



MGroupServices

ESG

AND INNOVATION

REPORT

01 April 21 - 31 March 22

WELCOME

to our 2021/22 ESG & Innovation report.



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Message from our Chief Executive



Jim Arnold
Chief Executive Officer
M Group Services

M Group Services delivers a range of essential infrastructure services within the water, energy, telecommunications and transport sectors across the UK and Ireland.

We are pleased to be able to share this ESG Report which provides a summary of some of our Group successes and those of our individual operating businesses.

We have built and maintained relationships with our clients over many years and have a strong culture that continuously focuses on safety, operational delivery, efficiency and customer service. To ensure we continue to deliver long-term solutions to our clients and their customers, we must operate in a way that is sustainable, responsible and respectful to the communities in which we work.

Over the last year, we have taken a number of significant steps to enhance our performance.

- In recognition of the growing importance of ESG across our Group, the Director of ESG & Innovation reports directly into myself and sits as part of the Group Operational Board.
- Having grown our innovation and best practice environment over a number of years, we are now starting to leverage the output across the Group to ensure we maximise the benefit and stay at the forefront of sustainable performance.
- We have committed to setting science-based targets to reduce our Greenhouse Gas (GHG) emissions in line with staying below a 1.5°C global average temperature increase. In the short term we commit to reduce our Scope 1 and 2 emissions by 50% by 2030.
- We continue to take a careful look at how the way we work aligns with the United Nations Sustainable Development Goals (UNSDG's).
- One of the achievements we are particularly proud of, is that during the last year we obtained a Group ESG Rating of 9.6, based on an in-depth independent analysis by ESG risk ratings agency, Sustainalytics. This resulted in M Group Services being the best performer in the business support services sector, compared to a sector average of 21.9. It means the Group has a 'negligible risk' of reputational and operational risks through its direct and indirect activities.

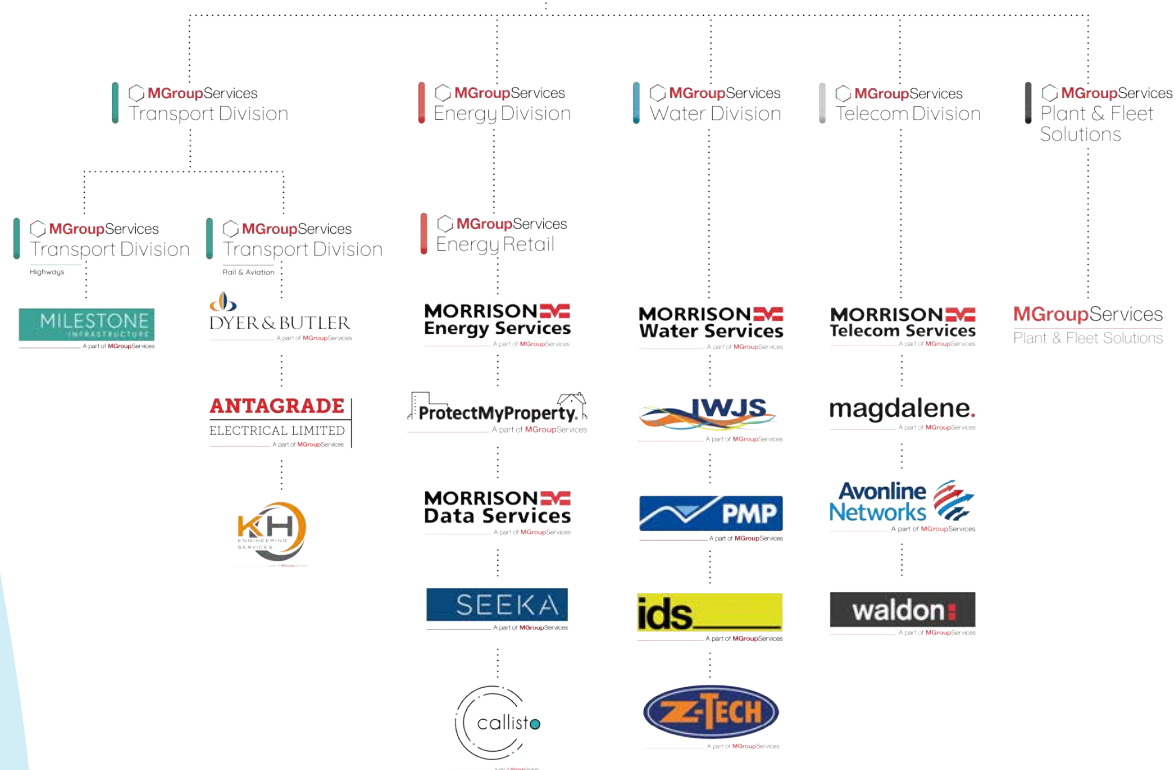
Our commitment and approach to ESG performance will continue to evolve. We see alignment with the UNSDG's and adopting external ESG best practice as a valuable next step in our ESG and Innovation journey and we hope you enjoy reading this report.

This report highlights some of our key achievements and milestones from the past 12 months, describes our ESG performance and a taste of where we are heading.



Integrity is one of our core values at M Group Services, we act fairly and responsibly across our business because it is ethically the right thing to do and because it makes good business sense. We believe that acting in a responsible and sustainable manner is crucial for the communities, clients and customers that we serve.

Overview of M Group Services



M Group Services delivers works through a divisional operating model aligned to the sectors in which we operate and the clients that we work on behalf of.

Through our divisions, works are streamlined through operating businesses to further enhance our client focused delivery and to provide safe, reliable and cost-effective support and solutions.

The statistics used within M Group Services Environment, Social and Governance (ESG) Report are a cross-section from the entire Group to showcase the progress and results we have achieved.

We take pride in sharing a selection of metrics that we use to measure our performance.

From this we categorise our ESG contribution through six common themes:

- **Decarbonising services to our clients**
- **Environmental performance**
- **Adopting world class standards**
- **Monitoring and controlling risk**
- **Our people and our communities**
- **Future plans**

Each theme will reference the key UNSDG's and outline where and how we employ our approach to innovation to extend and discover new ways of delivering service to our clients, their customers and wider communities.



Morrison Water Services welcomes Penelope to their Normanton Depot after being mesmerised by works being carried out on her street.



Introduction

To The United Nations Sustainable Development Goals (UNSDG's)

With a unique operating model that aligns the Groups delivery to its focussed sectors and clients, we are ideally placed to support the sustainability objectives and needs facing UK infrastructure for now and the future.

One of the most widely respected and increasingly well understood governance structures in this space is the UNSDG's.

We continue to align where possible some of our achievements, metrics, and best practices to several of the key UNSDGs.

Throughout this report we place a spotlight on the part we play in the overall global agenda to develop and grow our business in a sustainable way. Being mindful of the part we play in supporting our clients obligations today, with the ethos of conservation and sustainability we see seven of the UNSDG's as having a direct bearing on how we deliver services today and how we will evolve those services for the future.

Since last year we have now joined two important initiatives; the Science-Based Targets Initiative and the UN Global Compact and are actively engaging with these initiatives and their resources to evolve and adapt our service offering to protect future generations.

Our forward trajectory will be built by continuing to listen to our clients, our people, and supply chain partners and testing our thinking with some of the world's leading ESG evaluation methods.

Andrew Hunt
Director of ESG & Innovation



The seven key touch points where we feel we have accountability and can make the greatest contribution include:

No.3

Good Health & Wellbeing

No.5

Gender Equality

No.7

Affordable & Clean Energy

No.8

Decent Work & Economic Growth

No.9

Industry Innovation & Infrastructure

No.11

Sustainable Cities & Communities

No.13

Climate Action



Welcome to our 2021/22 Highlights At a Glance

261,549

Total training hours delivered

71%

People Opinion Survey
Engagement Rate

30.8%

Proportion of women reporting
into Executive Board Members
(March 22)

The websites across the Group
have generated over

1,000,000

visits



Featured in over

300

print/online publications

Carbon intensity
reduced by
3.9%
in 2021-22 from the
previous year

Over
40m
hours of work on essential
infrastructure

159

Ex-Armed
Forces personnel
recruited across
the Group



180,191

Social media visitors

0.07

Accident Frequency
Rate

Amount donated
to charities

£72,660

Armed Forces
**Volunteer
of the Year
Award**

Number of water
leaks repaired
66,310

**149 STEM
Ambassadors**

6,300 students
reached

Joining the
**Science Based
Targets
initiatives**

Joining the
**United
Nations Global
Compact**

650

Mental Health
First Aiders

50

Apprentices
recruited

Industry leading
9.6
ESG Public Risk
Rating



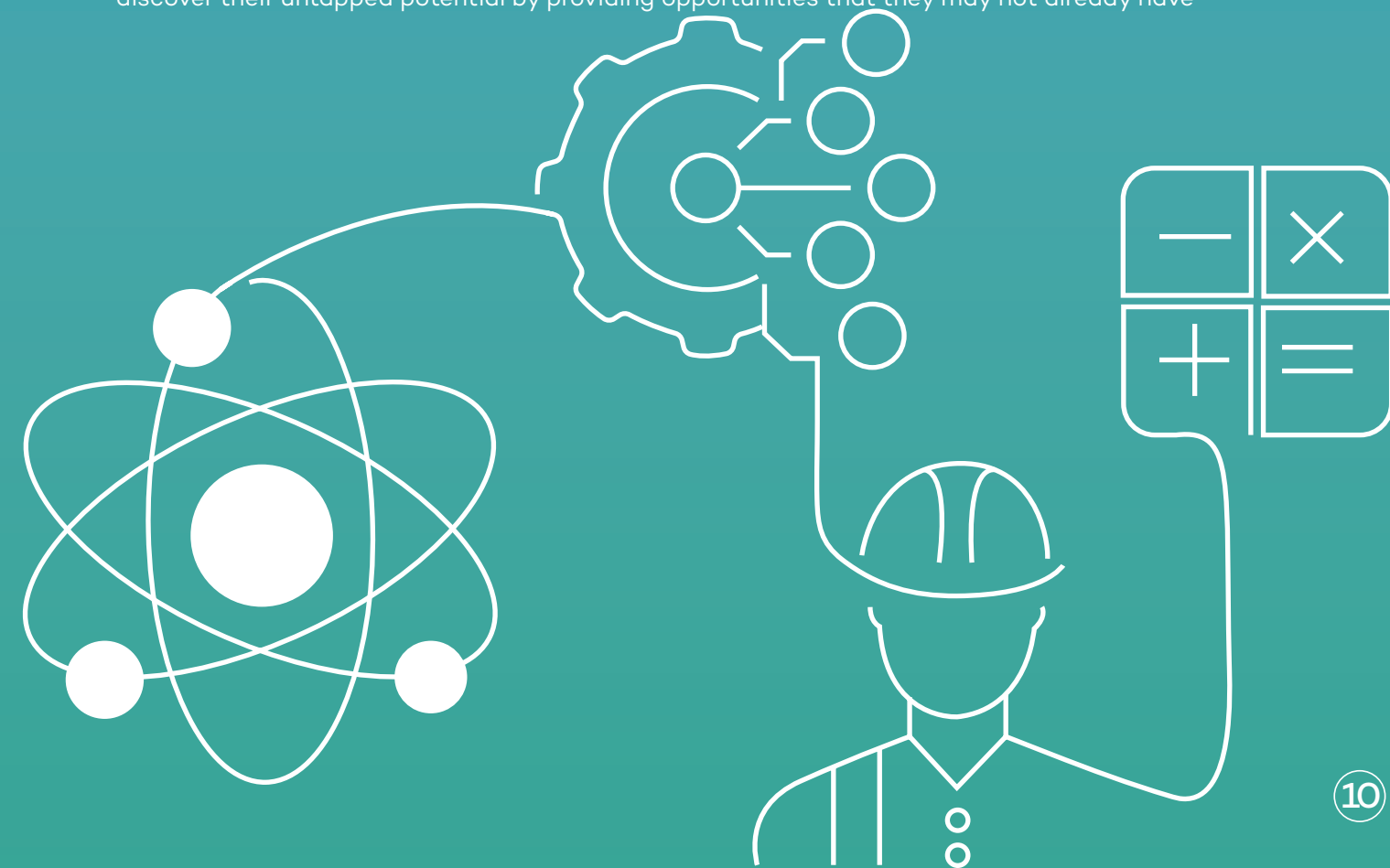
Our STEM intent

Science, Technology, Engineering & Mathematics (STEM)

Science, technology, engineering and mathematics (STEM) are fields that are central to our operations at M Group Services and we constantly look for ways to encourage people to pursue a career in these industries. Over the past few years, COVID-19 has made the organisation of STEM events a real challenge, with limited opportunities for STEM careers workshops to be held. However, we continue to recognise the importance of STEM within our business and have a number of new STEM Ambassadors who have registered across the Group this year. With COVID-19 restrictions now reducing, we are refocusing our efforts to meet young people face-to-face.

Across M Group Services, we utilise STEM skills on a daily basis and through supporting the next generation of professionals, we can help to ensure the continuous growth of our business. Working with the right people is central to how we operate, and we try to create working environments that allow our people to fulfil their potential. We hope to provide young people with the knowledge, skills and expertise that is required for a successful career in their chosen field.

As well as providing opportunities to those who wish to pursue a career in a STEM field, we are also committed to educating those who may not have considered our industry as a potential career and we work to increase awareness around the work we do. We hope to allow people to discover their untapped potential by providing opportunities that they may not already have



Z-Tech taking part in a beach clean-up in Brighton to ensure it's safe for members of the public.



Our Commitment to the Community

We understand that we can make an important contribution to the wellbeing of the communities in which we operate. It is our intention wherever possible to leave a positive legacy on every community in which we carry out our essential works, we see our role as contributing to building sustainable cities and communities.

Across all M Group Services operations, we work hard to engage with the communities we work in, minimising disruption and behaving respectfully towards everyone we interact with.

Our community engagement covers a broad range of activities. Our people are regularly undertaking charity work, fundraising and volunteering for several local and nationwide charities, as well as volunteering within the communities we work in, to make a difference for local residents.

Through our STEM Ambassador schemes, we have continued to inspire and encourage younger generations, and this has been supported by our work with local schools across the UK and Ireland. We also support Career Transition Partnership (CTP) Events, supporting leavers of the Armed Forces Community as they navigate back into work outside of the Armed Forces. A lot of the skills gained in the Armed Forces can be transferred into our sector. This year, one of our people within Morrison Data Services won the Volunteer of the Year at the Ex-Armed Forces in Business Awards. We're also extremely proud as a Group to hold the Armed Forces Covenant Gold Award.

Measuring social value is becoming a greater focus for us as we begin to adopt methodologies such as The National Social Value Measurement Framework.

The role of Innovation:

Through our innovation ecosystem we highlight and promote innovation best practice across our various sectors and provide the example and inspiration to excel in the pursuit of building sustainable communities and spaces. **See page 17.**



Charities

Businesses across M Group Services participated in various community driven initiatives such as nature conservation and gardening projects to enhance communities for local residents.

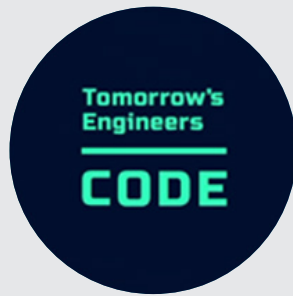


57+

Charities supported across the Group

Amount donated to charities

£72,660

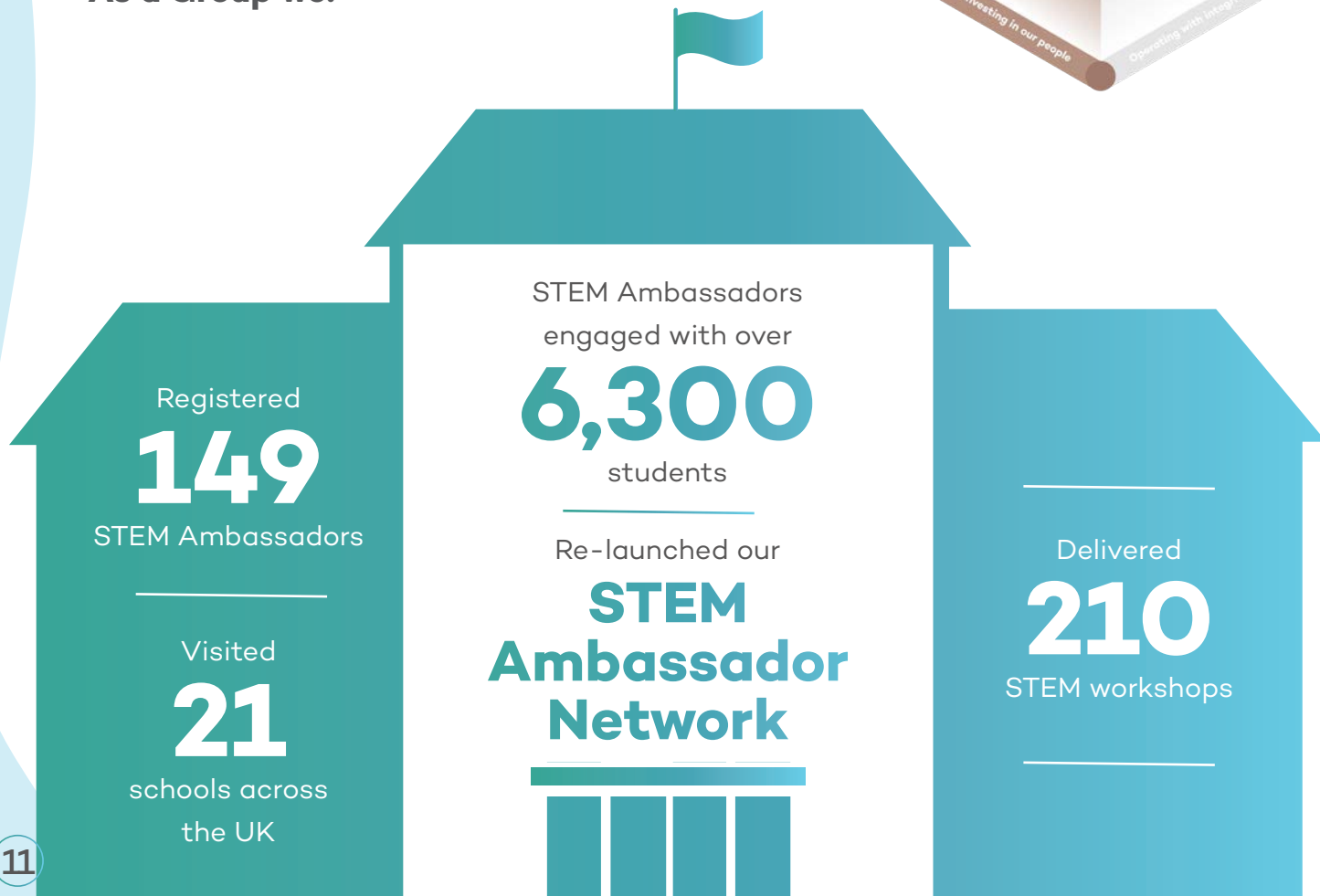


Signed up to support
**Engineering UK's
Tomorrow's
Engineers Code**



School Engagement

As a Group we:



Future Plans

Reach more students through STEM careers workshops

Generate more STEM Ambassadors across the Group

Adoption of the national Social Value measurement Framework



Milestone Infrastructure working in local communities, taking part in a "Big Paddle Clean Up" in Somerset.



Dyer & Butler raised £23,000 for chosen charity Shelter through a variety of activities including a charity bike ride and charity walk.



Environmental Respect and Responsibility for Future Generations

From the UK’s busiest railway lines, airports and highways to the most remote rural areas, our people are working hard to sustainably deliver essential infrastructure services in every environment.

As a Group, we understand our legal and ethical obligations to minimise the environmental impact of our works. Promoting good environmental practice across our operations, we continually look to develop and introduce sustainable processes and behaviours across each operating business, as well as their clients and supply chains.

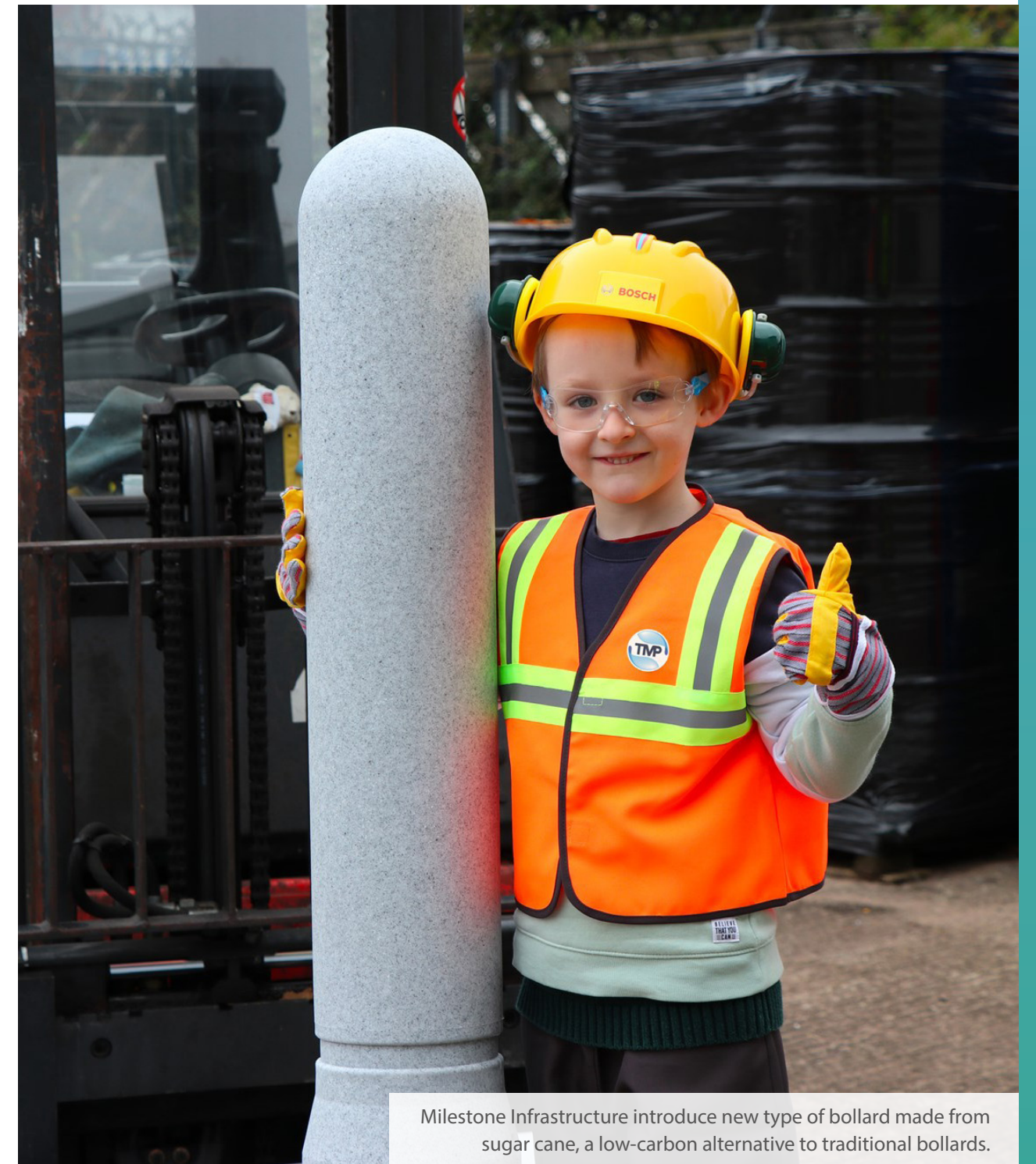
A number of our businesses are ISO: 14001:2015 certified, with an environmental management system governing their processes that is used to drive continued improvements in environmental performance across their operations.

A long-term area of focus is the reduction of our carbon emissions. As a participant in CarbonReduce (previously called Certified Emissions Measurement and Reduction Scheme), we monitor, measure and seek to minimise our carbon footprint. Our measurements provide an externally verified carbon emission measurement. Our Water, Energy and Telecom Divisions are certificated for ISO: 14064 GHG verification through CarbonReduce.

In 2021 we signed up to the Science Based Targets Initiative (SBTi) with a commitment to control our Greenhouse Gas (GHG) emissions in line with no more than a 1.5°C increase in global temperatures. In April 2022 were formally accepted onto the SBTi with our declaration of commitment. We are currently developing science-based targets which cover the entire value chain (Scopes 1, 2 and 3) ready for validation by SBTi. We are working with our specialist consultants EcoAct in order to deliver these.



In line with several of our client’s carbon net-zero ambitions, M Group Services operating businesses Morrison Energy Services, Morrison Data Services and KH Engineering Services have been awarded contracts to fit Electric Vehicle Charging Points. With M Group Services Plant & Fleet Solutions adding a range of hybrid and electric vehicles to their fleet, they have signed up as a member of the Climate Group’s EV100, working to transition our core fleet of over 8,000 vehicles to electric by 2030, as well as rolling out lower GHG emission fuels to their service offering, such as Hydrotreated Vegetable Oil (HVO). M Group Services is showing a clear commitment to help underpin the UK’s move towards net-zero by 2050, as well as working towards the Group’s commitment to achieving a 50% reduction by 2030.



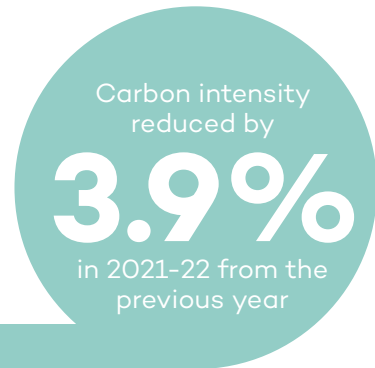
Milestone Infrastructure introduce new type of bollard made from sugar cane, a low-carbon alternative to traditional bollards.



Carbon Emissions for 2021-2022

Reduction in carbon intensity across the Group

MGS carbon intensity is measured as tonnes of CO₂e per £m of turnover. This has reduced by 3.9% from last year.



M Group Services GHGs Emissions Report	2021-22	2020-21
Scope 1 (tCO ₂ e)	57,299	44,409
Scope 2 (tCO ₂ e)	1,339	632
Scope 3 (tCO ₂ e)	651	2,941
Total Gross Annual Emissions (tCO₂e)	59,288	47,982
Intensity Metric tCO₂e/£m turnover	36.5	38.0

Scope 1 Emission Sources	2021-22	2020-21
Combustion of natural gas at sites (tCO ₂ e)	527	221
Fuel use for mobile plant (gas oil, LPG) (tCO ₂ e)	7,366	6,207
Emissions from fuel use for travel and transport (tCO ₂ e)	49,405	37,981
Total Scope 1 (tCO₂e)	57,299	44,409
Scope 2 Emission Sources		
Purchased electricity (location-based approach**) (tCO ₂ e)	1,339	632
Total Scope 2	1,339	
Scope 3 Emission Sources*		
Employee Business Travel	651	2,941
Total Scope 3	651	2,941

*From Streamlined Energy & Carbon Reporting

**Location based approach has used the UK Grid average factor for 2021

Emission Report Notes

Performance for the Year

The pandemic resulted in a reduction in emissions in 2020-21 due to reduced activity. During 2021-22 business activity recovered and we grew as a business with the acquisition of four companies. This resulted in an increase in our total GHGs, however our group intensity metric reduced from the previous year.

Targets

We have committed to reducing our emissions by 50% by 2030 (for Scope 1 and 2) and are currently developing a science-based target for validation by SBTi, which will include Scope 3 value chain emissions.

Organisational Boundary

Our emissions report includes the activity we undertake in delivering contracted business support services for essential infrastructure to our clients. It is based on operational control reporting boundaries. During 2021-22 the four new business acquisitions were: Milestone Infrastructure (Skanska UK's infrastructure services operation), Waldon Telecom, Babcock PLC's Overhead Line Power

Business (rebranded to Morrison Energy Services) and Z-Tech. Morrison Utility Services was also split into two businesses: Morrison Water Services and Morrison Energy Services.

Reporting Period

Our reporting year is 1 April 2021 to 31 March 2022.

Baseline Year

The baseline year is being redefined whilst we generate our science-based targets during this year.

Intensity Measurement

Our intensity metric is tCO₂e/£m turnover.

Data Assurance

Verification to ISO: 14064 is achieved by our Telecom, Water and Energy Divisions.

Green Tariff

Our policy is to procure 100% renewable-backed electricity from our suppliers.

Moving Beyond Scope 1 and 2 to Decarbonise the Entire Value Chain

The GHG data table represents the GHG emissions disclosure which forms part of the UK mandatory reporting for SECR (Streamlined Energy and Carbon Reporting). This disclosure is required to cover Direct Emissions (Scope 1), Indirect Emissions from Electricity (Scope 2) and employee travel outside of company vehicle use (this forms one part of Scope 3).

We have embarked on programmes of work in order to elucidate our whole value chain emissions. Our initial estimates for GHGs from our supply chain indicate that these are significant and up to ten times the magnitude of our direct Scope 1 emissions.

We committed to setting a science-based target in April 2022 in line with keeping global temperature rise below 1.5°C. We are currently developing a Group-wide target which includes covering our supply chain emissions. We anticipate our SBT to be validated by the Science Based Targets Initiative (SBTi) by March 2023.

In addition we have engaged the Supply Chain Sustainability School to assist us in developing a Supply Chain Charter.



Waste



The Role of Innovation

The way we evolve and adapt

M Group Services has a rich heritage of identifying and delivering innovation for our clients. Keeping ahead of expectations, our clients' challenging price controls, plus the global agenda for environmental and social sustainability is keeping innovation at the forefront of all our minds.

Whilst solving problems and delivering on our promises has always been a core cultural characteristic, in recent times we have formally added skills and capabilities to our service offering, organically and through carefully targeted acquisitions.

Today, M Group Services has evolved to become one of the UK and Ireland's leading essential infrastructure service providers across several critical sectors. With more than 10,000 people across the Group, working on behalf of one of our 19 operating businesses across Water, Energy, Transport and Telecom, our agile and focused structure has allowed us to deliver a carefully tailored approach to our clients, allowing us to draw upon the passion, intelligence, and knowledge of our people. This gives direct access to our cross-sector innovation ecosystem, enabling us to solve the needs of our ever-changing operational landscapes and support our clients with their evolving objectives and needs.

Throughout this document reference has been made to the role of innovation and our approach to best practice. We are carefully tailoring an approach to innovation that offers direct and open access to what we are calling our cross-sector, innovation ecosystem. Our drive is to help solve our clients' most pressing perennial, and emerging service needs.

The role of innovation

Is dynamic in this particular field with new fleet propulsion technologies and asset engineering solutions coming into focus at a tremendous pace. Our innovation ecosystem approach and dedicated Plant & Fleet Solutions business are equipped to appraise and adopt the best available technologies now and into the future.



What is the M Group Services innovation ecosystem?

In this era of constant change, the way a business delivers value today likely won't be the same tomorrow. Businesses recognise the need to continually innovate to meet our clients needs, create a sustainable competitive advantage and drive business growth.

From new products, services and client service delivery models, to the development of scalable innovation, products, techniques, and processes, we are building a culture that fosters entrepreneurship. Our innovation ecosystem is helping us and our clients meet perennial challenges like the cost to serve, through to emerging ones like delivering growth while conserving the worlds resources.

Using global best practice frameworks like SBTi and UNGC we constantly look for new influencers to our current thinking and future development.

An innovation ecosystem refers to a loosely interconnected network of companies and other entities that coevolve capabilities around a shared set of technologies, knowledge, or skills, and work cooperatively and competitively to develop new products and services (Moore, 1993).

Moore, James F., 1993. Predators and prey: a new ecology of competition. Harv. Bus. Rev. 71 (3), 75-86



ESG & Innovation Ecosystem

Planet to People

Our innovation ecosystem will be working to make the connections from Planet to People:

- 1 Global governing principles such as those set out in the United Nations Sustainable Development Goals (UNSDGs)
- 2 The structure of reporting frameworks such as The Sustainability Accounting Standards Board (SASB) and UN Global Compact (UNGC)
- 3 The role of ratings agencies such as Sustainalytics to independently assess ESG performance relevant to our sector and help direct our development and focus
- 4 The M Group Services unique operating model – designed specifically to collaboratively face into our client’s sector (Water, Energy, Telecom, Transport) needs
- 5 The innovation interface – where issues that are common and those that appear to be isolated interact, and are shared (recorded in the innovation matrix, and shared through Best Practice Forums)
- 6 People – the businesses homes and individuals that are enabled through our work



Our Passion for Health, Wellbeing & Safety

The health, wellbeing & safety of our people and all those who encounter our business is a key priority.

Across our Water, Energy, Transport and Telecom Divisions, we seek to embed and maintain exemplary, Health, Wellbeing & Safety values, practice and performance – a prerequisite for the markets in which we work.

Eleven M Group Services businesses have received prestigious health and safety awards from the Royal Society for the Prevention of Accidents (RoSPA). Morrison Energy Services, Morrison Data Services, M Group Services Plant & Fleet Solutions, Morrison Telecom Services, Magdalene, Avonline Networks, Waldon Telecom, Dyer & Butler, Morrison Water Services, Milestone Infrastructure and Z-Tech have all been recognised for demonstrating the highest standards of health and safety excellence in their respective sectors.



ROSPA



RoSPA Award Wins

- Morrison Energy Services received the RoSPA Construction Sector Award
- Morrison Energy Services has also had the efforts of its people recognised, receiving a RoSPA Gold Award
- Morrison Data Services secured a RoSPA Gold Award for its health and safety performance
- M Group Services Plant & Fleet Solutions has received its sixth consecutive Gold Award and its second consecutive Gold Medal Award for Fleet Safety in recognition of its support operations across all M Group Services operating businesses
- All four businesses in our Telecom Division have picked up a RoSPA award. Morrison Telecom Services, Magdalene and Avonline Networks were each awarded a second consecutive Gold award. Waldon Telecom secured a Silver award
- Dyer & Butler has received three Order of Distinction awards and the President's Award, in recognition of its long-term commitment to health and safety across the aviation and rail sectors
- Dyer & Butler won the RoSPA Order of Distinction award for its run of 17 consecutive Gold awards. Two further Order of Distinction awards have been won in association with clients Heathrow Airport and Gatwick Airport
- Dyer & Butler's Rail Team also received the RoSPA President's Award for achieving Gold awards on 11 consecutive occasions
- Morrison Water Services has received a Gold Award for its outstanding health and safety performance throughout 2021
- Milestone Infrastructure has received a Gold Award for its health and safety performance
- Z-Tech has received a RoSPA President's Award

The role of innovation:

We find that searching for and finding ways of keeping our people and members of the public safe around our operations has always been a rich source of incremental and larger scale innovation. In more recent times we also apply the same mindset to the challenges and achievements around mental health. The innovation ecosystem draws together case studies and best practice on a regular basis with time dedicated to sharing both past health and safety innovation achievements and future challenges.





Moving forward, we will continue to deliver exceptional Health, Wellbeing & Safety performance through the delivery of comprehensive awareness and training programmes, shared operational learning and a commitment to maintain our standards across all our operations.

Safety



Decrease in utility damage from 3.18 to 1.47



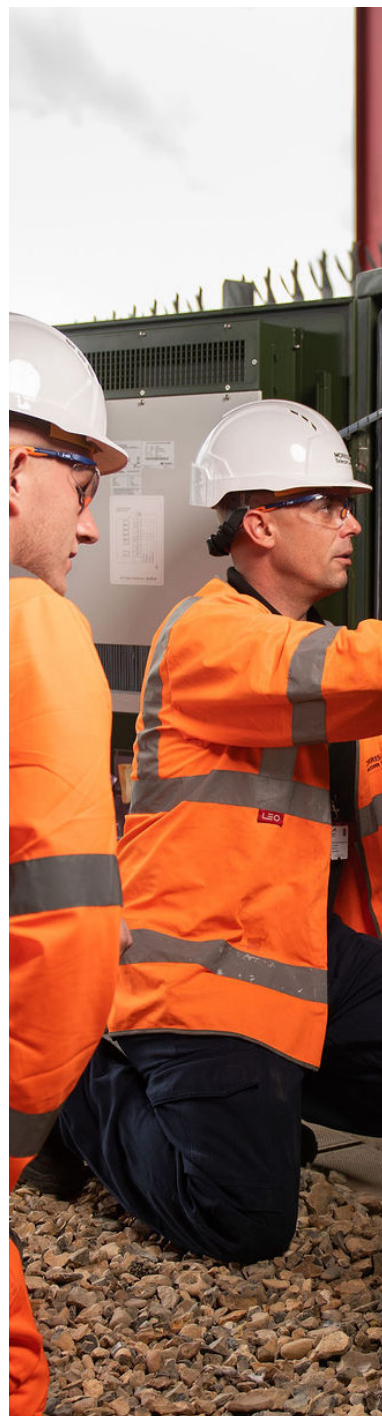
650
MHFA England Mental Health First Aiders



Future Plans

Continue to maintain a keen focus on improving our Health, Wellbeing & Safety performance. Actively seek new ways of communicating and sharing our learning.

Developing, Engaging and Valuing Our People



M Group Services is a trusted employer to more than 10,000 people, working from over 240 locations across the UK and Ireland.

As a Group, we recognise that engaging and empowering our people to deliver and grow is pivotal to driving our business and achieving continued success. We are committed to creating a working environment in which our people feel valued, supported and fulfilled. We promise to listen to our people, to provide feedback and keep them engaged and informed. Equally important is the development of a resilient and sustainable workforce that is equipped to deliver on our promise to clients. Attracting, developing and retaining the next generation of highly skilled, customer-focused, and forward-thinking people is imperative for the continuous development of our core capabilities and growth of the business.

Every person who completed the people opinion survey had the opportunity to select a charitable donation of their choice to the value of £1 per survey, those who selected Eden Reforestation Projects planted 10 trees per survey.

£1,576.00	British Heart Foundation
£1,687.00	Dementia UK
£1,132.00	Mind
£163.00	Princes Trust
11,680 trees	Eden Reforestation Projects

The Water Division launched two new networks; Women's Network and REACH (Race, Equality and Celebrating Heritage), focusing on the experiences of women and people of different ethnic and cultural backgrounds to create positive change for the future. Milestone Infrastructure and Dyer & Butler also set up Inclusion Network's with a genuine commitment to making all working lives truly inclusive.

This year M Group Services launched a Group-wide awards recognition scheme; the Beyond Expectation Awards, designed to celebrate success and recognise great performance across M Group Services and our operating businesses.

Other examples of our award schemes include Morrison Data Services' Valued Awards, Dyer & Butler's In Pursuit of Excellence (IPoE) awards, Morrison Energy Services & Morrison Water Services' Star of the Month awards, Milestone Infrastructure's Milestone Awards for Terrific Achievements and M Group Services Plant & Fleet Solutions' Going the Extra Mile awards.

The role of innovation:

For over a decade now we see that engaging with our people is a tremendous source of innovation and problem solving from niche suggestions to systemic changes. Our people are a fundamental component of our innovation ecosystem and our ability to share innovations and best practice.

Future Plans

- Continue to build our sustainable and resilient workforce
- Increase engagement with our people through an enlarged Group-wide People Opinion Survey and feedback
- Further investment in our digital connection to our people: Stay Connected on Laptop, PC, and mobile device
- Increase nominations to our Group-wide employee recognition scheme: Beyond Expectation Awards

30.8%
Proportion of women reporting into Executive Board Members (March 22)

Recruitment

49
(+36)
Apprenticeships completed

232
(+63)
Apprentices in training

50
Apprentices recruited

71%

People Opinion Survey engagement rate

159
Ex-Armed Forces personnel recruited across the Group

10
Graduates recruited across engineering, surveying, business and project management

Launched Group-wide

Beyond Expectations Awards

Training & Development

261,549
Total training hours delivered

32,694
Total training days delivered



Mutual Trust and Respect

Engaging with our stakeholders

We collaborate and communicate with our stakeholders to understand their perspectives and to share our own.

M Group Services' key stakeholders include our people, our clients and their customers, our supply chain, business partners and investors.

As our business grows, we remain committed to building and maintaining strong, respectful and trusting relationships with our people and with each of our key stakeholder groups. Through training and developing our people; developing sustainable, open and responsible supply chains; and continuing to deliver excellent performance for our clients, we aim to preserve our strong relationships with our key stakeholders.

Maintaining effective engagement with our stakeholder groups enable our business to manage risk, maximise opportunities, shape our reputation and deliver long-term sustainability and success.

This year we chose to test our approach against a global ESG benchmark with one of the world's leading ESG Rating agencies. We are delighted to be rated in the top 1% by business category.



The role of Innovation:

We actively look for the best ways to engage with our stakeholders and this year we are proud to announce that we have joined the Supply Chain Sustainability School. This is a good example of how we extend our innovation ecosystem beyond our own corporate boundaries and collaborate with a wider community.

We are also members of the UN Global Compact and SBTi, both rich sources of organisational learning and improvement.

Future Plans:

Continue to work as active members of industry bodies and steering groups to support collaborative approaches to addressing industry-wide issues, challenges and opportunities.

Participate and attend internal and external events and conferences and continue to communicate and engage with stakeholders.

Continue to develop and sustain strong relationships across our internal and external stakeholders.



Communications



The websites across the Group have generated over
1,000,000
visits



104,300
Social media followers
Group-wide who are regularly engaged



180,191
Social media visitors

Engagements



336
print/online publications
featured



2,056
social shares on
business news

Governance & Compliance

Compliance Statement

Our organisation complies with all applicable legislation and has not been subject to any sanctions or fines for environmental, health and safety or any other infringements in 2021/22.

Making ESG a key element within our Governance and Compliance frameworks.

We believe that monitoring, evaluating and reporting our ESG activity is a valuable element of our wider governance and risk management frameworks.

Our operational board takes responsibility for determining our Corporate Responsibility policy and strategy.

We believe that ESG is an integral part of our governance controls as managed in the other areas of our business. To demonstrate our focus, we take steps to identify, analyse and manage the social, economic, and environmental risks our business is exposed to. During the last year we have appointed a new Director of ESG & Innovation with oversight across the Group, plus a specialist Carbon & Climate Change manager.

By successfully managing our compliance and reputational risk, we protect our people, our business assets and our earning capacity, contributing to our continued and sustainable development. Corporate Responsibility risk assessment forms a part of our Corporate Risk Management Policy. This policy defines the company's assessment, evaluation, mitigation, monitoring and auditing across the full spectrum of corporate risk. Our existing approach and any adaptations that may be required will be subject to a full and independent external benchmark during the winter of 2022/23.

Preparations are also underway to fully comply with the TCFD (Taskforce on Climate-related Financial Disclosures) in the next reporting period. Our focus is on risk identification and management plus our governance structures, ensuring they are fit for purpose.

Responsibility for the management of the processes involved in each area of risk is assigned to the appropriate member of our operational board.



From across the Group

Memberships

Our industry associations and memberships include:

- RoSPA
- Institute of Customer Service
- Institute of Gas Engineers & Managers (IGEM)
- National Skills Academy for Power
- Street Works UK (formerly National Joint Utilities Group)
- Energy & Utility Skills
- Chartered Institute of Procurement & Supply
- Future Water Association
- Pipeline Industries Guild
- Energy & Utilities Alliance
- Business in the Community
- UKSTT
- British Dam Society
- British Hydro
- British Safety Council
- JOSCAR
- Mates in Mind
- NICEIC
- 5% Club

Initiatives

- External and independent benchmarking of ESG key indices and control measures during winter 2021/22
- Refresh of 'The Way We Work' which sets out M Group Services' minimum operating standards
- Alignment with the TCFD taskforce on climate related financial disclosure



Awards

Our awards and accolades include:



- **Apprenticeship Programme of the Year**, Learning Awards (2022)
- **Gold Award**, Armed Forces Employee Recognition Scheme (ERS) (2021)



- **Behavioural Safety Award**, Road Surface Treatments Association's (RSTA) Safety, Health & Environmental (SHE) Awards (2022)
- **Health and Safety Innovation Award**, Road Surface Treatments Association's (RSTA) Safety, Health & Environmental (SHE) Awards (2022)
- **HPC Excellence Awards** (2021)



- **Utility Pipeline Project of the Year**, Pipeline Industries Guild (2022)
- **Operational Contractors Health and Safety Award**, Dŵr Cymru / Welsh Water Health Safety and Wellbeing Awards (2022)
- **Innovation Award**, Institute of Water (South West Region) (2022)
- **Best use of technology: Health, Safety and Wellbeing**, New Civil Engineer TechFest Awards (2022)
- **TrainWithUs Programme**, Water Industry Awards (2021)
- **Special Commendation - Data Analytics**, Cloud and AI Project of the Year category, Water Industry Awards (2021)
- **Regional Rising Star Award**, National Apprenticeship Awards (2021)



- **Ex-Forces Initiative of the Year**, British Ex-Forces in Business Awards (2022)
- **International Safety Award with Merit**, British Safety Council (2021)



- **Collaborative Excellence Award**, Utility Week (2022)
- **Best Collaborative Works**, Streetworks Awards (2021)
- **Innovation Excellence**, Streetworks Awards (2021)



- **Infrastructure Services Woman of the Year**, Amazon Everywoman Transport & Logistics Awards (2021)



- **Skills Development Award**, Centre for Engineering, Education and Development (CeeD) (2022)



Accreditations

We operate under a number of industry standards and accreditations, which include:

- Achilles UVDB B2
- Alcumus Safe Contractor Accreditation
- CarbonReduce (previously CEMARS) ISO: 14064 verification CEMARS 'Gold Award' (Certified Emissions Measurement & Reduction Scheme)
- CHAS (Contractors Health & Safety Assessment Scheme)
- Energy Saving Trust's Motorvate Scheme
- Gas Industry Registration Scheme (GIRS)
- Institution of Engineering Technology (IET) – Programme
- In-house Professional Development
- ISO: 11000 – Collaborative Business Relationships
- ISO: 14001 – Environment audited by Lloyd's Register for Quality Assurance
- ISO: 27001:2013 – Information Security Management Systems
- ISO: 50001:2011 – Energy Management System
- ISO: 9001:2000 – Quality audited by Lloyd's Register Quality Assurance
- ISO: 22301 - Business Continuity Management (BCM)
- Meter Operator Provider (MOP) & Meter Asset Manager (MAM) for electricity & gas meter installation & maintenance services
- RoSPA President's Award
- ISO: 45001 - Occupational Health and Safety (OH&S) Management System
- RoSPA Gold
- National Electrical Registration Scheme (NERS)
- NEBOSH (National Certificate in Construction Health & Safety)
- OHSAS 18001 – Health & Safety Lloyd's Register for Quality Assurance
- RiSQS (Railway Industry Supplier Qualification Scheme)
- Safe Contractor
- SMAS Worksafe, Achilles UVDB
- The Freight Transport Association's Van Excellence Scheme
- Water Industry Registration Scheme (WIRS)



ESG & Innovation in Practice

Here's a snapshot of what we've been up to over the last 12 months:

1. Milestone Infrastructure begins innovative road resurfacing trial

Milestone Infrastructure undertook a resurfacing trial on a key route in Oxford, using a more durable and carbon-light material, Gipave. Developed by Iterchimica, Gipave is a patented graphene-plus enhanced material which can offer a more carbon and cost-effective road surface lifecycle. The asphalt mix contains not only Gipave, but also waste plastics, all of which can be entirely recycled, ensuring the sustainability of this solution.

Scan the QR code to read more.



2. M Group Services Plant & Fleet Solutions has begun fuelling its vans with Hydrotreated Vegetable Oil (HVO)

HVO is an environmentally friendly, odourless alternative to traditional diesel and is a renewable source of fuel produced in the process of hydrogenation, i.e., treatment with hydrogen. HVO is 85% cleaner than traditional diesel and meets industry standards and regulations for use in plant and vehicles.

Scan the QR code to read more.

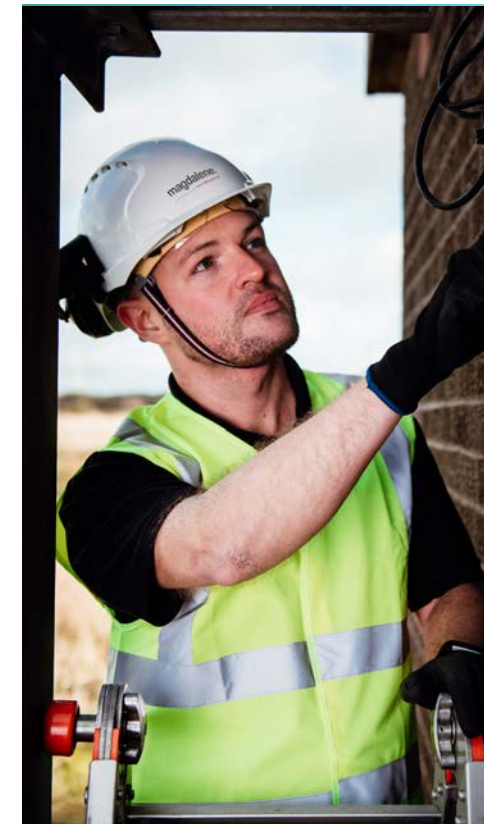


3. M Group Services recognised as ESG global leader

M Group Services has received an ESG rating of 9.6, based on an in-depth independent analysis by ESG risk ratings agency, Sustainalytics.

This is the best performance in the business support services sector, compared to a sector average of 21.9. It means the Group has a 'negligible risk' of reputational and operational risks through its direct and indirect suppliers.

Scan the QR code to read more.



4. Morrison Water Services VIP visitor at Normanton Depot

Rebecca Sharp contacted Yorkshire Water on social media with a photo of her three-year-old daughter, Penelope, who was mesmerised by the water company's contractors, Morrison Water Services, carrying out works on her street. She was invited on her dream day out to the Normanton Depot.

Morrison Water Services arranged for Penelope and her mum to visit the site, organising her own PPE, a goody bag and a chance to see the diggers up close.

Scan the QR code to read more.



5. The Way We Work

M Group Services is committed to ensuring that it undertakes all its operations and activities in a manner that reflects our core values, ensuring every one of our people has a clear idea of what is to be expected from the business, and what the business expects of them. To support this, M Group Services has implemented The Way We Work.

The Way We Work is a governing document that underpins all our operations, activities and behaviours across M Group Services, determining how each of our operating divisions are managed. The Way We Work outlines our policies, principles and expectations of our people and the business.

Scan the QR code to read more.

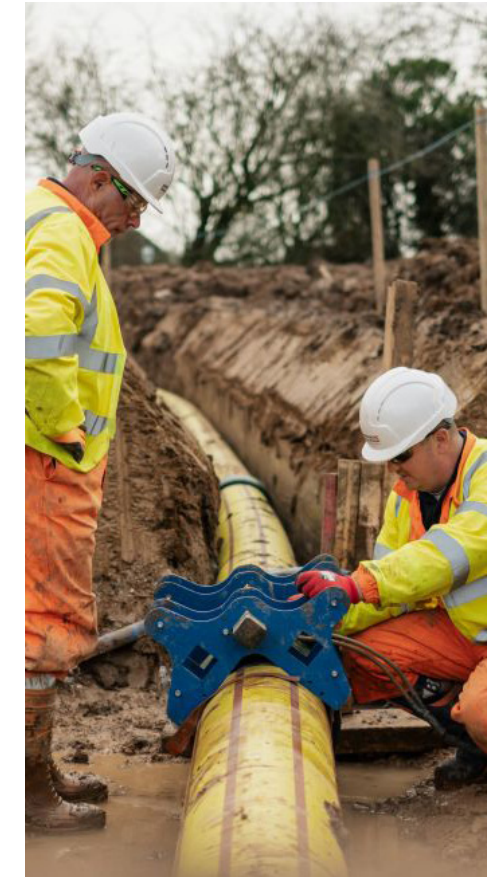


7. Morrison Energy Services became a member of Hydrogen UK

Hydrogen UK is a trade association committed to the development and use of hydrogen solutions. This partnership with Hydrogen UK is aligned with Morrison Energy Services' key focus on decarbonisation to support the transition to a net-zero economy in its work to renew, refurbish and maintain the country's gas, electricity and green energy infrastructure.

Morrison Energy Services' commitment to net-zero solutions includes a focus on decarbonisation and preparing the networks to carry hydrogen gas, as well as proven renewable connections and electric vehicle charging capabilities.

Scan the QR code to read more.



6. Digital innovation at Avonline Networks enhances customer satisfaction

Avonline Networks successfully designed and implemented an innovative work management app. Avonline Networks' work management app was designed in-house and built with the bespoke purpose of supporting our people's delivery of the Virgin Media Morpheus contract.

The app allows our engineers to see all the work allocated to them, both completed and upcoming jobs, which provides a clear view of their work. The engineer can then view each job on the app, entering specific information through a Q&A which can guide them through any possible issues or challenges.

Scan the QR code to read more.



8. M Group Services signs ambitious, science-based emissions reduction commitment

M Group Services committed to join the Science Based Targets initiative (SBTi), supporting efforts to limit global warming to 1.5°C and cut carbon emissions.

The SBTi targets provide a clearly defined pathway for businesses to reduce their greenhouse gas emissions, helping prevent the worst impacts of climate change. It is focused on accelerating companies across the world to halve emissions before 2030 and achieve net-zero before 2050.

Scan the QR code to read more.



9. Z-Tech Brighton Beach Clean

Z-Tech's specialist projects team working with Southern Water spent a day as volunteers on Brighton beach in May, helping to make sure it stays clean and safe for residents and visitors.

It was the first time the 28-strong team had come together in person.

They have recently completed an upgrade to alarm systems to reduce the risk of spills to the environment across key sites in the region as part of the AMP7 Resilience programme.

Scan the QR code to read more.



10. M Group Services joins the United Nations Global Compact (UNGC)

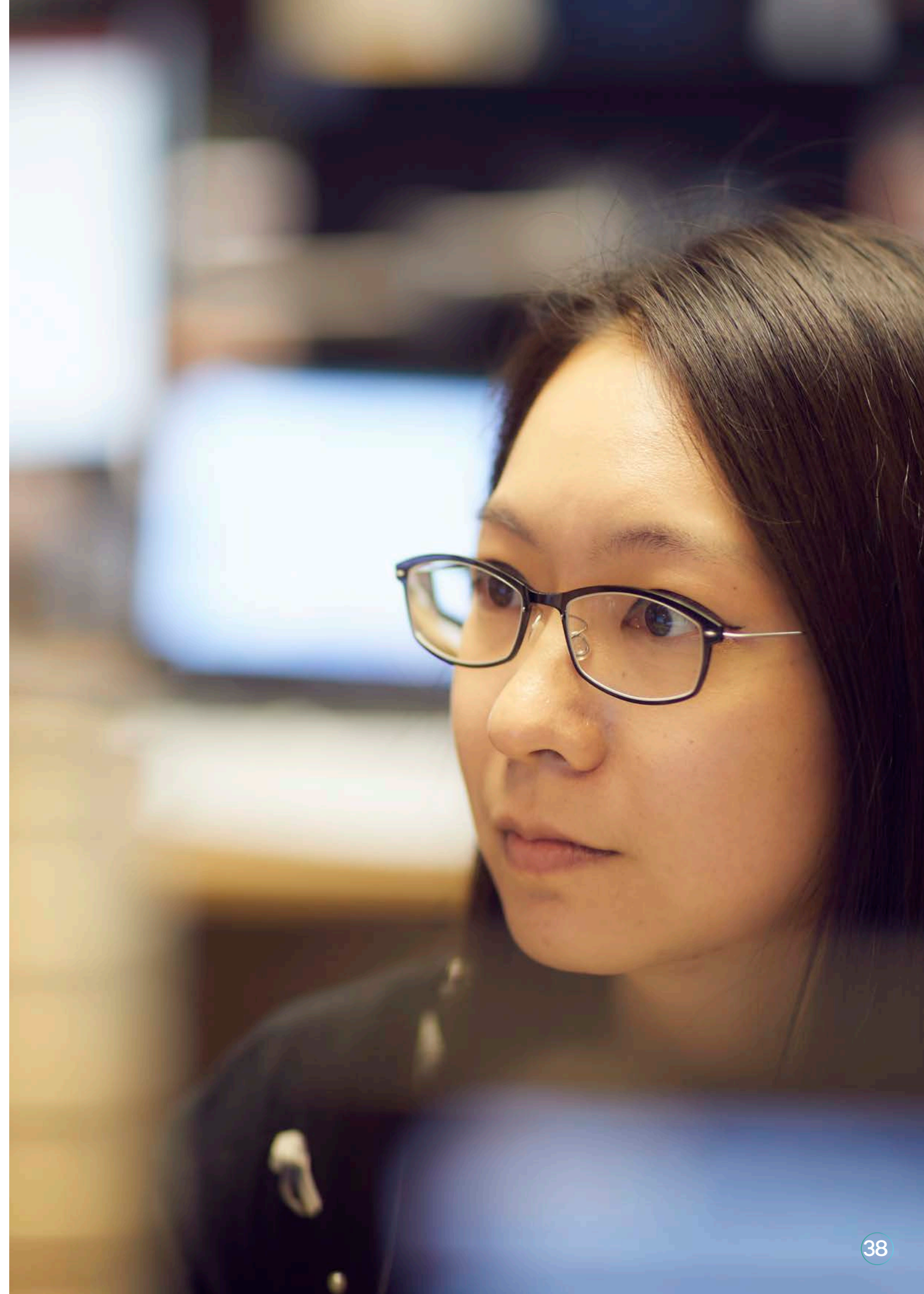
The UN Global Compact centres around 10 principles on human rights, labour, environment and anti-corruption, and M Group Services has expressed its intent to make these principles part of its strategy, culture and day-to-day operations.

M Group Services will engage in collaborative actions which will enhance the broader development goals of the UN, particularly the Sustainable Development Goals. In October 2021, the Group's ESG Report highlighted seven of the Sustainable Development Goals as areas for the greatest positive impact.

Scan the QR code to read more.

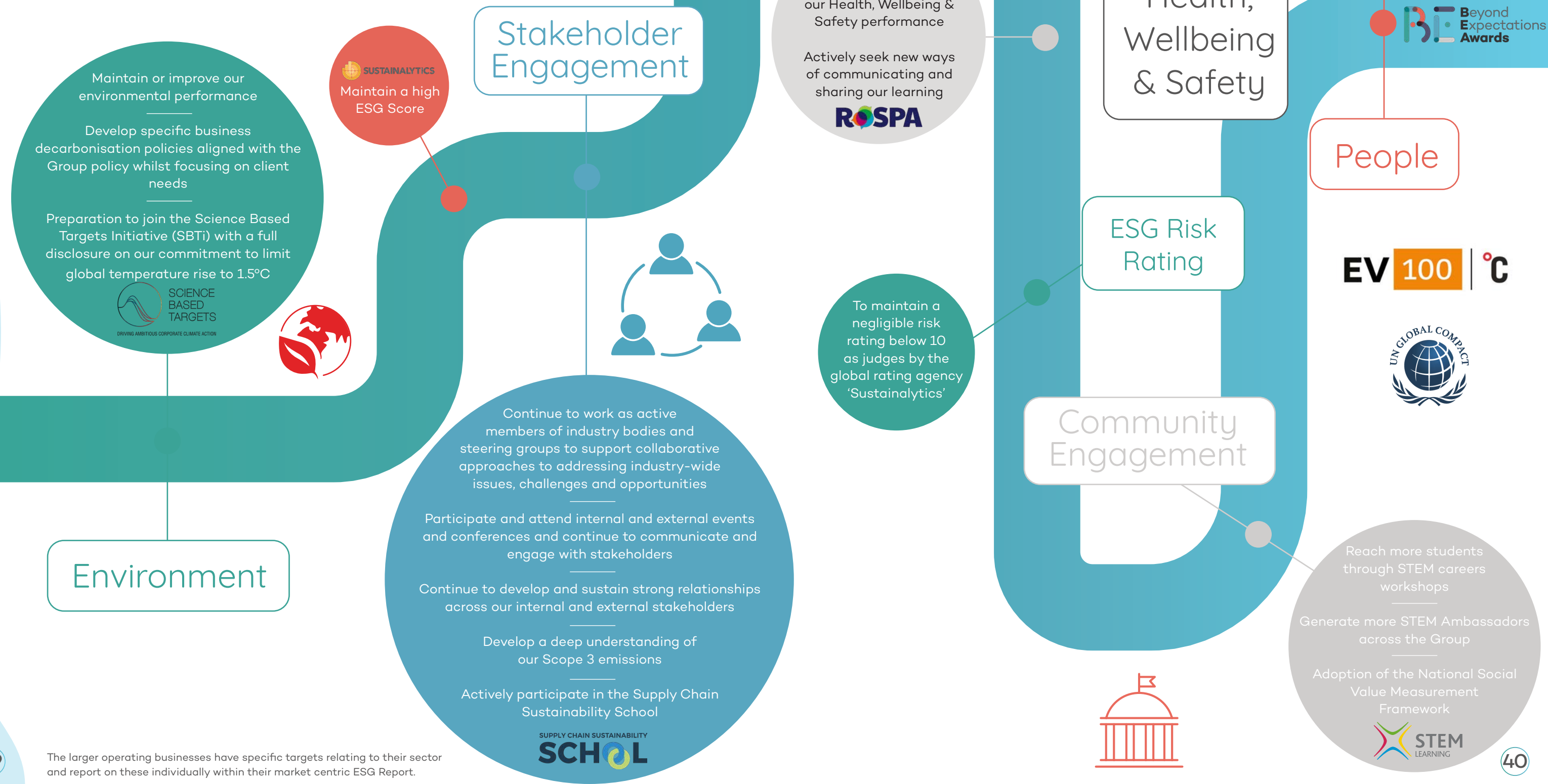


This is only an insight into how we been putting ESG&I into practice across the Group. Find out more on our website www.mgroupservices.com.



Overview of our Plans for the Future

This year marks a step change in the way we think about our role in the global movement towards more sustainable and equitable business. Alignment with the UNSDG's doesn't just frame the way in which our growing business conducts itself now, it helps us set the context for sustainable business growth. The same is true for our active participation in the SBTi and UNGC frameworks, and how they open our frame of reference and learn how to develop and grow sustainably. This section calls out just a few of our next steps for delivery in the coming twelve months before outlining the fundamental role our approach to innovation plays across all disciplines in this report.





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