

Strategic Report

Corporate Responsibility

People



As our businesses continue to develop, we understand that by retaining and inspiring effective and committed employees we can continue to deliver excellence to all.

Our approach

To encourage continued improvement and success across all of our businesses, it is important we are able to create an environment that enables us to attract and retain the right people to work at every level who are committed to working together and who support our business approach of respect, excellence, innovation and integrity.

Working at Henry Boot means working in an inspiring environment where our people are a valuable asset; we are committed to providing a working environment in which our employees can achieve their full potential and have opportunities for both professional and personal development.

We have established policies for recruitment, training and the development of our employees; we remain committed to investing the time and resource to support, engage and motivate our employees to feel valued, to achieve rewarding careers and to want to stay with us, and we recruit and promote from within wherever possible.

As our businesses continue to grow, we understand that by retaining and inspiring effective and committed employees we can continue to deliver excellence to all.

Human rights

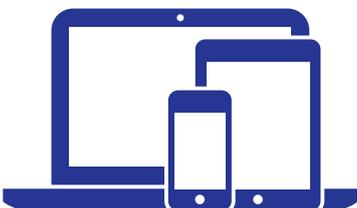
Henry Boot PLC is committed to upholding all basic human rights, as outlined in the United Nations' Guiding Principles of Business and Human Rights. Respecting human rights is vital to us as an employer; whilst we do not have a specific policy, we have other policies in place which cover key areas of governance around bribery and corruption, equal pay and ethics. We also operate an externally managed whistleblowing line for employees and stakeholders to report concerns.

Modern slavery

The aim of the Modern Slavery Act 2015 is in line with our own Values and we applaud any measures which seek to bring greater transparency and scrutiny into our various supply chains in order to combat slavery and trafficking activities. For more information please view www.henryboot.co.uk/corporate-responsibility/modern-slavery

Visit us online

For more information please visit our website at www.henryboot.co.uk



Equal opportunities and diversity

Henry Boot PLC is an equal opportunities employer and will continue to ensure it offers career opportunities without discrimination. Full consideration is given to applications for employment from disabled persons, having regard to their particular abilities. Henry Boot has continued the employment wherever possible of any person who becomes disabled during their employment with us, and opportunities for training, career development and promotion do not operate to the detriment of disabled employees. The following tables show the number of employees and the gender mix of Henry Boot PLC employees at December 2015:

Diversity

Male	Female
	
All Employees 328	106
Directors 19	2
Senior Managers 27	5

Our pension arrangements

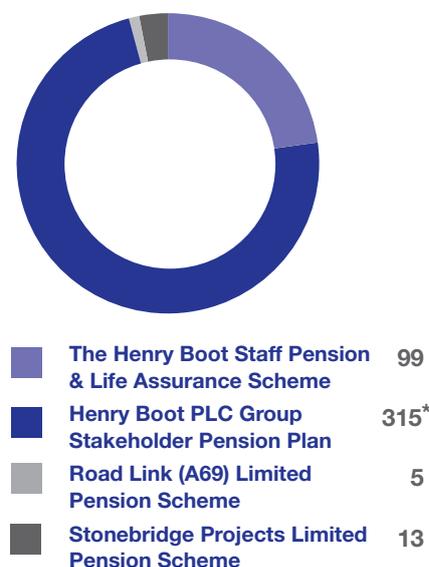
In 2015, we rationalised the number of pension providers and closed the stakeholder pension plan with The People's Pension (formerly B&CE); all current members of this scheme were transferred to the Henry Boot PLC Group Stakeholder Pension Plan (managed by AVIVA).

Employees are members of either The Henry Boot Staff Pension & Life Assurance Scheme (defined benefit scheme closed to new members in 2004 and subject to a salary cap from 2012) or the Henry Boot PLC Group Stakeholder Pension Plan (defined contribution scheme).

Employees who are members of The Henry Boot Staff Pension & Life Assurance Scheme have the opportunity to join the Henry Boot PLC Group Stakeholder Pension Plan, investing their residual salary i.e. the difference between their actual salary and their capped pensionable salary in The Henry Boot Staff Pension & Life Assurance Scheme.

Henry Boot PLC has implemented the UK's auto-enrolment pension requirements for all wholly owned subsidiary businesses; this is provided by AVIVA. Employees are informed of auto-enrolment and other pension choices through letters and online via the Group Intranet.

As at 31 December 2015 the active membership of the pension arrangements stood at (employees):



*45 employees within this total have invested their residual salary from the defined benefit scheme into the defined contribution plan

Our performance

As part of our push for excellence amongst our employees, we have robust recruitment procedures in place; during 2015 we noted a distinct upturn in the level of recruitment to new positions across all our businesses, and are cautiously optimistic about the future. Our staff turnover remains relatively low at 17%, split into 11% (voluntary leavers) and 6% (involuntary leavers).

We offer a wide range of training and learning opportunities for our employees across our businesses; we believe that offering the right development opportunities will help to ensure our employees feel supported and equipped to carry out their role to the best of their ability. Our employees are able to access a range of development tools and job-specific training appropriate to their needs; our Learning & Development Advisor ensures that relevant and appropriate training is provided as job-specific training covering the technical and operational skills; individual learning to support an employee's personal needs; and mandatory training in health and safety, first aid and manual handling to ensure the welfare of our employees is maintained.

In 2015 we delivered 1,203 (2014: 1,164) training days. We are committed to life-long learning and acknowledge that there is a wealth of ad-hoc learning and development which takes place on a daily basis on our sites, in our offices and depots. We have also produced a suite of e-learning modules to deliver training in the workplace; this allows our employees to refresh specific technical skills from their desks.

In 2015 we recruited 12 trainees and apprentices across our businesses; all trainees and apprentices are enrolled on formal courses of education and have development plans in place to gain operational and technical knowledge from mentors. The purpose of the programme is to provide the opportunity to gain experience of the role whilst working alongside an experienced mentor to understand the role and the business. This programme ensures that we have a pipeline of talent within our businesses for the future.

Pictured Above Left First attendees of our Leadership Development Programme at the University of Bradford Management School.

Strategic Report

Corporate Responsibility People

Trainees and Apprentices

Inspiring and investing in the next generation ensures we balance short-term objectives with our long-term strategic commitments; our future will be in their hands.



In 2015 we launched our Leadership Programme which we developed with the support of the University of Bradford. The specific focus of the Programme was on the continued success of the businesses by working in a more cohesive and collaborative way, with a specific focus on the development of inter-subsidary relationships and alignment of the business needs for future growth. At the end of 2015 40 employees, the majority of whom are Directors/Senior Managers, had participated in the Programme. In 2016 we will be cascading this programme to managers/supervisors to ensure a consistent message across all businesses.

We welcomed Megan Collins back to our Group Finance team. Megan worked for the Group on placement in 2013/2014 from Sheffield Hallam University where she studied BA (Hons) Accounting & Financial Management; Megan is now employed as a Trainee Accountant and is studying for her CIMA professional qualification. The Group regularly works with local universities to enhance our engagement in the community and to offer career opportunities locally.

Congratulations to Danielle Kirk-Mitchell of Henry Boot Construction Limited in achieving the Trainee of the Year award at the G4C Awards and the Young Achiever of the Year award at Constructing Excellence in Yorkshire & Humber. Danielle (27) joined the Company in 2007 as an administrative assistant on our Doncaster Decent Homes contract; the Company soon recognised the potential in Danielle and she was offered a Trainee Planner role and enrolled on a course at Leeds College of Building, where she successfully passed her course and was promoted to Assistant Planner and subsequently to Planner. Currently on maternity leave following the birth of her first child, we look forward to Danielle returning to work and continuing to build on her successes.



Pictured Above Investing in the future; A quarterly trainee 'get together' at Dronfield; **Pictured Bottom Left** Danielle Kirk-Mitchell, Trainee of the Year at the G4C Awards; and **Pictured Bottom Right** Megan Collins receiving her degree in Accounting & Financial Management.

Corporate Responsibility

Health and Safety

Our approach

Henry Boot PLC continues to focus on health and safety as our primary business priority; we remain committed to providing a safe and healthy working environment for our employees, stakeholders and contractors. We operate all our business activities on the principle that good management of health and safety is fundamental in creating a safe and healthy environment, and contributes to improving our business performance. We expect our managers to manage all aspects of our business in a safe manner, and employ practical measures to ensure our business activities do not harm or pose unacceptable risks.

We have developed practical and safe systems of work which is borne out by the Company's exemplary safety statistics; continuous improvement is a key driver and we cannot stand still on this vital area of risk management. All employees receive health and safety training relevant for the job role they perform; by developing communications and knowledge in this key area we are enabling our employees to improve the way we recognise hazards and reduce risk.

Our performance

We continue to benchmark our health and safety performance against Constructing Excellence Health and Safety Key Performance Indicators. In 2015 we have seen a reduction in our accident frequency rate (AFR) to 0.08 per 100,000 hours worked including our subcontractors (2014: 0.12); we are delighted to report that for another year our AFR for our directly employed employees is again zero.

As a further check to ensure the company processes and procedures are robust and to test our procedures to the limit, 'Mock Emergency Incidents' are staged to test the robustness of the current management systems in an emergency situation, together with legal advice, facilitated by law firm Nabarro LLP. The outcome of these has been positive, demonstrating good awareness and robustness of Company procedures. The most recent exercise was carried out in September 2015 at Fox Valley, Stocksbridge, our town centre redevelopment project. A full 'debrief' was held with employees involved to communicate and discuss the outcome and learning points from the mock incident.

We continue to receive recognition for our efforts in managing health and safety, and were again recipients of the RoSPA Gold Medal, and the CIOB Celebrating Construction in South Yorkshire Health & Safety Award.

During 2015 we pledged our commitment to IOSH's No Time to Lose campaign, which aims to increase awareness of significant health issues specifically in relation to carcinogenic exposure and workplace cancers, which account for over 600,000 deaths per year worldwide.

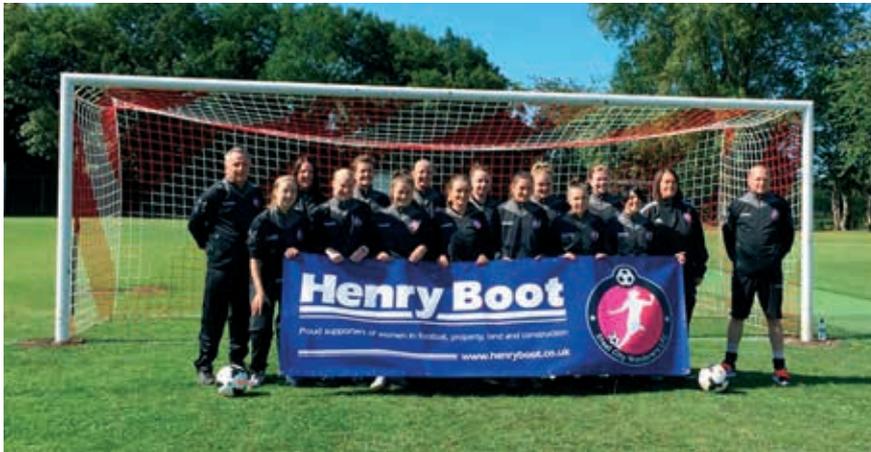
In addition to this, we have developed a wellbeing area on our Group Intranet to focus on health issues on a monthly basis; this will coincide with national campaigns and be supplemented by more generic wellbeing information.

Pictured Below Celebrating at the CIOB Construction Awards 2015 – Winners of the Health and Safety Award for South Yorkshire.



Strategic Report

Corporate Responsibility Communities



Our approach

With a nationwide presence and a regionalised focus in Yorkshire, we offer support to a wide range of charities and organisations of all sizes, by working to provide them with donations that are of most benefit to them and their particular cause, whether it be a financial donation or our wide and varied expertise.

We do not support a single Charity of the Year as we want to have a broader impact by working with a much wider group of charities and organisations.

Our areas of focus are to:

- charities and organisations local to our business operations;
- charities and organisations that support educational improvements for children/ adults; and
- charities and organisations that support social improvement through sport.

Where a request for support falls outside of this criteria, we signpost the applicants (if eligible) to South Yorkshire Community Foundation where the Company has a number of endowment funds which offer grants. Further details are on our website.

Our performance

We are committed to contributing long-lasting social and economic benefits for the communities in which we work.

We continue to support and promote a wide range of charitable giving and community volunteering initiatives by

employees, focusing on activities that best reflect the needs of their local community and issues of direct significance for them.

This year, the Group contributed £32,600 to charitable causes, £13,078 of which was through our Give As You Earn payroll giving mechanism.

In 2015 our employees participated in The Master Cutler's Challenge, one of the largest charity fundraising events in our home city of Sheffield. Local businesses are invited to participate and are given the opportunity to transform a £50 investment into as much fundraising as possible for charities nominated by the incumbent Master Cutler; in 2015 the charities were The Brathay Trust and Help for Heroes. Colleagues from across all of our businesses dug deep and transformed our £50 into £10,120 through a wide variety of events including a BBQ, football tournament, a night of greyhound racing, cake sales and other more traditional activities. Our employees enjoyed the various events and it is our intention to participate in the Challenge in 2016 when the beneficiaries will be St Luke's Hospice and Rotherham Hospice.

We continue to support The Prince's Trust as a member of the leadership team in Yorkshire and the Humber; we hope to develop this relationship further and utilise some of the more innovative offerings to supplement our trainee development programme.

In 2015 we became sponsors of Steel City Wanderers, a local women's football team; following on from the success of This Girl Can and the England women's football team, we offered our assistance through financial and technical support. Through this partnership we hope to develop opportunities to encourage women to consider our industry as a viable career option.

Our employees continue to push themselves out of their comfort zones with their own charitable fundraising; in 2015 our employees raised in excess of £10,000 for various charities by climbing mountains and participating in other endurance events.

Our construction business continued its involvement with the Considerate Constructor Scheme, and achieved a Silver award for the ASRA Bilsthorpe site; the average score in 2015 was 37.37.

In December 2015 we were delighted to accept the Yorkshire Business Award for Corporate Responsibility on behalf of Henry Boot PLC, voted for by our peers in the region. It was gratifying to receive an acknowledgment of what we are attempting to achieve with our CR programme; we are not seeking to gain anything from the participation we have within our communities - we are simply doing what is right, using our resources to assist and create impact.

Pictured Top Left Proud sponsors of Steel City Wanderers, working in partnership with the local community; and **Pictured Top Right** Rachel White accepting the Yorkshire Business Award for Corporate Responsibility.

Corporate Responsibility Environment

Our approach

Our overarching aim is to minimise the impact on the environment of our operations and those of our supply chain by using resources efficiently and reducing our waste and carbon outputs.

We recognise that we have a responsibility and an obligation to reduce the direct impact of all our business operations on the natural environment both now and in the future.

Reducing our emissions is one way in which we hope to achieve this; our aim is to create more sustainable ways of undertaking our business operations to conserve energy, save money and deliver efficiency.

Our performance

Our priorities are to:

- minimise waste produced;
- increase recycling; and

- improve energy efficiency and reduce energy use.

In 2015 Henry Boot Construction Limited in partnership with Banner Plant Limited introduced the use of ECO cabins on site; these new cabins include enhanced insulation, PIR lighting, double glazing, non-concussive taps, waterless urinals and thermostatically controlled heaters.

The new cabins not only ensure the site carbon footprint is minimised but also provide increased comfort to employees and visitors.

Our focus is on the segregation of waste on our sites and we have achieved a recycling rate of 95% (2014: 94%).

We were proud recipients once again of Gold status on the Business in the Community National Environmental Index.

Our greenhouse gas (GHG) emissions for the year ended 31 December 2015 were

calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from UK Government GHG Conversion Factors for Company Reporting 2015.

Our direct and indirect operational greenhouse gas emissions are shown in the tables below. These sources fall within our consolidated Financial Statements; we do not have responsibility for any emission sources that are not included in our Financial Statements.

Overall the Group's greenhouse gas emissions have reduced by 12% when compared to those of the previous year. This equates to a decrease of 0.71 tonnes per employee.

For further information on our greenhouse gas emissions please see our website:

www.henryboot.co.uk/corporate-responsibility/our-environment

Henry Boot Group CO₂ footprint by source

Henry Boot Group CO ₂ e emissions	2015 Tonnes	2014 Tonnes	Trend
Scope 1: Combustion of fuel and operation of facilities	2,048	2,288	↓
Scope 2: Electricity, heat, steam and cooling purchased for own use	1,122	1,337	↓
Total direct emissions	3,170	3,625	↓
Total direct emissions per employee ¹	7.3 tonnes CO₂e	7.90 tonnes CO ₂ e	↓
Scope 3: Upstream and downstream indirect emissions	908	1,017	↓
Total emissions	4,078	4,642	↓
Total emissions per employee ¹	9.4 tonnes CO₂e	10.11 tonnes CO ₂ e	↓

¹ Employee numbers are based on the monthly average for the year

Carbon emissions by segment

Henry Boot Group CO ₂ e emissions	2015 Tonnes of CO ₂ e	2015 Intensity Ratio Tonnes of CO ₂ e	2014 Tonnes of CO ₂ e	2014 Intensity Ratio Tonnes of CO ₂ e	Intensity Basis	Trend
Property investment and development	1,021	2.11	1,234	2.58	per 1,000 sq ft of investment property with communal areas	↓
Land development	114	3.44	123	3.96	per employee	↓
Construction	2,776	34.9	3,108	37.73	per £1m of turnover	↓
Group overheads	167	3.21	177	3.41	per employee	↓
Total gross controlled emissions	4,078		4,642			