



Mercian Group ESG Policy

Introduction

Everything we do at Mercian is underpinned by our core values of trust, integrity, and partnership. In alignment with these values, Mercian recognises our own responsibilities as a business that fall within the boundaries of Environmental, Social, and Governance (ESG), and the role that we can take to make a positive impact.

This ESG policy sets out Mercian Group's overarching approach to applying ESG considerations across its operations. At a minimum, we will comply with all relevant legal duties, however we will always seek to go beyond this, adopting best practice wherever practically possible.

ESG Principles

At Mercian, our commitment to ESG principles starts right at the pre-acquisition process. As part of our due diligence, new site opportunities are evaluated using our ESG Site Development Opportunity Checklist, to ensure sites are able to deliver a sustainable care home that aligns with both our and future investors' ESG requirements. This dedication to ESG practices continues throughout all stages of development, and we apply the following principles to all of Mercian Group's activities:



Environmental

As a developer, we are aware of the responsibilities the construction industry has towards the environment, and as such, are committed to minimising our environmental impacts wherever possible. The steps we take to achieve this include:

- Endeavouring to comply with the highest environmental standards and best practice
- Responding to the climate emergency by working to reduce the greenhouse gas emissions associated with our activities, as we look towards a Net Zero Carbon future
- Promoting sustainable use of resources, including responsible sourcing and optimising the use of materials
- Striving to prevent all forms of pollution that may arise from our activities
- Adopting circular economy principles where appropriate, in order to reduce waste and single use materials

- Restricting the use of hazardous materials, and prioritising alternatives where these exist
- Specifying measures to use water efficiently
- Protecting the natural environment by minimising ecological impacts and enhancing biodiversity wherever possible
- Increasing awareness of environmental sustainability issues amongst employees through training and communication programs.



Social

At Mercian, we have a great appreciation for and recognise the importance of both our workforce and the wider community. This core value of partnership is delivered through the following principles:

- Supporting our employees by providing a safe, secure, and attractive working environment, through adhering to all health and safety best practices and prioritising employee wellbeing
- Encouraging a diverse and inclusive workplace throughout all stages of the recruitment process and within the workplace, providing equal opportunities for progression
- Respecting and upholding human rights – we are committed to maintaining labour standards and quality working conditions across our operations, with a zero tolerance for forced, compulsory or child labour
- Liaising with and working alongside local communities and stakeholders from the outset of developments, and working to establish long-term connections with local community groups
- Prioritising local services and products where feasible, and seeking links with relevant local training providers
- Engaging with all our stakeholders, both internal and external, to ensure all are satisfied that Mercian is operating in accordance with the above principles.



Governance

Trust and integrity are core values of Mercian, and good corporate governance is key to ensuring these are delivered in practice. As such, the below principles are followed:

- Complying with all legal duties and upholding the highest ethical standards

- Fostering a culture of accountability and transparency, including declaring conflicts of interest, encouraging and supporting reporting structures, and maintaining a zero-tolerance policy for bribery and corruption
- Adhering to the highest levels of data protection and information security
- Seeking independent verification of Mercian's ESG performance, including recognised industry accreditations such as BREEAM and the Considerate Constructors Scheme.

Roles and responsibilities

This policy covers all of the Mercian Group's activities across all aspects of our care home developments, from site selection, through initial design concepts and planning, to construction and completion.

Mercian's ESG policy is overseen by the Managing Director, who takes a leading role in delivering our ESG principles. The responsibility of ensuring this policy is adhered to for each development project will fall to the appointed Development Director, however all employees are expected to read and follow this policy.

We require all third parties involved in our developments to adhere to this policy and comply with all relevant legal duties. Additionally, Mercian will work with all such third parties to encourage and support best practice to be implemented and we will seek to partner with suppliers/subcontractors/projects that align with this policy and Mercian's core values.

This policy will be reviewed annually or following any significant change or following changes in legislation relating to Mercian's processes.



Chris Towers

Mercian Group

Managing Director

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