

ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

1. INTRODUCTION

- 1.1 The HKA Global Group of companies (“HKA Global”) has long believed that sound environmental, social and governance (ESG) principles are integral to everyday activities and inherent in its ongoing commitment to fair practices towards its stakeholders and the environment in which they operate. Beyond these crucial ethical considerations, the company also believes that having a strong ESG strategy simply makes good business sense and adherence to these principles is a necessary cornerstone of HKA Global’s long-term plans for a healthy, stable and above all sustainable business for the years to come.
- 1.2 An awareness and strategy for ESG issues continues to be a key success factor in business. HKA Global is taking a lead role in fostering sustainable practices within its company, as well as helping its clients and stakeholders in their efforts.
- 1.3 HKA Global’s commitment to social responsibility and sustainability is intended to become ingrained into the fabric of the company and this is clearly embodied in its mission statement and company vision. These include amongst other things the seeking of sustainable business solutions, a commitment to providing a safe, diverse and fulfilling work environment for the group’s employees, long-term planning principles as opposed to short-term goal setting and high ethical and corporate governance standards in every aspect of the business.
- 1.4 We have a comprehensive set of policies detailing our stance on all matters which fall under the banner of ESG, including: labour and working conditions; data protection and cyber security; corporate governance such as compliance and anti-bribery and corruption; and environmental impact.

2. APPROACH TO ESG

- 2.1 This and associated policies relate to the behaviour and activities of HKA Global employees in their day-to-day role. While HKA Global provides numerous additional services to other organisations, the actions of third parties are largely outside our control and thus outside the direct scope of this report. However, with all clients, HKA Global encourages and actively promotes resource management wherever and whenever possible.
- 2.2 HKA Global’s approach to achieving its ESG goals falls into the following six main areas: Business Conduct and Ethics, Clients, Stakeholders and Society, People; and Environment.
- 2.3 Together, HKA Global believes these combined actions and guiding principles will have a profound and positive impact on the environment, the economy, employee satisfaction, health and safety and overall client success.

3. BUSINESS CONDUCT AND ETHICS

- 3.1 As high ethical business standards continue to be a key success factor in business, HKA Global commits to applying high ethical business standards following the principles set out in recent landmark cases and national bribery laws including the UK Bribery Act and equivalent legislation wherever we do business.
- 3.2 We create awareness of and provide annual training and monitoring of our conformance with the HKA Global Compliance System and Code of Conduct, including:

- Anti-bribery training;
- Definition and monitoring of transactions with associated persons (third parties with whom we do business);
- Rules regarding gifts and hospitality; and
- Anti-corruption measures.

3.3 This is achieved through online training, which must be completed by all employees group-wide on an annual basis.

3.4 In order to achieve the optimal efficiency of our compliance system, an external helpline is in place to ensure that any concerns around compliance can be identified and appropriately managed. Local contact details are on display in each office globally.

3.5 We are also in the process of setting up a Compliance Body, which will consist amongst other things of local and group compliance desks, a group Compliance Board and a Group Compliance Officer.

3.6 We strive to build and maintain the highest ethical standards in all that we do both within the company and in our dealings with other parties. Our dedicated Corporate Communications department is the main point-of-contact for interaction, engagement and proactive dialogue with stakeholders.

4. PEOPLE

4.1 We are committed to provide a fulfilling and progressive work environment and welcome diversity in all its facets, in order to enable inspiration, creativity and motivation among our staff in their daily projects and duties.

4.2 At the same time, we are committed to offering an exigent and focused work atmosphere, with a performance management system that allows for individual target-setting, tailored feedback and identification of training needs in the upcoming year.

4.3 We are committed to developing and promoting the best talent to allow every employee to achieve his or her full potential.

4.4 We uphold a friendly and open-minded working environment that is free of harassment and discrimination, and instead marked by fairness and integrity and an aim of true diversity.

4.5 With everyday amenities, we ensure a pleasant working environment.

4.6 The extensive HR policies are available and enforced on a group-wide basis.

4.7 The health and safety of our employees wherever in the world we operate is of the utmost importance and our policies on health and safety target zero incidents or accidents

4.8 We seek to ensure that our staff have access to adequate medical treatment. This includes a programme which allows individuals travelling abroad to locate and make use of essential medical services in case of emergency.

5. ENVIRONMENT

- 5.1 We aim to reduce the company's carbon footprint by deliberately selecting low-carbon alternatives for travel (including taking public transportation), meetings and communications wherever practicable (including video conferencing), and finding innovative ways to reduce energy use and switch to lower carbon energy sources in the offices and facilities we use. This involves reducing electricity and warm water consumption, such as turning off all the lights and computers at night, as well as maintaining an optimal climate through our heating and cooling systems.
- 5.2 We encourage reuse and recycling, through the provision of sufficient recycling stations in each office (both paper and PET plastics).
- 5.3 To promote environmentally-friendly paper usage (FSC-certified or sustainably-sourced), printer guidelines encourage double-sided and black/white format whenever possible.

6. POLICY IMPLEMENTATION

- 6.1 The Board has the overall responsibility for implementing and overseeing this Policy. The executive responsibility for managing this policy is with the Chief Legal and Compliance Officer.
- 6.2 The Company is committed to not just the content of this Policy but also the principles behind it. For this reason, we shall continue to review not only review any developing legal requirements but also actively seek improvement by monitoring best practice and developments in technology. We shall also regularly monitor our performance through a set of key performance indicators.

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ESG INITIATIVE – KPI IDENTIFICATION

KPIS FOR TRACKING AND MEASURING ESG PERFORMANCE

The following table sets out the key performance indicators that HKA proposes to measure in the context of increasing focus on environmental, social and governance principles within its daily business. These will also help to monitor the effectiveness of our ESG policy. Data will be collected both at headquarters and from individual local subsidiaries in order to build up a full picture of the group's position. Furthermore, suggested actions are given, allowing improvements to be made and meaningful performance reporting to be published.

The aim of this document is not to capture all elements of HKA's ESG commitments, activities and reporting, since some aspects (particularly in the social and governance areas) are difficult to quantify in a KPI. These will therefore be considered in a more qualitative way.

ESG Topic	Agreed Initiative	KPI	Responsibility	Timeframe	Comments
Health & Safety	<p>Review the current UK Hills Health and Safety policy, and develop a corporate Health and Safety policy to cover global HKA operations</p> <p>Policy should include commitments to:</p> <ul style="list-style-type: none"> • provide a safe place of work; • have a dedicated H&S coordinator in each jurisdiction; • compliance with local regulations including need to develop a legal register and appropriate develop procedures to ensure compliance; • disclose policy to all employees: and • review H&S policy and performance periodically. <p>Ensure that all employees globally understand H&S requirements.</p> <p>Appoint an H&S co-ordinator (if appropriate).</p>	<p>Percentage of workforce that have received H&S training (aiming for 100%).</p> <p>Accident/Incident frequency rate: Total number of reportable incidents / total hours worked x 100,000): Number of RIDDOR reported incidents per 100,000 employee hours worked</p> <p>Accident severity rate: Total number of employee lost days / total hour worked x 1000: Number of employees lost days per 1000 hours worked – (any lost days from 1 – 180) relating to direct employees only including all absence both accident and sickness related</p>	Compliance Manager	<p>End of Q1 2018 (Development of Policy)</p> <p>Reporting of H&S statistic KPIs on a quarterly basis</p>	<p>See attached H&S policy</p> <p>There have been no reported incidents or accidents</p>

<p>Anti-bribery & corruption policies</p>	<p>Review the current UK Hills Code of Ethics and Anti-Bribery & Corruption (ABC) policy (including a Whistleblower policy), and amend this to cover global HKA operations Ensure that all employees understand ABC requirements.</p>	<p>Percentage of workforce that have completed ABC training (aiming for 100%) Number of potential/known ABC incidents and/or non-compliances</p>	<p>Chief Legal and Compliance Officer</p>	<p>End of Q1 2018 (Development of Policy) Reporting of ABC statistic KPIs on a quarterly basis</p>	<p>There have been no incidents or non-compliances with the policy. Of 697 current employees globally, 687 have completed the mandatory Anti-Bribery and Corruption training courses (98.6% completion)</p>
<p>Cyber security</p>	<p>Develop a cyber security policy to cover global HKA operations. Commission cyber security experts to review and assist in upgrading (as necessary) cyber security measures.</p>	<p>Number of potential/known cyber security incidents and/or non-compliances</p>	<p>IT or Security Team</p>	<p>End of 2017 (Development of Policy) Reporting of cyber security statistic KPI on a quarterly basis</p>	<p>The HKA Global Incident Response and Management Policy is in place for Cyber as having been approved by the Board. The Cyber Security Committee has been created and regular meetings need to be diarised. The NCC Group have conducted and completed the first pass of the Cyber Resilience Triage assessment, the date for the next stage including the review is still to be determined but will be within the next couple of months.</p>
<p>Data protection</p>	<p>Develop a GDPR compliant data protection policy to cover global HKA operations. Ensure that all employees understand data protection requirements.</p>	<p>Percentage of staff that have completed and data protection training (aiming for 100%) Number of potential/known cyber security and data protection incidents and/or non-compliances</p>	<p>Chief Legal and Compliance Officer</p>	<p>End of April 2018 (Development of Policy) Reporting of data protection statistic KPIs on a quarterly basis</p>	<p>There have been no incidents or non-compliances with the policies. Of 697 current employees globally, 691 have completed the mandatory Data Protection training courses (99.1% completion)</p>

Energy usage	Monitor use and reduce (where possible) energy consumption.	<p>Electricity and gas consumption (kWh - total and per FTE) and associated GHG generation (tonnes of CO2e - total and per FTE).</p> <p>Number of air and car miles travelled and associated GHG generation (tonnes of CO2e - total and per FTE) as possible with data and conversion factors available.</p>	Office manager	Reporting of energy consumption and GHG generation KPIs on an annual basis	Given the status of our office accommodation, this is not reportable in this way. A new KPI is being considered in order to be able to provide a meaningful metric.
Waste generation	Ensure recycling facilities are located in all offices. Ensure that all employees are aware of recycling facilities and how to do waste segregation.	Percentage of workforce that have been made aware of recycling facilities and how to do waste segregation (aiming for 100%)	Office manager	Reporting of waste generation KPI on an annual basis	Given the status of our office accommodation, this is not reportable in this way. A new KPI is being considered in order to be able to provide a meaningful metric.
Employee gender diversity	Establish a working group to review and assess the KPI and discuss further action if considered necessary.	Technical staff gender ratio broken down by grade	Chief Legal and Compliance Officer	Reporting of gender diversity KPI on an annual basis	See Attachment