M GROUP

ESG Report 2025-2026

Essential infrastructure
services for life

Foreword from Andrew Findlay

Group Chief Executive

"We have simple but essential ambitions for all the infrastructure projects we partner on."

We're a people business. Around 14,000 colleagues get up each morning and keep the country's essential infrastructure working: the water in the tap, the power in the grid, the roads and railways people travel on, and the networks that connect them. This report is part of the story of how we do all that while safeguarding the people and places around us.

This year I'm introducing two documents rather than one. The report you're reading sets out how we performed across the year to March 2026. Alongside it we're publishing our Sustainability Strategy 2027–2032, which sets out our intentions for sustainability in the five years ahead. Both documents belong together, and I'd encourage you to read them that way.

It's been another strong year for M Group, which prompts a fair question I've been asked more than once: if things are going well, why change? The answer sits in the numbers our industry faces rather than the ones we report. Over the coming years the sectors we support will collectively need to recruit somewhere close to 625,000 recruits. The skill base of the UK is something that's important to me personally, to M Group, and to our role in supporting the UK economy, which is why I'm honoured to serve as Co-Chair of the Energy & Utility Skills Partnership CEO Council.

The changes we're making will see us operate with shared platforms, consistent processes and one way of working across the Group and our clients, covering everything from our code of conduct to our 'It Starts With Me' safety culture. You can find out more about our approach to safety, which is always our number one priority, on the following pages.

That work is also what makes the commitments in our Sustainability Strategy deliverable. Transitioning our extensive fleet away from fossil fuels, or raising our supply chain to an even higher standard, requires a consistent approach. These changes will enable us to become greater than the sum of our parts, and allow us to serve local communities and the wider UK more effectively and sustainably.

The client conversations I value most are ones where they describe a problem rather than a task, perhaps an energy bill they need to bring down, or a network they need to keep running through hotter summers. To solve those challenges we need to understand the environment they're operating in, including their assets, their economics and the pressures they're under. Sustainability is now front and centre to our clients, and a good many of those conversations begin in this space.

Nothing conveys a strategy like a story, and the pages that follow are full of them: teams, sites and ideas that started in one division and have become the way the whole Group operates. If you're a client, an investor, an employee, or someone thinking of joining us, this is the clearest account yet of what we do and how we intend to move forward.

At M Group we have simple but essential ambitions for all the infrastructure projects we partner on: make sure they're delivered safely and built sustainably, whilst creating opportunities to grow thriving careers.

Introduction

Welcome from Andrew Hunt

Director of ESG and Innovation

It is my pleasure to introduce **M Group's ESG Report for FY2026**, and this year I'm delighted to also unveil **our first M Group Sustainability Strategy**.

Over the last year, through our first groupwide Double Materiality Assessment (DMA), we've consulted and benchmarked to identify which environmental, social and governance factors count most for our business and for the clients and communities we serve. The two documents complement each other; this report tells you how we performed, and the Sustainability Strategy tells you where we're going and why.

It's been a year of things coming together. Thanks to the hard work and commitment of our colleagues across the business, our EcoVadis score rose from 56 to 64 out of 100. The Group now holds a Bronze medal, with a publicly stated ambition to reach Silver. Our Scope 1 and 2 carbon emissions sit more than 20% below our 2021-22 baseline, with carbon intensity at a record low, keeping us on track for our science-based target of a 42% reduction in Scope 1 and 2 carbon emissions by 2030. Our accident frequency rate and lost-time injury rates remain well below the industry average, and we've collected structured waste recovery data from every division in the Group.

Our £1bn Technology and Communications Division was separately assessed by EcoVadis and achieved a Silver Medal, placing it in the top 15% of businesses assessed globally.

Governance has moved along with our performance. ESG is now a standing agenda item at our Risk Board, with formal reporting in place, so our material ESG topics are examined with the same rigour as every other principal risk and opportunity the Group faces.

Our first Double Materiality Assessment has focused our leadership and laid the foundation for our first Climate Transition Plan. I'd like to thank the clients, colleagues and investors who gave us their time, expertise and challenge to help put these projects together. The result is the Group's first evidence-based picture of our material topics, agreed at the very top of the Group, and which is now driving where we direct our efforts and investment.

I read this year's performance as our values in action:

- **Responsible**, in the care we take of our people
- **Open**, publishing more than we ever have
- **Together**, with one transformation programme uniting the Group and hundreds of stakeholders shaping our strategy
- **Ambitious**, setting targets that stretch us and are a force for good

Delivering essential infrastructure services for life is the shared purpose behind all the progress, data and stories in this document, and I do hope you enjoy taking a look.

> "It's been a year of coming together."

Contents

Built on what counts

This year's report is structured around the findings of our first Double Materiality Assessment. The assessment identified the seven material topics that define everything you're about to read. The full story of how it was done, and why this report is shaped the way it is, begins the supporting information section.

Inside this report

This report is in four parts, with this introduction as the first. The second part (ESG Report 2025 – 2026), is the whole story condensed: every material topic with its headline results and the facts most relevant to you. The third part (Supporting Information), carries the full disclosures behind those pages: the narratives, case studies, data tables and personal testimonies for each topic, each opened by its executive sponsor. The fourth part is a GRI content index.

The story of our groupwide transformation runs through the service quality and ethical business pages: M Group is becoming one business built on universal platforms.

This report is prepared with reference to the GRI Standards. M Group also reports against the Science Based Targets initiative, the UK Climate-Related Financial Disclosure Regulations 2022, and we submit an annual Communication on Progress to the UN Global Compact.

This report has been produced using processes that make use of AI, including some generated text and AI-linked data management. This is partly to support the use of AI tools that our external assessors use in scoring our sustainability progress.

ESG Report 2025-2026

Everything in this section stems from our first Double Materiality Assessment, carried out with ERM, our independent sustainability advisers. The assessment asked two questions of every topic: what effect does M Group have on people and the planet, and what effect could each topic have on M Group? The process was distilled to seven of the most significant "Material" topics reported here, which we've grouped under three pillars: Environmental Stewardship, Social Responsibility and Trusted Operations.

Our handprint, and our footprint.

Every business leaves a footprint. For an infrastructure services business like ours it's easy to picture: over 9,000 of our vehicles on the road, thousands of excavations a year, materials moved in bulk, and operations that take place close to homes, watercourses and habitats. Much of this report describes how we're shrinking that footprint, and our carbon story is told in the following pages.

A handprint is the opposite idea: as well as the work we're contracted to do, it's the positive impact we choose to leave behind. Habitats in better condition than we found them, roadside verges managed for wildflowers rather than cut short, streets that no longer flood, and young people who have an opportunity to thrive with a safe and rewarding career in sustainable infrastructure.

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Our sustainability framework

One purpose runs through everything we do: essential infrastructure services for life. Our framework turns that purpose into three pillars, seven material outcomes, and a stated level of ambition for each.

Ambitious

Corporate strategy > Sustainability framework > Material-topic plans > Foundation

Responsible

Environmental Stewardship

Climate mitigation and adaptation

Cut our Scope 1, 2 and 3 emissions in line with a validated science-based target, publish a Climate Transition Plan, and prepare our operations for a changing climate.

Water management

Be the UK's leading smart water meter installer, helping clients cut leakage and households cut demand, while managing water and pollution risks responsibly in our own work.

Together

Social Responsibility

Colleague attraction, retention & development

Make M Group a place where people join, grow and stay, through engagement, learning, apprenticeships, and a culture people feel they belong to.

Health and safety

It Starts With Me safety programme: everyone who works for us, and with us, goes home safe and well every day.

Open

Trusted Operations

Responsible supply chain

Engage our priority suppliers through a single framework of sustainability and social-value expectations that is embedded in our procurement process.

Service quality and delivery

Measure the service our clients experience, establish a Net Promoter Score (NPS) baseline, and improve it across every division.

Data privacy and cybersecurity

Protect the systems, networks and personal data that essential services depend on. An enhanced cybersecurity plan is under way and formal targets will follow.

Our values run through the pillars: Responsible is the standard we hold ourselves to across Planet and our governance; **Open** is how we report, honestly and in full; **Together** is how we build belonging inside the business and partnership across our supply chain; **Ambitious** defines our approach to these targets.

Climate mitigation & adaptation

Scope 1 and 2 emissions are down 20.7% against our 2021-22 baseline, and carbon intensity has fallen by more than two-thirds since 2020.

Our near-term climate targets were validated by the Science Based Targets initiative in 2024: a 42% reduction in absolute Scope 1 and 2 emissions by 2030, on a pathway consistent with limiting global warming to 1.5°C. Four years in, we're on the glidepath. Emissions are down 20.7%. In 2020 we emitted 50 tonnes of CO_2e for every £1m of turnover; this year the figure is 16. Our electricity is increasingly sourced from renewable backed power, and from a market-based emissions perspective, our procured-energy emissions are down 30% since our baseline year of 2022.

Our fleet of over 9,000 vehicles is the largest single source of our direct emissions, so it's where the biggest decisions sit. A third of our company cars are now fully electric and half are hybrids. When the full fleet, including vans, is considered the percentage of vehicles that are EV and hybrid equates to 26%.

The goods and services we buy account for 91% of the emissions we measure, 530,346 tonnes of CO_2e this year, and our target there is a 51.6% reduction by 2030. We're focusing on improving the data quality of our calculated goods and services by replacing spend-based estimates with supplier-specific carbon factors, and we've appointed a Head of Sustainable Procurement to lead that engagement. We have invested in a sustainability data platform to support our drive for improved data quality.

Much of what we build helps others cut their emissions too. Through the Zero Emission HGV Infrastructure Demonstrator programme, we enabled our clients to deliver the first of 35 planned electric HGV charging areas: 350kW chargers can take a truck from empty to 80% inside a driver's statutory break. Our first Climate Transition Plan is also in development, and this will support operational changes that mitigate climate risk.

Water management

We're approaching 1.5 million smart meters installed for one client alone, and our ambition is to be the UK's leading smart water meter installer.

Last year, the Environment Agency warned that, without urgent action, public water supply in England would fall short by around five billion litres a day by 2055. Around 60% of that gap must be closed on the demand side, and accurate metering will play a large part in this. Our water business is also addressing other aspects of this challenge, particularly around leaks and efficiency.

We've also worked with Yorkshire Water to develop a water meter recycling process, which has now extended to Thames Water and Southern Water. The sector is retiring millions of obsolete meters and we've successfully recycled hundreds of thousands of them so far. During FY27, we'll add numbers to our water meter recycling plans and we're also assembling a Group Water Baseline metric to report under GRI 303.

We've maintained and repaired clean water networks for clients such as Yorkshire Water, Thames Water, Welsh Water for more than 20 years, and we build the transfer mains and resilience schemes, from the Southampton Link Main to Scottish Water's Amlaird transfer, which will turn isolated supply zones into a managed water grid.

Evidence of our flood-resilience handprint can be seen in Hull. Yorkshire Water's Rosmead Street sustainable drainage scheme stored 365 cubic metres of surface water run-off, took 30 properties off the flood register and cut embedded carbon by at least 10%. It was delivered a month ahead of schedule and recognised in industry awards.

We're also a delivery partner in Yorkshire Water's storm overflow programme. This is the largest environmental investment in its history and, across 225 sites, more than 60 schemes have already freed 58.8 hectares of hard surface from the sewer network.

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Colleague attraction, retention & development

Training investment reached £7.5m this year, with more than 5% of our colleagues on early careers programmes, while every tracked inclusion measure has improved.

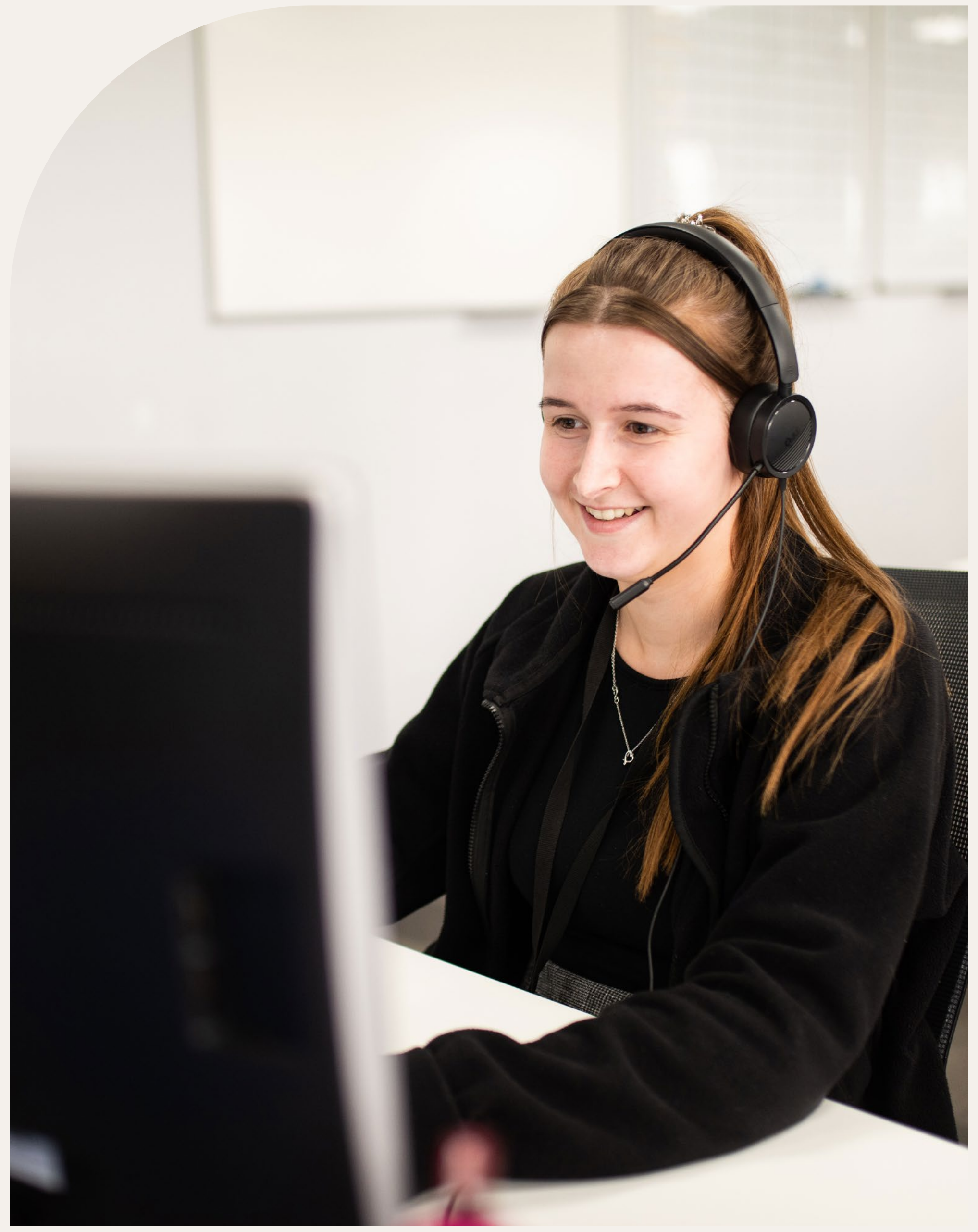
ARMED FORCES COVENANT
EMPLOYER RECOGNITION SCHEME
GOLD AWARD

We're primarily a field services business of approximately 14,000 colleagues, and our 2025-2029 People Strategy, "Building Our Future", consolidates divisional people agendas into a single group framework. Engagement already stands at 74% against an FY29 target of at least 80%, and 70% of colleagues say they feel that they belong in our company, up three points on the previous year.

Training spend reached £7,543,674 this year, with attendance on Group-coordinated programmes running at 92% against an industry norm of 70 to 80%, and colleagues completed 121,892 e-learning courses. Apprenticeship completions are up 53% since 2021 with a 93% retention rate among completers, and as of March 2026, 87 graduates and 642 apprentices were on our programmes, more than 5% of our workforce.

This year we published our first Respect, Inclusion and Belonging Report, giving us a single evidence base on representation and lived experience. Women make up 21.2% of the workforce and 16% of leadership against a 20% target; the 2025 statutory gender pay gap was a mean of 7.24%. The Respect, Inclusion and Belonging policy was issued in December 2025, with inclusion training reaching 2,023 completions, while our Highways team was placed 30th in the Inclusive Top 50 UK Employers and 32nd in the UK Top 50 Employers of Veterans.

Wellbeing support came together in one place this year on the Wellbeing Hub. Our Employee Assistance Programme took 421 calls, every validated clinical outcome measure improved from before support to after, and 82% of colleagues who received structured counselling remained in work throughout.



Health & safety

Circa 54 million hours working in public and private organisations, delivering and maintaining essential infrastructure services and maintenance for utilities, transport, and communications whilst maintaining industry-leading Health, Safety and Environmental performance.

Keeping our people, our suppliers and the communities we serve safe and healthy is the first measure of how responsibly we run this business. Across our 14,000 colleagues, 8,500 sub-contractors, our clients and the public, we ended the year with an Accident Frequency Rate (AFR) of 0.06 together with a Lost Time Injury (LTIFR) Frequency Rate of 0.18. Both these figures are marginally worse than last year, and the detailed information in section 2 explains what we're doing about it. Conversely, our Non-Lost Time Injury Frequency Rate and utility damage frequency are improving year on year. With much of our works taking place in public areas, across thousands of contact points, continued protection of members of the public (MOP) is an additional key priority; a measure of our continued commitment is our 0.02 MOP Injury Frequency Rate.

The wellbeing of our workforce is a priority focus area, and across our divisions and business units we deployed 333 trained Mental Health First Aiders to support our people. This support is complemented by our 24/7 Employee Assistance Programme, whose clinical outcomes are measured and published in this report's supporting information section.

To provide greater insights and allow us to better predict and prevent incidents and accidents, following our Plan, Do, Check Act approach, we actively monitor, measure and manage our 11 identified higher-risk (Minimum Standard) activities. This risk-based inspection programme has returned an overall compliance rate above 97%. To further support our active monitoring programmes, M Group Senior Leaders are encouraged to maintain visibility on the front-line. In total, our senior leadership team (SLT) completed 3,801 SLT tours during the year, engaging with our workforce, and understanding and supporting their daily Health and Safety requirements. Finally, we commissioned an independent assessment of our safety culture maturity against the Hudson model; the programme described in this report is built on what it found.

Our first Groupwide waste dataset covers around 438,700 tonnes of waste, with 99.3% diverted from landfill.

Environmental stewardship, within the SHEQ (Safety, Health, Environmental and Quality) topic, became fully measurable this year. Our first structured Groupwide waste collection tracked around 438,700 tonnes of waste by type, hazard and disposal route. The Transport Division pledged to become a nature positive business through the UK Business and Biodiversity Forum, and its initial assessment is under way. Transport's biodiversity net gain is now delivered routinely, including such headline figures as a 21.10% gain at Storeys Bar Road against a 20% client target. More than 450 hectares have been habitat-mapped using leading edge technologies, more than 2,000 trees were saved through translocation on one stretch of road alone, and our Highways environmental incident frequency rate has fallen from 0.34 in 2021 to 0.14 in this reporting period. The Rewilding Verges project delivered with Hampshire County Council was shortlisted at the CIRIA Biodiversity Challenge Awards.

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Responsible supply chain

Group-level buying delivered more than £10 million of savings this year, while our new Sustainable Procurement Strategy provides a consistent framework for responsible sourcing, supplier sustainability and supply chain resilience across M Group.

Behind our projects are thousands of suppliers and subcontractors. The goods, works and services we buy influence our carbon footprint, delivery resilience, local communities and the standards upheld across our business. Managing the supply chain responsibly is therefore both a commercial priority and an important part of our wider environmental, social and governance commitments.

The foundations are in place. Our Supply Chain Code of Conduct sets clear expectations covering ethics, labour standards, health and safety, the environment, data protection and social value. In FY26, accepted supplier codes or equivalent policies covered 29% of Group procurement spend. We also screened our Top 100 suppliers by spend, representing approximately 40% of Group spend, to identify where further assessment, engagement or assurance could make the greatest difference.

Our Sustainable Procurement Strategy brings this work together through four connected capabilities: Trusted Supply Chains, Sustainable by Design, Growing Together and Client Ready. By FY29, we aim to increase Code of Conduct or equivalent coverage to 70% of spend, active EcoVadis assessments scoring at least 45 covering 25% of targeted spend, climate-aligned spend to 38%, and Supplier Carbon Ratings coverage to 30% of spend.

In FY26, 28% of spend was with climate-aligned suppliers demonstrating credible action on carbon. We also developed 97 supplier-specific emissions profiles, helping improve Scope 3 data and reduce reliance on spend-based estimates. Alongside this, 53% of Group spend, more than £800 million, was with small and medium-sized enterprises, rising to 74% of UK subcontract spend.

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Service quality & delivery

Our order book stands at £10.4bn, which is more than three times our annual turnover, and covers more than three quarters of next year's forecast turnover.

Many of our client relationships are measured in decades, with contracts renewed time and again. On our Oxfordshire highways contract, operational performance scores rose to 98% and the contract was re-awarded for an additional 14 years. Where we measure customer experience directly, the results support the quality of our delivery. In our Technology and Communications Division's 2025 survey, our Telent team recorded satisfaction of 8.6 out of 10 and a Net Promoter Score of 50, a "Great" rating for the fourth consecutive year. Our FY29 Sustainability Strategy commitment is to develop a groupwide customer NPS baseline with improvement targets for every division.

The quality of our work is assured on site. Audits are captured digitally at the point of work, and failures are given a seven-day window with automatic escalation until they close. In Wiltshire, dedicated pothole gangs, and data shared daily with the council, helped to reduce the number of reported potholes by 44% in the first half of 2025. In West Sussex, our contract converting the county's traffic signals to LED took signal faults from around 30 a year to roughly one.

Our EcoVadis score rose from 56 to 64, earning our first Bronze Medal and a place in the top 35% of businesses assessed worldwide.

Ethical business practice reports within this topic. Our new Code of Conduct came into effect on 1 January 2026, with annual pass-required anti-bribery training, a single gifts and hospitality register, and sanctions screening. Our independent whistleblowing channel scores above 90% awareness in the People Opinion Survey, and we publish its use in this report. We now work towards nine of the 17 UN Sustainable Development Goals, having added Quality Education this year, and we report annually to the UN Global Compact. Activity logged through Loop, our social value platform, generated at least £75m of social value this year, a social return of around seven pence in the pound.

This monetisation figure follows a standard framework; Loop measures social value against nationally recognised standards, with project data inputted and verified economically through the platform rather than self-declared.

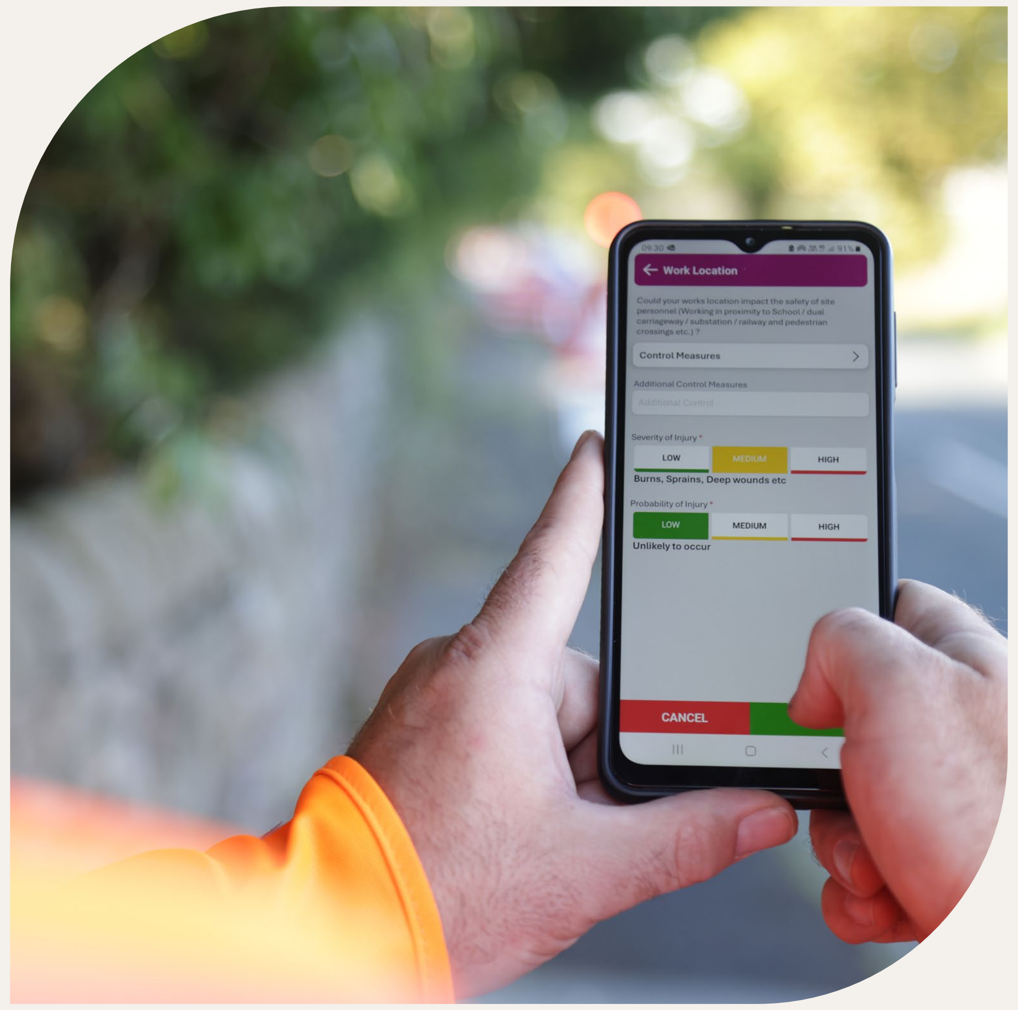
Data privacy & cybersecurity

Around 94% of colleagues completed cyber security training. Our entire business now achieves the standards of ISO 27001.

A serious cyber security incident would harm the people whose data we hold and could disrupt the critical infrastructure we maintain, so our Double Materiality Assessment found this topic material in both directions. As an enabler of critical national infrastructure we expect to be treated as an Operator of Essential Services under the incoming Cyber Security and Resilience Act, and we're preparing for that standard now.

This year we delivered multi-factor authentication across core systems, passed two external IT General Controls audits, and passed our ISO 22301 business continuity audit with no non-conformities. ISO 27001 is in place across our entire Group, and our objective is Cyber Essentials Plus across all divisions.

This year we strengthened privacy risk assessment at project level and centralised subject access request handling, so anyone dealing with M Group receives a consistent, careful response. Our use of AI is practical and early, from satellite biodiversity baselining to safety intelligence, and our sustainability strategy will develop over time to set out explicit commitments on cyber and AI ethics, with large-scale developments and changes currently in design and planning.



The sections that follow are the data to support our report: the complete narratives, case studies, data tables and personal testimonies behind the essential report, each material topic opened by its executive sponsor.

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Our Double Materiality Assessment (DMA)

How we worked out what counts most for this business, and how our report reflects the findings.

Starting with a question

There are more sustainability topics than any business can take a market-leading role on. Carbon, water, safety, skills, ethics, cyber, biodiversity, supply chains: every one of them has a legitimate claim on attention, and a strategy that treats them all as equally urgent isn't really a strategy.

During the reporting period we ran our first groupwide DMA and it has since become the organising logic of our Sustainability Strategy. It set the topic areas of focus, the targets which underpin them, the people accountable for delivering them, and the structure of the report you're reading.

The "double" lens

A DMA asks two questions of every candidate topic.

The first is the impact question: what effect might M Group have on people and the planet? We maintain and build the infrastructure that millions of households rely on. Our footprint and our handprint are equally measurable.

The second is the financial question: what effect could each topic have on M Group? For example, Climate change alters the physical environment our engineers work in. Skills shortages affect our ability to deliver. Cyber threats target the systems our services run on. Clients and investors alike increasingly ask for evidence of sustainability performance before they award work or set goals.

A topic is considered "material" if it registers as a risk or opportunity through either lens. The topics that register through both are where our impact on the world and our own resilience point in the same direction, and those became the core of the strategy. Double Materiality is also the approach at the heart of the European Sustainability Reporting Standards (ESRS) and required by EU legislation. Although UK law doesn't require them yet, we consider it a best-practice methodology.

How the assessment was run

The assessment ran with ERM, our independent sustainability advisers, from first scoping in 2025 to board endorsement in 2026.

Gathering the evidence

Work began with a wide universe of potential ESG topics, drawn from recognised reporting frameworks, sector practice and our own operating context. Nothing was ruled out at this stage.

The assessment then moved through structured engagement: interviews and workshops with senior directors and the executive team, topic owners, subject-matter experts in every division, and our clients and investors.

For each topic we drew out the underlying impacts, risks and opportunities, which are the specific, concrete ways a topic touches the world or affects us. A single topic can carry several such factors. Health and safety, for example, carries the impact of harm to workers and the public, the risk of operational and reputational damage, and the opportunity of winning work on the strength of a demonstrable safety culture.

Across the full assessment, 97 individual impacts, risks and opportunities were identified and mapped across 23 sustainability topics: 42 environmental, 41 social and 14 governance.

Scoring against a rule

Every impact, risk and opportunity was then gathered into a single evidence base and scored on a common scale, impact materiality on one axis and financial materiality on the other, against an agreed materiality threshold.

01 Topic universe

02 Stakeholder engagement

03 IRO mapping

04 Scoring

05 Validation & benchmarking

06 Board endorsement

What the assessment found

The assessment identified eleven material factors. Nine of which were material through both the impact and the financial lens: data privacy and cybersecurity; employee attraction, engagement and retention; health, safety and wellbeing of employees and contractors; employee training and upskilling; GHG emissions and energy management; responsible supply chain; service quality and safety; water consumption; and water pollution management.

Two further factors, climate change adaptation and equity, diversity and inclusion, joined the list at the later validation and challenge stages.

From eleven factors to seven topics

Eleven factors is an accurate finding but not yet a workable strategy. Several of the factors shared an owner, an evidence base and a delivery plan, and managing them as separate programmes would have split effort that belongs together, so we consolidated them.

The two water factors, consumption and pollution management, became a single topic, Water Management, because the discipline that stops pollution leaving our sites and the discipline that conserves water in the networks we maintain are run by the same people. Colleague attraction, engagement, retention, training and upskilling, and equity, diversity and inclusion came together as one agenda, while health, safety and wellbeing was kept distinct, because it carries its own governance, its own leading indicators and its own board-level accountability.

The result is the seven material topics the Group manages today, grouped under three pillars:

12 assessed factors

Planet
Climate mitigation & adaptation

Planet
Water management

Good business practice
Service quality & delivery

Good business practice
Data privacy & cybersecurity

Good business practice
Responsible supply chain

People
Colleague attraction, retention & development

People
Health & safety

From findings to accountability

In December 2025 our Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief People Officer and Chief Technology Officer worked with the ESG team to set the Group's ambition for each material topic. Those ambitions were approved by our Risk Board in April 2026.

ESG is now an agenda item at our Risk Board, with regular reporting, which places our material topics inside the same governance machinery as every other principal risk the Group manages. The full delivery roadmap built on the assessment was endorsed by our Group Operations Board in June 2026. Each of the seven topics now carries a headline target for FY29, defined performance indicators, sequenced priority actions from FY27 through FY29, and a named executive owner accountable for delivery.

Shaping this report

The report is structured around the seven material topics, in their three pillars, in the order the assessment set them.

Each topic section reports against the same structure, so performance can be read consistently from one topic to the next. The ESG Strategy publishing alongside this report is built on the same seven topics. The GRI content index at the back of this document maps this report against the Global Reporting Initiative standards for the first time.

Two subjects sit outside the seven and are reported alongside them. Stewardship of the natural environment, covering nature, biodiversity, pollution prevention and waste, is included within the SHEQ agenda and so is covered in its entirety in the Environmental stewardship section. Ethical business practice, part of our governance topic, is reported on within Service quality & delivery.

Keeping the assessment current

Materiality is a moving target. Our business changes shape through acquisition, our clients' priorities shift, regulation advances and the physical environment we work in is itself changing. So the DMA is maintained rather than filed. We'll review it regularly, refresh the underlying evidence, update the topic set where the evidence supports it, and amend our Sustainability Strategy.

Climate mitigation & adaptation

Climate change is a DMA area I sponsor, and it's the part of my role I find most demanding and most rewarding.

Over four years ago, when we set our sights on delivering a verified SBT, it wasn't clear how we would achieve our ambitious business growth plans as well as reducing our carbon footprint. I'm delighted to say that the thoughtful dedication, and specialist skills of many of our people are proving that this is possible.

Emma Bennett, our Carbon and Climate Change Manager, has brought real drive and rigour to how we collate and report our data. Decisions get easier once you trust the figures in front of you, and our reporting accuracy has improved markedly since she took it on. Emma is also leading our Climate Transition Plan, a bigger piece of work than any of us expected when we set out, and we're looking forward to the informed perspective it will provide for our Sustainability Strategy in future.

Credit for the reductions themselves belongs in no small part to our Carbon Reduction Group. Colleagues from every division give up time every two months to bring their data, challenge each other's assumptions and take actions back to their own businesses. That habit, repeated, is what moves the numbers.

There's a long way to go, but we have great momentum. What follows is an account of our performance to date.

Introduction from Andrew Hunt

Director of ESG and Innovation

"Decisions get easier once you trust the figures in front of you."

Gathering pace on the road to 2030

Four years into our science-based targets, Scope 1 and 2 emissions are down by more than a fifth, carbon intensity has fallen by more than two-thirds since 2020, and we're investing to bring our supply chain along with us.

Headline numbers

In 2024 the Science Based Targets initiative (SBTi) validated our near-term climate targets: a 42% reduction in absolute Scope 1 and 2 emissions by 2030, measured against a 2022 baseline, on a pathway consistent with limiting global warming to 1.5°C. Four years into that eight-year programme, our Scope 1 and 2 emissions are down by 20.7%, with every business in the Group, including our newest acquisitions, brought into the baseline. Our electricity, though less than 1% of the footprint, is increasingly backed by renewable power; measured on a market basis, our procured-energy emissions are down 30% since 2022.

In 2020 we emitted 50 tonnes of CO_2e for every £1m of turnover. By FY24 that had fallen to 23 tonnes, by FY25 to 19.7, and this year it has fallen again to 16.0 – a reduction of more than two-thirds in six years, delivered while the Group has continued to grow.

Our footprint in full

Restatement of our baseline year and Science-Based Target Performance

Our FY22 baseline year for our near-term science-based target has been recalculated to take account of all company acquisitions and divestments.

Table 1 reports the recalculated baseline and our FY26 performance against our Scope 1 and 2 absolute target. This chart takes into account the fact that Telent only joined us in August 2025. To ensure a fair comparison of our baseline year, we've included the full 12 months of emissions from Telent.

Table 1	Baseline FY22 (restated to include M&A up to 31 Mar 2026) (tCO_2e)	FY26 emissions (tCO_2e) *	Absolute change from baseline (tCO_2e)	% change from baseline
Scope 1	59,224	47,217	12,007	-20.3%
Scope 2 (Market-Based)	2,588	1,818	770	-29.8%
Total Scope 1 + 2	**61,812**	**49,035**	**12,777**	**-20.7%**

**Telent reported for full year for FY26 to enable fair comparison with baseline year*

Supporting information | Part 1

For Scope 3 our SBT is based on economic emissions intensity for purchased goods and services. Table 2 illustrates our performance against a recalculated baseline. Emissions intensity has increased by 11%, whilst our target is a reduction of 51.6%.

Table 2	Baseline Year (restated to include M&A until 31 Mar 2026*	FY26	% Change from baseline year	Target
Scope 3 Purchased Goods and Services Economic Intensity	0.000515	0.000573	+11%	-51.6%

**Excluding Telent Scope 3 data as not yet available.*

Measuring Scope 3 properly

The goods and services we buy account for 91% of the emissions we currently measure, 530,346 tonnes of CO2e this year, and our target is a 51.6% reduction by 2030.

We calculate supply chain emissions with a spend-based method: pounds spent multiplied by a standard category factor. Spend more and the method reports more emissions, even where the purchase was the lowest-carbon option on the market.

So, we're upgrading the measurement. We've invested in a sustainability data platform that will let us measure supply chain emissions properly, and we're building carbon factors with individual suppliers so that low-carbon buying shows up in the numbers. One of our recently acquired businesses has already built bespoke factors with 97 of its suppliers, and its approach is our model for the Group. We've appointed a Head of Sustainable Procurement in our procurement team to lead that supplier engagement.

This year, for the first time, we can set out our measured emissions on a single consistent boundary. The figures published in our Annual Report meet the requirements of SECR and covers Scope 1, Scope 2 and business travel, and totals 49,462 tonnes of CO2e. That is the assured statutory position, on a narrow boundary. Adding the value chain categories we measure across the Group, but are not required to publish, brings the total to 581,603 tonnes.

Table 3			
tonnes CO2e	**FY24**	**FY25**	**FY26**
Scope 1: Direct Emissions	46,855	46,747	45,910
Scope 2: Imported Electricity (Location based)	1,251	1,370	1,859
Scope 3.1: Purchased Goods and Services	423,966	473,173	530,346
Scope 3.3: Transmission and Distribution Losses	87	88	158
Scope 3.5: Waste	1,026	1,238	807
Scope 3.6: Business Travel	2,068	2,048	2,555
Total	**475,253**	**524,665**	**581,603**

Table 3 represents our actual emissions for FY26 within our organisational boundary. Telent emissions are included from the date of acquisition, rather than for the full year, hence the variation from table 1.

Data note: Scope 1 and Scope 2 are the audited figures, independently verified to ISO 14064-1 by Achilles to reasonable assurance. Scope 3 values are also audited to reasonable assurance, with the exception of purchased goods and services which meets limited assurance.

Business travel includes air, rail, ferry and taxi as well as employee-owned vehicles, so it is a wider measure than that reported under Streamlined Energy and Carbon Reporting (SECR) in our Annual Report. Scope 3 for Telent, acquired during the year, joins the inventory once it has been audited in September 2026. Telent, came into M Group with an existing science-based target and continues to report on performance through the Telent annual report.

The goods and services we buy are over 90% of everything we measure. Our own operations, the vehicles and plant and buildings we control directly, come to under 9%. That is what sets the priority for the years ahead.

The significance of Purchased Goods and Services in our footprint

Fleet leads the way

Our managed fleet of over 9,000 vehicles is the largest single source of our direct emissions, so it's where the biggest decisions sit. A third of our company cars are now fully electric and half are hybrids. Our entire fleet is made up of 26% EVs and hybrid vehicles. Our fleet decarbonisation plan will continue to deploy Hybrids and EVs. Where electrification isn't yet practical, hydrotreated vegetable oil (HVO) can carry the load as a transition fuel. We operate 30 HVO tanks across our sites to support this strategy.

The Group is also trialling an alternative to HVO for the heavier end of the fleet. In January 2026, M Group Highways began operating a 3.5-tonne dual-fuel hydrogen and HVO highways maintenance truck on the Oxfordshire County Council contract, converted by ULEMCo from an existing vehicle rather than bought new, avoiding the embodied carbon of a replacement. The combined dual-fuel approach runs at 30 to 40 per cent lower tailpipe CO_2 than diesel, with lower nitrogen oxides. The vehicle is being measured in service; a 7.5-tonne companion was due to follow.

Where depot charging is the right answer, the cost is typically carried by the client contract rather than M Group's own capital. On the Suffolk County Council contract, M Group Highways has installed 11 fast chargers at 200kW and 32 at 7kW across three core depots, enabling 43 vehicles to be charged at the same time.

Helping Britain switch

Our own footprint is only part of the story, because much of what M Group builds helps others cut theirs. M Group Energy Transmission's EV team, which began life installing rapid chargers for Manchester's electric taxis, now delivers charging infrastructure for charge point operators across the country. Through the government's Zero Emission HGV Infrastructure Demonstrator programme, the team has helped deliver the first of 35 planned electric-HGV charging areas: 350kW chargers at Baldock (see case study, below) that take a truck from empty to 80% in around 20 minutes, inside a driver's statutory break. The team is cutting the carbon of the installations themselves too, with standardised hub designs, precast bases and, on some sites, bases made from recycled plastic bottles.

The scale of that work is now substantial. Over the last three years the team has installed 341 chargers across 87 sites. On these schemes we are the designer and the principal contractor; the charging networks themselves belong to the operators we build them for.

Case study
Building the chambers offsite

At the Telford Centre in Shropshire we built what was then the largest EV charging hub in the county, ultra-rapid chargers and a 1.5MVA package substation serving eighteen bays, in eight weeks. The chambers for the chargers and the feeder pillar were fabricated offsite from 100% recycled plastic, which cut chamber build from four days to one and removed the need to pour concrete on site. The centre takes more than a hundred thousand visitors a day and we recorded no public complaints across the programme.

Beyond Expectations Awards 2025

Richard Lovewell
Team of the Year Award
(Oxfordshire Highways)

"The behaviour behind this award is consistency. We'd been on the Oxfordshire contract for 15 years, and over the last six to eight we increased our operational performance indicators every single year, from around 75% up to 98%. When the contract came up for re-tender we kept delivering, made a big push on social value and communications, and walked away with another 14 years.

We recently ran a pothole repair trial that picked up national press coverage, bringing councillors and press on site to see that filling a pothole isn't as simple as sending a crew with some tarmac. For the first time, this contract will carry an operational performance indicator specifically for carbon reduction. And culture comes down to people: a huge bank of experience supported by early-careers talent, with apprentices joining every year and a care leaver recently welcomed into the team."

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Case study
A charging oasis on Reliance Street

The site on Reliance Street in Manchester had been a petrol station, and then it had been abandoned for more than fifteen years. The ground was contaminated, and it needed remediating before any work could start. What stands there now is Be.EV's Manchester Charging Oasis: ten ultra-rapid chargers serving twelve bays, with capacity already in the ground for expansion, alongside a single-storey retail unit. We were designer and principal contractor for all of it, on a twenty-six week programme.

The environmental work went well beyond the charging. More than two thousand plants and shrubs were planted into self-watering irrigation, chosen from native British species and the RHS list of plants for pollinators, and the retail unit carries a biodiverse green roof of forty-four growing species, around two-thirds of it wildflower. Solar panels sit on that roof and a rainwater harvesting tank supplies the toilets. The retaining wall was built from eight thousand reclaimed bricks sourced locally, the asphalt was made from recycled tyres, and the cladding was sustainably sourced.

It finished on programme, with no serious incidents and no defects on completion.

M Group joins Mission Zero

M Group Plant & Fleet has subscribed to Mission Zero, a voluntary quality standard for the road fleet sector. The scheme has been running since late 2021 and organises itself around three aims: zero collisions, zero emissions and zero prohibitions. It covers lorries, vans, buses, coaches, cars and plant machinery, and accreditation rests on an annual audit of legal compliance, road safety and environmental performance, scaled to the type of fleet being assessed.

Most of our work happens in public, in streets, on verges and outside homes and schools, and for most people our vehicles are the only part of M Group they will ever see. Mission Zero puts an annual independent audit around these interaction points: how our vehicles are maintained, how our drivers are trained, and how we manage the risk our fleet creates for everyone around it.

The three aims map onto things we already care about. Zero collisions is work-related road risk. Zero prohibitions relates to roadworthiness. Zero emissions covers local air quality alongside carbon, which matters on residential streets when we choose not to sit with engines running.

The community dimension is explicit in the recognition the scheme brings with it. The Construction Logistics and Community Safety (CLOCS) Standard accepts Mission Zero as meeting its fleet operator requirements, and CLOCS exists because construction vehicle movements carry real risk for pedestrians and cyclists. Transport for London accredited the scheme's work-related road risk module as equivalent to the Fleet Operator Recognition Scheme (FORS) at Gold level, and it has since been approved as equivalent to FORS Gold. Those recognitions carry weight because they are the standards our clients use to protect the people who live alongside our work.

This framework extends to our entire group, with all divisions and operating areas now individually certified.

Case study
Charging the first electric HGVs

At Extra's motorway services on the A1(M) at Junction 10 near Baldock, we built six 350kW chargers serving six bays sized for articulated lorries, as part of Gridserve's Electric Freightway. When it opened it was the first public charging hub for electric HGVs in the country, and it needed the concept design taking through to detailed design because nothing quite like it had been built here before.

The services stayed open throughout, with thousands of drivers a day passing while we worked, so every concrete base was cast offsite to cut installation time. We finished in eighteen weeks with no serious incidents and no defects on completion.

Helping households cut energy costs

M Group Energy In-Home also operates an in-home energy-efficiency business. AgilityEco, which joined the Group in December 2024, delivers low-carbon retrofit programmes to vulnerable and low-income households under government schemes including Local Energy Advice Partnership (LEAP) and ECO4.

In the reporting period (Scheme Year 15) our LEAP programme alone delivered advice and easy measures to 24,120 customers across England and Wales. The Group's full in-home programme, covering FY2024-25 across all schemes, reached 45,410 vulnerable households. The carbon avoided over the lifetime of the measures is counted as customer-side avoided emissions, outside our own inventory.

Energy efficiency on client networks is part of our handprint too. In West Sussex, Telent converted 94 traffic signal sites to LED. Over the lifetime of the equipment, this change is forecast to save around 2.4 million kWh of energy and approximately 590 tonnes of CO_2e across the equipment's predicted lifespan.

Carbon managed as we design and build

Carbon is also managed as a certified process in the parts of the Group where design and construction work together. M Group Highways has held PAS 2080 certification as both designer and constructor since October 2023. Telent Technology Services' Highways Division was certified separately against the 2023 revision of the standard in June 2025 and holds both roles too. Certification demonstrates that whole-life carbon is designed in and managed through delivery rather than counted at the end.

On the North Oxford Corridor scheme, low-carbon design cut embodied carbon by around 2,571 tonnes CO_2e, a reduction of about 40 per cent. M Group Highways has also set 2030 carbon-intensity targets for its principal materials: aggregates down 50 per cent, asphalt down 40 per cent, concrete down 25 per cent and steel down 30 per cent against current baselines.

The road ahead

Our Double Materiality Assessment confirmed greenhouse gas emissions as one of our most material factors, and a Climate Transition Plan is now in development to set out the delivery route in full. From 2027, our new data platform will give us a supplier-level view of carbon that today's methods can't.

Case study
Europa Way: recycled aggregate in practice

On the Europa Way scheme in Ipswich, M Group Highways used 3,321 tonnes of incinerator bottom ash aggregate (IBAA) in place of primary aggregate on a Suffolk Highways scheme. The material travelled four miles from an energy-recovery facility rather than being hauled from distant quarries; because the material is less dense, the scheme needed around 748 fewer tonnes of it, avoiding 40 HGV journeys through the local road network. The carbon saving was 28.35 tonnes CO_2e.

The application required a precedent that didn't exist: the Principal Designer initially declined to sanction it on those grounds, and the client adopted it independently on the evidence provided. IBAA is now on Suffolk County Council's approved materials list, which means the saving is available on every future scheme rather than requiring the same argument again.

Water Management

Water is one of the areas where M Group's purpose is easiest to see. For more than 20 years we've safely maintained and repaired water networks for clients such as Yorkshire Water and resilience schemes for the likes of Scottish Water and Southern Water, we deliver active leakage control across the country, and we've installed around 1.5 million smart meters that help households understand their consumption and reduce the water they use.

Ageing networks, a growing population and a changing climate are stretching the balance between the water available and the water we all use, and the 2025 to 2030 regulatory cycle brings an influx of new investment to close that gap. Our Double Materiality Assessment confirmed water management as a material topic, and our ambition is to be the leading smart water meter installer, empowering millions of people to save water. Every megalitre we help save is water that doesn't need to be abstracted, treated and pumped, so saving water saves carbon too.

Alongside the opportunity sits a responsibility. Our field operations, from excavation to reinstatement, could put watercourses at risk if they're managed carelessly, so we safeguard them through environmental impact assessments, environmental response plans, ISO 14001 disciplines and clear guidance for every operative on site.

The shape of the water story in this section is essential services delivered well today, and a preview of our growing role in making the UK's water supply resilient for tomorrow.

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Introduction from Alain Loosveld

Chief Operating Officer

"Our ambition is to be the leading smart water meter installer."

Helping the UK meet its water needs

This section sets out the part we already play in the country's water resilience, and the measured stewardship business we intend to build through the current regulatory cycle

The national water challenge

In June 2025 the Environment Agency's National Framework for Water Resources warned that, without further action, public water supply in England alone will fall short by around five billion litres a day by 2055 (roughly a third of what the country uses now), with a further billion litres a day needed for the wider economy: energy generation, food production, industry and emerging technologies such as data centres. Population growth, a changing climate and higher standards of drought resilience and environmental protection drive the gap.

The Agency expects around 60% of the public supply gap (some 3,000 million litres a day) to close on the demand side through leakage reduction, smart metering, lower consumption per person and water efficiency. Ofwat's PR24 price review allocated more than £100bn of sector investment into the 2025 to 2030 period, a large proportion of it towards exactly those outcomes. Most of the national answer therefore sits on the demand side, which enabled the work we already do.

Beyond Expectations Awards 2025

Craig McArthur
Carbon & Waste Reduction Award (Thames Metering, Water)

"The work behind this award started with a simple question: where can we save money and protect the environment? The two goals reinforce each other. We've now recycled more than 250,000 water meters, with battery components disposed of correctly and the plastic and other materials reused in other industries. Step back and look at the scale of it and it's phenomenal. On meter recycling, the only question left is: why didn't we do it sooner?

Fifteen per cent of our contract's fleet vehicles is now fully electric, and within London moving everyone into EVs has hugely reduced our emissions. We've optimised scheduling so operatives aren't criss-crossing the city, we run HVO fuel in the equipment that can't yet be electric, and we've worked hard on eliminating idling. Next is taking what we've achieved on Thames Metering across other water contracts and the wider Group."

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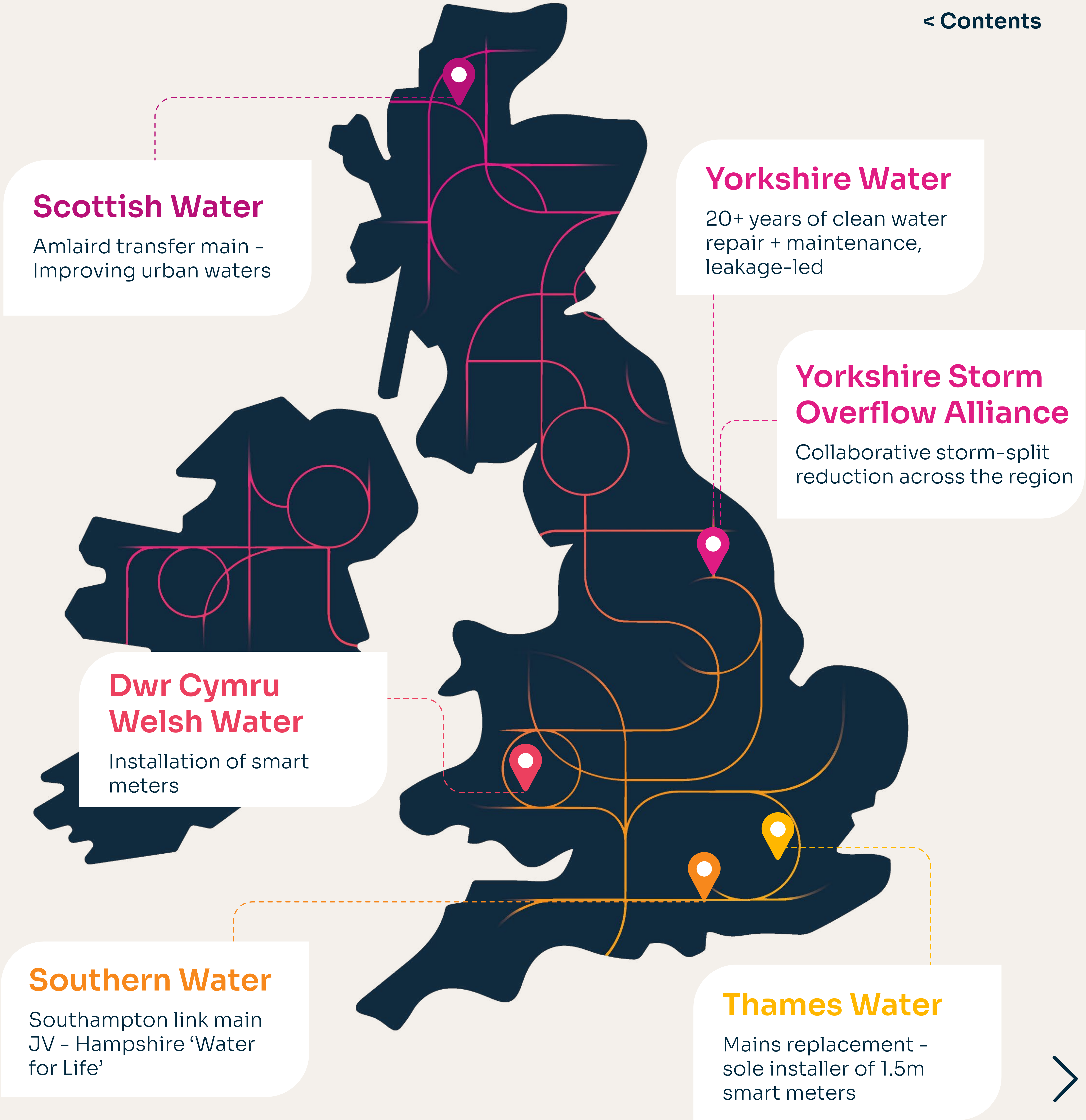
Across the water cycle

The same capability answers both faces of the UK's water problem: too little water when demand peaks, and too much of it when storms hit.

On the demand side, mains replacement, repair and maintenance, active leakage control and pressure management all reduce the water lost from the network, so less has to be abstracted from rivers and aquifers. We also install smart meters at scale, giving households and businesses the information they need to use less. On the supply and resilience side, we build the transfer mains and resilience schemes that turn isolated supply zones into a managed grid, and where the challenge is excess rather than scarcity, we deliver flood resilience and nature-based solutions that slow surface water, store it, and keep it out of the sewer network.

Where we already deliver

Client	What we deliver
Yorkshire Water	Repair and maintenance across the clean water network for more than 20 years, driven largely by leakage-reduction obligations
Thames Water	Mains replacement reducing leakage; sole installer of what is approaching 1.5 million smart meters
Southern Water	The Southampton Link Main (joint venture), part of the Hampshire "Water for Life" programme moving water to where it's needed
Dŵr Cymru Welsh Water	Installation of 900k meters in AMP8 to support customers in reducing their water usage
Scottish Water	Alliance delivery of supply resilience, including the Amlaird strategic transfer mains, and spill reduction through Improving Urban Waters
Yorkshire Storm Overflow Alliance	Partner in a collaborative alliance delivering storm-overflow spill reduction across the region



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Smart metering at scale

Smart metering is one of the principal levers the country is pulling, working with clients such as Thames Water, Yorkshire Water, Scottish Water and Welsh Water. More than 10 million smart meters are planned across England and Wales between 2025 and 2030, taking metered households and businesses to almost half of the country by the end of the period. Industry analysis suggests the rollout could save over 450 million litres of water a day by 2050, with an average consumption reduction per person of 15%.

Case study
A second life for old meters

Replacing meters at scale creates a disposal problem the size of the installation programme. Yorkshire Water's rollout takes 1.4 million old meters off the network, and they are difficult things to deal with: sealed against tampering, with a lithium battery potted into the body, and unsuitable for refurbishment because a water meter is food-contact equipment that can't be disinfected reliably in the field. There was no established route for them.

Our Yorkshire team spent 18 months finding a route, settling on a recycler in the same region as the programme, working to the Waste Electrical and Electronic Equipment Regulations 2025 at an accredited centre of excellence. At the time of writing, more than 250,000 meters have now been processed through this route with nothing to landfill, and a high proportion of the material is recovered. Recovered materials including brass, aluminium and plastics go back into the supply chain, and the sealed batteries are handled under specialist controls.

The route has also improved data quality and now serves the Thames Water and Southern Water programmes.

Beyond Expectations Awards 2025

"A few years ago, on a fast-track talent scheme, our Chief Executive challenged us to present what M Group would look like when we were in charge. We said we wanted a business that is fair, equitable and diverse, and we didn't leave it there. We worked with colleagues to establish employee resource groups in our division, where there had been none. The Gender Equality Network came out of that work, and several other groups have followed.

In our Technology and Communications Division we identified an ageing workforce and a recruitment cycle that kept filtering out candidates for lacking telecoms experience, so we created an entry-level scheme for school leavers and graduates: a pathway into the industry that brings fresh perspectives in. Twenty years ago there was no one in my first telecoms job who looked or sounded like me. Someone reached out anyway. Being that person for others is now fundamental to who I am."

Jemma Ray
Role Model of the Year Award
(Technology & Communications)

Keeping storm water out of rivers

When it rains hard, combined sewers can fill faster than treatment works can take the flow, and storm overflows discharge to rivers and the sea. Yorkshire Water has invested in reducing how often that happens, across multiple sites over the next five years. It's the largest environmental investment programme in its history, and we're one of the partners delivering it through an integrated alliance that plans, designs and builds as a single team.

The alliance has assured hundreds of interventions and progressed multiple early-start schemes, and has identified millions of pounds of efficiency savings against the original programme cost, of which more than half is already validated. Efficiency on that scale is what lets a fixed regulatory allowance buy more environmental improvement than it was expected to.

More of the answer is turning out to be green rather than grey. The alliance has identified more than sixty "blue-green" (water from rivers (blue) and fields (green), for example) interventions, which hold and manage rainwater at the surface through planting, permeable materials and storage rather than piping it into the sewer, and together they have disconnected significant areas of hard surface from the network. Funding is allocated to the majority of them and another third are in development. Yorkshire Water has committed to blue-green solutions making up 20% of the programme in this regulatory period, rising to half in the next.

What we intend to build

Our Double Materiality Assessment confirmed water management as material in both directions: through the impact of our work on the country's water resilience, and through the opportunity the sector's investment cycle creates for us. One of the ambitions that flow from it is to be the leading installer of smart water meters, empowering millions of people to reduce the water they use. During FY27 we'll put numbers behind that and other ambitions, setting qualitative and quantitative targets for our own and our enabled water management so that progress can be reported in future editions of this document.

The delivery method is a divisional ESG strategy for M Group Water, now in development, applying a standard set of environmental and social measures to each key contract. The same programme builds our own water accounts: we're establishing a Group water usage baseline so that we can begin reporting on this during the FY26-27 reporting cycle.

We'll extend the meter recycling route we built in Yorkshire to every metering programme we run, and we'll build the design and delivery capability for the blue-green drainage that our clients' commitments now point towards.

Case study
Rosmead Street, Hull

One delivered example of the flood-resilience side of this capability is a street in Hull. Under the Living with Water partnership on Yorkshire Water's Programme for Yorkshire, our team delivered a sustainable drainage scheme on Rosmead Street: 600 square metres of permeable paving storing 365 cubic metres of surface-water run-off, 30 properties removed from the flood register, and resilience to a one-in-30-year storm with a climate change allowance – achieved alongside a minimum 10% reduction in embedded carbon against the designed solution. The scheme was delivered a month ahead of programme, won the follow-on Magdalen Estate flood basin project, and earned a certificate of excellence at the ICE Yorkshire and Humber Smeaton Awards. The reinstatement wove nature in as it went, with bird boxes, bug hotels, hedgerow planting and diverse seed mixes along the street.

Living with Water brings together Yorkshire Water, Hull City Council, East Riding of Yorkshire Council, the University of Hull and the Environment Agency, and is investing more than £20 million in sustainable drainage across the region.

Closing a residential street for six months asks a great deal of the people who live on it, so the community work ran in step with the engineering. The team put in 365 hours of engagement: ward forums and councillor drop-ins hosted with St John's Community Church, door-to-door conversations, and a website answering the questions that kept coming up. Residents asked for parking to be kept as well as green space improved, so both were designed in, with two temporary car parks providing 168 spaces on land agreed with Hull City Council's parks team, trolleys for people carrying shopping, and personal alarms for shift workers walking back after dark. Residents who needed palliative care, regular medical visits or oxygen deliveries were identified during consultation and given facilitated access throughout, and emergency vehicles kept round-the-clock access to the closed street.

Around 9,500 tonnes of excavated material went to a local recycling centre for reuse. Children from Estcourt Primary School laid the final blocks, residents put up bird boxes in the new green space, and the team cleared, resurfaced and replanted the grounds behind St John's, adding raised beds at wheelchair height, compost bins and water butts.

Pollution prevention on and around our own worksites, including the flood mitigation and silt filtration system at Botley, is covered in the Environmental stewardship section, alongside the rest of our environmental stewardship.

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Colleague attraction, retention & development

I joined a brilliant team of over 14,000 people, all delivering essential services, and that scale of purpose is what brought me here.

This year around 3,500 people joined the Group or moved into new roles within it, a measure of both our growth and the career paths opening up inside the business as we focus on One M Group. Our current People Strategy runs to 2029 and puts talent and growth alongside engagement and experience. You'll read in this section about our skills academies and career pathways, our growing apprentice and early-careers community, and the work we've done to bring training together across our divisions so that every colleague gets the same quality of development.

Our People Opinion Survey "Your Voice Matters" shows engagement and a sense of belonging moving in the right direction, and it shows us where to concentrate next. Much of our effort now sits not only in giving colleagues reasons to join M Group – it's equally important that we give them reasons to stay.

Safety at M Group is physical, digital and psychological. We want a culture where people feel safe to be themselves, irrespective of their background or beliefs, and safe to speak up when things aren't right. That's what our commitment to respect, inclusion and belonging means in practice, and you'll see it running through everything that follows.

Introduction from Adele Barker

Chief People Officer

"We want a culture where people feel safe to be themselves."

Our management approach

M Group is a field services organisation of approximately 14,000 colleagues delivering essential infrastructure services across water, energy, technology & communications, transport and plant.

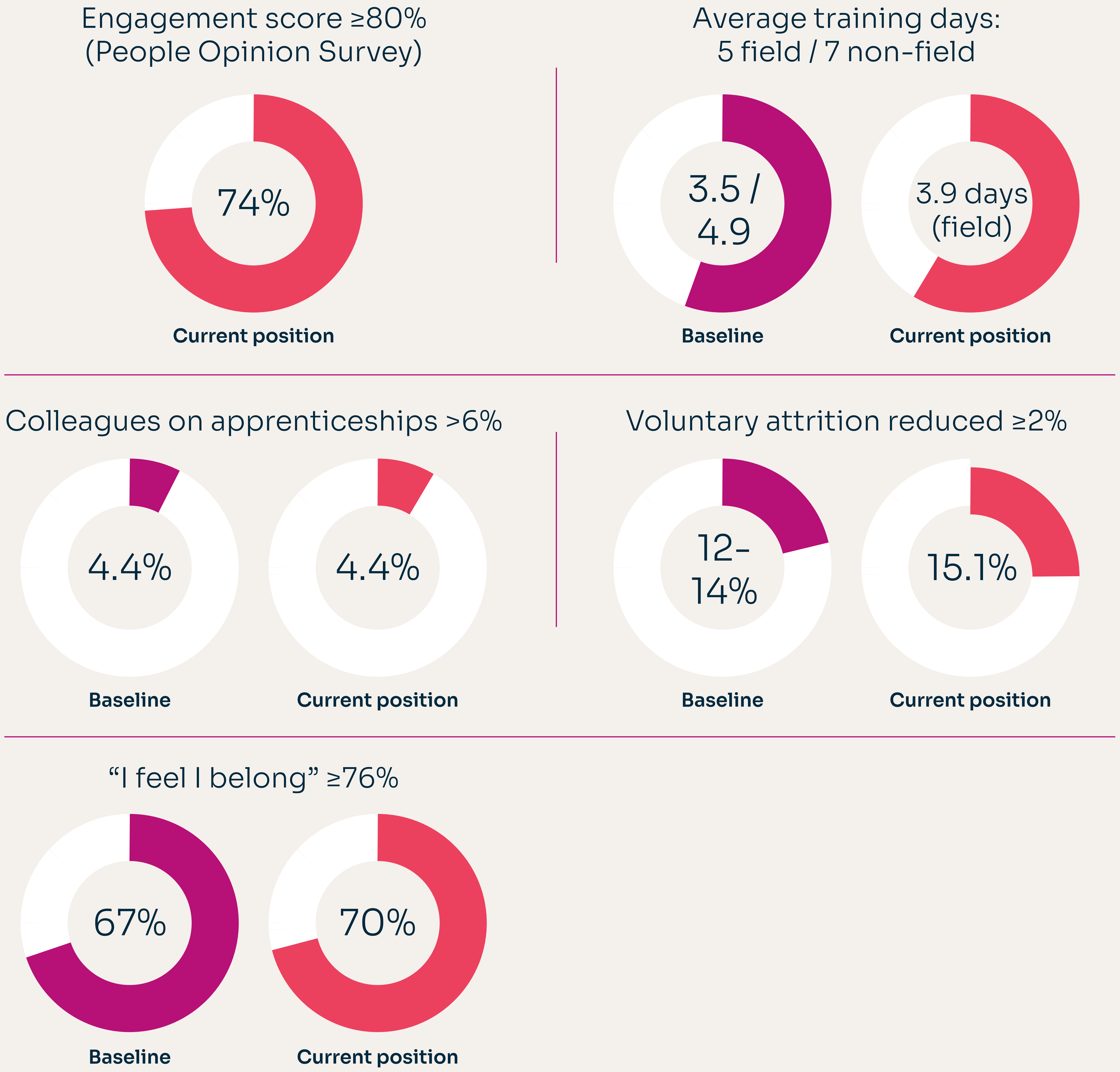
Our Double Materiality Assessment confirmed colleague attraction, retention, development and engagement as a double-material topic, with executive ownership sitting with the Chief People Officer.

The management framework is the 2025-2029 People Strategy, Building Our Future, structured around four pillars: Talent and Growth, Leadership and Culture, Engagement and Experience, and Measuring Success. It consolidated a historically divisional people agenda into a single group framework.

The DMA locks quantified targets to that framework (see graphic to right).

Turnover and movement

Voluntary attrition stands at 15.1% on a twelve-month average, representing 1,760 colleagues; involuntary attrition at 9.7%, representing 1,133. Across the year we welcomed 2,861 starters (609 women, 2,252 men) and 2,893 colleagues left us (507 women, 2,386 men), these figures exclude acquisitions. Improved data systems have resulted in this being the first year we've reported these figures on a consistent groupwide basis.



Our policies and commitments

The Governance Framework, approved in November 2025, consolidated 28 group policies into a single registry, replacing The Way We Work; the people and labour policies within it – child labour, forced labour, non-discrimination, health and safety, gender equality, working hours – were all reviewed in 2025. The new Code of Conduct (January 2026) sets group-level zero tolerance on discrimination, harassment and bullying, with a UN-aligned Human Rights policy, a specific sexual harassment sub-section and formal complaints process.

The Respect, Inclusion and Belonging (RIB) Policy and Procedure (December 2025) is a controlled document applying to all M Group colleagues and subsidiaries. It commits us to annual reporting on RIB activity and a network of inclusion champions. Accountability is explicit, from the Executive Board to every colleague, and the policy carries a two-stage complaints procedure with reporting routes through the line manager or People team, the ENABLE networks and the confidential whistleblowing line.

The Family Leave Policy suite – including a new menopause policy, endometriosis manager guidance and neonatal, bereavement and miscarriage provisions – was streamlined and aligned across the Group this year, and the Inclusion Report records a new Family Friendly Policy launched in the year. Pay governance is set by the FY26 Pay Review Guidelines: a group uplift from 1 October 2025 and protection to ensure ongoing compliance with our National Minimum Wage statutory obligations.

Ethnicity and culture
Neurodiversity & disability
Age, lived experience & acknowledging life events
Breaking gender bias
LGBTQ+
Enable social mobility

ENABLE

Attracting and keeping our people

Our ambition is to be the UK and Ireland's infrastructure employer of choice. Our engagement score baseline is 74% against an 80% target, and internal mobility stands at 24% against a 27% target.

Social recruitment

Our Social Recruitment Strategy (October 2025) is now operational, targeting four social mobility cohorts: unpaid carers, veterans, people not in education, employment or training (NEET), and youth unemployed. The three standard UK Social Mobility Commission questions are now live fields on our application form, so socio-economic background is captured at the point of application rather than estimated afterwards.

Veterans

The Group made 204 veteran placements in the year, and M Group (represented by M Group Highways) have been externally accredited as a UK Top 50 Veteran Employer.

In December 2025, M Group was awarded the Ambassador Charter Mark by the Social Recruitment Advocacy Group, the scheme's highest tier. Behind it sit named programmes: the Military Accelerated Programme for veterans, Rebuild and Reconnect for prison leavers, and dedicated routes for care leavers, young people not in education, employment or training, and individuals with SEND. The Group also holds the Gold Award under the Defence Employer Recognition Scheme as a groupwide credential. M Group, again represented by our Highways Division, climbed 15 places to reach 30th in the Inclusive Top 50 UK Employers List 2025/26.

The strategy also produces individual stories. M Group Water ran a pre-employment Domestic Meter Option training route on the Yorkshire Water contract in partnership with Energy & Utility Skills and the Department for Work and Pensions, recruiting through Jobcentres across the north of England. Seven people trained; six moved into permanent M Group roles.

Recruitment equity

We now monitor recruitment conversion by characteristic through our applicant system, which shows us where early-stage screening decisions create equity gaps. Structured, multi-assessor scoring at the Group graduate assessment centre evidences bias-reduced selection in practice, and joiner/exit surveys, introduced in January 2026, give us structured leaver insight for the first time: the leading attrition themes are clear progression, consistency of leadership, and stability during change.

For disabled candidates and colleagues, M Group holds UK Government Disability Confident Committed accreditation, a group-level commitment that includes a guaranteed interview for any disabled applicant who meets the minimum criteria. The same commitment extends to colleagues who acquire a disability or long-term condition during employment, with a supported stay-in-work pathway rather than a managed exit.

Reward and benefits

We use salary sacrifice schemes which match pension contributions up to 14% (7% from them and 7% from us) for new joiners, above the auto-enrolment minimum, with a Pensions Governance Committee overseeing the default investment strategy. Healthcare is provided through a healthcare trust with a cash plan, and financial wellbeing support includes My Staff Shop and Salary Finance.

Developing our people

Career development has received extensive overhaul in our People Strategy. In FY26 the Leadership, Learning and Talent function centralised training across all divisions into one shared service on a 70:20:10 learning model (learning based 70% in real world job conditions, 20% from social experience, and 10% from formal training), pooling divisional training experts into specialist central roles. Group-coordinated training attendance runs at 92% against an industry norm of 70-80%, with 200,000 enrolments and a 96% satisfaction rate, and the Learning Together hub delivered 2,275 live learning hours in its first year.

Investment and volume. Training spend for FY26 was £7,543,674, against £6.4m in FY23-24.

Colleagues recorded 48,153 completions of mandatory modules and 73,739 completions of all other courses on Competency Cloud, our group learning platform, which carries more than 180 modules across business compliance, safety, health and wellbeing, environment and sustainability, fairness, inclusion and respect, people management, and procurement. Group-coordinated programmes drew around 200,000 enrolments in the year at a 96% satisfaction rate. We also used apprenticeship levies and CITB grants were made available.

Through a procurement exercise we consolidated several hundred training suppliers onto a single approved list on M Group contract terms, giving us economies of scale and cancellation flexibility we didn't have before. Cost per training day has fallen across the year while the volume we deliver has risen.

Early careers

Early careers. At March 2026, 87 graduates and 642 apprentices were on programme across the Group, together with three interns, making up over 5% of our workforce and holding our Silver membership of The 5% Club. Of the apprentices, 345 were new entrants and 297 were colleagues upskilling in post.

Across the year we ran 17 assessment centres, made 305 apprenticeship appointments of which 25% were women, saw 124 apprenticeships completed, and had 229 colleagues working towards HNDs, HNCs, degrees and NVQs. A further 71 learners started Data Analysis and Artificial Intelligence apprenticeships and 37 managers started Leadership and Management apprenticeships. Six colleagues came through T-Level placements in Water and Highways under a two-year partnership with Leeds College of Building, and both Water students converted to apprenticeships.

Since 2021, apprenticeship completions are up 53%, appointments are up 50% and higher and degree apprenticeships are up 58%, with a 93% retention rate among completers. Women now make up 25% of our graduate and apprentice population, up from 23%.

Leadership development

Groupwide, 85 colleagues are on the First Line Leaders programme, 36 on the Level 5 leadership apprenticeship, 58 are on the Level 7 programme and 32 through the Aspiring Leaders pilot. The third annual talent review cycle covered 373 leaders, succession planning now covers 77 critical roles, and the Enterprise Development Programme for future executives launches in September 2026.

Talent and succession

Our annual talent review assesses the Group's senior leadership population on performance and potential through a nine-box grid, and nominates a subset into group talent programmes each year. The third annual cycle covered 373 leaders. Succession planning now covers 77 critical roles and 98% of them have a specific successor identified. For 60 of those roles the successor is someone we are actively developing into the job, which makes our leadership programmes, our management apprenticeships and internal mobility the route by which most of our senior positions will be filled. This is intentional, as we believe a career here should be something a colleague can build from wherever they joined us. The succession map is how we know where those routes need to open up. Female representation in the identified talent pool rose three percentage points to 30% in the latest cycle.

Our Oracle Talent and Oracle Performance system went live in May 2026, replacing a divisional patchwork with one group record of performance, potential and career history.

Due to the multiple different reporting platforms that have been used previously, we will not be reporting Group-level completions this year. However, we've included the subject matter headings (see the table to the right) and will report on these next year now that future data is unified.

The Enterprise Development Programme, for colleagues identified as future executives, launches in September 2026.

Compliance learning, completions

Data Protection Awareness
Introduction to IT Security
Business Ethics Refresher
Bribery and Corruption
Inclusion and Diversity
Modern Slavery
Security Briefing for Operatives
Manual Handling Awareness
Display Screen Equipment
Asbestos Awareness
Basic First Aid Awareness
Slips, Trips and Falls
Mental Health Awareness
Criminal Finances Act
Health and Safety Essentials
Stress Awareness
Unconscious Bias, employees
Unconscious Bias, managers
Environmental Awareness

Training in numbers FY26

Training spend	£7,543,674
Mandatory module completions	48,153
All other course completions	73,739
Modules available on Competency Cloud	over 220
Attendance, Group-coordinated programmes	92%
Satisfaction, Group-coordinated programmes	96%
Live learning hours, Learning Together hub	2,275
CITB grant drawn down	Over £1m
Colleagues on an apprenticeship, graduate or trainee programme	over 5% of workforce
Apprenticeships completed in year	124
Colleagues on HNDs, HNCs, degrees and NVQs	229
Leaders covered by the annual talent review	373
Critical roles with succession cover identified	98% of 77

Completions are recorded against a base of 14,396 active learning-platform users, which includes subcontractors and agency colleagues as well as direct employees. Note that "mandatory" courses do not mean they are universally mandatory. Colleagues are expected to complete courses relevant to their position and role.

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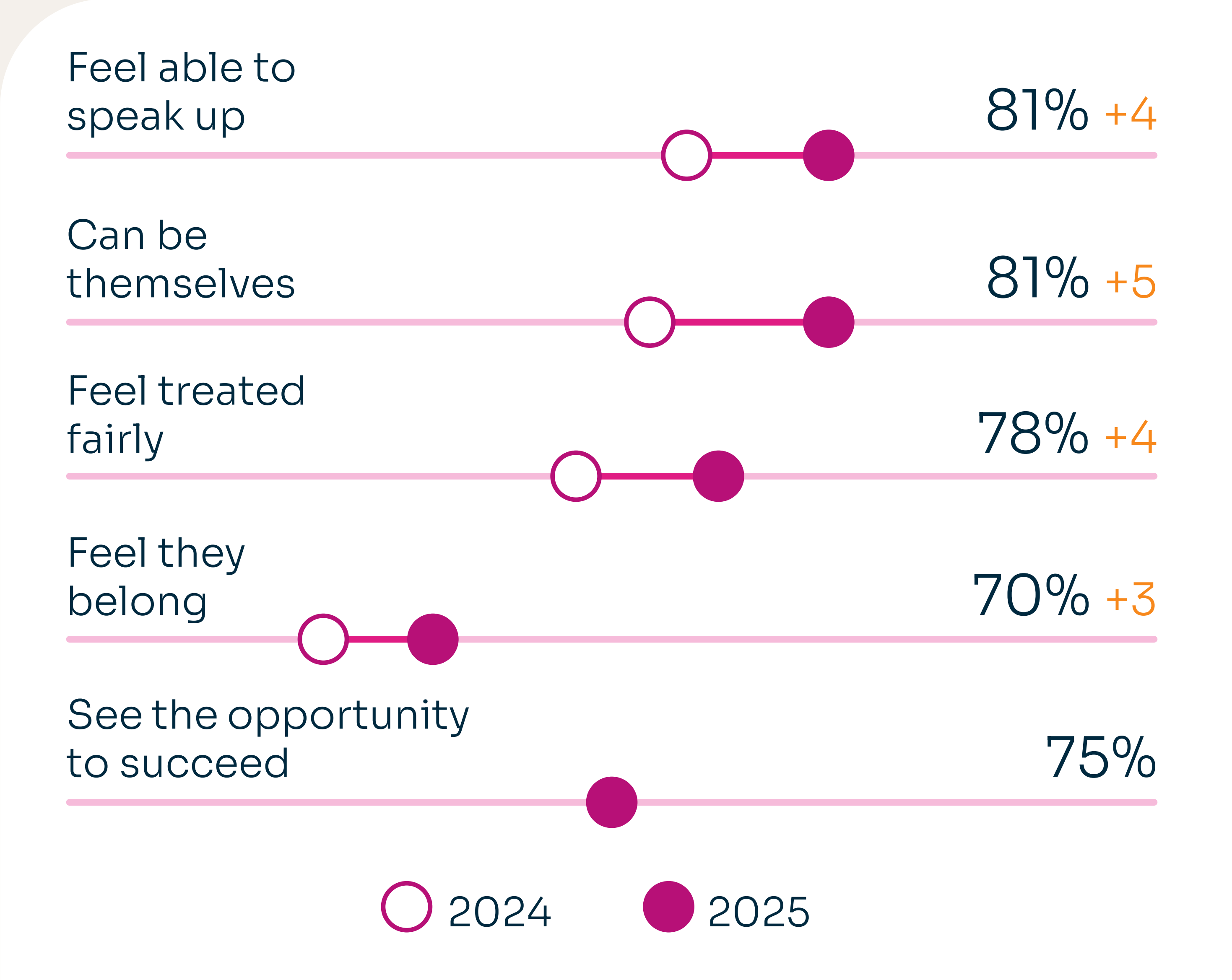
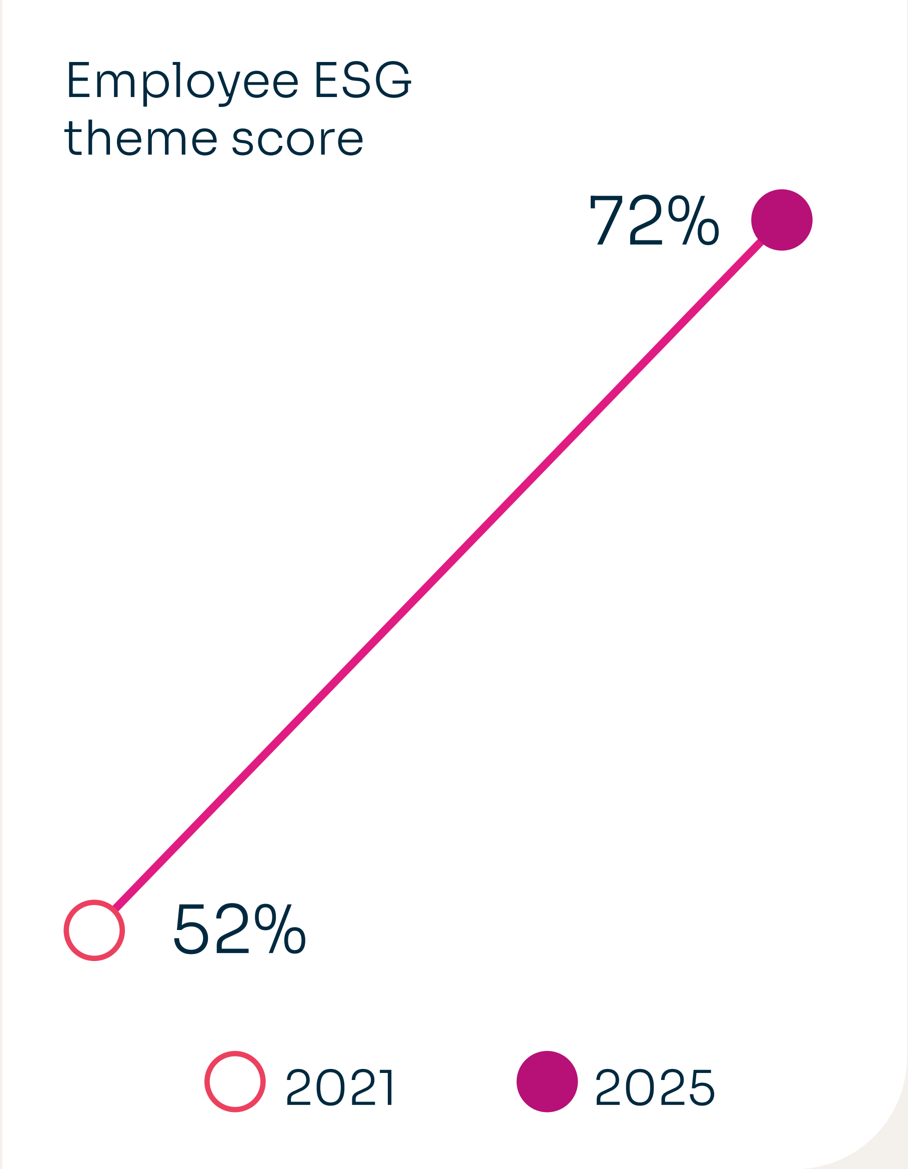
Listening and engagement

The People Opinion Survey "Your Voice Matters" is the Group's formal listening instrument, now supplemented by an expanded Listening Strategy of starter, leaver and pulse surveys. 84% of colleagues took part in the 2025 survey. Group engagement stands at 74%, and four of the five tracked inclusion measures improved year-on-year in 2025: 81% feel able to speak up (+4), 70% feel they belong (+3), 81% can be themselves (+5), 75% see the opportunity to succeed and 78% feel treated fairly (+4). The employee ESG theme score has risen every year since 2021, from 52% to 72%.

Consultation and voice run through the ENABLE inclusion networks (six colleague-led networks governed by an Inclusion Forum), a groupwide Wellbeing Forum, and the values roadshows that reached 401 leaders.





Beyond Expectations Awards 2025

Martin Atkins
Lifetime Achievement Award

"I've worked across gas, water, electricity and mobile telecoms, and that breadth has taught me one thing above all: stay curious. Approach your work with curiosity and you can challenge and understand things without being perceived as aggressive. People open up to you, and you develop a far richer understanding of your team, your clients and the environment you operate in.

What has guided me is integrity and honesty. Your reputation will be in the room before you are, so it counts for a great deal that the business you work for has values that align with your own. Developing people has always been fundamental: set clear expectations, give honest feedback, offer the coaching that helps people progress. And from a safety perspective there's no room for compromise. If something feels fundamentally wrong, say so, and don't compromise."

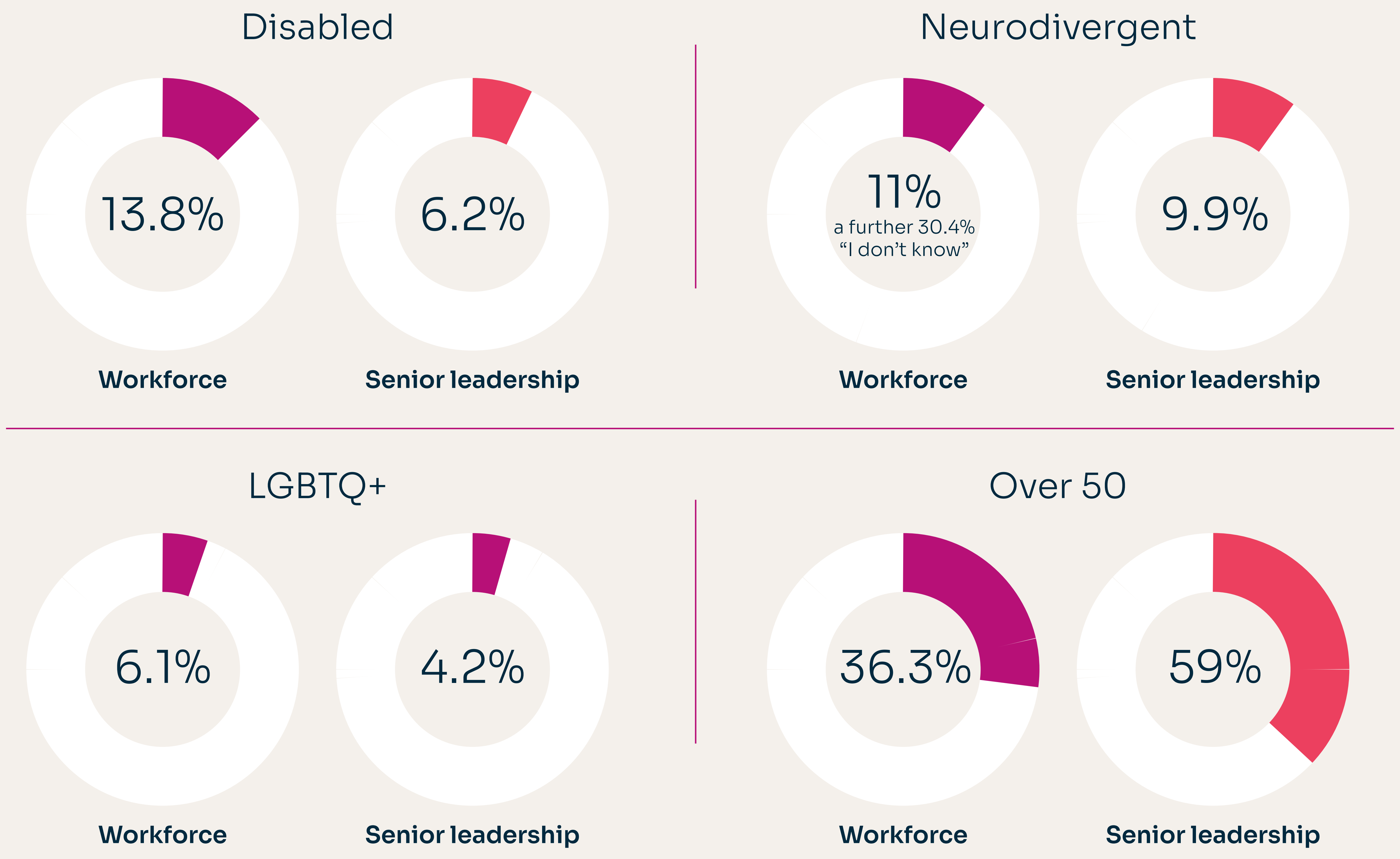
Supporting information | Part 2

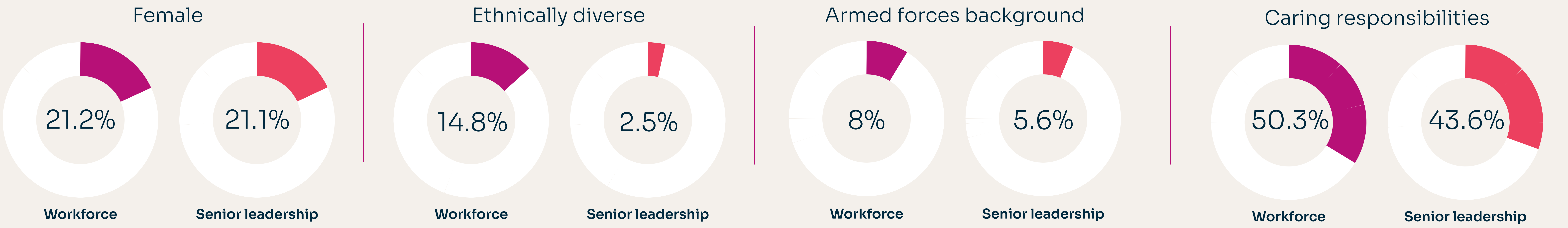
Respect, inclusion and belonging

M Group’s illustrative term for diversity and inclusion is Respect, Inclusion and Belonging.

The programme now rests on three things that did not all exist a year ago: a controlled policy, a governance structure in the ENABLE networks and Inclusion Forum, and a measurement instrument in the form of our annual Respect, Inclusion and Belonging Report, published this year. It carries the full account behind the summary provided below: representation at every level, inclusion experience group by group, equity across recruitment, progression and pay, and the action plan that follows from them. All demographic data is self-reported and optional, and results are suppressed for teams of fewer than five respondents, to preserve anonymity.

The workforce profile (Respect, Inclusion and Belonging Report basis)





Engagement varies across characteristics, and the Respect, Inclusion and Belonging Report sets out the position group by group and what each one calls for.

Equity across the lifecycle

Recruitment conversion is monitored by characteristic through our applicant system and read against the comparison group within each dataset. Ethnically diverse candidates, candidates aged 55 to 64, LGBTQ+ candidates and candidates with caring responsibilities all convert below their comparison groups, and the drop concentrates at screening and shortlisting rather than at interview. Women convert at the same rate as men, which puts the gender gap in who applies to us: 35,367 applications from women against 118,684 from men. On progression, 373 leaders were assessed and 74 nominated for talent programmes, 58 men and 16 women among them. Female talent representation rose three points to 30% in the Talent 25 cycle. The detail is covered in the Respect, Inclusion and Belonging Report.

Pay

The 2025 statutory gender pay gap is a mean of 7.24% and a median of 14.78%, with a mean bonus gap of 30.02%.

Leadership representation

Women in leadership stand at 16% against a 20% target and a 29% sector benchmark; ethnic minority representation in leadership is 2.5% against a 7% benchmark. Improving progression into senior roles is where the forward plan concentrates.

Two mechanisms are already running. The Group's Talent function piloted a reciprocal mentoring programme pairing an operating-company managing director with a Black female field engineer over six months of structured sessions, prompted by engagement-survey feedback from minority colleagues; a second phase launched in April 2026. A separate groupwide reciprocal mentoring relaunch in May 2026 drew 20 sign-ups and matched six mentor and six mentee pairs, open to any colleague with a diverse characteristic. The ENABLE relaunch consolidated divisional networks with Talent's Black Professionals and Muslim networks and set three live initiatives: ethnicity pay gap analysis, streamlining the visa sponsorship process, and awareness.

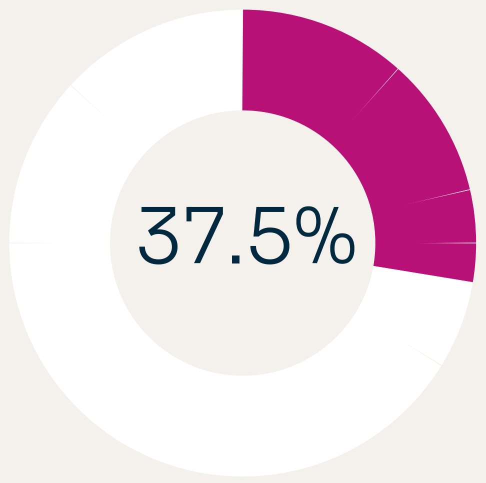
Activity and recognition this year

The RIB policy was issued in December 2025, an in-house RIB e-learning module was built and launched, and inclusion and diversity training reached 2,023 completions. The Menopause Policy, endometriosis manager guidance, the new Family Friendly Policy and the intranet Wellbeing Hub were all delivered in the reporting year. Externally, M Group was a finalist at the FIR (Fairness, Inclusion and Respect) Inspiring Change Awards and shortlisted at the Women in Utilities Awards, alongside the Inclusive Top 50 and veterans' listings reported above.

The forward plan

The Respect, Inclusion and Belonging Report sets four priority areas for the next twelve to twenty-four months: leadership capability; systems and processes; culture and behaviour; and data and insight, the last aimed at improving disclosure rates so future reports can say more. Progress against all four is reported through the Inclusion Forum and to the Board.

Female board representation



as of April 2026

Wellbeing:
The wellbeing hub

The feature for this year's wellbeing story is the Wellbeing Hub, an intranet facility launched on our M Connect platform and pulling every strand of support into one place a colleague can find.

The Hub is built around several categories, covering physical and financial wellbeing, social wellbeing through our colleague networks, and mental wellbeing through Mental Health First Aiders and the Employee Assistance Programme, with a Wellbeing Champions network operating alongside.

The Employee Assistance Programme data shows the support is used and works; its usage and clinical outcomes are reported in full in the health and safety section.

Acknowledging Life Events

The Acknowledging Life Events stream within ENABLE focuses on colleagues dealing with significant personal circumstances: serious illness, bereavement, caring responsibilities and other life events that affect their capacity to engage with work. After its first full year, the stream has a dedicated page on the ENABLE hub, a group of advocates available to colleagues going through particular experiences, and an expanding programme of awareness activity and peer communities.

For World Cancer Day in February, the Acknowledging Life Events network ran two impactful virtual sessions attended by around 50 colleagues from across the Group. Two perspectives shaped the conversation: colleagues who have been through cancer themselves, and colleagues who have supported and/or lost a family member or friend through it. Cancer awareness activity continues through the year, alongside a carers community that meets monthly, providing a regular catch-up for colleagues with caring responsibilities. The stream also ran suicide awareness activity at group level and marked Stress Awareness Month.

The stream shaped a direct policy outcome this year. The Group's wellbeing-focused approach to the year's family leave policy review led to a minimum of five days' bereavement leave, alongside manager support guidance that actively encourages flexibility beyond that minimum where individual circumstances call for it.

The forward programme is agreed and dated: domestic abuse awareness in October 2026, a session on grief management in December, continuing cancer and carers activity, dementia rising up the agenda, and a dedicated session for all 333 of M Group's trained mental health first aiders, who are often the first place a colleague's personal circumstances arrive.

Special leave

In line with the sensitivity of these topics, this section reports aggregate activity only. Colleagues took around 1,700 periods of ring-fenced special leave during the year, amounting to some 5,200 days of supported absence.

Labour rights and standards

Our Modern Slavery Act statement for FY2024-25 covers all 25 operating businesses, assesses overall risk as very low given a predominantly UK and Ireland operation and supply chain, and reports zero incidences of modern slavery identified in the supply chain in the period.

Due diligence includes right to work checks for all direct employees, identity and competence checks within induction for indirect workers, ethical business practice audits of top PPE suppliers covering modern slavery, equal opportunity, pay and working hours, and the supply chain evaluation process described on page 78. 4,697 employees completed mandatory modern slavery training in FY2024-25, with a further 1,993 completions recorded in FY26.

Social value

In FY26 the Group generated £75m of social value from around £1bn of revenue activity, a social return of roughly seven pence in the pound. This was our first year of groupwide benchmarking. Behind the figure sits a growing body of community, education and employment work that is putting people into jobs.

What we mean by social value

Social value, as we use the term, is the measurable social, economic and environmental benefit our work creates beyond its commercial output. Hiring someone from the local community creates social value, and so does taking on an apprentice, training someone who was previously out of work, or buying from a small local business. It is value recovered from ordinary activity rather than spent on top of it. It's a bid requirement on most of our public-sector contracts, and its weight in public procurement is expected to increase. Our approach varies by division, but is generally to embed it into delivery rather than run it as a separate spend line.

Loop, our shared platform

Loop is the platform through which we log, measure and report social value across the Group, converting logged activity into a monetised return. Governance sits with the Loop Super User Group, a cross-divisional forum with representation from all five divisions and the ESG team.

The group benchmark

Structured recording of social value isn't yet required for all our clients and divisions. Across the divisions where Loop data is most prevalent, principally Transport and Water, we generated £75m of social value in FY26 from around £1bn of revenue activity. That's a social return of about seven pence in the pound, and we'll adopt this figure as the baseline every future year will be measured against.

"This is very much our benchmarking year. Seven pence in the pound is our starting point." Charlie Green, Head of Social Value

The benchmark excludes our Technology and Communications Division, which uses Loop but reports on the HACT (Housing Associations' Charitable Trust) and Social Value Bank framework and at a different point in the year, so combining the two into one headline would mix methods. Transport has set an aspiration of ten pence in the pound as its divisional ambition. We expect to set a groupwide social return target within the next year.

Social value across our divisions

Each of our divisions creates social value in a way that suits its work. The following is a small selection of activities from around our contracts, illustrating our ethos and approach, rather than our total output.

Transport

Transport has the most developed approach to social value in the Group, and much of our wider practice began there. The division is now developing a social value strategy focused on people, local economies, the environment and wellbeing.

In Suffolk, we sponsored the Suffolk Youth Climate Conference and ran a student workshop on recycled materials. In Oxfordshire, seven colleagues helped pupils from Mabel Prichard School on a trip to the Cotswold Wildlife Park.

Water

In Water, social value is planned into every contract. Across our work for Scottish Water, colleagues volunteered, gave to local charities, ran science, technology, engineering and maths (STEM) sessions in schools and spent with small businesses. In Hull, alongside a drainage scheme on Rosmead Street, the team renovated a community garden and kept 400 households informed throughout the works.

Energy

Our Energy In-Home business, AgilityEco, helps households in fuel poverty through energy advice and energy-efficiency schemes. In FY2024-25 it supported more than 45,000 vulnerable households, delivered £143m in lifetime energy bill savings and supported 1,535 jobs. These figures are not part of the Group's £75m total.

On one of our electricity grid projects, archaeological work recovered small fragments of coins, which we gave to a local museum, and we moved a public footpath to a safer route. Energy colleagues also met more than 200 people at Aberdeen's ABZ Works Jobs Fair and took part in careers events for school pupils and university students.

Technology and Communications

Our Technology and Communications Division, Telent, holds the Bronze Social Value Quality Mark, an independent accreditation for social value. In FY2024-25 it worked with more than 1,000 small and medium-sized businesses and 35 voluntary, community and social enterprise organisations.

Social value in our supply chain

Our supply chain also creates social value. Our spend with small businesses and the support we give our suppliers are covered in the responsible supply chain section.

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Behind the numbers sits a growing body of work putting people who face real barriers to employment into jobs, carried out by teams in Highways, Water, Rail and Energy. A recognisable pattern is forming: we go into schools, colleges, youth justice services and care-leaver support programmes, we offer work experience and careers engagement, and at its best we connect that experience directly to a job or an apprenticeship.

In our Energy division, four cohorts completed a sector-entry linesworker bootcamp in FY26, training 113 people through a pathway developed with National Grid as client, City & Guilds as awarding body and the Department for Education through its Skills Bootcamp funding route. Three weeks of compliance training were followed by seven weeks of mentored work on clients' disconnected circuits, with entrants joining above trainee grade. Our Water business ran a comparable pre-employment route on the Yorkshire Water contract, described earlier in this section.

Contract-level delivery

In planning for a 400kv Transmission scheme contract in Scotland, we are working to a Social Impact Value Plan committing us to more than £15m of social value across the life of the project, measured in Loop against the client's own metric set and reported to the client monthly, quarterly and annually. In FY26, the first full reporting year, employment delivery ran ahead of target nationally, with local recruitment in Aberdeen and Aberdeenshire an area we are still developing.

Building heroes

13 trained

7 employed

13 to interview

Oxfordshire Youth Justice pilot

2 placed offered accepted

Energy lines worker bootcamp

4 cohorts

113 trained

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Case Study
Social Value outcomes from M Group Highways

Building Heroes, the training academy programme run by our Highways business, took 13 veterans through an intensive course covering NRSWA and CSCS qualifications, the certifications that clear the main barriers to field operative roles. All 13 completed and progressed to interview, and seven went into employment. A Youth Justice Service work experience pilot in Oxfordshire ran the other way round: participants applied for the apprenticeship and met the hiring manager before the placement began, then interviewed at the end, and both were offered apprenticeships and accepted. The programmes that work are the ones that build the qualification, or the hiring decision, into the design.

We ran a five-week programme for young people not in education, employment or training (NEET) through our Road to Activation initiative, generating more than £7,000 of social value overall. It was independently assessed using National TOMs measures. The assessment identified what stands between a five-week programme and a job: few local roles available at the time, operative positions requiring CSCS cards, and driving licence requirements that arrive before a young person can afford one. Its recommendation, a guaranteed interview scheme for programme completers, is one we are considering.

Our Mountbatten School programme in Hampshire ran a six-week intervention for students at risk of becoming NEET, the first of its kind for the Group, and a depot visit programme in Suffolk running since March 2025 has grown from one learner in its first session to 16 in February 2026. In Oxfordshire we delivered an Aspirational Careers Visit in partnership with Oxfordshire County Council, from which one participant progressed to a Level 6 apprenticeship.

In the West Midlands, our Highways business accepted an invitation from the Witherslack Group, a specialist SEN education provider, to deliver careers engagement at Sandwell Learning Centre for looked-after children with special educational needs in Years 6 to 11, each supported one to one across three small-group sessions. Delivery was adapted for sensory, communication and confidence needs, from CAD drawings of live schemes to a pothole repair exercise and a drone demonstration. Elaine Jackson, Senior Futures Lead at the Witherslack Group, wrote: “We thoroughly enjoyed the session… they engaged with pupils from a wide variety of age groups and were brilliant with them all.” The session closed with an invitation to other Witherslack schools.

Supply chain partners contribute to community projects directly as well. In August 2025, our Highways business and supply chain partner CR Engineering together converted a vandalised and inaccessible garden at Banbury Community Support Service, an Oxfordshire County Council facility for adults with physical and learning disabilities, mental health conditions and dementia, into a safe and accessible outdoor space. Julia Ramm, Team Leader at the service, described the outcome: “People are sitting outside most days now for activities and lunch, such a useable area now we can get wheelchairs round it too.”

Where this goes next

The work in front of us is method harmonisation and a group target. Next year Transport’s social value strategy will be finalised and published, and work will begin on adopting its findings to suit the requirements of the entire Group. The Sustainable Procurement Centre of Excellence will begin to formalise the supply chain stream, and the benchmark will rest on a broader base.

Public-sector clients are raising social value weightings in tenders, and clients and investors alike expect us to show not only that we capture social value but that we improve it. We believe seven pence in the pound is a credible starting position, and the work of the next two to five years is to build on it.

Health & safety

It starts with me

I joined M Group this year, and the first thing that struck me is how deeply safety runs through this business. It's the first commitment we make (to our people, our subcontractors and the public) and it has to be relentless, because safety speaks to our reputation and to everything we stand for with our clients.

Our Health and Safety standard is "It Starts With Me", and this year we've been refreshing it with a renewed focus on frontline leadership and personal ownership. We've embedded our minimum standards across every division, with a compliance rate above 97% and we're deliberately shifting our attention towards leading indicators – acting on what the data tells us before harm occurs rather than counting incidents after the event.

An independent review of our safety maturity has shaped our strategic framework, and our ambition is for all our colleagues and everyone who comes into contact with us to go home safe and well at the end of the day.

Health means wellbeing as much as physical safety. Our Employee Assistance Programme, mental health first aiders and wellbeing resources sit alongside our health, safety and wellbeing standards.

Keeping people safe is the first measure of how responsibly we run this business. This section sets out how M Group manages safety, health and wellbeing for our 14,000 colleagues, our 8,500-strong subcontract workforce, our customers and the public, together with our environmental stewardship, covering both the footprint we are reducing and the handprint we are growing.

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Introduction from Angela Barker

Health and Safety Director

"Health means wellbeing as much as physical safety."

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Where safety sits in our strategy

Our first Double Materiality Assessment found health, safety and wellbeing double-material, scoring as significant in both directions, and set a clear, executive-endorsed ambition for what we do about it.

In our ESG strategy, and in this report, health, safety and wellbeing sits within our People pillar, alongside colleague attraction, retention, development and engagement. The colleagues we want to recruit, develop and keep are the same people we ask to work on live networks, busy highways and deep excavations every day, and a strong safety culture is part of why people join us and a large part of why they stay.

Our SHEQ performance is consistently better than industry average, and is set out to the right.

Our approach to health, safety and quality

At our scale, safety is an operational imperative as much as an ESG one: it protects our people, underpins the quality of our service and is a core measure of how well we run the Group.

Accountability starts at the top. Safety, Health, Environment and Quality (SHEQ) performance is governed at board level through a monthly SHEQ Board, with executive ownership held by Angela Barker, Health and Safety Director.

Our Group Health, Safety and Environment Policy sets the framework, and beneath it sit our Group Minimum Standards covering the highest-risk activities in our work, inclusive of work at height, confined spaces, lifting operations, service avoidance, people and plant interface, electrical work, stored energy and pressurised systems, temporary works, driving at work, excavation work, and fitness to work. Each standard follows a Plan-Do-Check-Act cycle, and each is backed by five personal commitments every colleague signs up to under our “It Starts With Me” cultural development and behavioural programme.

Our operations are certified to the appropriate ISO certification, including ISO 45001 and run under an Integrated Management System, so one consistent set of safety, health, environmental and quality processes governs work across the Group.

Our safety performance

All rates below are 12-month rolling figures for our workforce, reported per 100,000 hours worked, with the exception of TRIFR which is per million hours worked.

Metric	FY26	FY24/25
Accident Frequency Rate (AFR)	0.06	0.04
Lost Time Injury Frequency Rate (LTIFR)	0.18	0.14
Total Recordable Injury Frequency Rate (TRIFR)	1.82	1.44
Non-Lost Time Injury Frequency Rate (NLTIFR)	0.65	0.76
Damage Frequency Rate (DFR)	1.27	1.51
Road Traffic Incidents per million miles	8.28	8.12
Hours worked	53,978,386	54,195,404
Incident type	**FY26**	**FY24/25**
Fatalities	0	0
Lost Time Injuries (1 or more days lost)	98	78
Specified injuries	11	8
RIDDOR over-7-day injuries and RIDDOR specified injuries	19	14
RIDDOR Dangerous Occurrences	6	2
Non-Lost Time Injuries	350	411
Days lost to absence of all kinds, including work-related injury	92,164.5	Not held
Days lost to work-related injury	1,622	2,014

Beyond the numbers: our leading indicators

Injury frequency rates record what has already happened, while leading indicators show where potential risk lies. Following an independent review in 2025, we've spent the year strengthening that half of the picture.

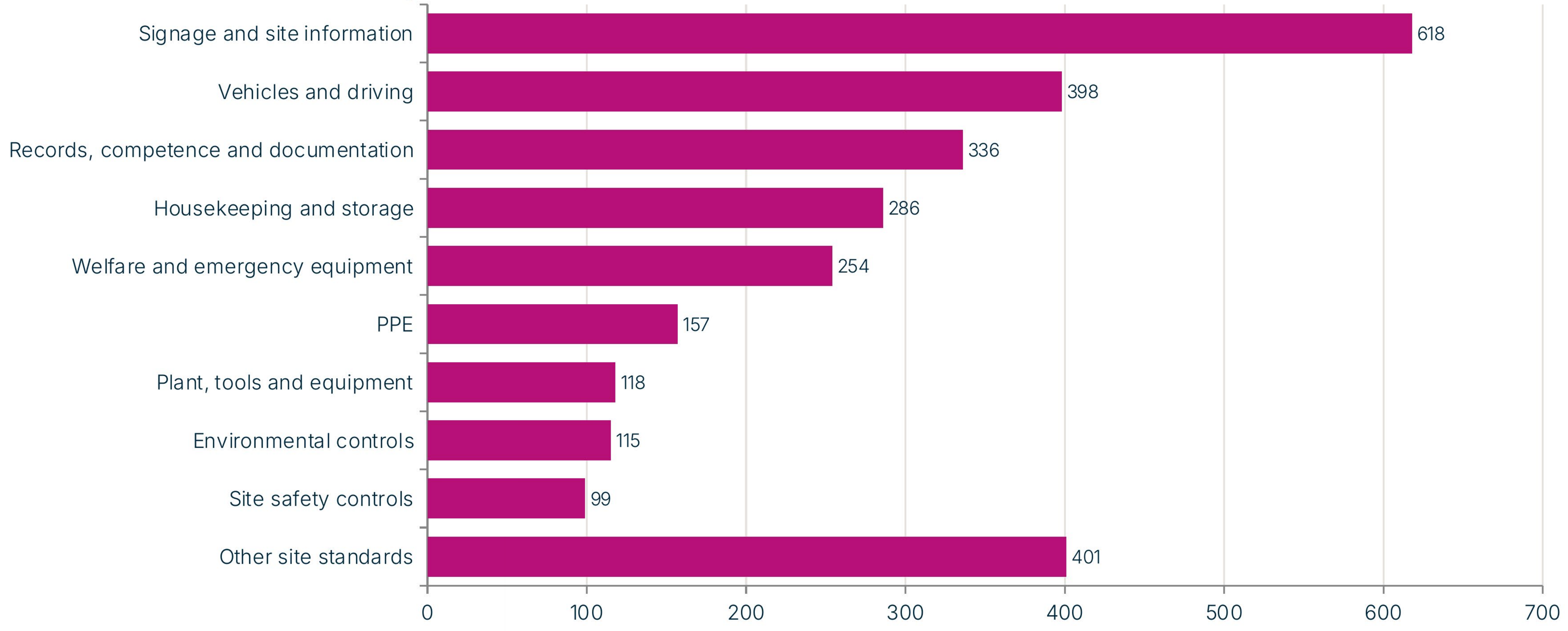
The clearest example is our audit and rectification system, used across our Water contracts, with other divisions operating their own assurance arrangements. Site audits are captured digitally at the point of work on a mobile audit tool. The moment a failed audit lands in our incident management platform, the system automatically emails a rectification report to the responsible manager, naming the site, the failed items and the auditor's findings. The manager has seven days to fix and close the action. If it's still open, a central team begins chasing; at around 14 days the escalation moves to their line manager, and it keeps climbing, ultimately to contract director level, until the action is closed. Around 99% of close-outs are returned with photographic evidence. Accountability stays with the operation; the system makes sure nothing gets quietly forgotten.

The figures to the right, from our Water division, illustrate the pattern of these pro-active findings: 3,722 site audits, applying just under 200,000 individual checks. Three in four of those audits were closed with nothing to fix. The remainder raised 2,782 corrective actions, a failure rate of 1.4% of checks applied. Audit activity increased through the year (1,653 visits in the first half, 2,069 in the second) while the failure rate fell from 1.6% to 1.3%.

Most actions concern the everyday disciplines of a well-run site (signage, vehicle standards, documentation and housekeeping) rather than high-hazard controls; the highest-risk control themes account for fewer than one action in ten. Of the corrective actions with a recorded closure date, the average time to close was 9.9 days and the median was 11 days.

Work is under way across the Group to draw these information sources into a single version of the truth, and from next year we expect to report data such as this for the Group as a whole.

Water division minimum standards proactively actioned



Senior leaders completed 3,801 Safety Leadership Tours over the year, up from 3,643 the year before, with a new executive question set launched in January 2026.

Colleagues across the Group raised 91,574 safety observations, up 26% on last year's 72,479, resulting in more people looking for risk more often.

We carried out 9,223 drug and alcohol tests across the Group, subcontractors included, up 11% on the 8,307 of the year before. Random testing accounted for 4,107 of them, returning a 2.09% non-negative rate against 2.24% the previous year, and the random testing target was met at Group and divisional level. Pre-placement testing covered 4,269 candidates, our own and our subcontract partners'. Telent, which joined the Group during the period, is completing the people processes to bring its own testing arrangements into line and sits outside these figures.

Building a proactive safety culture

In 2025 we commissioned an independent assessment of our safety culture maturity against the recognised Hudson model. It found structured systems in place, with proactive ownership still to embed, and our target is proactive-level maturity. Moving up that ladder, from systems that respond to systems that anticipate, is what the programme set out below is built to do.

The vehicle for getting there is our Group Health and Safety Strategic Framework, and built on Health and Safety Intelligence, using data and AI for real-time risk insight; Leadership and Engagement, developing frontline leaders; Streamlined Systems and Processes, harmonising how all divisions assess risk, investigate incidents and induct people; and Resource and Support Optimisation, putting safety expertise where the work is.

The framework is delivered through an action plan with named owners and completion dates, overseen by a cross-divisional SHEQ Working Group. Progress in FY26: the Minimum Standards are now embedded across every division and inspected against; our M-Connect best practice hub went live in March 2026 as the single home for Group health and safety knowledge; the "It Starts With Me" programme is being relaunched with a Groupwide deployment framework; and our new M Root incident investigation model ran its first formal courses in May 2026, standardising how we learn from incidents across the Group.

It Starts With Me is the principle that holds them together: personal ownership of decisions and behaviour, leadership by example, and a focus on giving people the information, supervision, competence and planning to succeed rather than looking for someone to blame when something goes wrong. It reaches past physical safety into health, wellbeing and how colleagues treat each other, and it carries a single commitment: to make the right choices, so we all get home safe and well.

External recognition supports the trajectory. Across all our divisions, our performance is recognised by ROSPA, achieving top awards year-on-year, and our clients have publicly praised our "It Starts With Me" programme, The Safety Experience, and our Road Risk Roadshows.

Keeping the public and our customers safe

Most of our work happens in public: in streets, on verges, outside homes and schools. Protecting the people around our worksites is managed to the same standard as protecting our own colleagues, through an active programme.

Public safety is built into the whole life of a job, from design and planning through delivery to close-out. Customer Managers join projects at inception, so the needs of customers and the local community shape the design. Public risk is then assessed formally, through risk assessments and method statements, so the controls are settled on paper before they are needed on the ground.

The clear standards in our processes and procedures set non-negotiable controls for any work in a public space: traffic management, safe pedestrian routes, signage and exclusion zones.

Leadership and learning. Incidents and near misses involving the public are investigated and the lessons shared Groupwide through our SHEQ governance.

Standards are checked from the public's side of the barrier as well as our own. Customer Site Perception Audits look at our worksites the way a resident or a passer-by sees them, monitoring traffic management, site safety and accessibility around the works.

The people who live and travel alongside our work are factored in from the start. Deliveries are planned around school drop-off and collection times and away from peak community movement. On active sites near schools, we offer children and young people safety education.

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Some of the people affected by our work need more than a safe route past it: we provide tailored support to customers on the Priority Services Register, keep safe access to homes and businesses open wherever practicable, and tell residents and businesses what is planned and how access will change.

Our "It Starts With Me" programme puts the same emphasis on the people around our sites as on the people working on them, and both give every colleague the authority to stop work and reassess when a control is missing or conditions change.

Safety in our value chain

Nearly half the people working under the M Group banner are subcontractors, so our duty of care doesn't stop at our own colleagues. Our Supply Chain Code of Conduct is the standard every subcontractor signs up to, and it's backed by controls that operate before and during every engagement. Before a subcontractor works for us, we check their safety track record and sample their risk assessments. Once engaged with a subcontractor, we treat them in the same way as direct employees with regards to Safety Health, Environment and Quality requirements. Once on site, subcontracted colleagues work to the same standards, inspections and protections as our own people, including inclusion in our drug and alcohol testing programme.

Subcontractor safety performance for the 2025 calendar year (note the period: subcontractor data is reported January to December 2025, while our direct workforce data above covers April 2025 to March 2026, so the two sets aren't like-for-like):

Subcontractor measure (calendar year 2025)	Figure
Subcontract workforce	8,517 people
Hours worked	20,015,335
Work-related injuries (total)	84
Of which: RIDDOR Reportable	8
Of which: Lost Time Injuries (RIDDOR excl.)	14
Of which: Non-Lost Time Injuries	62
Days lost	350
Fatalities	0

Occupational health and wellbeing

Keeping people well is broader than keeping them uninjured. Our occupational health provision covers health surveillance and fitness-to-work assessments. For mental health, 333 trained Mental Health First Aiders work across our divisions, supported by our Employee Assistance Programme, a 24/7 online GP service, and a full directory of support published to every colleague. Our stress support is aligned to the HSE Management Standards, and everything lives in one place on our wellbeing hub.

Absence data tells us where physical and mental health problems are costing us time. Across the year, absence for mental health conditions was just under 14,000 working days. Absence for all causes are 92,164.5 days. Musculoskeletal conditions, chiefly muscle, joint and back pain, account for the largest share of those days, while infectious illnesses (such as colds and flu) are the most frequent reason for a colleague being away at all. That profile is why our provision leans as heavily on mental health support and on the physical demands of field work as it does on statutory health surveillance.

Our Employee Assistance Programme

Sitting at the heart of that support is our Employee Assistance Programme (EAP), delivered by Health Assured and available around the clock, free and in confidence, to every colleague, inclusive of our subcontract workforce, and their immediate family. It's deliberately designed as an accessible first port of call: up to six counselling sessions, plus legal, financial, relationship and life-event support, with onward signposting to our healthcare schemes or the NHS where someone needs more. The Wisdom Wellbeing app puts the same support in colleagues' pockets, which counts in a field workforce where many people don't sit at a desk or a company email account.

Colleagues used the service 421 times in FY26: with subject matter ranging across a wide range of issues. Support was delivered face to face, by video and through digital cognitive behavioural therapy. The profile of callers aligns with the make-up of our entire workforce, which tells us the colleagues most represented in our field operations are picking up the phone rather than carrying on in silence.

Usage counts only if the support works, so the programme measures outcomes with validated clinical tools, taken before and after structured counselling (GRI 403-6):

Outcome measure	Before	After	Better is
GAD-7 anxiety score (average)	1.07	0.90	Lower
PHQ-9 depression score (average)	1.22	0.67	Lower
Presenteeism (1-5 scale)	4.0	2.12	Lower
Workplace distress (1-5 scale)	3.5	1.94	Lower
Work engagement (1-5 scale)	2.5	2.88	Higher
Life satisfaction (1-5 scale)	2.5	3.18	Higher

Every measure improved, and 82.4% of colleagues who received structured counselling remained in work from the start of their support to the end.

Beyond Expectations Awards 2025

"There's nothing as rewarding as returning people home the way they came in the morning. We deliver large capital projects in a high-risk environment; one stream I'm leading has passed one million work hours. I believe in visible leadership. I once told a site team: if I tell you to do something unsafe, you have the power to tell me to get out. That moment captures the culture we've built. People challenge unsafe acts, say "I'm not comfortable with this," and step back without fear.

The systems are there too: weekly safety dial-ins across projects, daily meetings within the core team, stand-down events, pausing when the weather or ground conditions aren't right. Every function plays a part, from designers considering safety at the outset to procurement checking a supplier's safety record. But what makes the systems work is the leadership ethos around them. It starts with me. It starts with all of us."

Olawale Ilori
'It Starts with Me' Safe Team Award (Capital projects)

Our environmental stewardship

Environmental protection is the E in SHEQ, and it reports here so that safety, health, environment and quality are managed and read as one discipline. What follows covers our footprint and our handprint: nature, biodiversity, pollution prevention, waste and the communities we work in.

Our footprint and our handprint

As we described in our introduction, we aim to reduce our environmental footprint which is driven by the effects of our massive range of services. Conversely, our "handprint" is the positive legacy we leave behind, starting with the work that we're contracted to deliver, but also by restoring natural habitats, preventing flooding, and inspiring future careers in sustainable infrastructure. This section covers both sides of that ledger – the disciplines that stop pollution ever reaching a watercourse and keep disturbance to neighbours to a minimum, and the nature positive pledge, biodiversity net gain, conservation and community work through which we put something back.

One project appears throughout this section. The Botley Bypass, delivered by our M Group Highways team for Hampshire County Council, sits beside the River Hamble in a designated flood zone: heavy piling, sensitive aquatic habitat, and neighbours close by. In the pages that follow it appears protecting fish migration, filtering silt, monitoring dust and noise, and restoring wetland from salvaged soil – one story that shows how the Group does business when the job is hard and nature is close.

Case Study
Nature positive

During the year, M Group Transport Division pledged to become a nature positive business by signing the UK Business and Biodiversity Forum's Nature Positive Business Pledge, a commitment to halt and reverse our impacts on nature. Nature positive goes beyond minimising harm, committing us to protect and enhance biodiversity and contribute actively to nature's recovery in the places we operate.

We've completed the initial assessment phase of TNFD (Taskforce on Nature-related Financial Disclosures) work, identifying where our operations and supply chain interact with nature; scoping is under way on named sites, and engagement is starting with our subcontractors.

The commitment is anchored in the Environment Strategy that M Group Highways published in February 2026 – a full strategy for 2025 to 2030, built on four pillars: nature positive, net zero, circular economy and governance. On nature, it commits the business to the biodiversity mitigation hierarchy (avoid first, then minimise, restore and only lastly offset), to a Biodiversity Improvement Plan on every contract, and to delivering biodiversity net gain above the mandatory 10% even where the law doesn't require it.

Biodiversity net gain

Biodiversity net gain (BNG) is the principle that development should leave habitats measurably better than before, assessed against a statutory metric. It's an area where our Highways business has moved from principle to delivery.

Building BNG into process

To make net gain routine rather than exceptional, our Highways Environment Team is building BNG into the management system, with an aim of 20% gain where a full assessment is triggered.

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Case study
Peterborough: 20% with AiDash

Peterborough City Council set a 20% BNG target for its road schemes, double the statutory 10%, which is challenging to deliver where on-site enhancement is limited. Our answer was AiDash, a web-based tool combining satellite imagery with artificial intelligence to map habitats rapidly, feeding a BNG assessment in a fraction of the time a manual survey takes.

AiDash has now supported delivery against the 20% target on named schemes: Storeys Bar Road, a junction widening with a new shared cycleway that achieved a 21.10% gain; Junction 3, with off-site bulb planting; and Thorpe Wood, where baseline habitat and planned improvements were both mapped with the tool. More than 450 hectares have now been mapped this way across the business.

Case study
Stanhope Road: a shared gain

At Stanhope Road Bridge in Haringey, a scheme for Haringey Council achieved a 13.04% biodiversity net gain uplift: woodland improved using natural barriers of log piles and dead hedging, standing and lying deadwood adding structural diversity, and new scrub and grassland habitats connected into the wider Parkland Walk ecological corridor. Our role was the preparation works that enabled the scheme and our site team gave a day of volunteering with the Friends of the Parkland Walk, building hedging to protect the parkland habitats.

Scheme	Client	BNG target	Delivered gain
Storeys Bar Road	Peterborough City Council	20%	21.10%
Stanhope Road Bridge	Haringey Council (design: WSP)	10% statutory	13.04% designed uplift

Case study
Manchester: a gain on contaminated ground

Biodiversity net gain is no longer confined to our highways and water contracts. The ultra-rapid charging hub we built on Reliance Street in Manchester, described in the climate section of this report, sits on a petrol station that had been derelict for more than fifteen years and needed remediating before work could begin. With its two thousand native plants and its forty-four-species green roof, land that had held nothing for fifteen years now supports habitat as well as infrastructure. The scheme delivered a 27% biodiversity net gain increase.

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Conservation in the field

Protecting species everywhere

Species protection starts with survey work. On our previously-mentioned 132kV grid site at Biggleswade for UK Power Networks, an ecological survey commissioned by M Group Energy Transmission found evidence of badgers and traces of newt DNA in ponds nearby, and we developed and implemented a management plan covering badgers, newts, bats and ground-nesting birds for the duration of the works.

Conservation on our sites is a discipline of process as much as projects. A standing Biodiversity Working Group meets monthly and has shipped a set of controls onto our management system during the year: a Nesting Bird Process, a Vegetation Clearance Permit that ties clearance work to the nesting season, and protected species toolbox talks.

Our highways teams manage around 44,000km of road verge habitats, making verge management one of the largest conservation levers we hold, and rewilded verge trials on the Hampshire contract have already recorded a 63% rise in non-grass species on some sites. Where works and trees collide, the default is no longer the chainsaw: on the A382 in Devon, working with the LiveLabs programme, more than 2,000 trees were saved through translocation rather than felling.

Our energy division's environmental handbook has given field teams detailed species protection guidance since 2016, and the discipline extends across divisions: on the Rosmead Street project in Hull, our water business built bird boxes, bug hotels, hedgerow planting and diverse seed mixes into the reinstatement of a drainage scheme.

Case study
A partnership in Suffolk

Our Suffolk Highways contract with Suffolk County Council shows what conservation looks like when client and contractor pull in the same direction. The contract now carries around 40 environmental strategic performance measures covering biodiversity, carbon, waste and social value, with a full-time environmental advisor leading delivery.

The contract's Biodiversity Improvement Plan is delivering on the ground: tree planting, verge management trials that encourage wildflowers, and the expansion of Suffolk's Roadside Nature Reserves. On the A140 near Eye, teams are removing invasive plants so native species can regrow, with a cut-and-collect grass trial to follow – removing the cut grass lowers soil fertility, which favours wildflowers and slows regrowth, so the same intervention serves nature and reduces maintenance. Satellite baselining with AiDash is under way so future gains can be measured against a proper starting point.

The contract formalises those commitments in measurable terms. The Suffolk Highways Biodiversity Improvement Plan defines 14 contractual strategic performance measures running April 2024 to March 2029. They include 20 per cent biodiversity net gain on designed schemes, biodiversity enhanced across 20 per cent of the entire soft estate by March 2029, and every Roadside Nature Reserve in good condition with habitat area expanded by March 2028.

Case study
Micheldever: recycling at scale

M Group Highways operates the Micheldever Materials Recycling Facility in Hampshire, running since 2020. To date, the facility has recycled more than 45,000 tonnes of hazardous tarbound asphalt, produced more than 53,500 tonnes of cold low-carbon material and saved an estimated 1,200 tonnes of CO2e and significant disposal costs, while generating £180,500 of income for Hampshire County Council. On the A334 Charles Watts Way, a materials management plan reused 3,710 tonnes of soils on site, saving around 100 tonnes of carbon and even greater disposal cost savings.

Case study

Botley: engineering around nature

The Botley Bypass is a great example of our heavy engineering with a light touch. The site sits beside the River Hamble and its fish pass, so driving 130 bridge piles to 21 metres, plus more than 1,000 ground stabilisation piles, meant working in one of the most sensitive aquatic environments we operate in. The team planned the programme with the Environment Agency to fall outside the fish migration window, drove test piles with acoustic specialists monitoring noise and vibration at the fish pass in real time, and temporarily isolated sections of the pass during piling. Every working morning, aquatic ecologists netted the affected stretch and carried out licensed electrofishing, relocating fish unharmed upstream before piling was allowed to start. The piling finished ahead of schedule with no recorded impact on local fish populations.

The same project created new habitat from salvaged soil. Fen soils stripped from a priority wet woodland area were retained and translocated to a newly created fluvial pond, preserving the seedbank they carried. Nature did the rest: soft rush, pendulous sedge, water mint, flag iris and hemp agrimony have all established naturally along the pond margins, with reptiles, ducks, swifts and numerous dragonfly species already recorded. Native soil that would once have been carted away as waste is now a functioning wetland.

Pollution prevention

Our field operations create pathways through which fuel, silt, cement, oil and bentonite could theoretically reach watercourses and groundwater. Preventing that is a core operational discipline: fines for serious water pollution are uncapped, clean-up routinely costs more than prevention, and individual operatives can be held personally liable alongside the business.

Ready for incidents

Our business operates a controlled Environmental Emergency Response Plan built around 16 Environmental Incident Action Sheets, covering scenarios from fuel and chemical spills to flooding and invasive species. Every sheet follows the same discipline: contain first, notify, record and escalate.

All our divisions hold ISO 14001 certification and have operated field-level environmental controls for around a decade. M Group Highways is actively tracking Environmental Incident Frequency Rates, which in that area of the business has fallen from 0.34 in 2021 to 0.14, against a target of below 0.1. We will be developing this system into the rest of the Group during the next reporting period.

The incident record shows the same discipline. For example, we've included two years of figures from our Energy division's environmental incident register to illustrate the pattern: 35 incidents recorded across FY24/25 and FY26, none of them classified as high potential. All but two sat below the threshold for notifying the Environment Agency; the two that met it were contained, managed and reported in line with the procedures described above.

Where they arose: discoveries of legacy asbestos in ground, buildings or equipment (16 of the 35, each made safe and dealt with under specialist control); contained spills to ground, typically small plant and refuelling failures (12); protected-species discoveries that paused work until the right controls were in place (3); one silty runoff event; and three others.

As with the audit figures earlier in this section, these are one division's numbers, presented as a sample until our unified Groupwide reporting comes on stream.

Water stewardship

Beyond our own site usage, water management is also a service we deliver: leakage reduction, smart metering, storm overflow improvement and supply resilience for water companies across Great Britain. That story has its own home in the water management section. The operational discipline that stops pollution ever leaving our sites is also what makes us a credible stewardship partner on our clients' networks.

Considerate to our communities

Our works happen on the streets where people live. Being a good neighbour means both minimising the disruption we cause, and where possible, putting something back.

Minimising our impact

Dust and noise have their own action sheets in our Environmental Emergency Response Plan, and every complaint is recorded on our incident system. At many other contracts we go further, for example at Botley we use five continuous monitoring stations measuring dust (PM10 and PM2.5), noise and vibration in real time with automatic alerts notifying the site team the moment levels approached thresholds, so issues were corrected before they became a nuisance.

We also design disruption out. On the Europa Way scheme in Ipswich, described in the climate section, local recycled aggregate replaced quarried stone and avoided 40 HGV journeys through the local road network. Botley applied the same logic to soil: a Materials Management Plan kept surplus soils in beneficial reuse with two local developments, and 6,350 cubic metres of site-won clay was stabilised for reuse in haul roads and the permanent works, cutting both waste movements and imported deliveries.

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Building a clearer picture of our waste

M Group's first structured waste data collection captures around 438,700 tonnes, tracked by type, disposal route and hazard classification

Last year's ESG report told the story of our waste in one line: 237,879 tonnes of excavated material re-used on site, up from 192,199 tonnes in FY24.

A first for the Group

This year, a common Annual Waste Data Template covering April 2025 to March 2026 was completed across the Group, supported by movement-level broker records covering around 14,100 individual waste transfers. Together they record around 438,700 tonnes of waste, tracked by type, hazard classification and disposal route. That level of detail has not been collated at Group level before.

What it shows, first, is the shape of what we handle. This is the waste of a business that digs, builds and maintains infrastructure, so soil, stone and other excavated material make up around 60% of the total, and asphalt and other construction arisings account for most of the rest. Genuinely operational waste, such as mixed recycling, packaging, metals, timber and electricals from depots, offices and site cabins, is a small share of the tonnage, but it is the part we can most directly design out, and having it measured for the first time is what lets us start.

Second, it shows where the waste goes. Re-use and recycling together took 86% of the year's tonnage, with recycling alone accounting for around two-thirds. Of the waste with a recorded disposal route, 99.3% was diverted from landfill. We report that figure carefully: around 13% of the total arrived through broker records with no disposal route attached, so we've excluded that data from the diversion number until we can resolve it. Closing that gap is a priority for next year rather than a result we are claiming now.

Third, it shows our hazardous exposure, which had never been quantified before. Waste with a hazard classification is only a small proportion of our total, but it's the fraction that requires the most regulatory weight as well as the most careful handling. Hazardous waste (mostly oils, oily water and coal-tar asphalt) made up 2.2% of the tonnage where classification is recorded.

Case study
Designing pollution out at Botley

Preparedness provides the safety net, but the stronger control is to stop pollution at source. At Botley, the bridge foundation works sat in a designated flood zone with the River Hamble directly downstream, where standard silt controls can struggle in intense rain. Working with Environment Agency guidance, the team built a multi-stage filtration and flood mitigation system: grips to channel and settle runoff, gravel fill to promote sedimentation, hay bales and silt fencing to capture fine solids, and bunds to divert floodwater away from woodland. The grips technique was introduced by one of our site foremen, and the Environment Agency complimented it as best practice during a site visit. The system held through intense rainfall and no impact reached the fish pass or the river.

The same design-stage thinking shows up elsewhere: a proposed wetland treatment scheme on the A140 to improve highway runoff quality, and the sustainable drainage our water business designs in at street level – told in full in the water management section of this report.

None of this is a performance claim. FY26 is the first year the Group has counted its waste on a single, consistent template rather than in divisional fragments, so we now have an active baseline. It's also the discipline Defra's Digital Waste Tracking Service will require from October 2026, so the work of building it has put us ahead of a regime we will have to meet in any case. FY27 will give us our first true year-on-year comparison, and a clearer read on the streams we can reduce rather than simply divert.

Where next

The Group has invested in a sustainability data platform to bring this data together in one place.

Waste is also a material category in our Scope 3 carbon footprint, so better waste tracking feeds better carbon measurement. For FY27 the priorities are closing the broker data gap, verifying disposal routes consistently, and readiness for digital waste tracking.

Responsible supply chain

Behind our 14,000 colleagues is an extensive network of suppliers and subcontractors who play a critical role in how we deliver for our clients.

Our supply chain is fundamental to our financial performance but also gives us one of our biggest opportunities to make a positive difference; reducing carbon, supporting communities, strengthening responsible business practices and creating long-term value.

We already have strong foundations. Our Supply Chain Code of Conduct sets clear expectations for those who work with us, supported by supplier and subcontractor assurance, ethical employment audits, our approach to preventing modern slavery and zero tolerance of financial crime and corruption. Group Procurement is also bringing greater consistency and discipline to how we buy, with dedicated procurement leadership across our divisions, preferred supplier arrangements across more than 30 categories and more than £10m of savings delivered this year.

Our Double Materiality Assessment confirmed responsible supply chain management as a material topic for M Group. Through to 2029, we'll build on the capability already in place through a consistent, risk-based approach across the Group. That means focusing our efforts where they can have the greatest impact, engaging more closely with priority suppliers, building appropriate sustainability requirements into sourcing and contracts, and strengthening supplier assessment and ongoing engagement.

Better data and insight are an important part of this. We're investing in the tools, systems and capability to give us a clearer view of our supply chain from risk and sustainability performance to supplier-specific carbon data. This will help us make better decisions, target our activity more effectively and work more closely with our suppliers to drive improvement.

Our focus now is to build on the good work already happening across M Group and use our collective scale and supplier relationships to deliver even greater value.

Introduction from Chris Keen

Chief Financial Officer

"Our focus now is to build on the good work already happening across M Group."

Sustainable procurement

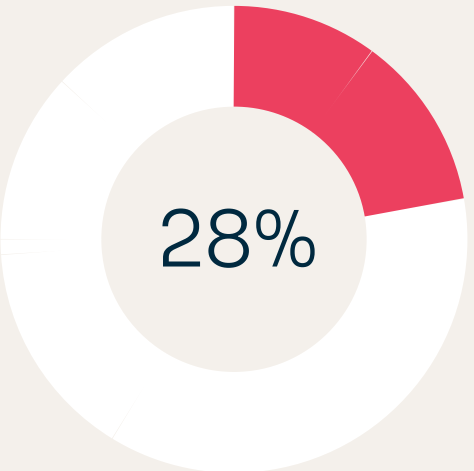
Procurement plays a central role in how M Group delivers responsible, resilient and sustainable infrastructure. The suppliers we work with influence our carbon footprint, the strength of our delivery, the value we create for communities and the standards we uphold across our business.

In FY26, we appointed a dedicated Head of Sustainable Procurement as part of M Group's wider transformation programme and began developing a long-term Group strategy to embed this approach more consistently across our businesses. This focuses on where our supply chain can make the greatest ESG contribution, from supplier carbon reduction and responsible sourcing to SME engagement and Social Value.

FY26 at a glance

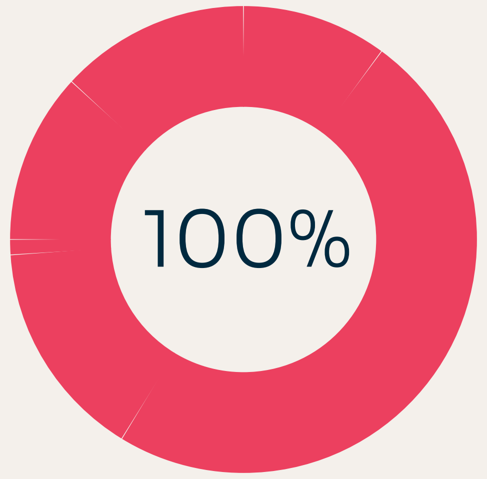
These measures show the progress already being made and provide a strong basis for future action. Our long-term strategy brings this work together through four connected areas, embedding sustainable procurement into how we source, contract, manage suppliers and support our businesses and clients.

97
supplier-specific carbon profiles developed



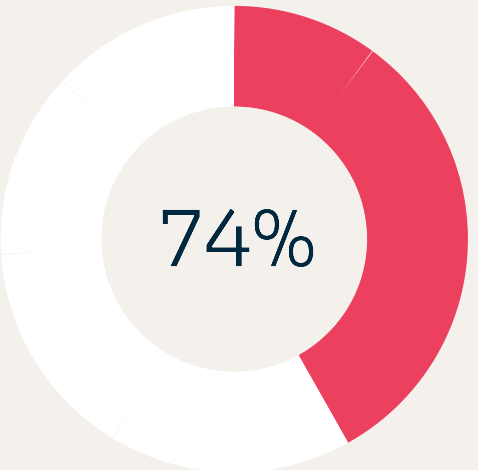
of spend with climate-aligned suppliers

126
on-site supplier assurance audits completed



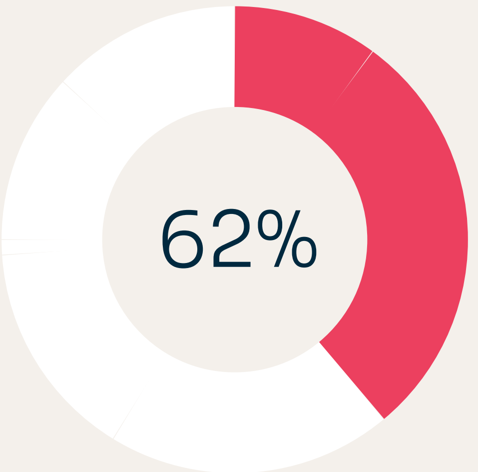
of priority suppliers (top 100) ESG risk screened

147hrs
of supplier engagement and capability building



of UK subcontract spend with SMEs

£800m+
spent with UK small and medium-sized enterprises (SMEs)



of buyers completed Sustainable procurement Awareness training

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Case study
Recognised for driving economic growth

In 2026, Telent won Alstom's Supplier CSR Award for "Kickstarting Economic Growth" for the second consecutive year, recognising its work to support local value, SME engagement and responsible supply chain practices. The award reflects how sustainable procurement can help create economic and social value beyond direct contract delivery.

Trusted supply chains

Responsible, resilient supply chains are essential to how we deliver for clients and communities. Clear standards, better supplier insight and proportionate assurance help us focus support and scrutiny where they can make the greatest difference.

Supplier ESG risk screening

We consolidated ongoing ESG risk monitoring across our Top 100 suppliers by spend, representing approximately 40% of the Group total. Suppliers are reviewed using the latest available evidence of environmental, social and governance controls, taking account of their size, sector and risk profile. This helps us target further engagement, assurance or improvement activity where it is most likely to add value. As evidence, risk and supplier maturity change over time, this priority group will continue to evolve to reflect the most material ESG risks and opportunities.

Supplier standards and assurance

Our Supply Chain Code of Conduct sets out the standards we expect of suppliers and forms part of onboarding and evaluation. In the year, we confirmed acceptable supplier Codes of Conduct or equivalent policies covering 29% of total procurement spend. This helps show where expectations are already in place and where further assurance is needed. In FY27, an enhanced second issue of the Code will support formal acknowledgement and equivalence, helping to increase coverage across our supply chain.

We are also using established assurance practices from across M Group. In FY26, our Technology & Communications business completed 126 risk-based on-site supplier audits covering health and safety, quality, environmental compliance, ethics, business continuity and wider supplier controls. Ten of these audits covered suppliers important to the wider Group.

Buyer capability

We developed and launched Sustainable Procurement Awareness training to help buyers apply ESG considerations in everyday sourcing and supplier decisions.

The training is aligned to ethical procurement principles, Group policies and our sustainable procurement priorities. By the end of FY26, 62% of buyers had completed the training, with a target of 100% completion by FY27.

Beyond Expectations Awards 2025

“I work in Data Insights in our Energy division, and alongside my day job I lead one of our Enable inclusion network groups. When I first started in this business, I hid myself. Now I live openly with my neurodiversities and disabilities, and if I can do it, anyone can. I tell my group members: I’m just the driver. You put the petrol in and give me the directions.

The results speak for themselves. This year we won the external Fairness, Inclusion and Respect Award from the Supply Chain Sustainability School, and a fidget device initiative, tools that help colleagues with anxiety, neurodiversity or concentration challenges, has been rolled out across the whole Group. It was driven by group members who two years ago came in, did their spreadsheets and went home. Now they stand in front of directors and present business cases.”

Amy Ellis
Enable Inclusion Award
(Data Insights, Energy)

Sustainable by design

The goods, works and services we buy are a significant part of M Group's carbon footprint. Procurement supports the Group's Scope 3 reduction objectives by encouraging supplier decarbonisation, improving supplier-specific carbon data and helping teams use carbon insight earlier in sourcing and design decisions.

Climate-aligned supplier spend

We use climate-aligned spend to track the proportion of procurement activity with suppliers taking credible action on carbon. In FY26, 28% of spend was with organisations demonstrating action through emissions measurement, reduction targets and recognised climate commitments.

This helps us understand supplier carbon maturity and supports more targeted engagement. Increasing assessment coverage and spend with climate-aligned suppliers will help strengthen Scope 3 performance and focus action where it can accelerate progress.

Improving Scope 3 data quality

In Telent, 97 supplier-specific emissions profiles have been developed, an increase of 32. This improves the accuracy of our Scope 3 reporting, reduces reliance on assumptions and helps identify where carbon reduction activity can have the greatest impact. It also helps procurement teams prioritise supplier engagement and track progress more consistently over time.

Carbon insight in design decisions

We are also adopting practical tools that move carbon from reporting into decision-making. Our Design Carbon Assessment Tool (DCAT) helps teams assess embodied carbon within complex infrastructure designs and identify realistic reduction opportunities. We will look to scale its use so more projects can consider carbon earlier and make lower-carbon choices with greater confidence.

Case study
Leading supplier climate engagement

Telent was recognised on CDP's Supplier Engagement Assessment A List, placing it in the top 2% of more than 23,000 organisations globally assessed for leadership in managing supply chain emissions. The recognition provides independent validation of its approach to climate governance, supplier engagement and Scope 3 transparency, including work with suppliers on emissions measurement, reduction planning and climate risk management.

Beyond Expectations Awards 2025

"I've worked in the finance function on the Oxfordshire Highways contract since 2015. Outside work, I sit on the board of Trans Rescue, a charitable foundation that helps trans people leave countries where it's dangerous to be who they are; over the past three and a half years we've helped around 100 people reach safer nations.

Inside the business, I helped lead our Pride network and now sit on the steering group for the Enable LGBTQ+ employee network. What makes employee networks count is senior leaders standing behind them. In our company, we have "Not Cool", part of the It Starts with Me safety and culture programme: a simple way of drawing a line under so-called banter and having the conversation about it. If there's one practice I'd suggest to anybody it's just this: look out for each other."

Rebecca Barton
Community Leaders Award (Finance, Oxfordshire Highways)

Growing together

Our supply chain creates significant economic and social value. Smaller and regional businesses are integral to infrastructure delivery, supporting competition, resilience, employment, skills and local economic activity. Our principles of Fair Share, Fair Payment and Fair Terms help guide how we work with suppliers, supporting fair access to opportunity, clearer expectations and resilient supplier relationships.

Supply chain social value

During FY26, 53% of spend was with SMEs, increasing to 74% of our UK subcontract spend. This demonstrates the important role smaller businesses play in our supply chain, and the contribution procurement can make to competition, local economies, employment and training opportunities. It also gives us a stronger basis for future regional and supplier diversity analysis.

Supplier capability building

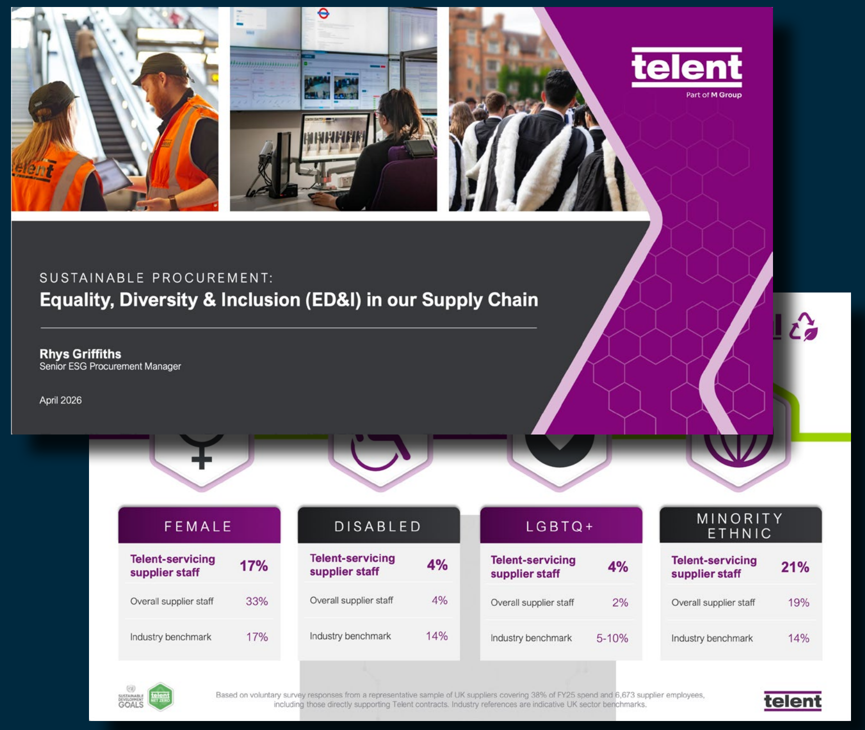
Our approach combines accessible procurement with practical supplier support. During FY26, the Group delivered 147 hours of supplier engagement, including one-to-one support, workshops, Meet the Buyer activity, supplier events and targeted guidance. This helps suppliers strengthen their capability, respond to changing expectations and access future Group opportunities.

Fair payment and clear terms

Fair and timely payment is important to supply chain resilience, particularly for smaller suppliers managing cash flow and delivery commitments. We continued to monitor payment performance and supplier terms and provide information on our website to support suppliers with payment and invoicing requirements, helping to reduce delays and make expectations clearer.

Case study
Understanding diversity in our supply chain

Telent undertook its first structured supply chain equality, diversity and inclusion (ED&I) study, establishing a baseline across 6,673 supplier employees, including 596 people directly supporting its contracts. The study identified 21% minority-ethnic representation and 17% female representation in roles supporting Telent contracts, with women holding 26% of supplier leadership roles. It also identified £millions of spend opportunities with diverse-owned businesses, 103 apprentices and graduate trainees, and found that 37% of participating suppliers had created new jobs as a direct result of Telent contracts.



Case study
Helping suppliers grow with us

Our supplier development programme combines practical workshops, one-to-one support and targeted engagement on carbon, Social Value and responsible procurement. During FY26, this included an engagement event with more than 135 organisations, helping SMEs understand public-sector procurement requirements, strengthen capability and access future opportunities. Targeted carbon support also helped high-materiality suppliers develop carbon profiles and reduction pathways, with eight supplier collaboration projects supporting carbon reduction during the year.

Client ready

Sustainable procurement is a shared priority with our clients and industry partners. We support clients by turning procurement activity, supplier insight and delivery evidence into practical progress against their own environmental, social and economic goals.

Shared learning and collaboration

We continued to support client and sector collaboration through engagement events, impact reporting and responsible sourcing assurance. This helped us work with clients on SME development, Social Value, carbon reduction, local economic value and supply chain assurance. It also created opportunities to share learning, build supplier readiness and show how sustainable procurement can support better outcomes.

Turning insight into progress

Our focus is not only on reporting activity, but on using procurement data to support better decisions. By bringing together supplier information, carbon data, Social Value outcomes and assurance findings, we can support public reporting, governance discussions, renewal planning and future programme design.

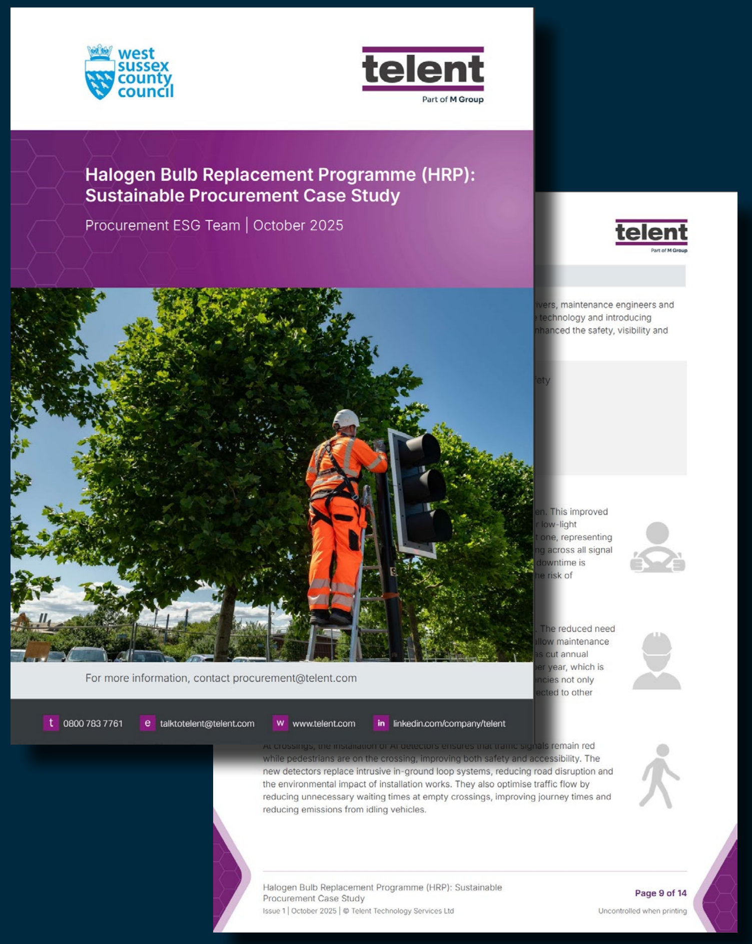
Building from our FY26 baseline

FY26 gives us a strong evidence base for targeted improvement. The next phase will build on this through a more consistent, risk-based Group approach, embedded across sourcing, contracting and supplier management. Our focus will be on strengthening Supply Chain Code of Conduct coverage and assurance, increasing climate-aligned spend and supplier-specific Scope 3 data, expanding supplier diversity and development, and continuing to build sustainable procurement capability across our buying community.

By using better data, stronger supplier relationships and M Group's scale, we can support our ESG commitments, strengthen supply chain resilience and create lasting environmental, social and commercial value for our businesses, clients and communities.

Case study
Supporting client Social Value and SME objectives

M Group has supported Department for Transport (DfT) supplier engagement events, giving SMEs practical guidance on sustainable procurement, Social Value and public-sector requirements. The activity improved supplier readiness for public-sector opportunities while supporting DfT's Social Value and SME engagement objectives and strengthening collaboration between the client, Tier 1 suppliers and smaller organisations.



Case study
Turning client priorities into measurable value

Working with West Sussex County Council, we developed an integrated sustainable procurement impact report for its traffic signal LED replacement programme, bringing together carbon, whole-life cost and Social Value outcomes. Across 94 sites, the programme is forecast to avoid approximately 590 tonnes of CO_2e over the equipment's lifetime, more than half a million pounds in annual energy savings and £1.36 million of Social Value, alongside 96% local subcontract spend.

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Service quality & delivery

Service quality is fundamental to how M Group creates long-term value for clients, communities and stakeholders.

Our Double Materiality Assessment confirmed Service Quality & Delivery as a priority ESG topic because of its direct influence on customer outcomes, operational performance and trust in essential infrastructure services. Strong delivery standards support long-term client partnerships, sustainable growth and stakeholder confidence. With a Group order book of approximately £10.4bn (End of FY26), we have multi-year visibility of future client needs and priorities, enabling us to align investment, capability and continuous improvement activities to support long-term value creation.

As one integrated M Group, our focus is on delivering a consistent and measurable customer experience across every division. During the year, we committed to establishing a Group-wide customer Net Promoter Score baseline and a common approach to measuring customer experience, creating a framework to understand feedback, identify improvement opportunities and track progress over time.

Quality is supported by strong governance and a culture of continuous improvement. Through our transformation programmes, we are standardising processes, strengthening quality management systems and embedding greater consistency in how services are delivered across the Group.

Our ambition is to be the partner of choice for essential infrastructure services, recognised for delivering consistently high standards of service and positive outcomes for clients, end users and the communities we serve.

Introduction from Alain Loosveld

Chief Operating Officer

"Our ambition is to be the partner of choice for essential infrastructure services."

Trusted to deliver

In a business where most work is won through competitive frameworks and re-tendered on performance, an order book with depth is client advocacy in its most practical form. Behind our figures sit relationships measured in decades: more than 20 years working collaboratively and positively with household names in numerous sectors.

Contracts that go back out to tender are the sharpest test. For example, our Oxfordshire highways contract had run for 15 years, with the client's operational performance scores rising every year over the most recent six to eight of them. When it was re-tendered, it came back to us for a further 14 years.

The order book

Significantly higher than annual turnover — the depth of secured work ahead of us, in a market where most work is re-tendered.

Next year's revenue

Much already secured — forecast revenue already contracted, which is what lets us invest with confidence.

How we manage this topic

Accountability for service quality sits with our Chief Operating Officer, supported by operational leads who own the measurement programme for their clients. The FY29 target was agreed by our Risk Board in January 2026, and the strategy and roadmap behind it were endorsed by the Group Operations Board in June 2026, so the commitments in this section are owned at executive level rather than held inside a function.

Delivery risk runs through the same machinery as every other principal risk: contract management and delivery is one of the principal risks published in our Annual Report, managed through the three lines of defence described in our risk management pages. This year we introduced a twice-yearly controls self-attestation, so the people who own a control confirm in writing that it is working.

One way of working

Consistent quality at our scale depends on consistency of method. We're increasingly becoming one M Group, organised around common systems, so a client in one part of the country receives the same standard of work as a client in another.

The same logic applies to the standards themselves. We're consolidating policies and processes, with genuine divisional differences carried as controlled addenda, so that as the Group grows, what a new business joins is one set of standards rather than a choice of them.

Assurance in action

Our Business Management System governs quality, safety and environmental standards across the Group, resting on the 28 group-level policies of our Governance Framework, which define every operational standard our teams work to. Shortly after the year end we moved all Group-level BMS documents onto a dedicated, controlled platform with a formal approval and publishing process, so every standard is current, version-controlled and auditable.

Standards only protect service quality if we check them on site and put failures right quickly. Auditors capture audits on mobile devices at the point of work, failed items generate an automatic rectification report with a seven-day fix window, and escalation is automatic, climbing to contract director level until the action closes; the system is described in full in our health and safety section.

The scale of that activity, and the speed of close-out, is reported on page 44, using a full year of data from our Water contracts. We judge performance on how quickly each finding is closed and verified rather than on the number of findings raised.

The system is used across our Water contracts, and our Technology and Communications Division runs an equivalent process of its own; other divisions operate their own assurance arrangements. Bringing every division onto a common approach to delivery assurance, reporting into a single data picture, is part of the roadmap for this topic, and we expect to be able to report assurance data for the Group as a whole from next year.

Measuring customer experience

Order books show that clients keep choosing us, but they do not show why, or where to invest to improve. Our ESG strategy therefore commits us to measure service quality directly. The FY29 headline target, approved by our Risk Board in January 2026 and endorsed by the Group Operations Board in June 2026, is to establish a Groupwide customer Net Promoter Score (NPS) baseline and then set improvement targets for every division.

The programme has a working model to build on. When the target was set, the direction was to take the customer survey our Technology and Communications Division has run for years and extend that discipline across the Group. The sequence follows from that: map the customer touchpoints, run the baseline, then set Group and divisional targets and report against them annually, alongside the delivery measures many of our contracts already track.

As with our social value reporting, this is deliberately a measurement year: the baseline comes first, and improvement targets follow from it. What we can already show is the part of the Group where customer listening is most mature.

Listening in practice

Our Technology and Communications Division, has surveyed its major accounts every year for four years. Its 2025 survey reached 315 contacts across 115 accounts, drawing responses from 73 accounts at a 54% response rate, against an industry norm of around 20%. The results speak to sustained delivery quality: customer satisfaction of 8.6 out of 10, a four-year high, with 87% of respondents scoring eight or better; an NPS of 50, a “Great” rating for the fourth consecutive year; and 60% of customers rating Telent better than comparable service providers, with quality of delivery cited as the main reason. Customers named 226 individual members of staff for exceptional service.

The survey is run as a management tool rather than a badge. Results go back to account teams, follow-up conversations are held with every account whose scores fell, and the colleagues customers name are recognised. This is the discipline the Groupwide NPS programme is designed to scale.

Customer experience, Technology and Communications Division	2022	2023	2024	2025
Overall satisfaction (out of 10)	8.2	8.5	8.4	8.6
Net Promoter Score	32	52	38	50
Delivery rated “excellent”	41%	47%	52%	55%
Always responsive to questions and concerns	81%	83%	76%	83%
Better than comparable service providers	43%	58%	54%	60%
Value for money	88%	90%	85%	85%

Division-level data; the Groupwide baseline reports from FY27.

Case studies
Delivery in action

Quality shows up most clearly where the public can see it. In Wiltshire, our Highways team has worked with Wiltshire Council to bring down road defects using dedicated pothole gangs, Bobcat crews and an interactive reporting suite that tracks defect trends by category, season and weather, shared with the council daily. Reported potholes fell by 44% in the first half of 2025 compared with the same period the year before. “Seeing pothole reports fall by 44% in the first half of the year compared to 2024 is a real success story for the council,” said Cllr Ian Thorn, Leader of Wiltshire Council.

In West Sussex, our Technology and Communications Division completed the county’s traffic signal estate conversion to LED across 94 sites, taking it to 100% LED. The reliability gain was the service story: signal faults fell from around 30 a year to roughly one, and about 90 hours a year of work at height and on high-voltage equipment was designed out of the maintenance regime. AI pedestrian detection at crossings improved accessibility for people who need longer to cross and cut idling time for everyone else.

In Renfrew, working within the Caledonia Water Alliance alongside Scottish Water and AECOM, our Water teams relined 840 metres of sewer rising main running directly past residential flats. Several hundred residents lived alongside the works for their duration, and the job finished without a single customer complaint.

Scottish Water’s urban waters programme, delivered through an enterprise model in which the alliance is one of three delivery partners, has changed what delivery speed looks like. Project timelines have come down from more than four years to around 18 months, the time from approval to work starting on site has fallen from 1,607 days to 531, and standard designs now cover around 80% of schemes, releasing £millions in savings. At Saltcoats, a three-kilometre rising main that had been bursting repeatedly close to bathing waters was relined without open-cut excavation, using five lining pits and two bypass pits rather than a trench, and completed two weeks before the bathing season opened.

Beyond Expectations Awards 2025

“The project was high-profile, right in the centre of Oxfordshire. That visibility brought challenges, and it brought opportunities to demonstrate what we’re capable of. When design information was lacking, or the client faced programme or cost pressures, we spotted problems further down the line and came up with solutions before they became bigger headaches. We never stood there saying “that’s not our responsibility”.

I always try to put myself in the client’s shoes: provide the level of service you’d expect if the roles were reversed. The habits behind it are unglamorous: prioritise what’s burning, come to meetings prepared, treat the client with respect even when the site is hectic. Success is finishing on programme, to a high quality, on budget, and hearing the client say: we want you to deliver the next site.”

Joe Bates
Outstanding Client Delivery Award (Oxfordshire)

Building the digital thread

Consistent delivery increasingly depends on data. After mapping our capital delivery processes this year, we've begun building a connected digital thread across the full capital delivery lifecycle, linking quality, compliance, commercial and environmental data in one governed place. Common project delivery tooling is being extended across divisions through 2026, all of it landing in a single Group data platform, and we'll report progress next year.

Delivering for the public

Our client pays the bill, but the end customer of almost everything we do is a member of the public: the household reconnected to power, the road reopened on time, the water main repaired with the street left safe and clean. The Double Materiality Assessment was explicit that public wellbeing is where this topic's impact lies, and our goal at its highest level is zero public harm. During the year we committed to develop a formal programme for assessing and managing the health and safety impacts of our services on customers and the public.

How that is managed day to day is set out in our health and safety section: non-negotiable standards for any work in a public space, public risk assessed at the design and planning stage of every job rather than at the barrier, and every incident involving a member of the public investigated with the lesson shared across every contract. Across nearly 54 million hours worked this year, our member of the public injury rate was 0.02 per 100,000 hours. What the new programme adds is system: assessing the health and safety impacts of our services service line by service line, rather than contract by contract.

The public dimension is also a question of scale. The 12-kilometre trunk main built through Glasgow by the alliance our Water business works within secures supply for more than a million customers; the Thames Water smart metering programme our Water division delivers is approaching 1.5 million meters installed, changing what those households pay and use; the traffic signals our Technology and Communications Division maintains decide how safely people cross the road.

Delivering well also means being a good neighbour while we work. Our teams engage the communities where we deliver, from school engagement and work experience weeks to volunteering alongside community groups, and small decisions are handed to the people who live with them: in Edinburgh, alliance teams including ours left a completed storm tank under a wildflower mix chosen by the Marchmont community, and a public water refill station with it. Our approach to social value is reported in full earlier in this report.

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Ethical business practice

Trust in our services is earned both by how we deliver and how we conduct ourselves. The two are inseparable.

This year we launched our new Code of Conduct, built around our values and available to everyone on M Connect. It covers everything from anti-bribery and corruption to respect, inclusion and belonging, and it applies to all of us, wherever we work in the Group.

A code only counts if it shows in the decisions people make, so we've been intentional about how it's applied and what it covers. Leaders are expected to demonstrate ethical behaviours, ethics and anti-bribery training is mandatory each year with a pass required, and our systems make doing the right thing easy. Declaring a gift or hospitality on our register takes moments, and those small actions behind closed doors add up to a high trust culture.

Ethical conduct and financial performance can't be separated. Our client relationships are built on trust, and if our clients can't have confidence that we'll do the right thing, our results will show it. The same trust holds inside the business: our whistleblowing service is independent, confidential and anonymous by default, awareness of it stands above 90% across the Group, and we report on its use in this section.

We also hold ourselves to external standards, whether that's through detailed financial and process audits, our status as a signatory to the UN Global Compact or having the courage to raise the alarm when we suspect something might be off. Each of us casts a leadership shadow, and my ask of every colleague this year has been to make it a positive one.

Ethical business at M Group is underpinned by clear policies and a speak-up culture our people trust. This section sets out the framework that guides those decisions: our Code of Conduct, the management system behind it, how we manage risk, how colleagues speak up, and how we apply that same standard when we grow by acquisition.

Introduction from Alexandra Badel

Group General Counsel

> "A code only counts if it shows in the decisions people make."

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Our Code of Conduct

Our new Code of Conduct came into effect on 1 January 2026, endorsed by our Chief Executive and launched to every colleague through M Connect. It applies to all employees, contractors, agency workers and anyone representing M Group, and it's built directly on our values (Responsible, Open, Together, Ambitious) with each value expressed as the behaviours we expect in practice.

The Code sets a zero-tolerance position on bribery and corruption. Gifts and hospitality of any value must be declared on our register and approved before they're offered or accepted. Conflicts of interest (including the perception of a conflict) must be identified and declared, and suppliers and subcontractors are checked periodically against the UK sanctions list, with any matches escalated to General Counsel before any payment is made.

The Code closes with a simple four-question test for any decision: Is it safe? Does it comply with the law and this Code? Is it consistent with our values? Would we feel comfortable explaining it? Those four questions are how the Code shows up in day-to-day decisions, whether that is a declaration made, a concern raised or a deal declined.

Four questions before any decision

01 Is it safe?

02 Does it comply with the law - and this code?

03 Is it consistent with our values?

04 Would we feel comfortable explaining it?

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Speaking up safely

Our whistleblowing channel, how widely it's used, and how we make sure retaliation isn't an option

We want M Group to be a place where colleagues feel able to raise a concern, and where the system that takes those concerns is independent, trusted, and used. A company with no reports could be one where nothing is going wrong, people don't know the channel exists or where people do not feel comfortable speaking up. We aim for the version where colleagues know about the channel, use it, and are supported when they do.

How the channel works

Our whistleblowing service is provided by Navex Global, an independent third party. Employees, agency and self-employed workers, and supply chain partners can call the hotline or submit a report through a secure web form. Reports can be left anonymously, and the platform supports a confidential two-way conversation, so investigators can ask follow-up questions of an anonymous reporter without ever learning who they are. We publish the hotline number on the policy, on our intranet, on posters and on the back of staff ID badges.

Whistleblowing numbers:

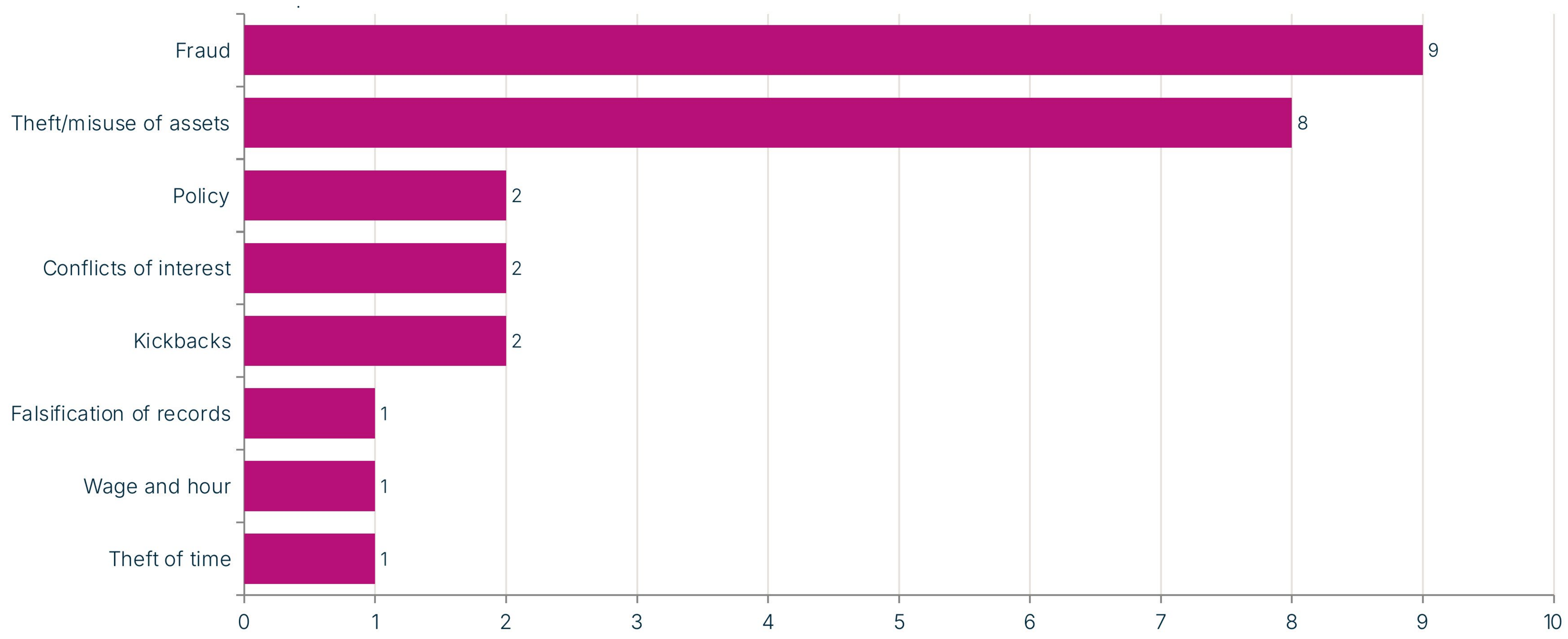
UK & Northern Ireland: 0800 652 7362
Ireland: 1800 456 816

How widely the channel is used

We track awareness of the process through the annual People Opinion Survey, where the question on whether colleagues know how to raise a whistleblowing concern scores over 90% affirmative. Volumes have grown as the Group has grown, from around one call a week three years ago to between one and two calls a week today – broadly in line with what external benchmarking suggests for an organisation of our size.

The largest single source of reports is colleagues working on the front line, raising issues like safety, substance misuse and bullying. That tells us the channel is reaching beyond office-based staff, into the parts of the business that benefit most from a confidential route to raise concerns.

For the year to 31 March 2026, 26 of the reports received were categorised as business ethics violations. Fraud and the theft or misuse of company assets and services account for seventeen of those twenty-six, so the largest single thing the channel surfaces is dishonesty against the company rather than conduct between colleagues. All 26 were investigated and all are now closed, twelve of the issues were substantiated, although none of these was a confirmed incident of corruption.



Non-retaliation in practice

Our policy is clear that anyone who raises a concern in good faith is protected, and that retaliation against a whistleblower is itself a disciplinary offence. Because most reports are anonymous, no one in M Group knows who made them, so retaliation is structurally impossible. Where a reporter does give their name, the circle of people who know is kept as small as we can make it.

We also actively support colleagues who speak up. The Employee Assistance Programme is offered routinely, we'll arrange a desk or location move where a reporter is uncomfortable with their physical work setting, and where a concern involves a possible criminal matter we'll discuss whether they'd like it referred to the police. This year we supported a small number of colleagues who were initially nervous about lodging reports relating to personal conduct; in each case, structured reassurance, full anonymity and EAP support enabled them to proceed with confidence that their identity would be protected.

Governance and oversight

Every report that comes through the line is investigated by our whistleblowing team, even when the concern would more properly meet the definition of a grievance – anonymous reporters can't pursue a grievance through the normal route, so every report is investigated rather than filtered. Where an investigation identifies a disciplinary issue, the case is handed to Employee Relations. Outcomes are reported quarterly to each Divisional Risk Committee, then to the Risk Board and on to the Audit Committee, with the Executive Leadership Team receiving periodic updates on activity and trends.

Doing the right thing even as we grow

The standard we hold ourselves to inside the business applies equally when we acquire one. Every acquisition M Group makes, whatever its size, is reviewed and signed off by our board, with scrutiny scaled to the deal and final sign-off resting on a comprehensive analysis covering deal terms, diligence conclusions, key risks and an integration plan. After completion, our internal audit team runs a further discovery review, so anything diligence could not reach is surfaced and dealt with.

Diligence runs both ways: the management teams of the businesses we approach are assessing us too, and cultural fit is tested on both sides of the table. Where we can, we hand the integration to the business we've acquired – on our largest transaction this reporting year, the integration director came from the acquired company, an approach that worked well and one we'll repeat. And sometimes the right decision is not to proceed. A company can be a strong commercial opportunity and still not be the right fit, and our due diligence extends to the people we'd be going into business with as well as the numbers. We have made that decision where the fit was wrong, but thankfully such calls are not common.

Ethics in numbers

26
business ethics violations, investigated and closed

12
of those substantiated, each with actions taken

~94%
cyber security training completion

2,028
anti-bribery and corruption module completions

36
personal-data incidents recorded

0
confirmed incidents of corruption

Raising our standards with EcoVadis

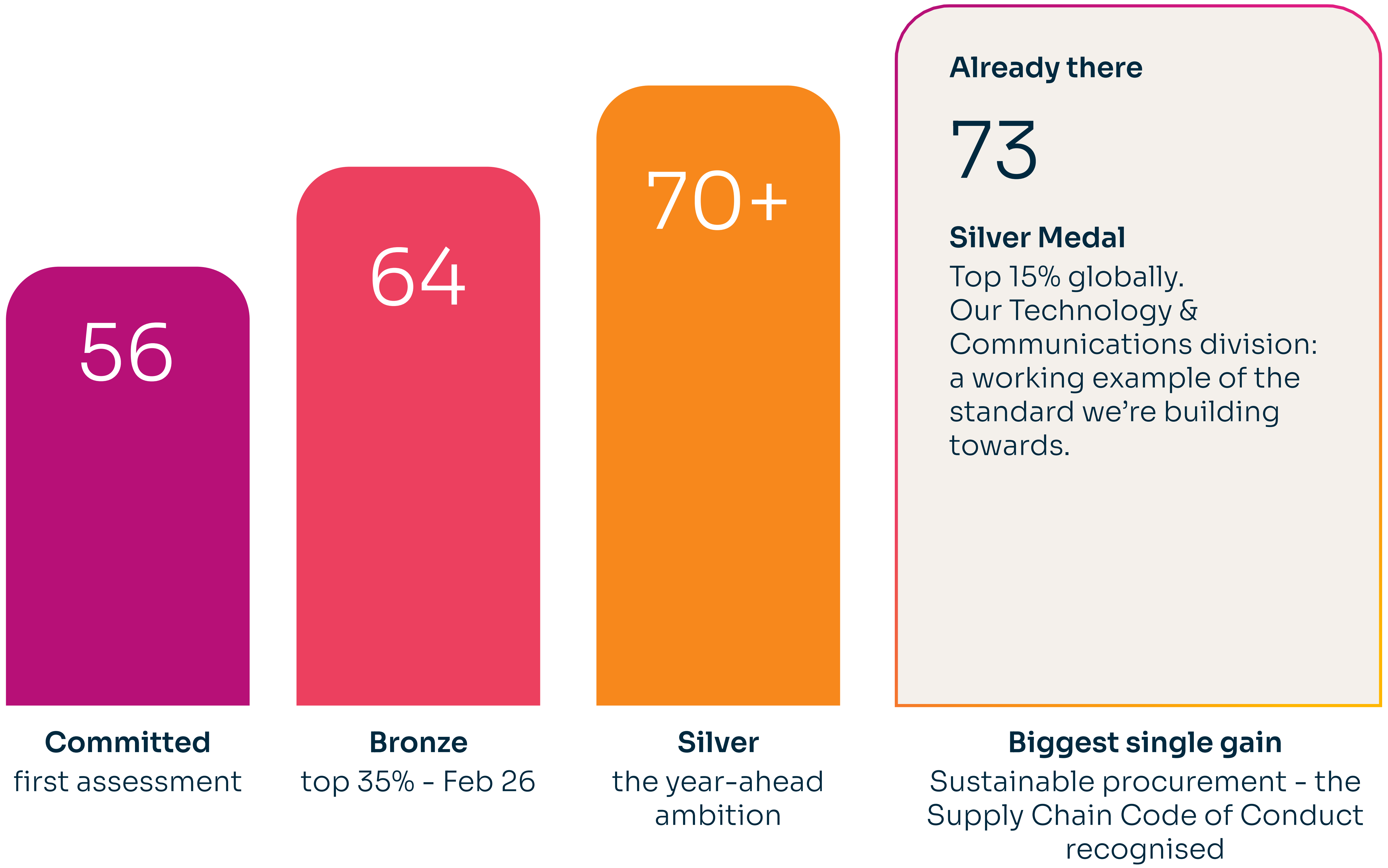
M Group is assessed each year by EcoVadis, the international sustainability ratings platform that benchmarks more than 150,000 businesses worldwide. The assessment looks for evidence of policies, practical action, certifications and transparent reporting against 21 criteria, grouped under four themes: environment, labour and human rights, ethics and sustainable procurement.

The areas it highlights are mapped against our double materiality priorities, so each annual assessment sharpens the strategy rather than sitting alongside it.

In our first assessment we scored 56/100, earning the EcoVadis “Committed” badge. In February 2026 we scored 64/100, achieving our first Bronze Medal and placing M Group in the top 35% of businesses assessed worldwide. The biggest single gain came in sustainable procurement, where our Supply Chain Code of Conduct and strengthened procurement policies were recognised, and our standing in labour and human rights was lifted by our listing among the Inclusive Top 50 UK Employers. Our Technology and Communications division has gone further still, earning a Silver Medal with a score of 73/100 and a place in the top 15% globally.

We’re also using EcoVadis to raise standards beyond our own operations: our procurement team now includes EcoVadis performance as a positive factor in supplier selection, which encourages suppliers to seek assessment themselves and extends good practice through our value chain.

For the year ahead, we’ve set our sights on a score above 70/100, with a Silver Medal as our ambition.



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Stronger supply chain management

Our move to one way of working extends to how we buy. Teams across the Group have often sourced suppliers independently (sometimes producing multiple contracts for the same type of work) creating variation in pricing and terms, meaning we weren't always making the most of our scale.

Over the past 12 months, our procurement teams have built a more consistent approach through a new centre of excellence for supplier engagement, bringing together expertise, setting clearer standards and pooling the Group's buying power to agree group-level deals. A new preferred supplier list, with due diligence completed and commercial terms agreed, now covers more than 30 categories. Since introducing these changes, we've delivered more than £10 million in EBITDA savings in FY26, and each division now has a dedicated Head of Procurement.

Jamie Roberts, Commercial Director of BGEN, said:

"This has made a real difference to how we work day to day. Instead of starting from scratch, we can now access approved suppliers quickly and with confidence. It helps us get better value and more consistency in how we work with suppliers, while still giving us the flexibility to meet specific or specialist requirements when needed."

Risk management

Managing risk well is part of how M Group works day to day rather than a separate compliance exercise.

Our Risk Board sets our risk appetite, and ESG risk is embedded within our enterprise risk framework and managed through regular reporting to that committee. All principal risks are reviewed regularly, either as scheduled or as required.

The Director of ESG and Innovation is a full voting member of the Risk Board, and ESG, including Double Materiality Assessments, is a standing area of responsibility named in the Board's terms of reference.

Our principal risks

Our 2026 Annual Report sets out the Group's principal risks in full, each with its residual rating and mitigation. This section concentrates on the risks with the clearest ESG dimension.

Principal risk	Residual rating after mitigation
Skills Shortage	Moderate
Contract Management and Delivery	Moderate
Cyber Security	Moderate
Health and Safety	Low
Economic Uncertainty	Low
Reliance on Supply Chain	Low
Climate Change	Low
Business Interruption	Low
Legal and Regulatory Compliance	Low
New Business	Low

We've simplified by combining "New Business M&A" and "New business Organic Growth" for our purposes, but they're reported on separately in our 2026 Annual Report.

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Climate change as a principal risk

Climate change is one of our principal risks, and we treat it as an opportunity as much as a threat, given how much of our work supports emergency response, adaptation and the shift to electrification. It's owned by our Director of ESG and Innovation, Andrew Hunt, and we hold a low appetite for it.

Three material risks sit beneath it:

- The increased frequency and severity of extreme weather, which could damage infrastructure, disrupt supply chains and limit our ability to work safely, (although it can equally increase the volume of emergency and repair work we're asked to deliver)
- Failure to keep pace with carbon reduction commitments
- A failure to manage the environmental impact of our own activities.

Three material controls sit behind the risk:

- The Double Materiality Assessment framework
- The Carbon Reduction Group, which engages every division bi-monthly
- Our annual climate-related financial disclosure reporting.

Through that disclosure work we test our exposure against both Paris-aligned (1.5oC warming) and higher-warming scenarios. On the physical side we assess the risks around heavy rainfall and flooding, storms and high winds, and extreme heat – work that's already shaping operational practice, with our SHEQ teams issuing summer packs and cooling equipment as heat affects colleagues on site. Transition risks consider the risks and opportunities associated with transitioning to a low carbon economy. Our business model gives us some natural resilience to physical climate risk, because we own few long-term assets and much of our site work is short in duration. We continue to develop our transition-risk scenario analysis; this includes carbon taxation (UK CBAM).

Cyber security and resilience

Cyber security is a principal risk rated Moderate, reflecting attempted attacks that we see daily. Our improvement programme, certifications and incident exercises are covered in full in the Data Privacy & Cybersecurity section of this report.

Financial crime and ethics

We have zero tolerance for financial crime and corruption, and we've strengthened our fraud risk assessments in line with the Economic Crime and Corporate Transparency Act. In January 2026 we ran an anti-bribery and corruption risk workshop with our commercial directors to test where our exposures sit and how well we mitigate them. Gifts, hospitality and conflicts of interest are declared through a single system, with a quarterly report to each Divisional Risk Committee and the Risk Board, and an awareness campaign has driven a marked rise in declarations. Whistleblowing activity is reported to Divisional Risk Committees, the Risk Board and the Audit Committee, so oversight of speak-up reporting reaches the most senior governance forums.

Maturing our approach

We've embedded a twice-yearly control self-attestation into our risk framework, under which principal-risk owners confirm the effectiveness of their material controls. During the year we separated business interruption and cyber security into two distinct principal risks with their own owners and controls. Alongside this, we're mapping the risks identified in our Double Materiality Assessment onto our principal risks, so that our ESG strategy and our enterprise risk management tell a single, connected story.

How our DMA priorities map to our principal risks

The two frameworks describe the same business through different lenses. The DMA looks outward and over the long term, asking where we affect the world and where the world will affect us; the principal risks look inward over roughly a two-year horizon, rating residual exposure against appetite. Reading them side by side lets us see ambition and exposure together.

Six of the seven DMA areas have a direct counterpart in the principal risks: climate change, health and safety, responsible supply chain, and data privacy and cyber security pair off cleanly, service quality and delivery maps onto Contract Management and Delivery, and colleague attraction and development maps onto Skills Shortage. Water management is the exception: it has no principal risk of its own, yet once secondary influences are mapped it proves among the most connected areas, reaching climate change, economic uncertainty, legal and regulatory compliance and new business. The four principal risks without a direct DMA counterpart are financial, operational and strategic risks that the DMA rightly does not raise as impact topics. And where the DMA raises an ambition – Zero Harm on health and safety, or the strengthened cyber security posture – it tightens the bar the risk framework then has to hold.

Seven DMA priority areas	Annual report principal risks									
	1. Skills shortage Moderate	2. Health and safety Low	3. Economic uncertainty Low	4. Reliance on supply chain Low	5. Contract management & delivery Moderate	6. Climate change Low	7. Business interruption Low	8. Cyber security Moderate	9. Legal & regulatory compliance Low	10. New business (M&A + organic) Low
Climate change & adaptation Planet						●	○			
Water management Planet			○			○			○	○
Colleague attraction & development People	●		○				○			○
Health & safety People		●							○	
Responsible supply chain Good business practice				●			○	○	○	
Service quality & delivery Good business practice					●					○
Data privacy & cyber security Good business practice							○	●	○	

● Direct counterpart ○ Influences (secondary) □ No direct counterpart

Working towards the UN Sustainable Development Goals

We're a participant in the UN Global Compact, and we submit our Communication on Progress annually, signed by our Chief Executive, Andrew Findlay. From this year we're reporting our progress against each goal with the same metrics we use to run the business, and aligning our disclosures with the GRI Standards, so a reader can see the evidence behind the commitment.

For the last three years M Group has worked towards eight of the 17 UN Sustainable Development Goals. This year we've added Quality Education, in recognition of how much the learning and development we offer our people has grown. This brings our number of aligned activities to nine.

The Sustainable Development Goals are 17 globally recognised aims, agreed by United Nations member states, describing what a fairer and more sustainable world should look like by 2030. We can't solve everything at once and so we work towards only those goals where our business touches the outcome directly rather than all 17.

Our existing focus

3 GOOD HEALTH AND WELL-BEING

Our work touches public health and safety, from keeping clean water flowing to maintaining safe transport networks

4 QUALITY EDUCATION

2026 new addition

5 GENDER EQUALITY

Building a more diverse and inclusive workforce in a traditionally male-dominated industry

7 AFFORDABLE AND CLEAN ENERGY

Energy infrastructure supporting the transition to cleaner power across the UK and Ireland

8 DECENT WORK AND ECONOMIC GROWTH

Fair, safe and rewarding employment, contributing to the economies of the communities where we work

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Building resilient infrastructure, and finding better ways to do it

11 SUSTAINABLE CITIES AND COMMUNITIES

Projects that make places safer, more resilient and more inclusive

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Sustainable procurement and better use of resources in our operations

13 CLIMATE ACTION

Decarbonisation and climate-resilient delivery

Adding Quality Education

Goal 4 asks for inclusive, equitable, quality education and lifelong learning opportunities for all. We've added it this year because the scale and seriousness of what we now deliver has changed.

Over 5% of our people are on an apprenticeship, graduate or trainee programme, and apprenticeship completions have risen 53% since 2021. What's changed underneath the headline numbers is how we organise learning across the Group.

The Learning Together hub

We launched Learning Together, our learning hub on M Connect, this year. In its first year the hub delivered 2,275 live learning hours, and the campaigns that ran alongside it brought a further 400 colleagues into Group-led development through webinars and bite-sized masterclasses.

The hub sits alongside Competency Cloud, our learning platform, an open self-service Skills Development Area and free Learning Live virtual sessions, together delivering our 70:20:10 model, where most learning happens through the work itself, some through other people, and the rest through formal training.

Bringing training together

Divisional training specialists are being pooled into one central team, so that a colleague gets the same quality of development wherever in the Group they work. Consolidating several hundred training suppliers onto a single approved list has brought our cost per training day down while the volume we deliver has gone up. We're also bringing our telecoms training records onto Competency Cloud, giving us a single training picture for the whole Group for the first time.

Our Digital Skills Academy has 87 colleagues enrolled in its first year. The bigger step is our Skills Academy proposal, now approved for discovery, which aims to build a functional academy for each of our 27 job families, with standardised competency frameworks, support for professional memberships and career pathway tools that show people what's available and how to reach it. M Group Energy's linesworker bootcamp, reported in the social value pages, carries the same academy thinking into the field.

The road ahead

Some of that thinking is already in the ground. In BGEN, our MEICA maintenance and projects business, metering technicians train and are assessed on a purpose-built flow verification rig in the workshop, working through the same written procedures they use on site, and the rig doubles as a re-assessment centre as equipment and methods change.

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Data privacy & cybersecurity

As technology becomes a bigger part of how we work, keeping our systems and data safe is more important than ever. The platforms we are building help our teams work efficiently, protect the information we hold, and give our clients confidence that their data is secure.

Our responsibility for digital safety continues to grow at a pace not seen before. As a provider of critical infrastructure services, we must meet increasing regulatory and client expectations. During the year, we expanded Cyber Essentials across the Group, maintained ISO 27001 certification where required, strengthened access controls and multi-factor authentication, and regularly tested our cyber incident response capabilities.

We have improved how we manage data privacy by embedding stronger controls into projects and centralising how we respond to subject access requests, ensuring a consistent approach across the Group.

Cyber security training remains mandatory for all colleagues.

At the same time, technology and AI are creating new opportunities and skills for the future. I encourage everyone to stay curious, keep learning and embrace the benefits these changes can bring.

Introduction from Chloe Anfield

Chief Technology Officer

“We have improved how we manage data privacy.”

Why this topic is material

Our Double Materiality Assessment identifies cyber security and data privacy as material in both directions. A serious incident would harm the people whose data we hold and could disrupt the critical infrastructure we maintain on behalf of our clients, and it would carry real financial consequences in breach costs, regulatory fines and contract penalties. The topic spans two registers: the resilience of our information technology and of the operational technology embedded in the networks we service (a compromise there is a safety matter as much as a data matter) and the protection of personal data, covering approximately 14,000 colleagues and any utility end-customer data we process under client contracts.

Governance and oversight

Our Information Security Management System is implemented in accordance with ISO/IEC 27001:2022, using ISO/IEC 27002:2022 as the control-selection framework. ISO 27001 accreditation applies for the entirety of M Group. The Group ISMS policy applies to all Group companies. Senior Information Risk ownership rests with the Chief Financial Officer, with IT governance risk owned by the Chief Technology Officer (CTO), cyber accountability with the Group CISO and data protection with the Chief Privacy Officer.

Accountability sits with our CTO, Chloe Anfield, supported by our CISO, Paul Rose, who joined the Group through the Telent acquisition and its dedicated cyber business, Cyro Cyber. Cyber security is a standing agenda item at the Risk Board, and incidents can escalate to the Group Board Crisis Management Team. During the year we strengthened the second line, with a dedicated IT internal auditor and IT Business Partners providing a governance channel in each division.

Data protection is deliberately governed apart from the IT line. Our Data Protection lead reports through Group Legal, so personal-data incidents, subject access requests and police-involvement cases are owned and counted separately from security incidents. That separation keeps the two disciplines, and their reporting, distinct.

Information security and data protection sit within our consolidated Governance Framework, each policy carrying a named owner and a fixed review cycle.

Protecting our systems

Our cyber programme is built on a prioritised roadmap: governance and accreditation first, then identity, moving to role-based access control, data sovereignty by classification, location and role, enhanced capabilities to assist our clients through our Security Operations Centre, and a network refresh. A significant overhaul is enhancing our security apparatus, including how we interface with external systems.

The controls environment around our core systems strengthened materially this year. We passed two external IT General Controls audits supporting financial reporting, delivered multi-factor authentication and an access-management solution, and began segregation-of-duties work ahead of Provision 29 of the UK Corporate Governance Code. We're also migrating our IT service management data onto an M Group-owned platform, giving us full sovereignty over it.

Certifications

ISO 27001 is in place across the whole group, and many of our contracts require it, notably in Telecoms. Cyber Essentials is rolling out groupwide, with around 99% of our contracts now requiring it, and our objective is Cyber Essentials Plus across all divisions. Our business continuity management system passed its ISO 22301 audit in September 2025 with no non-conformities.

For Transport operations, TS 50701:2023, the rail cyber security standard, applies where relevant.

CYBER ESSENTIALS

Information Security Management System ISO 27001 Certified

International Organization for Standardization ISO 22301

Office 365 Enterprise E3

ITGC

Continuity and incident response

IT business continuity is governed by our Critical Systems Recovery Plan. We exercised this capability during the year through a combination of exercises and external training events.

Data protection and privacy

We treat the protection of personal data as a human rights obligation as well as a legal one; digital security and privacy sit among the labour and human rights policies in our UN Global Compact submission. Under UK GDPR we must notify the ICO within 72 hours of a material breach, and we hold ourselves to that standard across the personal data of our people and any end-customer data we process for clients.

This year the data protection team improved our Data Protection Impact Assessment process to capture project-level risk earlier, and began centralising subject access request handling under a single owner, so every request gets a consistent, well-tooled response wherever it lands in the business. Every personal-data incident is logged, assessed against the ICO notification threshold and reviewed for lessons learned. We recorded 36 personal-data incidents in the year, ranging from internal email and attachment errors to issues involving suppliers. That count covers incidents carrying a personal-data element; wider information security incidents are owned and counted separately by our cyber security team.

Managing our data

Good security rests on knowing where your data is and trusting what it tells you. Every business we acquire is migrated onto our single Oracle platform rather than left on legacy systems, which keeps our controls consistent as the Group grows. Fragmented ESG and delivery data is consolidating into a governed Microsoft Fabric data lake with version control and auditability, and the ServiceNow migration will bring service-management data onto a platform we own.

Artificial intelligence

Our use of AI is practical and early. Satellite analysis establishes biodiversity baselines on our highways contracts, our health and safety strategy names AI and data analytics as a core intelligence enabler, and we continue to invest in automation and AI within our systems.

Training our people

The Group Code of Conduct makes multi-factor authentication and an annual IT security and GDPR online learning module mandatory for everyone, and they are the two highest-volume courses in our 224-module e-learning catalogue: Data Protection Awareness with 6,648 completions and IT Security with 6,557, ahead of every other course.

Around 94% of colleagues completed group-specific cyber security training in the period. Compliance learning runs deeper than cyber: colleagues completed 2,028 Bribery and Corruption modules and 4,447 Business Ethics Refresher modules through our e-learning platform.

Our supply chain

We're embedding cyber criteria into our procurement processes and right-to-orders, and we'll report progress in future cycles.

The expectation is set in our Supply Chain Code of Conduct (published April 2025), which applies to every partner across eight domains, one of which is Data Protection and Security, requiring GDPR compliance and cyber risk management. During the year, 1,098 supply chain partner organisations completed the Group evaluation process against that Code. Independent assessment of cyber controls at individual suppliers is the next step.

GRI
content index

This index shows where information relating to the disclosures of the GRI Standards appears in this report and in other published M Group documents.

Statement of use	M Group has reported the information cited in this GRI content index for the period 1 April 2025 to 31 March 2026 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Documents referenced	ESG Report: M Group ESG Report 2025-2026 (this report) Sustainability Strategy: M Group Sustainability Strategy 2027-2032 https://m-group.euwest01.umbraco.io/media/aujjmwwk/gr_sustainability-strategy-2025-26_v6.pdf Annual Report: Annual Report and Accounts 2026 https://mgroupltd.com/media/aefbvqoh/260615_m-group_ar_interactive.pdf Modern Slavery Statement https://mgroupltd.com/media/afqpeebw/mg_modern-slavery-report_approved.pdf
Page numbers	Page numbers are the printed page numbers in each document.

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GRI standard	Disclosure	Title	Location
General disclosures			
GRI 2: General Disclosures 2021	2-1	Organizational details	**Annual Report** p.2 At a glance; p.56 Directors' report: Ownership; p.67 Note 1: General information; p.74 Note 6: Divisional information (by geographical origin)
GRI 2: General Disclosures 2021	2-2	Entities included in the organization's sustainability reporting	**ESG Report** p.18–19 Our footprint in full (Tables 1 and 3) **Annual Report** p.29 Our environmental performance: Boundary; p.68 Note 3: Consolidated financial statements; p.87–89 Note 34: Subsidiary and related undertakings
GRI 2: General Disclosures 2021	2-3	Reporting period, frequency and contact point	**ESG Report** p.2 Foreword **Sustainability Strategy** p.26 How we'll report **Annual Report** p.29 Our environmental performance: Boundary
GRI 2: General Disclosures 2021	2-4	Restatements of information	**ESG Report** p.18 Restatement of our baseline year and Science-Based Target performance (Table 1); p.19 Measuring Scope 3 properly (Table 2) **Annual Report** p.50 Climate-related metrics and targets
GRI 2: General Disclosures 2021	2-5	External assurance	**ESG Report** p.19 Measuring Scope 3 properly (Table 3 data note) **Sustainability Strategy** p.26 How we'll report **Annual Report** p.29 Our environmental performance: Methodology; p.50 Climate-related metrics and targets; p.59–61 Independent auditor's report
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	**ESG Report** p.10 Responsible supply chain **Sustainability Strategy** p.5–6 M Group at a glance; Our handprint **Annual Report** p.2–7 At a glance; Spotlights on Telent, BGEN and Cyro Cyber; p.12–15 Market overview; Our business model; p.23–24 Stakeholder engagement (clients, suppliers and subcontractors); p.74 Note 5: Turnover; Note 6: Divisional information
GRI 2: General Disclosures 2021	2-7	Employees	**Annual Report** p.21 Our people and culture: Gender diversity; p.75 Note 10: Employees and Directors
GRI 2: General Disclosures 2021	2-8	Workers who are not employees	**ESG Report** p.46 Safety in our value chain **Sustainability Strategy** p.5 M Group at a glance
GRI 2: General Disclosures 2021	2-9	Governance structure and composition	**Annual Report** p.51 Chairman's governance overview; p.52 Governance framework; p.53–54 The Board; p.55 Executive leadership

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GRI standard	Disclosure	Title	Location
GRI 2: General Disclosures 2021	2-11	Chair of the highest governance body	**Annual Report** p.53 The Board: Archie Norman, Non-Executive Chair
GRI 2: General Disclosures 2021	2-12	Role of the highest governance body in overseeing the management of impacts	**ESG Report** p.16 From findings to accountability **Annual Report** p.41 Our principal risks; p.45 Climate-related governance; p.51 Chairman's governance overview: Sustainability
GRI 2: General Disclosures 2021	2-13	Delegation of responsibility for managing impacts	**ESG Report** p.16 From findings to accountability; p.43 Our approach to health, safety and quality; p.77 Governance and oversight **Sustainability Strategy** p.25 Accountability on one page **Annual Report** p.45 Climate-related governance: The Group Operations Board; p.52 Governance framework
GRI 2: General Disclosures 2021	2-14	Role of the highest governance body in sustainability reporting	**Annual Report** p.45 Climate-related governance; p.51 Chairman's governance overview: Sustainability
GRI 2: General Disclosures 2021	2-15	Conflicts of interest	**ESG Report** p.67 Our Code of Conduct; p.72 Financial crime and ethics **Annual Report** p.53–54 The Board: external appointments
GRI 2: General Disclosures 2021	2-16	Communication of critical concerns	**ESG Report** p.69 Governance and oversight **Annual Report** p.39 Risk management and principal risks; p.51 Chairman's governance overview: Culture, people and leadership
GRI 2: General Disclosures 2021	2-19	Remuneration policies	**Sustainability Strategy** p.23 Governance; p.25 Accountability on one page **Annual Report** p.52 Governance framework: Remuneration Committee
GRI 2: General Disclosures 2021	2-20	Process to determine remuneration	**Annual Report** p.52 Governance framework: Remuneration Committee
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	**ESG Report** p.2–3 Foreword from the Group Chief Executive; Welcome from the Director of ESG and Innovation **Sustainability Strategy** p.3–4 Foreword; Welcome
GRI 2: General Disclosures 2021	2-23	Policy commitments	**ESG Report** p.30 Our policies and commitments; p.57 Supplier standards and assurance; p.67 Our Code of Conduct; p.78 Data protection and privacy; Our supply chain **Sustainability Strategy** p.23 Ethics **Annual Report** p.56 Directors' report: Modern slavery and human rights

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GRI standard	Disclosure	Title	Location
GRI 2: General Disclosures 2021	2-24	Embedding policy commitments	**ESG Report** p.33 Training in numbers FY26; p.57 Supplier standards and assurance; Buyer capability; p.63 Assurance in action; p.66–67 Ethical business practice; Our Code of Conduct **Annual Report** p.33 Committed to responsible and sustainable governance
GRI 2: General Disclosures 2021	2-25	Processes to remediate negative impacts	**ESG Report** p.30 Our policies and commitments; p.45 Keeping the public and our customers safe; p.52 Pollution prevention: Ready for incidents; p.68–69 Speaking up safely; Governance and oversight
GRI 2: General Disclosures 2021	2-26	Mechanisms for seeking advice and raising concerns	**ESG Report** p.67 Our Code of Conduct: four questions before any decision; p.68–69 Speaking up safely; Non-retaliation in practice **Annual Report** p.39 Risk management and principal risks
GRI 2: General Disclosures 2021	2-28	Membership associations	**ESG Report** p.2 Foreword; p.21 M Group joins Mission Zero; p.32 Early careers; p.48 Case study: Nature positive; p.74 Working towards the UN Sustainable Development Goals **Annual Report** p.21 Social value through people
GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement	**ESG Report** p.14 Gathering the evidence; p.34 Listening and engagement **Annual Report** p.22–25 Stakeholder engagement
Material topics			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	**ESG Report** p.13–16 Our Double Materiality Assessment **Sustainability Strategy** p.9 Double materiality in brief **Annual Report** p.51 Chairman’s governance overview: Sustainability
GRI 3: Material Topics 2021	3-2	List of material topics	**ESG Report** p.6 Our sustainability framework; p.15–16 What the assessment found; Shaping this report **Sustainability Strategy** p.9–10 Our material outcomes; What is most material

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GRI standard	Disclosure	Title	Location
Material topic: Climate mitigation and adaptation			
GRI 3: Material Topics 2021	3-3	Management of material topics	**ESG Report** p.7 Climate mitigation and adaptation (summary); p.17–22 Climate mitigation and adaptation; p.72 Climate change as a principal risk **Sustainability Strategy** p.13–14 Credible decarbonisation; Green fleet; p.25–26 Our targets and how we'll report **Annual Report** p.44–50 Climate-related financial disclosures
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	**ESG Report** p.72 Climate change as a principal risk **Annual Report** p.42 Principal risk 6: Climate Change; p.44–49 Climate-related financial disclosures
GRI 302: Energy 2016	302-1	Energy consumption within the organization	**Annual Report** p.29 SECR energy consumption
GRI 302: Energy 2016	302-4	Reduction of energy consumption	**Annual Report** p.29 Energy efficiency actions
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	**ESG Report** p.18–19 Our footprint in full (Tables 1 and 3) **Annual Report** p.29 SECR emissions
GRI 305: Emissions 2016	305-2	Energy indirect (Scope 2) GHG emissions	**ESG Report** p.18–19 Our footprint in full (Tables 1 and 3) **Annual Report** p.29 SECR emissions
GRI 305: Emissions 2016	305-3	Other indirect (Scope 3) GHG emissions	**ESG Report** p.19 Measuring Scope 3 properly (Tables 2 and 3) **Annual Report** p.29 SECR emissions
GRI 305: Emissions 2016	305-4	GHG emissions intensity	**ESG Report** p.18 Headline numbers; p.19 Measuring Scope 3 properly (Table 2) **Annual Report** p.29 SECR intensity metric; p.50 Climate-related metrics and targets
GRI 305: Emissions 2016	305-5	Reduction of GHG emissions	**ESG Report** p.18 Our footprint in full (Table 1); p.20–22 Fleet leads the way; Carbon managed as we design and build **Annual Report** p.50 Climate-related metrics and targets

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GRI standard	Disclosure	Title	Location
Material topic: Water management			
GRI 3: Material Topics 2021	3-3	Management of material topics	**ESG Report** p.7 Water management (summary); p.23–27 Water management **Sustainability Strategy** p.15 Stewardship in three parts: Water; p.25 Accountability on one page
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	**ESG Report** p.23–27 Water management; p.52 Pollution prevention; Water stewardship
GRI 303: Water and Effluents 2018	303-2	Management of water discharge-related impacts	**ESG Report** p.52–53 Pollution prevention; Case study: Designing pollution out at Botley
Material topic: Colleague attraction, retention and development			
GRI 3: Material Topics 2021	3-3	Management of material topics	**ESG Report** p.8 Colleague attraction, retention and development (summary); p.28–37 Colleague attraction, retention and development **Sustainability Strategy** p.17–18 The talent engine; Inclusion and belonging; p.25–26 Our targets and how we'll report **Annual Report** p.20–21 Our people and culture
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	**ESG Report** p.29 Turnover and movement
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	**ESG Report** p.30 Our policies and commitments; p.31 Reward and benefits; p.37 Acknowledging Life Events; Special leave
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	**ESG Report** p.29 Our management approach (targets graphic); p.33 Training in numbers FY26 **Sustainability Strategy** p.17 Develop deeply; p.26 Operational metrics
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	**ESG Report** p.32–33 Developing our people; Talent and succession; p.75 Adding Quality Education
GRI 404: Training and Education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	**ESG Report** p.33 Talent and succession
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	**ESG Report** p.35 The workforce profile; p.36 Leadership representation **Annual Report** p.21 Gender diversity; p.53–54 The Board
GRI 405: Diversity and Equal Opportunity 2016	405-2	Ratio of basic salary and remuneration of women to men	**ESG Report** p.36 Pay

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GRI standard	Disclosure	Title	Location
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	**ESG Report** p.30 Our policies and commitments; p.38 Labour rights and standards **Modern Slavery Statement**
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	**ESG Report** p.30 Our policies and commitments; p.38 Labour rights and standards **Annual Report** p.56 Directors' report: Modern slavery and human rights **Modern Slavery Statement**
Material topic: Health and safety			
GRI 3: Material Topics 2021	3-3	Management of material topics	**ESG Report** p.9 Health and safety (summary); p.42–47 Health and safety **Sustainability Strategy** p.19 The maturity behind 'It starts with me'; p.25–26 Our targets and how we'll report
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	**ESG Report** p.43 Our approach to health, safety and quality
GRI 403: Occupational Health and Safety 2018	403-2	Hazard identification, risk assessment, and incident investigation	**ESG Report** p.43 Our approach to health, safety and quality; p.44 Beyond the numbers: our leading indicators; p.45–46 Building a proactive safety culture; Safety in our value chain
GRI 403: Occupational Health and Safety 2018	403-3	Occupational health services	**ESG Report** p.46 Occupational health and wellbeing
GRI 403: Occupational Health and Safety 2018	403-4	Worker participation, consultation, and communication on occupational health and safety	**ESG Report** p.45 Building a proactive safety culture; p.47 Our ambitions and targets
GRI 403: Occupational Health and Safety 2018	403-5	Worker training on occupational health and safety	**ESG Report** p.33 Training in numbers FY26; p.45 Building a proactive safety culture **Annual Report** p.20 Our people and culture: It starts with me
GRI 403: Occupational Health and Safety 2018	403-6	Promotion of worker health	**ESG Report** p.37 Wellbeing: the wellbeing hub; p.46–47 Occupational health and wellbeing; Our Employee Assistance Programme
GRI 403: Occupational Health and Safety 2018	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	**ESG Report** p.45 Keeping the public and our customers safe; p.46 Safety in our value chain
GRI 403: Occupational Health and Safety 2018	403-8	Workers covered by an occupational health and safety management system	**ESG Report** p.43 Our approach to health, safety and quality; p.46 Safety in our value chain

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GRI standard	Disclosure	Title	Location
GRI 403: Occupational Health and Safety 2018	403-9	Work-related injuries	**ESG Report** p.43 Our safety performance; p.46 Safety in our value chain (subcontractor measures) **Annual Report** p.27 Our key performance indicators: Safety
Material topic: Responsible supply chain			
GRI 3: Material Topics 2021	3-3	Management of material topics	**ESG Report** p.10 Responsible supply chain (summary); p.54–60 Responsible supply chain; p.71 Stronger supply chain management **Sustainability Strategy** p.21 Our standards, through our suppliers; p.25–26 Our targets and how we'll report
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	**ESG Report** p.57 Supplier ESG risk screening; Supplier standards and assurance; p.78 Our supply chain
GRI 308: Supplier Environmental Assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken	**ESG Report** p.57 Supplier standards and assurance; p.58 Sustainable by design
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	**ESG Report** p.38 Labour rights and standards; p.57 Supplier ESG risk screening; Supplier standards and assurance; p.78 Our supply chain
GRI 414: Supplier Social Assessment 2016	414-2	Negative social impacts in the supply chain and actions taken	**ESG Report** p.38 Labour rights and standards; p.57 Supplier standards and assurance
Material topic: Service quality and delivery			
GRI 3: Material Topics 2021	3-3	Management of material topics	**ESG Report** p.11 Service quality and delivery (summary); p.61–65 Service quality and delivery **Sustainability Strategy** p.22 Delight clients; p.25–26 Our targets and how we'll report
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	**ESG Report** p.45–46 Keeping the public and our customers safe; p.65 Delivering for the public
Material topic: Data privacy and cybersecurity			
GRI 3: Material Topics 2021	3-3	Management of material topics	**ESG Report** p.12 Data privacy and cybersecurity (summary); p.76–78 Data privacy and cybersecurity **Sustainability Strategy** p.22 Protect what's critical **Annual Report** p.43 Principal risk 8: Cyber Security

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GRI standard	Disclosure	Title	Location
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	**ESG Report** p.69 Ethics in numbers; p.78 Data protection and privacy
GRI standard	**Disclosure**	**Title**	**Location**
Other topic: Ethical business practice			
GRI 3: Material Topics 2021	3-3	Management of material topics	**ESG Report** p.66–69 Ethical business practice; p.72 Financial crime and ethics **Sustainability Strategy** p.23 Ethics
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	**ESG Report** p.72 Financial crime and ethics **Annual Report** p.39 Risk management and principal risks
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	**ESG Report** p.33 Training in numbers FY26; p.57 Supplier standards and assurance; p.66–67 Ethical business practice; Our Code of Conduct; p.69 Ethics in numbers **Annual Report** p.43 Principal risk 9: Legal and Regulatory Compliance
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	**ESG Report** p.68–69 How widely the channel is used; Ethics in numbers
GRI 207: Tax 2019	207-1	Approach to tax	**Annual Report** p.36 Financial review: Taxation; Total tax contribution
GRI 207: Tax 2019	207-3	Stakeholder engagement and management of concerns related to tax	**Annual Report** p.36 Financial review: Total tax contribution
GRI 415: Public Policy 2016	415-1	Political contributions	**Annual Report** p.56 Directors' report: Political donations
Other topic: Environmental stewardship (nature, pollution prevention and waste)			
GRI 3: Material Topics 2021	3-3	Management of material topics	**ESG Report** p.48–53 Our environmental stewardship **Sustainability Strategy** p.15 Stewardship in three parts
GRI 101: Biodiversity 2024	101-1	Policies to halt and reverse biodiversity loss	**ESG Report** p.48 Case study: Nature positive; p.50 Case study: A partnership in Suffolk **Sustainability Strategy** p.15 Nature and biodiversity **Annual Report** p.30 Our sustainability focus
GRI 101: Biodiversity 2024	101-2	Management of biodiversity impacts	**ESG Report** p.48–51 Biodiversity net gain; Conservation in the field; Case study: Botley
GRI 101: Biodiversity 2024	101-4	Identification of biodiversity impacts	**ESG Report** p.48 Case study: Nature positive **Sustainability Strategy** p.15 Nature and biodiversity

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GRI 301: Materials 2016	301-2	Recycled input materials used	**ESG Report** p.22 Case study: Europa Way; p.50 Case study: Micheldever **Annual Report** p.19 Our strategy in action: Yorkshire Water
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	**ESG Report** p.53 Building a clearer picture of our waste
GRI 306: Waste 2020	306-2	Management of significant waste-related impacts	**ESG Report** p.26 Case study: A second life for old meters; p.50 Case study: Micheldever; p.52 Minimising our impact; p.53 Building a clearer picture of our waste: Where next
GRI 306: Waste 2020	306-3	Waste generated	**ESG Report** p.53 Building a clearer picture of our waste
GRI 306: Waste 2020	306-4	Waste diverted from disposal	**ESG Report** p.53 Building a clearer picture of our waste
Other topic: Social value and local communities			
GRI 3: Material Topics 2021	3-3	Management of material topics	**ESG Report** p.38–41 Social value **Sustainability Strategy** p.18 Social value and social mobility
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	**ESG Report** p.20–21 Helping Britain switch; Case studies; p.24–27 Helping the UK meet its water needs
GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts	**ESG Report** p.22 Helping households cut energy costs; p.38–41 Social value; p.59 Supply chain social value
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	**ESG Report** p.27 Case study: Rosmead Street, Hull; p.38–41 Social value; p.45–46 Keeping the public and our customers safe; p.52 Considerate to our communities
GRI 413: Local Communities 2016	413-2	Operations with significant actual and potential negative impacts on local communities	**ESG Report** p.52 Considerate to our communities: Minimising our impact
Other topic: Economic performance			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	**Annual Report** p.35–36 Financial review; p.62 Consolidated profit and loss account; p.75–76 Note 10: Employees and Directors; Note 11: Finance costs; Note 12: Tax
GRI 201: Economic Performance 2016	201-3	Defined benefit plan obligations and other retirement plans	**ESG Report** p.31 Reward and benefits **Annual Report** p.36 Financial review: Pensions; p.80–83 Note 22: Pensions and similar obligations
GRI 201: Economic Performance 2016	201-4	Financial assistance received from government	**ESG Report** p.33 Training in numbers FY26 **Annual Report** p.74 Note 7: Other operating income