

Environmental, Social & Governance Policy

Quality

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1 Policy Statement

HCML is committed to responsible and sustainable business practices that support long-term resilience, protect people and the environment, and maintain effective governance. We will integrate environmental, social and governance considerations into strategy, risk management, decision-making and service delivery. Our climate programme includes an annual corporate carbon footprint and science-based targets using 2022 as the baseline year, with a near-term target year of 2032 and a net-zero target year of 2050. ESG claims and disclosures will be accurate, clear, evidence-based and proportionate.

Governance

The Chief Executive Officer retains overall accountability for the effective implementation of the ESG Policy and the integration of ESG principles throughout HCML's operations, strategy and decision-making.

The Executive Committee is accountable to the Chief Executive Officer for the implementation, monitoring and continual improvement of ESG performance within each member's area of responsibility. The Executive Committee reviews organisational ESG performance, challenges progress where necessary and ensures that ESG considerations are embedded within the organisation's governance framework. It receives and considers ESG-related reports, metrics and recommendations to support effective oversight and decision-making.

Managing Directors, Business Unit Heads, Line Managers and Team Managers are responsible for implementing this policy within their areas of control, ensuring that ESG objectives, requirements and commitments are understood and incorporated into day-to-day activities and business planning.

All employees are expected to support HCML's ESG commitments by complying with this policy and associated procedures, and by considering environmental, social and governance impacts within the scope of their roles. Failure to comply with this policy may result in disciplinary action in accordance with HCML procedures.

Legal and Regulatory Framework

HCML will comply with applicable UK legislation, regulatory requirements, contractual obligations and recognised standards. Applicability will be assessed by reference to HCML's activities, size, reporting status, regulated permissions and the jurisdictions in which it operates. The principal framework includes:

-  Companies Act 2006, including directors' duties, strategic reporting and, where in scope, non-financial and sustainability information and climate-related financial disclosures;
-  Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, where the Streamlined Energy and Carbon Reporting requirements apply;
-  Environmental Protection Act 1990, Environment Act 2021, Waste (England and Wales) Regulations 2011 and applicable waste duty-of-care, producer-responsibility and environmental permitting requirements;
-  Climate Change Act 2008 and relevant statutory carbon-budget and reporting requirements;
-  Health and Safety at Work etc. Act 1974 and associated workplace health, safety and welfare regulations;
-  Equality Act 2010, Employment Rights Act 1996 and other applicable employment, pay, working-time and worker-protection legislation;
-  Modern Slavery Act 2015, including publication of an annual slavery and human trafficking statement where the statutory threshold and conditions are met;
-  Bribery Act 2010, Criminal Finances Act 2017 and the Economic Crime and Corporate Transparency Act 2023, including applicable corporate fraud-prevention obligations;
-  UK GDPR, Data Protection Act 2018, Privacy and Electronic Communications Regulations 2003 and applicable provisions of the Data (Use and Access) Act 2025 as they come into force;
-  Consumer Protection from Unfair Trading Regulations 2008 and advertising rules relevant to environmental and sustainability claims; and

- 🔗 FCA rules, including the anti-greenwashing rule, only where HCML is within scope or makes relevant communications through an FCA-authorised entity.

HCML will maintain records sufficient to demonstrate compliance, including documented ownership, risk assessments, due diligence, approvals, source data, calculation methodologies and evidence supporting public claims. Legal or specialist advice will be obtained where requirements are uncertain or material. HCML will monitor developments including the UK Sustainability Reporting Standards issued in February 2026 and will apply them if and when they become mandatory or are adopted voluntarily.

Monitor and Review

The policy owner will monitor relevant legal, regulatory and standards developments and will review this policy at least annually, or sooner following a material change, incident, audit finding or identified control weakness. Changes will be documented, approved through the appropriate governance route and communicated to affected persons.

2 Scope of ESG Policy

HCML is committed to a sustainable, inclusive and ethical business model that supports employees, workers, clients, suppliers and communities while reducing adverse environmental impacts. This Environmental, Social and Governance (ESG) Policy sets the principles and minimum controls for responsible business practices, risk management, due diligence, reporting and continual improvement.

This policy applies to all HCML companies and business units and to all directors, officers, employees, workers and contractors acting on HCML's behalf. Suppliers and other business partners are expected to meet relevant requirements through contractual terms, onboarding, due diligence and monitoring. Where local law or a contractual requirement sets a higher standard, the higher standard will apply.

2.1 Environmental Responsibility

We recognise our responsibility to reduce our environmental footprint and promote sustainability. Our environmental commitments include:

-  **Climate and carbon:** Measure the corporate carbon footprint annually using a documented and consistent methodology; maintain 2022 as the baseline year; pursue the science-based near-term 2032 and net-zero 2050 targets; and implement proportionate transition plans and emissions-reduction initiatives.
-  **Energy and travel:** Improve energy efficiency, procure lower-carbon energy where practicable, and reduce emissions from business travel, commuting and service delivery.
-  **Sustainable procurement:** Integrate environmental and social criteria into supplier selection, contracting, due diligence and performance review, proportionate to risk and spend.
-  **Waste and resources:** Apply the waste hierarchy, prevent waste where practicable, segregate and transfer waste lawfully, retain required documentation, and use authorised carriers and facilities.
-  **Pollution and biodiversity:** Prevent pollution, manage hazardous substances and relevant environmental risks, and consider nature and biodiversity impacts in material projects and procurement decisions.
-  **Digital innovation:** Reduce paper and resource use through secure digital delivery while considering the energy, equipment and data impacts of technology.
-  **Environmental claims:** Ensure claims are specific, accurate, substantiated, kept under review and do not omit material information.

2.2 Social Responsibility

As a provider of health and wellbeing services, we are committed to promoting health, wellbeing, and inclusivity for our employees, clients, and the wider community through:

-  **Employee Wellbeing:** Ensuring a safe, inclusive, and supportive work environment, offering mental health support, training, and flexible working arrangements.
-  **Diversity and Inclusion:** Upholding policies that promote diversity, equality, and inclusion in recruitment, training, and career development.
-  **Community Engagement:** Supporting public health initiatives, engaging in charitable activities, and collaborating with local communities to improve workplace health and safety standards.
-  **Client Commitment:** Providing high-quality, ethical, and evidence-based services to enhance workplace wellbeing and productivity.

2.3 Governance & Ethical Standards

We maintain strong governance structures to ensure ethical decision-making, compliance, and accountability through:

-  **Compliance and risk management:** Maintain a proportionate process to identify, assess, control, monitor and escalate material ESG risks, legal obligations and emerging requirements.
-  **Ethical business conduct:** Apply anti-bribery, anti-fraud, facilitation-of-tax-evasion, conflicts-of-interest, gifts and hospitality, sanctions and whistleblowing controls, with appropriate training and reporting routes.
-  **Human rights and supply chains:** Conduct risk-based due diligence, take proportionate action on identified concerns, and support effective remediation where HCML has caused or contributed to harm.
-  **Data protection and cyber security:** Process personal data lawfully, fairly and transparently; apply data minimisation, retention, security and privacy-by-design controls; complete impact assessments where required; and manage data incidents and individual rights in accordance with applicable law.
-  **Stakeholder engagement and claims:** Communicate material ESG information in a balanced, accessible and evidence-based manner and provide appropriate channels for feedback and concerns.
-  **Records and assurance:** Retain reliable records, define data owners and review material metrics and disclosures before publication, using independent assurance where proportionate.

3 ESG Implementation and Reporting

HCML will continuously review and improve its ESG performance by:

- ⚙ Setting measurable objectives, owners, baselines, milestones and key performance indicators, including the 2022 carbon baseline, 2032 near-term target year and 2050 net-zero target year.
- ⚙ Maintaining an ESG legal and regulatory register and periodically evaluate compliance.
- ⚙ Applying documented methods, controls and approval routes to ESG data and public disclosures, with corrections made promptly where material errors are identified.
- ⚙ Conducting risk-based internal audits and, where appropriate, independent assessment or assurance.
- ⚙ Providing role-appropriate training and awareness for employees and relevant partners.
- ⚙ Reporting material performance, risks, incidents and corrective actions to the Executive Committee at an appropriate frequency and escalate significant matters without delay.
- ⚙ Engaging relevant stakeholders and use feedback to inform priorities and continual improvement.

4 Review and Reporting

This policy will be reviewed at least annually and sooner where there is a material change in law, regulation, regulatory guidance, organisational structure, business activity, risk profile or stakeholder expectation, or where an incident, audit finding or control weakness indicates that revision is required. The policy owner will coordinate the review, obtain relevant legal and subject-matter input, record approved changes and communicate the updated policy. External reporting will be made where legally required or otherwise approved, and will be supported by retained evidence and appropriate review.

5 Commitment Statement

At HCML we believe that embedding ESG principles into our operations strengthens our business resilience, benefits our stakeholders, and contributes to a more sustainable and ethical future. We are committed to upholding this policy in all aspects of our work.

6 Associated Documents, Policies & Procedures

Documents, policies, and procedures associated with this policy include:

-  Corporate Social Responsibility (CSR) Statement
-  Employee Handbook
-  Health and Wellbeing Policy
-  Health & Safety Policy
-  Modern Slavery Statement
-  Recruitment & Selection Policy & Procedures
-  Supplier Management Policy
-  Whistleblowing Policy