ESG & Sustainability Policy and Investment Strategy

Chalford Group (Herefordshire) Ltd

comprising:

Chalford Timber Ltd
Chalford Compost Ltd
Chalford Silviculture Ltd

collectively trading as CHALFORDS

Effective date: November 2026
Review date: November 2027

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1. Our commitment

At **CHALFORDS**, sustainability is not treated as a separate initiative or marketing exercise. It forms part of the way we manage land and woodlands, source and process natural materials, invest in equipment and infrastructure, develop products and make long-term commercial decisions.

Chalford Group (Herefordshire) Ltd and its operating companies are family-run businesses rooted in forestry, woodland management, silviculture, timber harvesting and natural-material processing.

Our objective is to build a responsible, resilient and commercially sustainable natural-materials group that makes better use of the resources available to us while creating long-term value for customers, employees, suppliers, landowners and the communities in which we operate.

Our ESG approach is built around three connected principles:

Environmental responsibility

Managing natural resources responsibly, reducing waste, increasing material recovery, supporting woodland health, developing peat-free products and improving the efficiency of our operations.

Social responsibility

Providing responsible employment, supporting local and regional supply chains, maintaining safe working practices and treating employees, contractors, suppliers and customers fairly.

Good governance

Operating responsibly and transparently, with appropriate oversight of sourcing, product claims, standards, traceability, compliance and investment decisions.

In 2026, **CHALFORDS was recognised as Sustainable Business of the Year at the Herefordshire Business Awards**, reflecting the practical sustainability principles embedded throughout our forestry and natural-materials operations.

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2. Scope of this policy

This policy applies across:

- Chalford Group (Herefordshire) Ltd;
- Chalford Timber Ltd;
- Chalford Compost Ltd;
- Chalford Silviculture Ltd; and
- the activities undertaken collectively under the CHALFORDS trading name.

It applies to the Group's directors, employees and operations and sets out the principles we expect to influence our relationships with contractors, suppliers and other business partners.

Each operating company has different activities and environmental impacts. The application of this policy will therefore be proportionate to the nature, scale and risks of the relevant business activity.

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3. Our circular natural-materials model

CHALFORDS seeks to make productive and responsible use of natural materials throughout their lifecycle.

Our activities increasingly connect:

Woodland Management → Silviculture → Timber Harvesting → Material Processing → Renewable Wood Fuel → Landscape Materials → Growing Media & Soil Improvement → Future Land & Woodland Management

This interconnected approach enables us to consider the most appropriate productive use for suitable timber, bark, woodchip and other natural materials.

Rather than seeing different materials purely as individual products or residues, our aim is to maximise their useful value wherever technically, environmentally and commercially appropriate.

This approach helps us to:

- make better use of natural resources;

- recover suitable materials that might otherwise be underused;
- reduce avoidable waste;
- add value through local and regional processing;
- create useful products for homes, gardens, landscapes, energy and soil health;
- support responsible land and woodland management; and
- contribute to a more circular natural-materials economy.

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4. Environmental responsibility

Responsible forestry, silviculture and woodland management

Forestry and woodland management are fundamental to the Group.

Through Chalford Silviculture Ltd, Chalford Timber Ltd and the wider CHALFORDS operations, we seek to support responsible woodland management through activities including appropriate harvesting, thinning, restocking, establishment and long-term woodland care.

Our objective is to manage and utilise woodland resources in ways that balance commercial forestry with responsible stewardship and long-term woodland health.

Where certification, recognised standards or sourcing schemes apply, we aim to operate in accordance with the relevant requirements and maintain appropriate supporting records.

Responsible timber and natural-material use

We seek to maximise the productive use of suitable natural materials.

Depending upon material specification and suitability, this can include use within:

- timber products;
- biomass woodchip;
- firewood;
- landscaping materials;
- bark and mulch products;
- natural woodchip;
- compost;
- growing media;

- soil improvers; and
- other natural-material applications.

We will continue identifying opportunities to recover and productively use suitable materials rather than allowing valuable natural resources to become unnecessary waste.

Compost, soil improvement and peat-free growing media

Through Chalford Compost Ltd and the wider CHALFORDS product range, we are developing growing media, compost, soil-improvement and landscaping products that make practical use of suitable natural materials.

Our GROW & LANDSCAPE range includes peat-free growing media and soil-improvement products.

We recognise the environmental importance of reducing reliance on peat and intend to continue developing commercially practical peat-free products that meet appropriate performance and quality requirements.

Local and regional processing

Where commercially and operationally practical, we seek to process and add value to natural materials within our regional operating area.

Local and regional processing can:

- strengthen supply-chain resilience;
- retain economic value within the region;
- support local employment and contractors;
- improve oversight of materials;
- reduce unnecessary intermediate handling; and
- reduce avoidable material movements.

Location and transport impacts will therefore form part of relevant sourcing and investment decisions.

Renewable wood fuel

Wood fuel is an established part of our natural-materials operations.

We seek to produce consistent, fit-for-purpose biomass woodchip and firewood through appropriate processing, screening, drying, moisture management and quality control.

We will continue investing in processes, equipment and recognised standards where these support:

- product quality;
- regulatory compliance;
- efficient use of timber resources;
- customer requirements; and
- responsible renewable-energy applications.

Waste and material recovery

Our objective is to minimise avoidable waste and increase the productive use of suitable materials.

We seek opportunities to recover timber, bark, woodchip and appropriate organic materials and direct them into productive uses according to their characteristics and suitability.

We will continue improving our understanding of material flows across the Group so that opportunities for recovery, reuse and value creation can be identified more effectively.

Packaging

Packaging is necessary to protect products, enable efficient transport and handling and allow products to reach trade and retail customers in suitable condition.

We will continue reviewing packaging specifications with the aim of:

- reducing unnecessary packaging material;
- increasing recycled content where technically and commercially practical;
- improving recyclability where suitable solutions exist;
- maintaining appropriate product protection;
- reducing avoidable packaging waste; and
- working constructively with packaging suppliers to identify improved solutions.

Transport and logistics

Transport is an unavoidable component of forestry, processing and product distribution.

We will seek opportunities to improve logistics efficiency through:

- efficient load planning;
- appropriate vehicle utilisation;
- regional sourcing and processing;
- mixed-product deliveries where practical;
- reducing unnecessary material movements;
- effective route planning; and
- considering transport impacts in relevant commercial and operational decisions.

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5. Social responsibility

Our people

A sustainable business depends upon its employees, contractors and partners.

Across the Group, we are committed to:

- maintaining safe working environments;
- complying with applicable employment and health-and-safety requirements;
- treating employees fairly and with respect;
- supporting appropriate training and skills development;
- encouraging employees to raise concerns;
- maintaining responsible recruitment practices; and
- developing skills relevant to forestry, processing, manufacturing and natural-material industries.

Health and safety

Forestry, timber processing, machinery operation, transport and natural-material handling can involve significant operational risks.

Health and safety is therefore an important part of responsible business management across the Group.

We seek to identify and manage workplace risks, provide appropriate equipment and procedures, and maintain compliance with relevant health-and-safety requirements.

Modern slavery and human rights

The Group maintains a separate **Anti-Slavery and Human Trafficking Policy**.

We do not knowingly support forced labour, human trafficking, unlawful child labour or other forms of exploitation within our own operations or supply chains.

We expect suppliers and contractors to operate lawfully and ethically and to respect appropriate employment and human-rights standards.

Local economic value

CHALFORDS is rooted in Herefordshire and the surrounding region.

We recognise the contribution that rural businesses can make through:

- local employment;
- engagement with landowners;
- use of local contractors;
- local and regional purchasing;
- development of forestry skills;
- local processing and manufacturing;
- support for regional businesses; and
- adding value to natural resources close to their source.

Where commercially appropriate, we seek to retain economic value within regional supply chains.

Customers and communities

We aim to provide products and services that are useful, dependable and accurately represented.

Our responsibilities to customers include:

- providing appropriate product information;

- maintaining appropriate quality standards;
- responding constructively to customer concerns;
- accurately representing product specifications;
- avoiding misleading environmental claims; and
- building long-term, responsible commercial relationships.

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6. Governance

Strong governance supports responsible environmental and social performance.

Responsibility for this ESG & Sustainability Policy rests with the directors and management of Chalford Group (Herefordshire) Ltd and its operating companies.

Relevant ESG considerations will form part of decisions concerning:

- capital investment;
- equipment and machinery;
- sourcing;
- forestry and woodland operations;
- product development;
- processing infrastructure;
- packaging;
- transport and logistics;
- supplier relationships;
- employment;
- product claims;
- certification and standards;
- compliance; and
- longer-term business strategy.

Management is responsible for translating these principles into practical decisions appropriate to the relevant operating company.

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7. Responsible sourcing and supply-chain management

We recognise that environmental and social responsibility extends beyond our directly controlled operations.

Depending upon the nature, value and risk of the supplier relationship, we may consider factors including:

- material origin;
- supplier reputation;
- environmental practices;
- labour and employment practices;
- relevant certification or documentation;
- geographic source;
- transport requirements;
- product quality;
- traceability;
- packaging;
- regulatory compliance; and
- opportunities for local or regional sourcing.

We favour transparent, established and responsible commercial relationships.

Where material concerns arise, we may seek further information, request corrective action or reconsider the relevant supplier relationship.

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8. Traceability, standards and evidence

Traceability is an important component of responsible natural-material management.

We intend to continue strengthening systems and records that support our understanding of:

- material origin;
- harvesting and supply;
- movement between operations;
- processing;
- finished-product production; and
- applicable certification or sourcing evidence.

We also recognise that environmental and sustainability claims must be credible.

CHALFORDS will seek to ensure that environmental, sourcing, certification and sustainability claims used in our product information, marketing and commercial communications are:

- accurate;
- clear;
- appropriately specific;
- understandable;
- appropriately qualified where necessary; and
- supported by suitable evidence.

We will not knowingly make environmental claims that materially overstate the environmental performance, sourcing, certification or sustainability credentials of our products or operations.

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9. ESG and sustainable investment strategy

Environmental, social and governance considerations form part of the Group's approach to investment.

When considering significant capital expenditure, infrastructure, machinery, product development or operational change, CHALFORDS will consider sustainability alongside:

- financial return;
- productivity;
- resilience;
- safety;
- quality;
- regulatory requirements; and
- customer needs.

We will give particular consideration to investments that can:

- improve recovery and productive use of natural materials;
- reduce waste;
- improve processing efficiency;
- improve product consistency;

- strengthen material traceability;
- improve energy or fuel efficiency;
- reduce unnecessary handling and transport;
- support responsible forestry and woodland management;
- develop peat-free growing media and soil-improvement products;
- improve packaging performance;
- increase local processing capability;
- improve working conditions or safety;
- strengthen supply-chain resilience; or
- deliver measurable long-term environmental or social benefits alongside commercial value.

Sustainable investment must also be financially responsible.

Our objective is to develop environmental and social improvements that contribute to a resilient, competitive and commercially sustainable Group over the long term.

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10. Measurement and continuous improvement

We recognise that meaningful sustainability management requires progressively stronger measurement.

The Group will continue developing its environmental and ESG measurement framework.

Areas for progressive monitoring include:

- natural-material inputs;
- finished-product outputs;
- material recovery;
- waste;
- fuel and energy use;
- transport and logistics;
- packaging;
- sourcing;
- traceability;

- environmental compliance;
- product quality;
- health and safety;
- supplier risk; and
- sustainability-related investment.

We will not make unsupported claims about carbon reduction or environmental performance where appropriate evidence is not yet available.

Our objective is to strengthen our baseline information progressively so that future environmental improvements and targets can be measured more accurately.

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11. Strategic sustainability priorities

Over the coming years, the Group intends to focus on the following priorities.

1. Responsible woodland management

Continue supporting appropriate woodland management, harvesting, silviculture, restocking, woodland creation and long-term woodland health.

2. Increase productive material recovery

Improve the productive use of suitable timber, bark, woodchip and other appropriate natural materials.

3. Expand peat-free products

Continue developing and increasing the availability of peat-free growing media and soil-improvement products.

4. Strengthen traceability

Improve systems and records supporting traceability from material source through processing to finished product.

5. Invest in efficient processing

Continue investing in equipment and infrastructure that improves productivity, material utilisation, quality and operational efficiency.

6. Improve packaging

Review opportunities for recycled content, recyclability and packaging-material reduction where practical.

7. Develop environmental measurement

Build a progressively more formal framework covering fuel, energy, transport, waste, packaging, material recovery and environmental performance.

8. Maintain high standards of health and safety

Continue strengthening safe working practices across forestry, processing, transport and manufacturing operations.

9. Develop responsible supply partnerships

Work with customers, suppliers and commercial partners that value quality, responsible sourcing, traceability and practical sustainability.

10. Support local and regional economic value

Continue supporting employment, contractors, landowners, customers and suppliers within Herefordshire and the wider region where commercially appropriate.

11. Grow the circular natural-materials model

Continue connecting forestry, silviculture, timber, renewable wood fuel, landscaping products, compost, growing media and soil improvement into an increasingly integrated and commercially sustainable circular system.

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12. Our long-term ambition

Our long-term objective is for CHALFORDS to become a leading example of a modern, commercially successful circular natural-materials business.

We want to demonstrate that responsible woodland management, productive forestry, renewable materials, efficient processing, landscape products and soil improvement can form parts of one connected business model.

Our ambition is to create value from natural materials responsibly, retain more value within regional supply chains and continually improve the environmental and social performance of our operations.

Natural Materials. Made Properly.

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13. Review and accountability

This policy will be reviewed at least annually and whenever significant changes to the Group, legislation, business activities or supply chains make an earlier review appropriate.

Progress against our strategic sustainability priorities will be considered as part of that review.

The policy will evolve as the Group develops and as our ability to measure environmental, social and governance performance improves.

Approval

This **ESG & Sustainability Policy and Investment Strategy** has been adopted by Chalford Group (Herefordshire) Ltd and the participating operating companies comprising CHALFORDS.

Approved on behalf of Chalford Group (Herefordshire) Ltd

Name: ___LOUIS SAER_____

Position: Director

Signature: ___Louis Saer_____

Date: _____30th Oct 2026_____

Next scheduled review: November 2027

CHALFORDS

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