



## Environmental, social and governance policy

### Introduction

With a remarkable past and an exciting future, Buccleuch is a diverse and modern business focused on maintaining and enhancing the environment for generations to come. With enterprises encompassing commercial property, agriculture, forestry, renewable energy, estate management and tourism, by carefully balancing complex economic, community and environmental demands, Buccleuch makes decisions which allow for a sustainable future.

Buccleuch's vision; to be a diverse and sustainable business, with a reputation for working with communities, respecting the environment and contributing to culture through heritage, is supported by the business' four guiding priorities; community, customers, environment and colleagues.

These four guiding priorities, in turn, flow into Buccleuch's Environmental, Social and Governance policy (ESG), which is implemented appropriately across the group and reviewed regularly to ensure it remains relevant and ambitious.

This document outlines the overarching standards Buccleuch adheres to in relation to ESG issues and acts as a touchpoint for integrating ESG considerations into its day-to-day business transactions and interactions.

### 1. Environment: Buccleuch actively manages its impact on the environment

In line with its longstanding commitment to the environment, Buccleuch continually reviews its operations across the business. Recognising that land and land use will play an important role in both its own and the nation's journey to net zero, the team are also building an understanding of the natural capital opportunities across the estates. Buccleuch will continue to work closely with its trusted partners in the renewable energy sector both to bring existing consented schemes to development and production and will seek to become an active participant in future projects.

- a. Buccleuch aspires to minimise the impact on the natural environment of its business activities and to take advantage of opportunities to enhance it where possible
  - Buccleuch will manage its woodlands on a sustainable basis, ensuring consideration is given to the wider landscape and biodiversity, and will seek certification under the UK Woodland Assurance Standard wherever possible, something that has been held for over twenty years
  - Buccleuch will continue to drive down the use of fertilizers and increase sustainable food production within its agricultural operations to ensure its impact on biodiversity is minimised
  - When designing commercial property projects, Buccleuch will ensure all landscape enhancements included within designs and mitigation measures are an improvement on the existing landscape.



- b. Bucleuch will monitor the carbon emissions across all enterprises and, where possible, work to reduce these year-on-year, with the aim of becoming carbon neutral at a group level and be on the journey to this target at enterprise level by 2030
- Across the group, detailed information and statistics will be recorded to calculate an annual carbon impact assessment
  - Each business enterprise will take measures to reduce its overall carbon emissions on an annual basis, guided by third party recommendations and industry standards
  - Bucleuch will also work with its tenants and suppliers to understand how it may be able to support them in bringing down the overall environmental impact of the business and those on whom Bucleuch relies.
- c. Bucleuch's workplaces will ensure 'reduce, reuse, recycle' is considered within all office activities and procurement
- Bucleuch will ensure that each workplace has in-office recycling facilities
  - Any necessary printing and paper use is undertaken on FSC certified paper, where possible
  - Bucleuch will encourage colleagues to make energy efficient choices both at work and at home
  - Bucleuch colleagues have access to a cycle to work scheme to encourage active travel

## 2. Social and communities: Bucleuch cares about its communities and colleagues

Together with the economic and environmental benefits the business affords, Bucleuch also has the capacity to deliver a significant slate of well-being benefits. As an organisation built on land and property assets, and measured against the Scottish Government's National Performance Framework, Bucleuch generates a very strong set of positive benefits across most measures of economic well-being. Particularly, its contributions support the outcomes that are aimed at developing and improving community life and the well-being of children and young people, as well as actively contributing to culture, economic growth, environmental management, fair work, education and health.

- a. Bucleuch has a commitment to the places in which it operates
- Bucleuch understands the concerns of rural communities and wants to continue to support them, which is why it has produced a community engagement plan outlining its collaborative approach, the desire for a positive impact and the commitment to ensure the local communities are considered within decision-making
  - Bucleuch supports local events and charities, both through financial support and the contribution of staff time
  - Bucleuch endeavours to use and support local businesses and contractors.
- b. Bucleuch recognises that colleagues are its biggest assets and advocates, and it has a commitment to ensure it provides what it can to ensure their health and wellbeing
- Induction training provides new colleagues with all the information they need to familiarise themselves with the business and its key policies. This is reviewed to ensure the most up-to-date information is passed on
  - Bucleuch supports flexible working, where this is possible, and works with colleagues to achieve the correct work: life balance



- Buccleuch has implemented a range of measures to support colleagues. These include policies on health and wellbeing, anti-harassment and bullying, diversity and inclusion, and hybrid working, in addition to a Colleague Assistance Programme, a Modern Anti-Slavery Policy and enhanced maternity, paternity and adoption pay and leave, all of which are kept under review to ensure they support best practice
- A commitment to safety, employee health and wellbeing is deeply engrained in Buccleuch's culture. Buccleuch's safety and risk management systems use proactive performance indicators designed to engage colleagues and exceed legal compliance.

### 3. Governance

As a business operating across multiple diverse enterprises, Buccleuch recognises that strong corporate governance and transparency are critical to ensuring it continues to have a sustainable business model that supports the nurture and development of its heritage.

#### a. Buccleuch has in place robust internal and external governance practices

- Buccleuch's Executive Committee consists of 12 members, each with expertise in their area of the business, and it is mandated to make operational decisions. The Buccleuch Board, consisting of eight members, takes decisions relating to strategy and policy. Proposals relating to strategy and policy are discussed and agreed by the Executive Committee before presentation to the Board for discussion and approval
- Steering Committees have been established, and will continue to be convened, where they add value to the decision-making process
- Buccleuch has established a Land Use Strategy Group, which brings together a large number of colleagues with vastly differing expertise and priorities to ensure decisions in relating to land use changes have been debated, tested and agreed prior to implementation
- Buccleuch has in place a remuneration committee which meet bi-annually to consider the rewards and remuneration for colleagues and the executive team.

#### b. Buccleuch follows standard financial governance principles and goals

- Buccleuch's accounts are prepared on an annual basis and are audited to UK Generally Accepted Accounting Practice.

#### c. Buccleuch is committed to collaboration and sharing information with its internal and external stakeholders, recognising that this is important to ensure its aims and ambitions are understood

- Buccleuch is committed to recording all land owned with Registers of Scotland and these can be viewed on both the Buccleuch and Registers of Scotland websites
- Buccleuch's community engagement plan ensures communities are a key consideration in land use decisions and it will continue to look at new ways to ensure communities, tenants and suppliers continue to be informed
- Buccleuch's colleagues are important to the success of the business and its policies and regular communication ensures they are aware of Buccleuch's aims and ambitions, and where they can assist with these. Buccleuch also ensures colleagues are the first to know of any planned communications and understand the reasons behind business decisions.