals and hospices, helping families to live more positively with dementia and to face the challenges of dementia with confidence and less fear. We raised an incredible £30,617.47 (2017, St Luke's Hospice: £22,539.88) through a variety of fundraising endeavours including the Henry Boot 5-a-side Football World Cup, Henry Boot Gold Day, dress down days, gin tasting and much much more.

We also continued to support our 2017 Charity of the Year, St Luke's Hospice, who are a near neighbour to our head office in Sheffield. They hold a Festival of Light in December each year, a celebration of life and remembrance, to which we offered financial assistance as headline sponsor and also provided a number of employee volunteers on the evening to serve mince pies and mulled wine to those who attended.

This year, the Group contributed £100,227 (2017: £80,503) to charitable causes; £20,282 of which was through our Give As You Earn payroll giving mechanism (2017: £18,956).

We have a Charities Committee which meets on a fortnightly basis to assess direct requests to the business for financial support. During 2018 we have supported and donated to a whole variety of charitable and good causes including:

- Lowfield Primary School, Sheffield to support for their after-school Lego club;
- Whirlow Hall Farm, Sheffield to support the 480 Club which helps to fund local schools to attend residential trips at the Farm;



- Woodfield Primary School, Doncaster to support for their literacy unit with the provision of books;
- The Snowdrop Project, Sheffield, a donation of play and sensory items for the clients of the project;
- The Real Junk Food Project, Sheffield, a donation to their Crowdfunder to develop the Project further;
- Handsworth Grange Community School to support to their Get Active programme and sponsored a new careers hub;
- The Better Together Project, Sheffield, as sponsor of a Christmas lunch for 100+ Sheffield residents who are lonely/vulnerable at Christmas. The Group also provided a number of volunteers to support the event.

Our subsidiary businesses also continue to support directly in the communities in which they operate. Our plant hire company Banner Plant Limited regularly supplies portable toilets and generators to charitable events, notably the Helens Trust 10k run at Chatsworth and the clay pigeon shoot for Whirlow Hall Farm. Banner Plant also provided transport and labour to the Snowdrop Project when they moved locations in Sheffield.

Our construction company, Henry Boot Construction Limited, has wider contractual obligations under the Social Value Act and has provided numerous opportunities in their operational area. We are incredibly proud of the impact our Better Barnsley project has had on Barnsley and the surrounding area, particularly the provision of the Skills

Village which is a purpose built training centre which allows individuals including schoolchildren to experience construction first hand and develop their skills.

It is important that we enable our employees to gain valuable development opportunities to develop their skills and allow them to support initiatives that are important to them. Employee volunteering is supported by the Board with the provision of paid time away from the workplace to participate in Company-led volunteering or personal volunteering opportunities. We are involved with Sheffield Business Together, who are developing a collaborative and cohesive approach to how businesses in Sheffield can work together to deliver sustainable and meaningful community projects.

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Environment

We are committed to protecting and enhancing the environment in the course of all our areas of operations and are proud of our team's expertise and enthusiasm in making this happen.

In 2018, electric car charging points were installed at head office and Construction's office in Dronfield. We are committed to reducing our carbon footprint and actively encourage employees to join our approach by making these charging points available to all employees with hybrid or electrical cars.



Our approach

We recognise that we have a responsibility and an obligation to reduce the direct impact of all our business operations on the natural environment, both now and in the future. Reducing our emissions is one way in which we hope to achieve this. Our aim is to create more sustainable ways of undertaking our business operations to conserve energy, save money and deliver efficiency.

Our priorities are to:

- Minimise waste produced;
- Increase recycling; and
- Improve energy efficiency and reduce energy use.

Henry Boot Group CO₂ footprint by source

Henry Boot Group CO ₂ e emissions	2018 Tonnes	2017 Tonnes	Trend
Scope 1: Combustion of fuel and operation of facilities	2,261	2,222	Rise
Scope 2: Electricity, heat, steam and cooling purchased for own use	847	1,075	Fall
Total direct emissions	3,108	3,297	Fall
Total direct emissions per employee ¹	6.3 tonnes CO ₂ e	6.8 tonnes CO ₂ e	Fall
Scope 3: Upstream and downstream indirect emissions	1,059	1,115	Fall
Total emissions	4,167	4,412	Fall
Total emissions per employee ¹	8.4 tonnes CO ₂ e	9.1 tonnes CO ₂ e	Fall

¹ Employee numbers are based on the monthly average for the year.

Carbon emissions by segment

Henry Boot Group CO ₂ e emissions	2018 Tonnes of CO ₂ e	2018 Intensity Ratio Tonnes of CO ₂ e	2017 Tonnes of CO ₂ e	2017 Intensity Ratio Tonnes of CO ₂ e	Intensity Basis	Trend
Property investment and development	993	2.00	994	2.3	per 1,000 sq ft of investment property with communal areas	Fall
Land development	59	1.72	79	2.32	per employee	Fall
Construction	2,960	17.00	3,118	38.10	per £1m of turnover	Fall
Group overheads	155	2.45	221	3.95	per employee	Fall
Total gross controlled emissions	4,167		4,412			

Our greenhouse gas emissions for the year ended 31 December 2018 were calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (2011 edition) and emission factors from UK Government GHG Conversion Factors for Company Reporting 2018.

Our direct and indirect operational greenhouse gas emissions are shown in the tables above. These sources fall within our consolidated financial statements. We do not have responsibility for any emission sources that are not included in our financial statements.

Overall the Group's greenhouse gas emissions have decreased by 6% when compared with those of the previous year, this equates to a reduction of 0.7 tonnes per employee.

⋯ For further information on our **greenhouse gas emissions** please see our website.