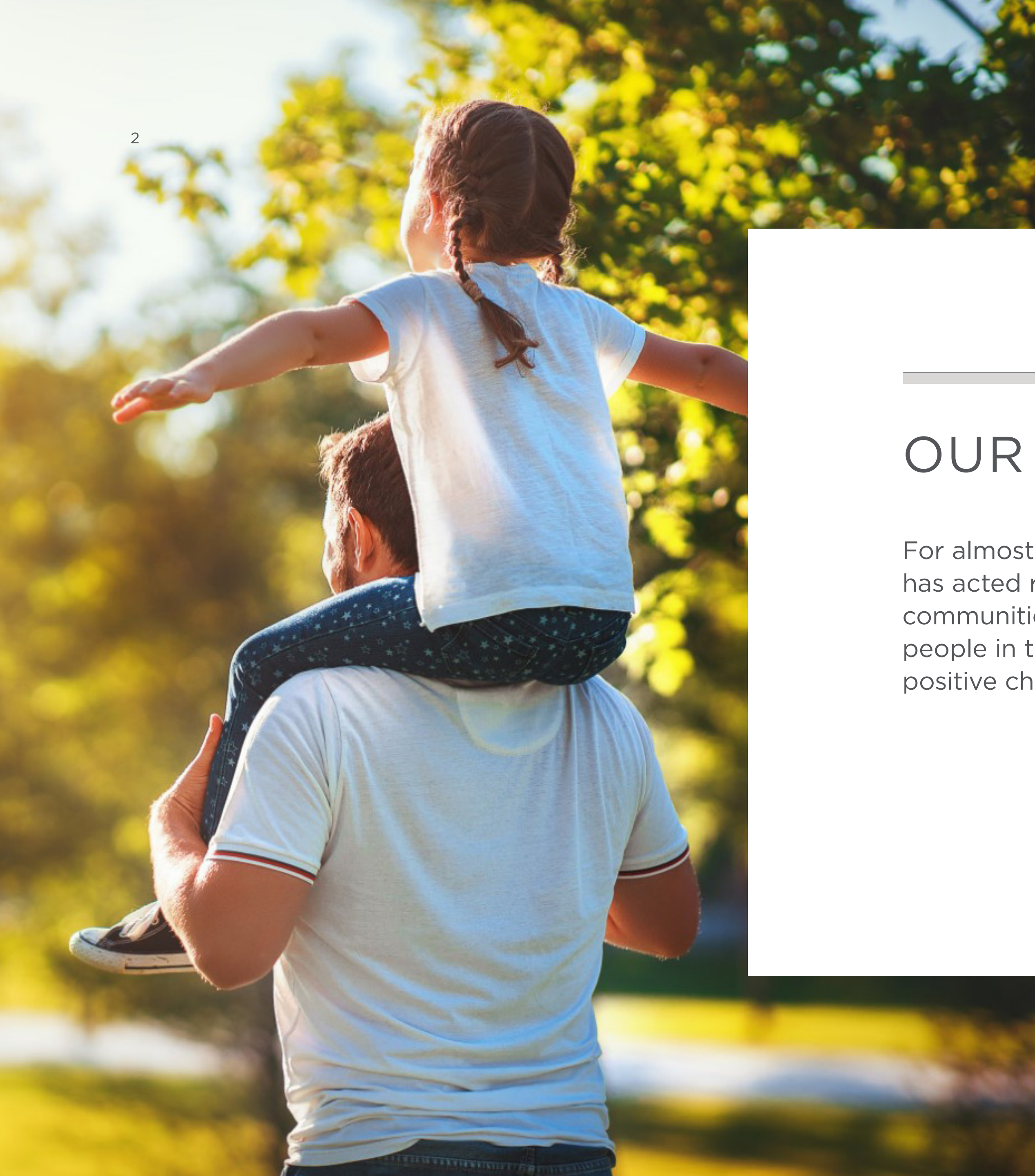

ENVIRONMENTAL, SOCIAL & GOVERNANCE **ESG**

APRIL 2024

MAC MIC
GROUP





OUR ESG PRINCIPLES

For almost a century Mac Mic Group has acted responsibly towards our communities, our partners, and our people in the pursuit of delivering positive change and sustainable value.

We have been committed to supporting local communities and being considerate of the environment we all live in. And this is not simply a tick box exercise for us, or just to keep up with the latest business trends.

We believe that Environmental, Social and Governance (ESG) principles are essential for fulfilling our goal of providing desirable homes and communities that will endure over the long term. These principles run deep in the company and are embedded in our roots and our culture.

This policy outlines how we incorporate ESG principles throughout our business.

We are committed to improving the environmental management of our operations and helping to build a more sustainable environment. We participate in the Energy Saving Opportunity Scheme (ESOS) and conducted a full energy audit in 2023.

It is our policy to help reduce the impact that our business activities have on the environment.

To this end, we have undertaken the following initiatives:

- Established an ESG working party from across the Group, set up to continually assess and improve our practices and policies.
- In addition to replacing inefficient boilers in our existing rental properties, we are expanding our portfolio with newer energy efficient homes, including redevelopments of existing properties bringing them back into use.
- Supporting local councils with transport links such as bus services.
- Involvement in tree planting projects.
- Hybrid working, cycle to work scheme and hybrid to electric cars.

We continue to invest in protecting the environment and our board takes this responsibility seriously when assessing any new venture. We work closely with local communities to ensure that we are socially and environmentally responsible.

To this end we have undertaken the following:

- We have secured planning permission for a zero-carbon solar park capable of generating up to 14.3 megawatts of clean energy.
- Decontamination of brownfield sites bringing the land back into use.
- Provision of play and community green spaces with links to the wider countryside benefiting both residents and local communities.
- Delivery of bio-diversity enhancements such as woodland planting, seeding of meadows and grasslands, bird/bat boxes, bee bricks, hedgehog highways, protection of wetlands and the creation of blue corridors.

STREAMLINED ENERGY AND CARBON REPORTING

Every year, as part of our annual report for shareholders, we measure energy consumption and greenhouse gas emissions. In the year from 1 May 2022 to 30 April 2023.*

↓ 89%

Total energy consumption reduced by 89% compared with the previous year's consumption.

↓ 90%

We also reduced our greenhouse gas emissions by 90%.

As well as reducing overall energy usage, we reduced the proportion attributed to gas and oil and increased the proportion attributed to electricity.

*We disposed of the construction business activity during this period.

For almost a century Mac Mic Group has acted responsibly towards our communities, our clients, our partners and our people.

We are key partners in delivering energy efficient homes, including affordable housing, at high-quality developments across the UK.

As part of the overall Shawfair development master plan, we have provided a new Community Hub to create a focal point for the newly enlarged local community of Millerhill, Mid Lothian.

Our development in Keynsham, Somerset, received a Building with Nature accreditation for its exemplary green credentials. In addition to the provision of up to 213 new homes, of which 30% will be affordable, the nearby primary school will benefit from a replacement sports pitch.

As a property and land company, we have always been committed to supporting local communities through charitable initiatives. Over the years our support has helped to sustain sports clubs, schools, community groups and individuals through difficult times.

Through our Mac Mic Foundation we donate a minimum of 2% of the Group's annual net profits, or a minimum of £70,000, to causes that support our mission to create and enhance communities - e.g. funding towards environmental projects, sports/play infrastructure, new cycle paths or equipment for schools.

Recognising the need for immediate support, we also respond to the more immediate needs of the community. Recent examples include, donations to food banks and homeless charities, demonstrating our commitment to making a positive difference, both now and for the future.

Mac Mic Foundation also features employee fundraising matching, an employee volunteering programme, and an annual staff nominated charity.

Through the Foundation we intend to extend our support for community projects via our 'meanwhile use' of land activity. This currently includes the lease of land to a Glasgow-based after-school service for their outdoor learning facility.

In addition to enhanced holidays, flexible & hybrid working, and enhanced maternity pay, our employees have access to private health care and are offered an annual health check-up and flu jab.



We are committed to maintaining high standards of corporate governance. In addition to complying with all relevant legislation and financial reporting standards, we seek to adopt best practice in terms of reporting, transparency, accountability and controls.

STRUCTURE AND REPORTING

Our board structure comprises an Executive Group Chairman, Group Company Secretary, a Non-Executive Director, and three Group Directors- of which two are Mickel family members and shareholders.

Transparency is extremely important to us and we go to great lengths to ensure that our shareholders are well informed on business strategy and performance. In addition to the statutory audit and regular Shareholder Liaison Group meetings, we produce an annual report for shareholders. As well as the audited financial statements, it provides statements on progress and strategy from the Executive Group Chairman and the two family members who participate in the running of the business as directors.

We also place great emphasis on employee communication. Our Group board issues regular email updates to all staff informing them about progress and news from different parts of the company. We also conduct an annual away day for all staff, where we discuss strategy and performance for all areas of the business.



MANAGEMENT

Mac Mic Group has four business divisions: strategic land, private rental sector, property development and investments. Each division is managed and controlled by a group of directors and senior managers, who meet regularly to discuss strategy, operations, risk and progress against objectives.

To ensure coordination and communication between all operating divisions, our directors maintain an overview across all divisions.

Our Risk Committee, made up of members of our senior management team, are tasked with monitoring our policies and procedures relating to risk management governance, risk management practices, and risk control.

Our Disaster Recovery Team actively monitors our policies and procedures for business continuity, IT infrastructure and data recovery to ensure that we are suitably prepared to respond to a natural or human-induced disaster.

FINANCIAL CONTROLS

We operate a range of financial controls to minimise risk in our business:

- Bribery risk assessment prior to approval and set-up of new suppliers, which is followed by enhanced due diligence for medium to high risk suppliers.
- Two directors required to authorise any payments to third parties that are not approved suppliers.
- Budget holders are required to report on actual spend against budget.

POLICIES

We support this commitment through a range of policies including the following:

- Whistleblowing policy
- Anti-bribery policy
- Data protection policy
- Social media policy
- Computer policy
- Alcohol and drugs policy
- Health and safety policy
- Disciplinary procedure and policy
- Grievance policy

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