

2021



H.R. OWEN

OFFICIAL DEALER

Environmental, Social and Governance (ESG) Policy

POLICY STATEMENT 5
NOVEMBER 2021
DOCUMENT OWNER: JERRY PAGE

9 November 2021 Review January 2023



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Environmental, Social and {corporate} Governance (ESG) and Sustainability Policy

The policy states the Company's approach to sustainability across its activities – and signed off by the Board. This follows the lead of the ultimate parent Company, whose sustainability statement includes its UK subsidiary. See embedded link.



BToto - Sustainability
statement FY 2020.pd

1. Environmental

Renewable energy

The Company will invest in renewable energy sources for its estate where possible and where it owns the freehold interest. The Company recently (May 2021) commissioned a consultant's review of our carbon footprint and the options available to improve a sustainable approach to the development of the business.

Where we have control over a building, we are installing smart heating management, PIR light activation, and other intelligent means to control energy use.

The option for Carbon offset will be considered if there is no viable commercial option to achieve carbon neutrality on a build or project.

Waste management

All waste generated by the business will be recycled (eg batteries, brake pads and discs, filters, air conditioning and brake/clutch fluids) where a commercially attainable price to do so can be achieved or practical alternative to traditional disposal exists and where such materials are recyclable.

Drain interceptors are emptied in the valeting bay, and sump oil is collected and recycled.

Environmental pollution prevention

The Company will adhere to the rules and guidelines about avoiding polluting rivers and water courses.

The body shop filtration is maintained in accordance with the equipment manufacturer's specification. Exhaust extraction in the vehicle workshops is filtered and serviced the same way.

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Recognising that internal combustion engines create carbon emissions, and until the manufacturers are all able to switch to alternative fuels, this Company has agreed to pay a levy on each fuel card it has issued to staff that goes directly towards tree planting.

<https://www.weforest.org/page/partners>

<https://www.wexeuropeservices.com/en-gb/eco-miles/>

Climate change

In order to support a net zero carbon economy, the Company promotes the use renewable energy where the vehicles within its franchises are produced and where the manufacturers are increasing the recyclable content of the vehicles we sell.

The CEO is a founding member of the Major's Fund for London Advisory Board.

The Company has supported and will promote further the switch to alternative fuels like hybrid and full electric power trains as they become available from the franchise partners. As sites are revamped, or where the manufacturer specifies this, vehicle recharging points are added to sites.

New building developments

When developing new premises, or adapting ones we have that are freehold, the Company considers energy efficiency, water waste management and the passive environmental impact of transporting materials as part of the design. The new Hatfield site is built to the latest environmental standards, and will have solar panels, recycled water from waste interceptors, top grade insulation as well as multiple recharging points and PIR sensors to minimize energy use.

Summary:

The company commissions and acts on the ESOS (Energy Saving Opportunity Scheme) reports every 4 years and the SECR (Streamlined Energy & Carbon Reporting) annually.

2. Social

Relationships with employees

Whilst the Company does not recognise any Trades Unions within the business, neither is there a formal bargaining or employee body to consult around employee issues, the Employee Handbook details a range of policies where employees can raise concerns with managers including a formal grievance as a last resort. All current policies are



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available to all employees on IRIS HR. The Company strives for a positive engagement with all employees through its line management structure.

All employees are obliged as they begin working for the Company to read and adopt the parent Company (Berjaya) Code of Conduct in conjunction with the Employee Handbook for guidance around the standards required in dealings within and outside the company. A second policy confirms the Whistleblowing Policy for the group.

The business targets employee turnover to be below 15% annually.

H.R Owen group of companies has defended one Employment Tribunal in the last 5 years.

Employee benefits and support

The Company provides a range of employee benefits in line with competitors, including life assurance.

The Company subscribes to Health Assured Employee Assistance Programme, that provides on request by any employee health and welfare advice and a confidential helpline. This was introduced and promoted to help employees who need free and confidential support.

The Company will consider more flexible working, hybrid working and working from home where the duties of an employee allow for it.

Diversity, Inclusion (D&I) and the prevention of discrimination

The Board and senior management of H.R. Owen fully support D&I in the workplace, and it is against Company policy (and the law) to discriminate on the grounds of any protected characteristic as defined under GDPR. The Board encourages applications for employment from any and all suitably qualified people regardless of their background or lifestyle. The Company can demonstrate that it is an equal opportunities employer.

Any employee who claims to have been discriminated against will have their case investigated independently.

Education and training

The Company requires all new employees to receive statutory training on health and safety, GDPR, and any other subjects deemed necessary.

The Employee handbook confirms that employees in need of specific training will be supported where it contributes to their job role or future development with the Company.



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All employees will receive an annual appraisal and part of that is to identify training needs and assist succession planning.

Employees in specific roles that involve discussing regulated products with a customer will be asked to complete e-learning training and assessments to ensure they are fully competent to fulfil this role. In this category, employees must be able to evidence that they have undertaken 15 hours a year of relevant continuous professional development.

3. Governance

The Board and employees, stakeholders and customers

The relationship between the Board meets once a year and will receive reports from the CEO and other senior staff as required. The Board comprises experienced business leaders from a variety of backgrounds and they support the CEO and Board in delivering the strategy of the business, including the business plan.

The Board also takes stock of the interplay between customers, brands, stakeholders and employees to ensure that each is satisfied with how the business performs or is contributing towards the business goals.

The Board initiates new data and receives regular reports from sub committees.

Audit committee and external audit

The Audit Committee comprises the Chairman (who also chairs this committee), the CEO, the other executive Director and two non-executive Directors.

The external auditors are BDO and the appointment of external auditors is reviewed and confirmed at intervals. They report to the Board annually on the audit findings.

Remuneration Committee & executive compensation

The Remuneration Committee is attended by the CEO, the Chairman and two non-executive Director of the Board, one of whom chairs the committee. Meetings are annual unless needed more often for operational purposes. The committee approves compensation for all Board members.



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The CEO decides all compensation matters for the employees of the Company.

Long term investment (LTI) strategy

The LTI is decided by the Board on the recommendation of the CEO, and will encompass physical estate (points of representation) as well as other significant investments and divestments, such as franchise agreements, acquisitions and disposals, IT systems, partnerships, and joint ventures.

Risk Committee

The Risk Committee comprises the CEO (who acts as chair), one non-executive Director and the Compliance & Risk Director from within the business. Its purpose is to anticipate, quantify and manage business risk and to report to the Board in advance those matters defined as 'highly likely to occur and high impact'. The meetings are usually twice a year.

A secondary purpose is to oversee significant spend procurement with independent review.