



M GROUP

ESG and Innovation report

1 April 24 – 31 March 25

Essential infrastructure
services for life

Foreword

Delivering an infrastructure that the people of the UK and Ireland need. And the planet deserves...

Can we deliver an infrastructure that our people, communities and planet need for a healthy, sustainable future? This, our latest ESG and innovation report, offers an encouraging answer. It describes measurable steps towards sustainable practices, social responsibility and ethical governance- improving our ESG rating, advancing our programmes and growing our ability to make a positive impact. Above all, this report is a portrait of our people, across M Group, leading change through their work.

This year, we've used our values- Responsible, Open, Together and Ambitious- to structure our report. This shows how the work we've done, and continue to do, aligns with our ESG aspirations, and also our core principles which underpin our success as we deliver essential infrastructure services. For life.



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Introduction from our Chief Executive Officer, Andrew Findlay



I'm pleased to share our annual ESG and innovation report.

This report reflects how our business is delivering essential infrastructure services that people and the planet need and deserve. From reducing our own carbon footprint and that of our clients; to increasing our focus on safety and creating more training and development opportunities for our people; to building on our core foundations underpinning the delivery of our ambitious growth plans.

2024-25 marked an exciting year for our business, during which we joined the CVC Capital Partners portfolio, who are actively supporting us as we move into the next phase in our story.

Along with our new investors, we also have a new brand identity. We've taken time to consider who we are, what we value, and what our clients need from us. Our brand and values transformation highlights how, as one Group, we're greater than the sum of our parts.

It's also been a fantastic year for expanding our capabilities. In this report, you'll read about our acquisition of BGEN, who we've welcomed into the business, further enhancing our technical engineering expertise particularly in mechanical, instrumentation and control.

I'm proud of what we've achieved. I'd like to thank everyone who has contributed to our success – our people, clients, and supply chain partners. Your dedication, expertise, and commitment to our values is driving our achievements as we shape a sustainable, responsible future for generations to come.

Whether you're already working with us, thinking of working with us, or just curious about who we are, I hope you'll enjoy reading this report.

Introduction from our Director of ESG and Innovation, Andrew Hunt



The end of this reporting period is a significant marker in M Group's story. We've brought together most of our businesses under one name, one identity, and one shared purpose. To do this, we've invested in a new brand identity that's helping us to make a statement about who we are and the direction we're heading. Our new identity is also underpinned by our refreshed shared values.

Our work has always centred on delivering and maintaining the infrastructure that keeps daily life moving. Energy, water, telecoms, highways, rail and aviation, and plant and fleet; each of our Divisions plays a vital role in sustaining the UK's essential networks. Until now, most people have known us through just one part of that picture. This year, we're proud to showcase the whole Group.

The brand transformation has come at a time of rapid change and development. With CVC as our new investors, we're building on firm foundations and setting our sights on an even more ambitious future. Alongside this, our refreshed values guide decisions and behaviour at every level of the business. These aren't just words on a wall, they are principles that shape how we work, how we behave, and how we deliver for our clients and communities.

Unifying under the M Group identity also means thinking carefully about how we govern ourselves. Our Environmental, Social, and Governance (ESG) programme is central to that. Good governance might be about compliance but it's also about clarity, accountability, and creating the conditions for long-term success. That's why all the teams mentioned in this year's report are playing such an important role, bringing together expertise from across the business to steer our progress and development.

This report reflects a year of significant momentum. We've strengthened our position in the market, broadened our capabilities, and taken the next meaningful step on our journey. The work you'll read about here is the result of thousands of people across M Group striving for high standards in safety, sustainability, ethics, and innovation.

The year ahead will be just as important. With our new brand established, we're focused on embedding it into every aspect of our operations and making sure our governance keeps pace with our growth. We're proud of where we are today, and we're committed to going further – for our people, for our clients, for the communities where we work, and the planet.

Securing lasting results

What we've achieved this year...

Carbon intensity cut
12.6%
this year.

Achieved
'Committed'
in our first EcoVadis
sustainability assessment.

7.6%
reduction in Scope 1
and 2 emissions since
baseline.

84
people in
apprenticeships
across our
business.

Over
700 entries
celebrating our
people at the Beyond
Expectations Awards.

33% of
company car fleet fully
electric, with hybrid
cars accounting for
48%.

£1m+
in social value
created with
suppliers.

£102,000
raised in charitable
donations across
the Group.

210
members of the Armed
Forces community joined
roles across our Group
this year.

Anticipating what the future demands

What we're focusing on next...

Achieving a
42% reduction
in Scope 1 and 2
emissions by 2030.

We're preparing to
introduce digital
waste tracking into
our operations.

We're exploring
**'green
hydrogen'**
and how this
may support
our sustainable
fleet.

Improving our EcoVadis
rating beyond 56/100,
by embedding
stronger KPI's, targets
and sustainable
procurement.

Introducing
Group-wide
minimum
ESG training
standards.

Conducting a
Double Materiality
Assessment
(DMA).

Investing in innovation and
partnerships, sustainable
IT and advanced recycling,
to support low-carbon
resilient infrastructure.

Expanding
inclusion efforts
through ENABLE
networks, Inclusion
Conferences
and Employee
Resource Groups.

Achieving a
52% cut
in supply chain
(Scope 3) carbon
intensity by 2030.

A new era for M Group

Since the formation of M Group Services in 2016, we've grown dynamically in response to the evolving needs of the infrastructure sector. In April 2025, we launched M Group, a strategic step to unify our identity and strengthen our ability to deliver essential infrastructure services for life.

Why M Group?

The journey to M Group began over two years ago, guided by insights from our people and clients, particularly through a perception study. Their feedback shaped the direction of our brand, helping us to build a cohesive identity around the way we and others see us; so clients and stakeholders can clearly understand our full range of capabilities.

The benefits of rebranding

The move to a single brand has brought, and continues to bring clear advantages:

- Stronger partnerships – Enhancing collaboration across our Group, enabling us to leverage expertise and deliver greater value.
- A clearer presence – Our stronger identity improves visibility online and in person, making it easier to showcase our services, win work, and attract talent.
- Cost savings – Using one brand across PPE, workwear, and livery creates efficiencies.
- Strategic partnerships – We can build deeper, cross-sector partnerships across water, highways, rail and aviation, energy, and telecoms, solving complex challenges with combined expertise.

Transitioning to M Group

Our aim was to create a brand that built on our history while reflecting our people, clients, and the wider industry. Working with branding agency Frank Bright and Abel, we shaped the project, from research and narrative development to visual identity and launch materials.

The process was led by our marketing communications team, supported by a steering committee of leaders and a consultation panel representing people from the business. This collaborative approach ensured the brand reflected our scale, breadth of services, and commitment to innovation.

Our new values

The transition also introduced new core values that guide our plans and decisions:

We're committed to delivering responsibly, sustainably, and safely, taking ownership and accountability in all we do.

Responsible

We foster a culture of curiosity and flexibility, valuing diverse perspectives and continuously seeking better ways to exceed expectations.

Open

We believe in the power of collaboration, respecting each other's differences and inspiring one another to achieve excellence.

Together

We embrace challenges and opportunities, striving to lead in our sector and deliver outstanding outcomes.

Ambitious

These values are embedded in our strategy and represent how we'll work with our people, clients, and communities.

A sustainable launch

In line with our ESG commitments, we've approached the rollout responsibly. Instead of replacing personal protective equipment (PPE) immediately, we're using heat-sealed stickers and introducing new branded items only when old ones reach the end of their lifecycle. Similarly, our fleet of over 11,000 vehicles will gradually adopt M Group livery as they are replaced, minimising unnecessary waste.

Looking ahead

The launch of M Group marks the beginning of an exciting new chapter. More than a name change, it's a statement of intent—one that reflects who we are today while shaping our future. With our unified identity, new values, and clear vision, we're positioning ourselves as leaders in essential infrastructure services across the UK and Ireland.

Our brand transformation is a commitment to our people, clients, and the communities where we work, to deliver infrastructure that is sustainable, reliable, and fit for the future.

How do we align with the United Nations Sustainable Development Goals?

The United Nations Sustainable Development Goals (UNSDG) are a set of 17 globally recognised goals to achieve a more sustainable future.

Our strategies and initiatives are designed to complement the relevant SDGs (where they align with our business), making sure our operations create positive social, environmental, and economic impact.

We're continuing to work towards eight goals:

SDG three (Good health & well-being): Our work impacts public health and safety, from ensuring clean water supply to maintaining safe transportation networks, our projects contribute to healthier communities.

SDG five (Gender equality): We're fostering a diverse and inclusive workforce, with a focus on creating gender representation in our traditionally male-dominated industry.

SDG seven (Affordable and clean energy): Our work in energy infrastructure plays a crucial role in transitioning to more sustainable power sources and improving energy efficiency across the UK and Ireland.

SDG eight (Decent work and economic growth): We're working to provide fair, safe and rewarding employment opportunities, contributing to economic growth in the communities where we work.

SDG nine (Industry, innovation and infrastructure): We're constantly innovating to build resilient infrastructure and foster sustainable industrialisation.

SDG eleven (Sustainable cities and communities): Our projects directly contribute to making cities and human settlements inclusive, safe, resilient and sustainable.

SDG twelve (Responsible consumption and production): We're using sustainable procurement practices and efficient use of resources in our operations.

SDG thirteen (Climate action): Our decarbonisation efforts and climate-resilient infrastructure projects directly address this goal.

Throughout this report, you'll find examples of how these SDGs are shaping our practices, influencing our decisions and driving our innovations.

UN Global Compact participation

Our participation in the UN Global Compact reflects how we're introducing universal sustainability principles.

Our UN Global Compact returns, submitted in November 2024 and July 2025, confirm our ongoing commitment to sustainable and responsible business operations, including the progress we've made in areas like:

- **Governance** - The policies we have in place, as well as factors such as our Board membership, executive pay and data security.
- **Human rights** - Making sure that our people, supply chain and the communities where we work are treated fairly and with respect.
- **Labour** - How we look after our own people and ensure our suppliers do the same.
- **Environment** - Covering a wide range of questions from our impact on the ecology of areas to our actions to reduce climate change.
- **Anti-corruption** - Ensuring our management processes and rules align with the integrity of our business and the high standards of our people.

Following our report submission in July 2024, we'll now submit to the UN Global Compact annually.



Responsible

Being responsible can be defined as choosing to do the right thing even when nobody is looking. It's one thing to have the right policies and procedures in place, but that's not what creates a culture of responsibility.

As an employer of circa 13,000 people, our culture is the result of millions of individual choices. Every time somebody chooses to recycle rather than throw away, or stops to think twice before breaking ground, or considers ways to mitigate the impact of closing a footpath, these moments of thought add up.

Each of the millions of active operations we conduct in a year offer opportunities to make the right choices. From the PPE we recycle to the way we interact and support the public, every action we undertake has the potential to move the direction of our culture by a tiny fraction. Over time, these choices add up, becoming the way we see ourselves, and the way other people think of us.

Being a responsible business means focusing on more than profit and growth. These are important factors, but it's equally important for us to know why we're here. Across M Group, we're making choices that define our brand and give us purpose. And they make us proud to say: **We're part of something bigger.**

How our Group structure is supporting our ESG aspirations

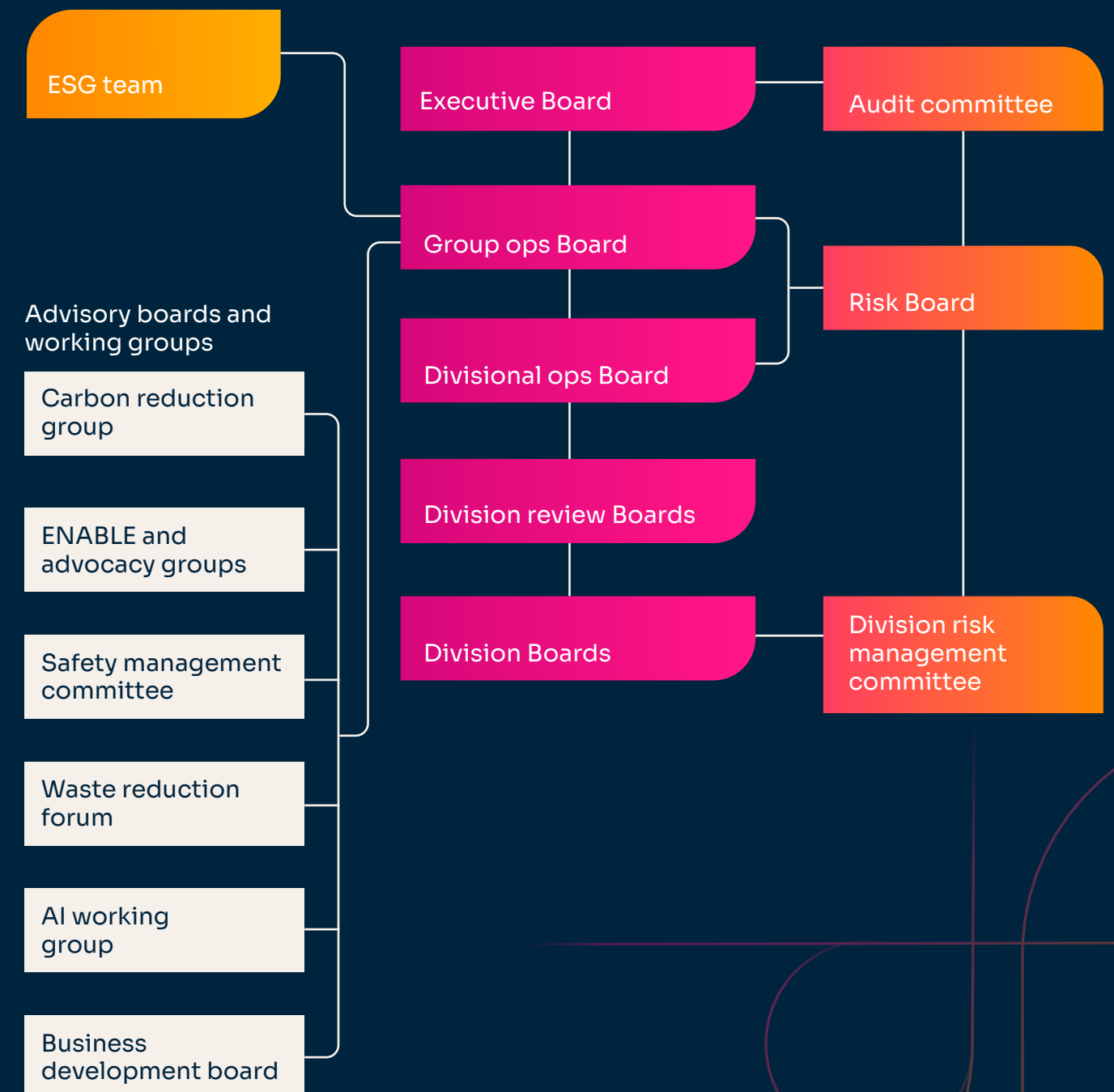
We place ESG priorities at the centre of our management focus by ensuring Andrew Hunt, our Director of ESG and Innovation is a member of our Group Operations Board. The Board also provides executive sponsors for a wide range of ESG-related working groups within our business, so that their findings can be shared, reviewed and actioned at the highest level.

This helps us to prevent findings and ideas being overlooked.

Our Board makes sure that all our decisions are properly considered, with comprehensive risk analysis being conducted where appropriate, as well as ensuring that delegated schemes of authority are followed and the right decisions are made at the right level of accountability.

Each Divisional managing director is a champion of ESG priorities in their own areas, with executive bonuses across the board being modified by our safety and greenhouse gas reported figures. Our Divisional and Group directors work in a joined-up approach towards ESG, where everyone is invested in the same outcomes and is prepared to lead on these issues with the same voice.

Integrated assurance operating model



Measuring what matters: Our EcoVadis rating and ESG journey

In early 2025, we received our first sustainability rating from EcoVadis, a respected ESG assessment platform used by over 130,000 companies worldwide. Our score of 56 out of 100 placed us in the 'Good' performance band, earning us 'Committed' status. This is a solid start, but we view it as a baseline to improve on.

The EcoVadis assessment evaluates our commitments in four key areas: Environment, Labour & Human Rights, Ethics, and Sustainable Procurement. The feedback we've received from this assessment has been invaluable, helping us identify our strengths and areas for improvement, and shaping our three-year ESG strategy.

Our standout strengths were highlighted as:

- Science-Based Targets: Our near-term targets, validated by the Science Based Targets initiative (SBTi), a clear signal that our strategy is aligned with the climate science behind the Paris Agreement.
- Clear commitment: We've set absolute reduction targets across all three scopes (1, 2 and 3), and those targets are publicly disclosed.
- Strong governance: Our dedicated management team for climate action. EcoVadis specifically assesses how well climate responsibility is embedded in governance.
- Action planning: The presence of a time-bound plan for emissions reduction – already in action.
- Training and Operations: Our employee training on energy and climate issues, carbon-conscious transport practices, and completion of regular energy/carbon audits.

While we aim for a higher score in our next assessment, our focus is on enhancing our operations, how we treat people and environmental impact. We're working to:

- Embed meaningful KPIs.
- Publish clear environmental and social targets.
- Improve data management.
- Train our teams through Group-wide minimum standards ESG related training.
- Engage our supply chain responsibly.
- Provide support for ESG commitments across all Divisions.

We're working to make significant improvements to the way we train our people, use and record our data, the targets we set and the relationship we have with our extended supply chain.

In terms of procurement, we've identified some great scope for improvement. Based on feedback we've received from EcoVadis, we've already launched a supplier code of conduct to set minimum expectations for our value chain. A sustainable procurement policy based on Ecovadis advice is also in development to guide future decisions.

We're also undertaking a Double Materiality Assessment (DMA) to evaluate our impacts on the world and how external factors could affect us.

Our ESG aims go beyond our ESG team, every part of our organisation is involved. We want our people to recognise the importance of these changes, as they will influence our competitiveness, risk profile, talent retention and positive impact.

Our EcoVadis score is just a snapshot of where we are, but it sharpens our focus on our best options to improve. We're working to make these changes meaningful and transparent as we work towards our long-term sustainability goals.



You can view our official EcoVadis sustainability rating here:
Ecovadis Committed Badge | M GROUP SERVICES LTD

Recycling in action

Each part of our business follows clear environmental policies built into how we work. These help us meet legal requirements, satisfy clients and support our sustainability goals. Where needed, our systems meet ISO 14001 standards. We focus on cutting down waste and increasing recycling, with each Division reporting its waste.

We're working closely with our suppliers to reduce waste from the start and support a circular economy. This means finding smarter ways to reuse and recycle materials, keeping them in use for as long as possible.

Our environmental advisors make sure we follow the rules and look for ways to reduce, reuse, and recycle waste.

We also use live Site Waste Management Plans (SWMPs) to track waste in real time.

Preparing for digital waste tracking

The UK is working to introduce mandatory digital waste tracking requirements next year, which will change how waste data is collected, managed, and reported. This will:

- Enhance transparency: Organisations will be able to make sure reporting is accurate and they're compliant with environmental legislation.
- Improve resource efficiency: Real-time data will enable businesses to make informed decisions about waste reduction and resource recovery.
- Support the circular economy: Digital tools will facilitate greater accountability, making it easier to identify opportunities for reuse and recycling.

We're actively preparing to introduce digital waste tracking into our operations, enhancing our data capabilities, streamlining reporting, and strengthening our sustainable practices.

“We’re actively preparing to introduce digital waste tracking into our operations.”



Inspiring a culture of action

Site briefings and toolbox talks are key to promoting the simple steps of reduce, reuse, recycle and introducing sustainability to our daily operations.

By giving our teams the tools and knowledge they need, we're creating a culture where practical solutions create significant impact.

Waste and material management progress:

	2025	2024	2023
Excavated material re-used on site	237,879t	192,199t	52,730t
Recycled	221,109t	84,207t	290,443t
Type 1 stone used	73,248t	30,505t	27,807t
Recycled aggregate used	80,787t	35,188t	47,291t
General waste recycled	13,152t	2,260t	5,367

In summary, we re-used nearly 238,000 tonnes of excavated material on site, and worked with supply chain partners to recycle nearly 270,000 tonnes of waste back into reusable materials to be used elsewhere.

The numbers vary significantly depending on the projects that are live at the time of reporting. Some of our projects generate more tonnage than others. It's also sometimes a challenge to capture every active site – the quality of our data reporting is improving every year and is part of an ongoing project for us.

The power of purchasing

We can't change the world or save the planet on our own, and thanks to our fantastic supply chain links, we don't have to. For this year's recycling feature, we're showcasing our suppliers who are helping us to reduce our waste, minimise our carbon footprint and maximise the social value of our spending power.

Every purchasing decision is a choice, and we're more aware than ever that our procurement choices have a real world impact.

How we help M Group to skip the skip

Some partnerships are built on contracts. Others grow from shared values and a belief in doing things the right way. I'd say our relationship with M Group has always leaned toward the latter.

One of the clearest examples is how they've embraced our secure PPE and workwear recycling service. Over the past year, we've collected 2,087 sacks from 55 sites. That's 16,700 kilograms of material diverted from landfill and 8 tonnes of CO2e saved. It's the kind of impact that shows what can happen when operational decisions reflect a deeper purpose.

From the start, we've helped M Group reduce excess, shift focus from price to value and bring more visibility to every order. Tools like our lifetime cost calculators and streamlined ordering platform have supported that journey. But it's the mindset that matters most.

We're proud of what we've achieved together and looking forward to what comes next.

<https://wearetower.com/>



"In total, 2,087 sacks were recovered from M Group sites, diverting 16,700 kilograms of material from landfill."

Bruce Woodfield, Divisional Managing Director, Tower Supplies

The road is our quarry – North and South Yorkshire

Our supply chain partner Mone Bros is a leading producer in Yorkshire of recycled construction materials in Yorkshire, across its seven facilities, recognised for its socially responsible operations and sustainable creation of new values for its customers, owners, employees and social community.

Mone Bros is an ideal partner for us, with a long tradition of giving back to the communities it operates in and ensuring its business has a positive impact on people, nature and the climate.

By thinking sustainably, Mone Bros are currently diverting previously used, locally derived construction, demolition and excavation inert material from landfill by transforming that waste into a re-usable construction material made available for the local economy.

This has been demonstrated over the past financial year by Mone Bros having received up to 75,000 tonnes of generated site material which has then been suitably processed and graded to become re-usable, high quality recycled construction products. Over this same period M Group has used 20,000 tonnes of this recycled material.

Our procurement is helping to put the circular economy into action across the various Mone Bros facilities in Yorkshire. We think it's a great example of a company which is embracing sustainable change and demonstrating a strong commitment to maximizing recycling, ending the overuse of natural resources and putting an end to our reliance on single use materials.

<https://monebros.co.uk/>

MONE BROS
RECYCLING | QUARRYING | EARTHWORKS | RESTORATION



Our recycling facility in Hampshire

Thanks to our agreement with OCL Ltd, we have full access to a state-of-the-art recycling facility at Micheldever, Hampshire. This plant plays a key role processing materials from construction and demolition activities and transforming them into high-quality recycled aggregates for re-use in infrastructure projects.

At Micheldever:

- Materials are reprocessed, reducing the need for virgin materials.
- Advanced recycling technologies minimise carbon emissions, with processes designed to cut CO2 emissions by up to 40%.
- The facility follows environmental standards, including modern drainage systems to reduce the impact of extreme weather events.

The lessons learned and methods developed at Micheldever are already helping us to develop our future waste management strategies.



Case study

Like old furniture

Another one of our supply chain partners, PF Cusack (Tools Supplies) Ltd, launched the Road Furniture Recycling Scheme to recover and recycle end-of-life traffic management products. These materials are reprocessed into new products for use in the utilities and infrastructure industry, closing the loop and providing full transparency on how waste is managed. In the financial year ending 31 March 2025, we supported this initiative by returning 652kg of end-of-life traffic management products, contributing to a saving of 1,526.47 CO2 kg.

Our partnership has enabled us to explore new recycling innovations, including the development of the industry's first road cones made entirely from recycled materials. Our involvement has also strengthened Cusack's sustainability credentials and contributed to Cusack receiving the Thames Water Supplier Award in the category Sustainable Methods, a recognition made even more meaningful given that we're also a Thames Water client.

Additionally, the scheme has achieved national recognition through multiple awards, including the Water Industry Awards (2025 Shortlisted), the SSEN Distribution Sustainability Supplier Awards (2024 Winner), the Streetworks Awards (2023 Winner, 2024 Shortlisted), the edie Net Zero Awards (2024 Shortlisted), and the Utility Week Awards (2024 Shortlisted).

<https://www.cusack.co.uk/>



Partnering with M Group to drive real ESG impact.

Partnering with M Group to Drive Real ESG Impact.

At Commercial, we help businesses turn ESG intentions into practical outcomes. Our partnership with M Group is a great example of this, showcasing what's possible when purpose aligns with action.

Since 2019, we've worked with M Group across various services, including office supplies, catering, and branded merchandise, to implement an ESG-led procurement strategy. M Group is committed to embedding ESG into its operations, with bold goals like reducing Scope 1 and 2 emissions by 42% and cutting supply chain carbon intensity by 52% by 2030. We've supported this by introducing circular procurement practices, reducing waste, and sourcing sustainable products.

In 2024, M Group generated over £1 million in social value, working with ethical suppliers and tackling inequality through our B-Corp social enterprise, the Commercial Foundation.

We've also helped strengthen ESG reporting and supplier oversight, laying a foundation for sustainable change.

Built on trust and shared goals, our partnership with M Group continues to grow. We're proud to support their ESG journey – and excited to see what more we can achieve together.

<https://commercial.co.uk/>



Keeping IT equipment out of landfill

We're also tackling the throwaway economy by working with Hewlett Packard Enterprise (HPE) to reuse, repurpose and refurbish IT assets.

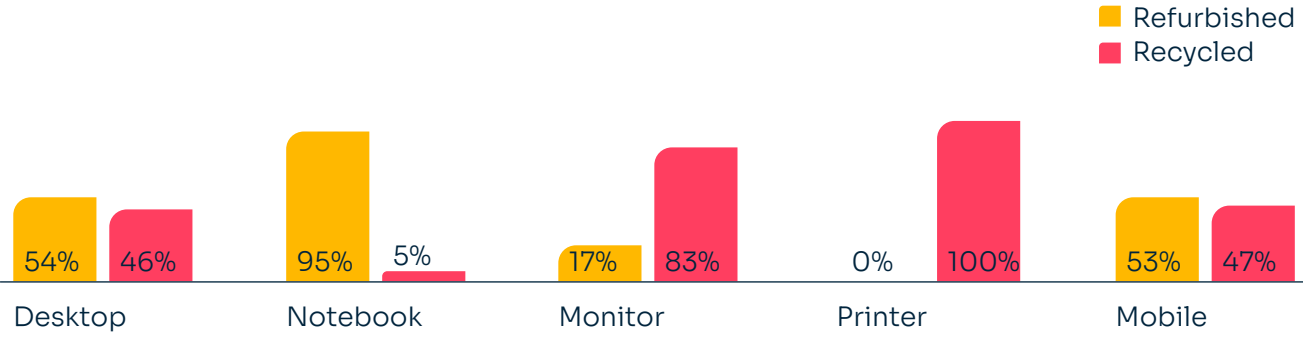
As a Group, we now have a framework to measure greenhouse gas (GHG) emissions linked to end-of-life IT assets. Working with HPE offers robust, data-backed insights into the environmental impact of asset management services, helping us to understand the impact of our IT waste, and therefore reduce our carbon footprint.

Our methodology was developed in collaboration with external consultants and incorporates validation from independent life cycle assessment (LCA) experts, following the recognised standards, including ISO 14040, 14044, 14064, and 14072.

This avoided impact is quantified using a Consequential Life Cycle Assessment (LCA) approach, which considers broader system-wide effects.

Working with HPE has led to high refurbishment and recycling rates and a minimal number of materials sent to landfill.





Product type	Refurbished	Recycled	Total
Desktop	27	23	50
Notebook	1,713	84	1,797
Monitor	43	208	251
Printer	0	19	19
Mobile	8	7	15
Total	1,791	341	2,132

Our IT Refurbishment and recycled figures for period April 24- March 25.

After refurbishment, assets are placed back into the circular economy and made available to other consumers to buy, leading to a reduced need to produce new assets from virgin materials.

Where refurbishing is not possible, material is sent to HPE’s recycling partners. By recycling these materials, we can maximise resource circularity through the recovery of e-waste products, components and materials.

Responsible procurement

Fair and timely payments

Over the past year, the Financial Shared Services team has made practical changes to improve the way we pay suppliers and subcontractors, ensuring our processes are efficient, transparent, and supportive of the businesses we work with.

Payment processes have been streamlined. Weekly payment runs have been adjusted so that all approved invoices due up to the following Thursday are now included. This change removes delays caused by cut-off dates and means many suppliers are paid earlier than before.

Supplier payment terms have been shortened. During a major system update, 703 suppliers moved from 60-day to 30-day terms. All new suppliers now default to 30 days

unless a longer term is agreed as part of a broader commercial arrangement. For smaller and more vulnerable suppliers, particularly in the subcontractor network, terms can be reduced further, in some cases to 10 days, to support cash flow.

On-time payment performance has strengthened. Subcontractor payments are now close to 100% on time, supported by tighter governance controls. Across the wider supply chain, payment practice reporting shows steady improvement, with data reported to the UK Government every six months under the Duty to Report on Payment Practices. One area of our business has also signed the Prompt Payment Code, meeting higher voluntary standards.

Visibility of data has increased significantly. The procure-to-pay process is now fully reported on, giving live information about invoices on hold, reasons for delay, and aged debt. Sales ledger data is refreshed several times a day through the Group’s Power BI platform, enabling finance and commercial teams to forecast costs and margins with greater accuracy.

Looking ahead, the team is working towards further improving payment practice performance across all Divisions, assessing the potential for wider adoption of the Prompt Payment Code, and preparing governance processes that will meet requirements for the future.

Sustainable procurement

Why does the Supply Chain Code of Conduct matter?

As a provider of essential infrastructure services across the UK and Ireland, we recognise that our responsibilities extend throughout our entire supply chain. The materials we source, the services we procure and the partnerships we forge all shape not just our business success, but the wellbeing of communities and environments worldwide. So, in April 2025, we launched the M Group Supply Chain Code of Conduct.

This practical document sets clear expectations for all suppliers and subcontractors, covering key areas like health and safety, human rights, environmental impact, ethics, legal compliance, and data security. It applies across our supply chain – no matter the size, location, or service provided. It’s also designed to support suppliers in improving over time.

Why does this matter?

Because many of our materials and technologies are sourced globally. Risks – reputational, legal, and ethical – don’t stop at borders. Clients, investors, and regulators now expect supply chain transparency and responsibility.

The code is part of a wider push to improve how we buy and work with suppliers. Next steps include a new sustainable procurement policy, better onboarding and audits, and closer engagement with high-impact areas like materials and logistics.

This isn’t just about improving our EcoVadis score – it’s about doing business better, together.

Risk management for a responsible business

Effective risk management is central to good governance, ensuring that we can deliver our essential services reliably and sustainably while safeguarding our reputation, finances, and our people. For us, risk management isn't simply about avoiding pitfalls but proactively identifying challenges, understanding their potential impacts, and turning them into opportunities for innovation and growth.

Our risk management framework is overseen by our Board of Directors and executed through a clear structure of accountability and control. This includes both strategic and operational risks, including health and safety, climate risk, regulatory compliance, cyber security, and supply chain integrity. Regular risk assessments are conducted at project and Division level, supported by internal audit functions and risk committees.

Our integrated risk assurance operating model (as shown on page 16 of this report) enables informed decision-making, improving resilience, and fostering a culture of transparency and ethical conduct. Through strong oversight and risk controls, we're better positioned to anticipate disruptions, comply with regulatory demands and meet the expectations of our investors and customers.

With the changes to the UK Corporate Governance Code, the Board will need to make a declaration as the effectiveness of our material controls starting in 2027. Due to this, we've been enhancing our risk process by conducting material control assessments across the business. For any material controls not operating effectively, we are developing action plans to improve and strengthen them and report the outcome to the Board.

Our business is growing. One of the cornerstones of our approach is ensuring that our acquisition strategies are responsible and supported by robust due diligence processes. By thoroughly evaluating potential acquisitions, we can mitigate financial and operational risks while ensuring alignment with our ESG goals and long-term business strategy.

Business continuity is another critical aspect of our risk management framework. As a provider of essential services, any disruption to our operations could have widespread consequences, not just for us but for the customers and communities that rely on us. Whether it's through robust contingency planning, investment in resilient systems, or regular scenario testing, we aim to ensure that our business can adapt and recover quickly from unforeseen events. We are certified to and align with the ISO 22301 standard. Our Cyber Incident Response Plan has also been enhanced, and we have plans during the year ahead to rigorously test the cyber team and plan.

Risks to our finances or reputation present unique challenges, often with cascading effects on our operations, the morale of our people, and investor confidence. That's why we take a comprehensive approach to risk identification, encompassing everything from financial stability and compliance to people-related risks such as workforce retention, health, and safety. Understanding these risks enables us to build not only mitigation strategies but also opportunities—whether by improving our processes, enhancing our reputation, or strengthening relationships with investors and stakeholders.

Ultimately, an effective risk management strategy is about balance. By identifying, prioritising, and addressing risks across all aspects of our business; financial, reputational, operational, and people-related; we can operate more effectively and responsibly. This balanced approach allows us to deliver on our commitments to all stakeholders while building a sustainable, resilient business for the future.



Embracing ESG Risks, impacts, and opportunities

We're embedding sustainability in our thinking. As the leading critical infrastructure business, our role is not only to deliver essential services but also to do so in a way that safeguards the environment, our people, and the communities where we work. Over the past year, we've deepened our understanding of ESG risks and impacts, and we've made significant strides toward building a more resilient, sustainable organisation. Later in this report we'll share with you how we're using these factors as part of our Double Materiality Assessment.

Strengthening our approach to ESG risks and impacts

Last year, we highlighted how our risk team integrates ESG-related risks into our Xactium risk-management system. This process ensures that ESG considerations are systematically factored into our policies and processes within our Business Management System. Additionally, we've benefited from Pinsent Mason and Shoosmiths reports, which provide valuable insights into global developments that could influence our business model and risk exposure.

This year, we've gone a step further. We've taken a more holistic view of how ESG risks and impacts influence our operations, strategy, and decision-making. Our understanding of ESG issues is evolving, and we've begun to explore these challenges not just as a tool for risk mitigation, but as opportunities to drive innovation, improve efficiency, and enhance our reputation.

One of the key areas of focus this year has been waste management and compliance. For instance, we've identified improvement potential in waste measurement and reporting across some Divisions. To address this, and to be ready for digital waste tracking requirements in the future, we're initiating a group-wide waste review and recommending the implementation of a standardised system to ensure accurate reporting. This is not only critical for compliance but also an opportunity to embrace circular economy principles and maximise recycling potential. Additionally, we're addressing competency requirements related to new waste carrier registration rules, which will require certifications and training at all levels of our organisation, including Board-level oversight.

Another area of focus has been fraud risk. To comply with the Economic Crime and Corporate Transparency Act (ECCTA), we have made some changes to our fraud risk assessments. In December 2024, Pinsent Mason delivered some training to our senior leaders on 'failure to prevent fraud', covering elements such as where there may be potential for senior managers to commit financial crime in the discharge of their role or in the course of their work and where the fraud may be intended to benefit the organisation or our clients. This new angle has been incorporated into our fraud risk assessments.



We have also enhanced our Financial Crime Policy as well as our Gifts, Hospitality and Conflicts of Interest declaration process to ensure that our people are continuously committed to acting professionally, honestly and with integrity in all business dealings and as such, the organisation has a zero-tolerance approach to any form of financial crime or corrupt activity.

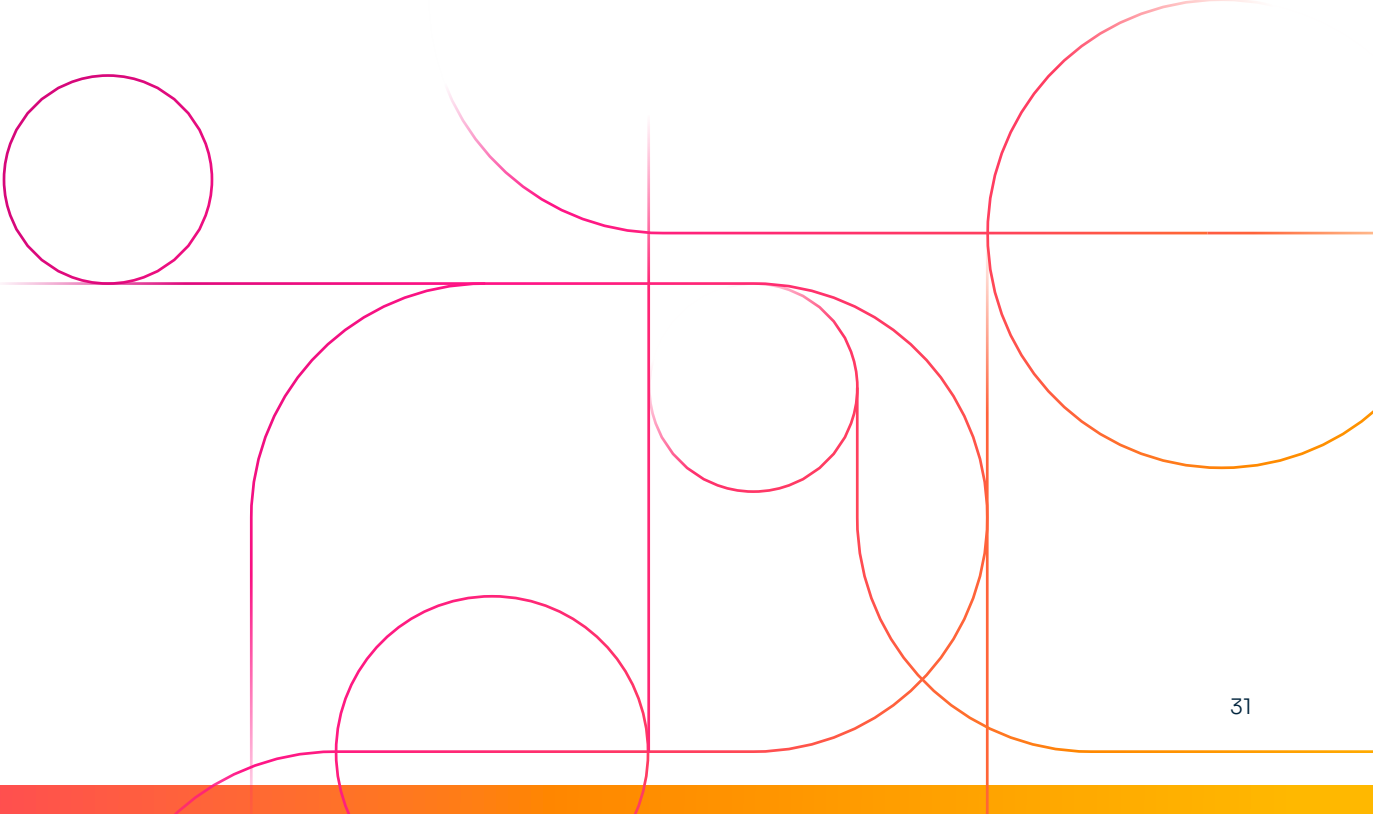
Turning challenges into opportunities

While risks such as non-compliance, operational inefficiencies, and reputation challenges are on our radar, we also see immense opportunities. For instance, setting ambitious Group targets for a wide range of metrics could not only improve our performance but also unlock cost savings and meet client expectations at bid and operational stages. Additionally, upcoming changes to our Governance Framework policies will enable us to align better with international standards like EcoVadis and improve our ratings.

Our Commitment to progress

This year, we've laid the groundwork for stronger ESG risk mitigation by addressing key issues like fraud, waste compliance, policy updates, and training. Next year, our double materiality assessment will provide the insights we need to refine our strategy further and ensure that we remain at the forefront of sustainable and responsible business practices.

We look forward to continuing this journey with the support of our stakeholders, partners, and people. Together, we can turn ESG challenges into opportunities and build a more sustainable, resilient future for all.



What are our Group Minimum Standards?

Safety first and client focus are second nature in our business. Our 11 Minimum Standards guide how we approach the key risks we face in our day-to-day activities across M Group.

These standards have been developed by the Health and Safety Best Practice Board, building on the working practices we already had in place across our Group, to enhance our operational efficiency and minimise risk in our delivery.

They build on our long track record of receiving prestigious health and safety awards and they help us achieve our commitment to improve our performance year on year.

How do our Minimum Standards keep our people safe?

Our standards underline how we achieve greater consistency in how we approach our work, use language which is easy to understand and where we have a collaborative culture with opportunities for our people to feed back.

Working together, with one identity, creates new opportunities, encourages us to be open to new ways of working, streamlines processes and removes barriers for communications, helping us create a culture that is safe, respectful and fair for our people and our clients.

These minimum standards follow a plan, do, check and act approach, aligned with our behavioural safety programme, 'It Starts with Me', making it easier for all our people to do the right thing, to make sure that they return home safely, every day.



Keeping our people safe with substation awareness training

As we continue to attract, retain and develop the next generation of highly skilled, forward thinking and technically competent people, M Group Energy has introduced its substation awareness training.

This training is open for all new starters, including some who have had no previous experience within the electricity transmission industry.

Noticing an opportunity to enhance employment within the industry, our training offers those with no previous knowledge of electricity transmissions the chance to learn and grow within the capability.

The first session was open to a group of our project managers to assess the suitability of the training day. It proved a great success, with participants gaining a basic understanding of how a substation operates, as well as how to identify components and equipment in the substations and the substation safety rules and how we ensure we're working to keep people safe.

Speaking of the importance of this training, Richard Ryan, Senior Project Manager at M Group Energy, said:

“The training event was a real success, providing an engaging opportunity for our project management team to refresh their awareness and understanding of working in the substation environment and develop new technical knowledge.”

A responsible approach for everyone's data

Data protection is core to our operations, promoting responsible business practices and ethical governance. While our chief privacy officer leads compliance, all our people are responsible for handling personal data securely and responsibly.

As well as providing state-of-the-art data and instrumentation control services for our clients, we manage large volumes of personal data, including information on over 13,000 of our people, public interactions, and CCTV footage. Managing this data responsibly is of vital importance to our operations and reputation.

Our Data Protection Strategy includes a transparent privacy management system, continuous improvement efforts, and dedicated training.

Privacy by design ensures that data protection is included early in our processes. We consider privacy from the start of projects and systems, enabling key rights like data deletion and anonymisation when possible.

Recognising the diversity in data protection practices across our business, we're unifying processes to ensure consistency in data handling, access requests, and stakeholder experiences. This approach promotes efficiency, transparency, and trust.

Our framework is guided by Human Rights principles, respecting privacy rights and limiting data collection to what is necessary for specific purposes. We protect sensitive information and maintain privacy at all levels.

Our cybersecurity strategy is designed to protect digital assets and data integrity, either through ISO 27001 compliance, or, where appropriate, systems that match its requirements. In this way we, our clients, and those we interact with can be confident about our advanced threat detection and risk management.

Data protection is central to our governance, reinforcing our promise to be an ethical business through practices, compliance, and stakeholder trust. By embedding privacy principles, we protect human rights and maintain our reputation as a responsible organisation.

Working sensitively with environmental concerns

Whether we're creating infrastructure across sprawling landscapes or working in urban centres, we take great care to protect the ecosystems that surround us.

From hedgerows alive with nesting birds to watercourses filled with aquatic life, we operate with an awareness of our impact and a determination to minimise it.

A unified environmental impact

Over the past year, we've developed a Group-wide environmental handbook, building on the foundations laid by our Energy Division. This handbook provides a consistent framework of environmental protocols and best practices across all Divisions, acting as a tool that ensures we approach every project with the same approach to environmental stewardship.

One of the ways we follow these principles is through Construction Environmental Management Plans (CEMP). Each project is assessed individually, with plans tailored to address its specific environmental challenges. These plans ensure that every step of our work, from design to decommissioning, prioritises the protection of local flora, fauna, and water systems.



Mapping for environmental insight

We use tools like DEFRA's MAGIC Maps and Environment Agency flood maps to visualise the ecological and environmental context of our sites. These platforms allow us to overlay datasets that reveal:

- Proximity to Sites of Special Scientific Interest (SSSIs).
- Conservation areas and flood zones.
- Nitrate vulnerable zones and sensitive watercourses.

For instance, during a recent project in London, we used GIS overlays to map the boundaries of a site adjacent to a reed bed and SSSI. This enabled us to identify no-go zones, position site compounds responsibly, and train teams on the significance of their location.

Unlike static sites, much of our work moves across landscapes such as motorways, long pipelines, or utility networks. This nature means we can't always classify every SSSI as being adjacent to our sites. However, this doesn't mean we take shortcuts.

We:

- Review environmental constraints using mapping tools.
- Conduct on-site surveys to ground-truth the data.
- Develop tailored environmental plans that address risks and outline mitigation strategies.

By combining digital tools with on-the-ground expertise, every decision is both informed and responsible.

Social value in practice

Social value is essential in the UK's public and private infrastructure delivery. It reflects the broader benefits we can provide beyond financial gains, like economic, environmental, and social improvements.

Clients, investors and local communities expect social value to underpin our contracts.

For clients, our social value commitments lead to meaningful outcomes, such as reducing inequality and supporting local economies. We've found that clients often prioritise businesses that demonstrate measurable social value, enhancing sustainability and resilience. Social value initiatives also help attract talent, while building trust within communities.

The introduction of PPN 06/20 mandates that public sector procurements evaluate social value, making it necessary. This impacts how we create social value opportunities in our operations.

We have strategic frameworks in place which guide our social value activities, as well as tracking and reporting our social value activities through our partnership with Loop, standardising our data collection.

Our recruitment strategy also includes social value elements, focusing on inclusive practices and partnerships, including our commitment to hiring people from the Armed Forces community. By making sure that social value touches every aspect of our business, we aim to create lasting benefits for the communities where we work.



M Group Highways reached over 50,000 students through STEM related activities in the last year

Supporting communities even during emergency works

Earlier this year, our rail team completed emergency landslip repairs 45 hours ahead of schedule for Network Rail. Committed to the local community, we collaborated with several organisations for support. A local scout group offered offsite parking, and in return, we addressed drainage issues by resurfacing their car park.

We held a bird box-building session with the scouts, created three allotment plots, installed new fencing, and donated raised beds. Additionally, we donated sensory play equipment to Serenity School and stock fencing to Kilmarnock Horse and Donkey Rescue.

"We're working to create a positive impression in the communities where we work, supporting local initiatives and creating long-lasting connections."

Steve Paice, Social Value Manager at M Group Rail & Aviation



Inspiring careers in STEM through takeover days

Bishops Waltham Junior School reached out for support with their science week in 2024. Adam Watts, our Communications & Social Value Manager, proposed a day of STEM lessons, which the school enthusiastically accepted. We collaborated to develop lesson plans, student movement maps, and safeguarding protocols. Our staff from various departments, including Hampshire projects and central M Group Highways teams, created interactive lessons linking classroom learning to real-world applications, focusing on topics like soil importance, highways repairs, and civil engineering, aiming to inspire students to consider careers in construction.



How we're supporting vulnerable UK households facing fuel poverty

AgilityEco's Local Energy Advice Partnership (LEAP) team has released their 2024-25 impact report, highlighting the vital support the LEAP provide to vulnerable UK households facing fuel poverty.

Working with 350 local authorities, and over 700 active referral partners, which includes approximately 92-95% of the UK population, the LEAP team delivers energy advice, free energy-saving measures, income maximisation, debt support and appliance assistance.

From April 2024 to March 2025, LEAP:

- Supported 33,012 households.
- Helped save an estimated £70 million on energy bills.
- Gave telephone advice to 20,309 people.
- Carried out 19,967 in-home visits.
- Installed 110,148 easy energy-saving measures and mailed 51,997 more.
- Replaced 787 faulty boilers.

LEAP continues to adapt their services to meet growing needs. One example of this impact is Mrs E from Cheshire, who qualified for help due to health and income concerns. The team supported the fitting of energy-efficient LED bulbs, an air-fryer for low-energy cooking and provided a referral for income maximisation support, which is estimated to save her £264 annually!

As the energy crisis continues, LEAP remains committed to helping more households stay warm, safe and supported.

You can view LEAP's 2024-25 impact report [here](#).

Keep your eye out for AgilityEco's 2024-25 impact report, which will be released very soon!

"Such a gentleman and friendly, could not fault him, he was very thorough. Went through the whole house and processed the checks and advice."

Mrs E

OPEN

As a learning organisation, we can embrace the concept of learning from experience, but also from those around us. There's opportunity in humility, in recognising that other organisations might have better ideas, and in being willing to adapt our concepts and beliefs when more effective solutions are suggested.

Being truly open requires a degree of courage. Naturally, every business needs to maintain a healthy degree of confidentiality, but to operate in collaborative and transparent ways with clients, peers and third parties requires us to be comfortable with being a little vulnerable. It sometimes requires us to listen to an alternative point of view, or to be brave enough to make a point, even if we're not sure how it will be received.

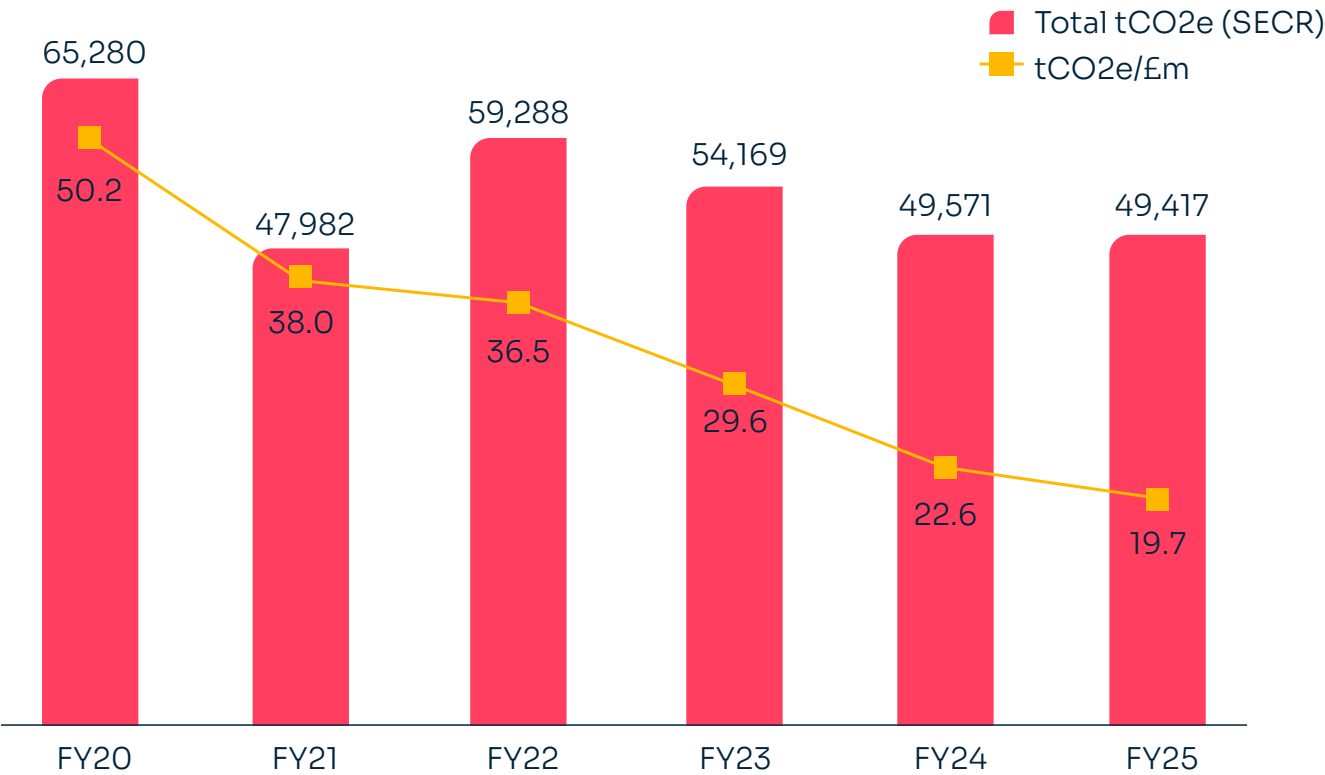
Openness is what happens when we're invested and actively contribute to shared success. We thrive because everyone around us thrives. It's having the bravery to express ourselves because we believe our input is worth sharing. It's being confident enough with who we are to let everyone take a closer look.

Driving smarter carbon reporting

Following the verification of our carbon reports, our carbon intensity, using the SECR reporting boundary, has improved by 12.6% from 22.6 to 19.7 tCO2e/£ million turnover.

Our overall emissions within the SECR boundary (Scopes 1 and 2) have reduced by 154 tCO2e despite an increase in £309m turnover.

M Group GHG Emissions and Intensity Metric (SECR boundary)



	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Scope 1 (tCO2e)	58,455	44,409	57,299	50,749	46,843	46,723
Scope 2 (tCO2e)	857	632	1,339	1,033	1,251	1,370
Scope 3 (tCO2e)	5,968	2,941	651	2,387	1,478	1,324
Total Gross Annual Emissions (tCO2e) (SECR)	65,280	47,982	59,288	54,169	49,571	49,417
Turnover	1,301	1,263	1,628	1,831	2,169	2,505
Intensity Metric tCO2e/£m turnover	50.2	38.0	36.5	29.6	22.6	19.7
Combustion of natural gas at sites (tCO2e)	192	221	527	271	221	467
Fuel use for mobile plant (tCO2e)	6,035	6,207	7,366	696	671	1,473
Emissions from fuel use for travel and transport	52,229	37,981	49,405	49,782	45,951	44,783
Total Scope 1 (tCO2e)	58,455	44,409	57,299	50,749	46,843	46,723
Purchased electricity for buildings (tCO2e)*	857	632	1,339	915	914	996
Electricity used in vehicles (tCO2e)*				119	336	374
Total Scope 2 (tCO2e)*	857	632	1,339	1,033	1,251	1,370
Employee Business Travel (tCO2e)	5,968	2,941	651	2,387	1,478	1,324
Total Scope 3 (SECR) (tCO2e)**	5,968	2,941	651	2,387	1,478	1,324

*Table showing our SECR emissions from its inception in 2019 to date.

Performance against our science-based targets

We continue to track progress against our Science-Based Targets initiative (SBTi) validated emissions reductions targets, which include:

- A 42% absolute reduction in Scope 1 and 2 emissions by 2030 (from a FY22 baseline).
- A 52% reduction in Scope 3 carbon intensity per £ value added.

What’s changed this year?

We’ve taken steps to make sure our reporting is both accurate and meaningful. Beyond routine data collection, we now focus on generating decision-ready insights that better reflect our complex business.

Re-baselining for accuracy

A key development this year was the re-baselining our carbon data following the acquisition of BGEN and the divestment of IWJS and Protect My Property. This has made sure that our comparison with our FY22 base line is fair and accurate.

All our published greenhouse gas emissions data continues to be independently verified to the standard of ISO 14064. Our science-based targets are aligned with the Paris Agreement goal to limit global warming to below 1.5°C when compared with pre-industrial levels.

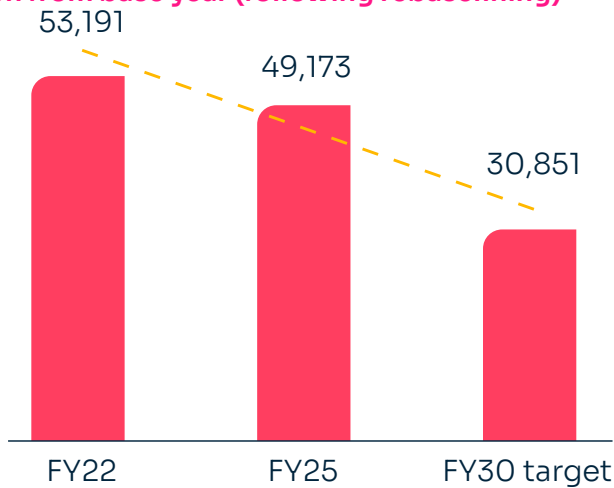
The requirements of the Paris Accord provides a clear framework for near and long-term emissions reductions, with us needing to give transparency and annual performance disclosure. This approach supports our journey towards reducing emissions by 2030 and achieving net zero by 2050, with our actions grounded in the latest climate science.

Scope 1 and 2

For our absolute reduction target for Scopes 1 and 2, following re-baselining of our FY22 base year, our emissions have reduced by 4,018 tCO2e, which is a 7.6% reduction.

We have much more to do to continue this reduction to achieve a 42% reduction by FY2030, which following re-baselining is a target of 30,851 tCO2e. The most significant source of emissions continues to be fossil fuel combustion within our fleet and plant and our M Group Plant & Fleet team are actively transforming our assets when they reach end of life.

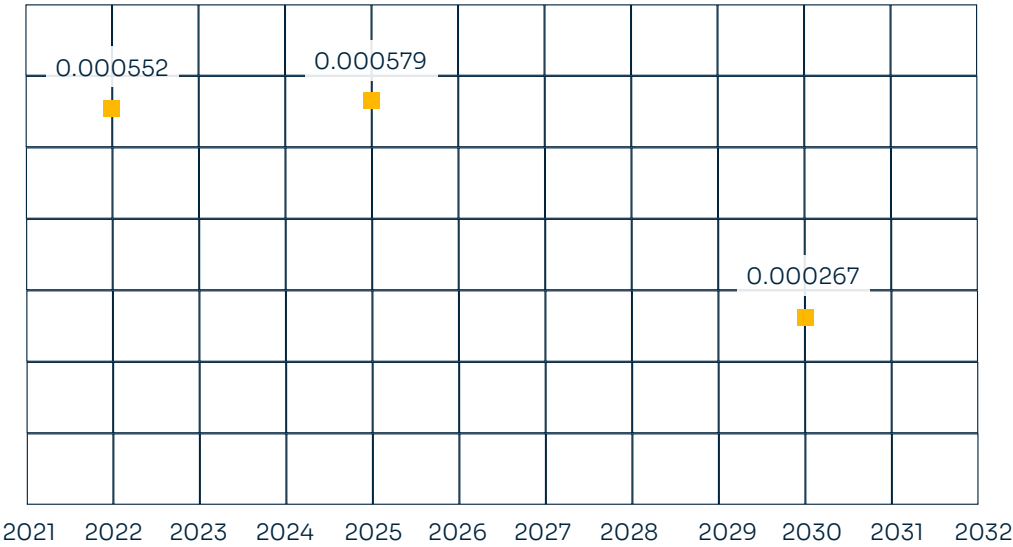
M Group Scope 1 + Scope 2 (tCO2e) performance against Science-Based Target
4,018 tCO2e reduction from base year (following rebaselining)



Scope 3- Supply chain

The results for FY25 use spend-based factors for the majority of the modelling. We’ll be working to replace these generic factors for more supplier bespoke information over the next few years. Based on our available data right now, the carbon intensity of our supply chain has increased by 4.8% since base year. We’ll focus our efforts to change this through greater engagement with our key suppliers over the coming years.

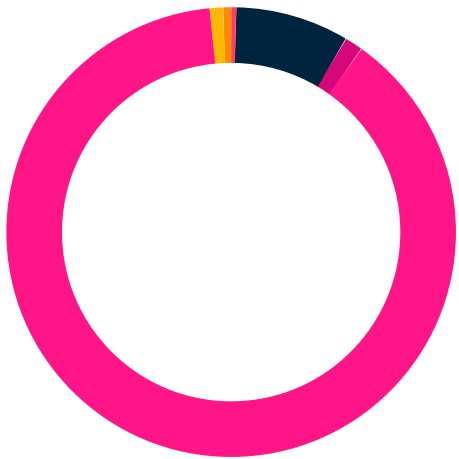
PGS economic emissions intensity performance against target



The scale of the challenge in reducing our supply chain emissions can be seen below. Purchased goods and services makes up over 90% of our material emissions.

M Group greenhouse gas emissions 2024-25 (tCO2e)

- Scope 3: Energy & fuel other T&D losses - **90**
- Scope 3: Business travel - **2,048**
- Scope 3: Purchased goods and services - **473,172**
- Scope 3: Waste generated in operations - **1,238**
- Scope 2: Electricity (location based method) - **1,370**
- Scope 1: Direct emissions - **46,723**



Working together to reduce carbon emissions

Our Carbon Reduction Group continues to meet every eight weeks to share practice, troubleshoot challenges, and align Divisional efforts to our Group-wide strategy.

The group’s efforts are now being reinforced by a dedicated procurement team, who are embedding carbon thinking into purchasing decisions. Together, these two teams are forming the foundation for how we plan, measure and reduce emissions across our value chain.

This year has been about maturing our approach: better baselines, deeper data, and a clearer understanding of where the real impact lies. We’ve learned that progress isn’t just about the numbers, it’s about understanding where those numbers come from and how they can be improved.

Ecovadis recognition

This year we were delighted to achieve an EcoVadis carbon management level of 'advanced' This defies us as a business with comprehensive elements of a Greenhouse Gas management system and advanced decarbonisation commitment, actions and reporting capabilities.

This score is valid until December 2026.

Supporting a diverse workforce

Across M Group, we’re creating a fun and friendly culture, where everyone is treated fairly and with respect, following UK laws and global standards.

We support human rights across our business, supply chain and communities. While most of our workforce isn’t part of a union, we support their right to join unions and bargain collectively.

Our approach to diverse employment and human rights is set out in our evolving Governance Framework.

The following table sets our gender diversity position by salary across the Group as of 31 March 2025. The overall proportion of female employees has increased to 19.6% in March 2025 compared to 19.5% in March 2025.

Women make up just under 14% of our people in the highest pay band (over 70k), reflecting our current representation in senior or higher-paid roles. We continue to work to improve female progression into top-level positions.

Headcount by salary band

Role level	31 March 2025		
	Female	Male	Total
Over £70k	120	743	863
£40k-£70k	506	2,861	3,367
Under £40k	1,526	5,200	6,721
Total	2,152	8,804	10,956

Our progress

- We’ve made several changes this year to attract more women, including the way we word our job advertisements, and making sure we use more neutral language.
- We’ve learned from our people encouraging flexible, remote and hybrid working.

New hires and workforce turnover

The nature of our business means we often work for clients on contracts which cover a wide geographical area with a local workforce that stays in place regardless of which business manages them.

This process, known as TUPE (Transfer of Undertakings Protection of Employment) is a system that protects employees’ rights when a business transfers to a new employer or a service is transferred to a new provider. This means we might lose or gain a number of our people from new contract wins or the expiry of existing agreements.

	Female	Male	Total
Leavers and starters			
Leavers	498	2,122	2,620
Starters	465	1,849	2,314
Departure analysis			
Non-voluntary	130	676	806
Voluntary	368	1,446	1,814

Your voice matters

Every year, we ask our people from across the Group to share their thoughts through our annual survey.

As a listening business, we genuinely care about what our people have to say. Their feedback helps us understand what we’re doing well and where we can do better. With over 13,000 people, it’s no small task, but it’s one we’re proud to take on.

This year, a massive 82% of our people completed our latest survey in November 2024. This is an increase of 10% compared to the previous year, we’re so pleased that our people are open to sharing their opinions and thoughts to help shape our business. Our Group engagement score went up to 75% which is excellent score and shows a steady improvement year on year.

We don’t just listen to what our people have to say, we take their feedback and turn it into actions that help shape our Group to constantly make positive change.

Key headlines for our 2024 survey include:

- Increased level of participation.
- Increased engagement score.
- Extremely high scores in safety, commitment, respect and care for one another.
- Eight of the nine themes show improvement from the previous year.

Particular positives include:

- Our people feel heard.
- Fairness and support for wellbeing.
- Our people feel we have a positive impact on the communities we live and work in.
- There is confidence in change.
- Our people feel motivated to do the best work they can do.

As every year there’s areas of focus, which shapes our action plans for the year ahead.

This year we are focusing on:

- How we can ensure all our people understand the Group's vision and business plan.
- How we can promote a sense of pride in the business and ensure all our people feel they belong.
- How we communicate throughout the Group.

Together, these insights give us a clear direction and with our people’s voices at the heart of everything we do, we’re excited to keep building a workplace where everyone feels valued, heard and empowered to thrive.

£8,000+ raised for charity and planted 6,200 trees through our People Opinion Survey.

Operating with integrity

Safety performance and cultural evolution

Making sure everyone gets home safely is core to our thinking and the way we want to operate our business.

Over the past year, we’ve started a maturity journey towards becoming more pre-emptive in our approach to safety management:

Process: We’ve been building on our strong safe systems of work foundations by increasing harmonisation and consistency.

Measurement and reporting: Traditional accident rates are useful but only tell us what went wrong in the past. We’ve been improving our capabilities to generate actionable intelligence that is easy to understand and have been using it to drive a shift in focus to more pre-emptive intervention.

People: We're prioritising the development of great front line safety leadership and on winning the ‘hearts and minds’ of our people through our ‘It Starts With Me’ commitment.

- We're developing a frontline safety leadership development programme.
- We are using interactive training, where teams work through real scenarios drawn from everyday site experiences, helping our people to make safer choices every day. The feedback has been outstanding.
- The 3a (Assess, Appreciate, Advance) programme in M Group Energy. It has delivered over 260 senior leadership site visits, driving compliance, sharing best practice, and encouraging innovation.
- Optimising resources: The way we organise, manage and enable safety support is being re-imagined to deliver greater mobility and availability of advice, better visibility of live risks and provide greater development opportunities for our people.
- We're working to standardise our different safety frameworks while keeping the technical flexibility each Division's needs.

Alongside our Group Minimum Standards, our Divisions are reshaping their Safety, Health, Environment and Quality (SHEQ) teams to be more aligned, responsive and forward thinking.

This approach is paying off. In this reporting period M Group Water reported its first year in 26 years with no service damage.

M Group Energy rolled out a vehicle incident reduction strategy. M Group Telecom had no RIDDORs or high-potential incidents.

Our progress is being recognised externally too. M Group Water (formally Z-Tech) and M Group Energy (formally Morrison Energy Services) achieved their 16th straight RoSPA Gold and the RoSPA Order of Distinction. M Group Rail & Aviation (formally Dyer & Butler) gained its RoSPA Order of Distinction (20 consecutive Golds) Award. M Group Energy (formally Morrison Energy Services) and Morrison Data Services both earned British Safety Council International Safety Awards with Distinction.

Looking ahead, our focus is on:

- Cutting lost time and manual handling injuries.
- Better management of minor injuries.
- Reducing road risk and fatigue.
- Developing our safety teams through new skills and recruitment.

The new Divisional Service Identification Group is improving service damage performance, while stronger subcontractor inductions are lifting supply chain safety.

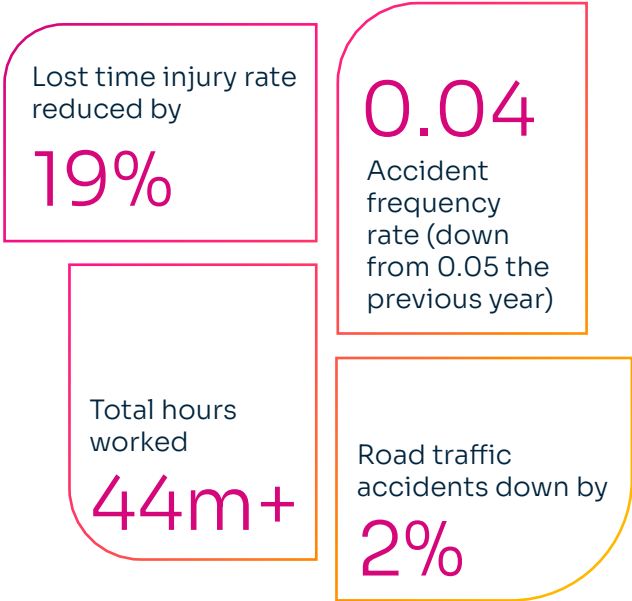
Our safety performance statistics

Year-to-date performance comparison (April- March)

Metric	2024-25	2023-24	% Change	Trend
Accident Frequency Rate (AFR)	0.04	0.05	↓20%	✓ Improving
Lost Time Injury Rate	0.13	0.16	↓19%	✓ Improving
Non-Lost Time Injury Rate	0.69	0.99	↓30%	✓ Improving
Total Recordable Injury Frequency Rate	1.29	1.60	↓19%	✓ Improving
Service Damages Frequency Rate	1.65	2.50	↓34%	✓ Improving
Road Traffic incidents per million miles	20.05	20.49	↓2%	✓ Improving
Total hours worked	44,029,127	40,707,245	↑8%	✓ Improving
Fatalities	0	0	No change	✓ Target achieved

Key safety findings:

- Injury rates fell 20%, preventing one in five accidents and showing the impact of our cultural and leadership programmes.
- The 20% improvement in AFR, combined with sustained reductions across multiple injury categories, demonstrates comprehensive safety performance enhancement- that’s preventing one in every five accidents!
- Most safety metrics improved, although road incidents remained our main challenge, with M Group Energy leading the way with a reduction strategy and ambitious 20% improvement targets for the coming year.
- With over 40 million hours worked, these improvements represent genuine progress in managing safety and a cultural shift across our whole business.



Showcasing our promise to keep our people, the public and the planet safe, through our RoSPA Award success

Earlier this year, our Group was recognised for its outstanding commitment to health and safety excellence through 17 RoSPA Award wins for 2025.

Speaking on our success at this year's RoSPA Awards, Simon Leonard, Group Head of Safety Strategy Improvement and Reporting, said:

“Across our Group, safety is a top priority. I’m incredibly proud that this year’s RoSPA’s success highlights that this continues to be a key priority across our Group, and we look forward to the maturity of our safety management culture over the next 12 months and beyond.”



Introducing a real life saver

We've launched our CLAMP ON campaign within M Group Water, aimed at enhancing our understanding of the essential guidelines for service identification during excavation activities.

CLAMP ON focuses on three key areas: promoting good Practices among managers, supervisors, and excavation teams, implementing effective control measures and ensuring that Cable Avoidance Tools (CAT) are fit for purpose.

We supported this initiative with a series of animated video clips that provide insights into best practices.

Our people said that they "saw the videos as a proactive and engaging approach to help maintain safety and efficiency on site", commenting that CLAMP ON "acted as a great reminder of the things we need to consider when doing our day-to-day work."

Following its success, the campaign has now been adopted within M Group Highways.



Together

We're an ever-growing business in a dynamic environment. This gives us a lot of fantastic opportunities, helping our clients to meet their goals and deliver for their customers in a world that's changing at a quickening pace.

Sometimes we need individual expertise to help us cut through the noise, sometimes we're better pooling our talents. In either case, the key to success is to recognise and appreciate that we're greater than the sum of our parts.

In our position as M Group, we're able to look across a wide range of critical infrastructure sectors and see the bigger picture. We can understand how our data management teams can bring value to transport, we can understand the role our renewable energy services can play in helping to enable smarter cities and communities, just as we can understand how facilities managed by our water clients can benefit from our telecommunications solutions for their instrumentation.

It's also important that we don't forget to keep an eye looking inwards. We thrive and flourish at work because of the people around us, those we lead and those we report to. It's up to each of us to make sure we've done our part in making M Group a great place to be.



Introduction from our Chief People Officer, Colin Jellicoe

United by purpose, driven by people

As Chief People Officer at M Group, one of the most rewarding parts of my role is seeing the incredible things our people achieve, individually and together. Whether it's welcoming new apprentices and graduates, supporting people from all backgrounds, or celebrating personal and professional milestones, it's a privilege to be part of a business where people truly matter.

Over the past year, we've experienced huge amount of positive change. We launched our new values, shaped directly by what our people told us matters most. These values are already helping how we work, how we lead and how we grow.

What's been especially powerful is how every part of our Group has come together like never before. We've broken down siloes, strengthened collaboration, and embraced the spirit of teamwork that defines one M Group. From our first Inclusion Conference to the continued growth of our ENABLE Framework, we're building a culture where everyone can thrive and feel proud to belong.

A key part of this journey has been bringing together our People teams under a new target operating model, designed to help us work more closely, consistently, and effectively across the Group. And with our recent rebrand, we now have one recognisable identity that unites us all, helping us show up as one team, with one voice, to our people, our clients and our communities.

We've also made big strides in how we support and empower our people, continuing to invest in tools like our evolving Oracle self-service platform, and our learning together hub, and focusing on attracting, development and rewarding talent in inclusive, equitable ways.

Our employee networks are thriving; our inclusion work is evolving and our shared commitment to creating a workplace where everyone can be themselves is stronger than ever.

Looking ahead, our focus remains clear- to attract, develop and retain the very best people by listening, learning and growing together.

Why respect, inclusion and belonging matter

We strive to have a culture where everyone feels respected, included and that they truly belong and we take our responsibility to create this seriously.

That's why we've developed a inclusion strategy, to turn our values into action and make sure inclusion is embedded in every part of our business, from how we hire and develop people to how we lead and collaborate.

Our Respect, Inclusion and Belonging policy reflects our commitment to being a business that lives its values, in everything we do.

How does this benefit our business?

- Better decision-making: Diverse teams bring broader thinking, leading to more innovative and effective outcomes.
- Higher engagement and retention: When people feel like they belong, they're more motivated, productive and committed.
- Stronger reputation: Being known as an inclusive employer helps us attract great talent and build trust in our customers and communities.
- A culture of innovation: Inclusion fosters openness and psychological safety, key ingredients for creativity and continuous improvement.

By living our values and listening to our people, we're building a workplace where everyone, regardless of background, identity, or role, can thrive. Our Respect, Inclusion and Belonging policy and strategy will help shape a stronger, more inclusive business, where every voice matters and every person has the opportunity to succeed.

What is our ENABLE Framework?

Our ENABLE inclusion networks bring together groups of people who have a shared passion, working together with one aim – to build a culture where everyone belongs.

The networks help us to understand the focus areas and best practice across our Group, to create action plans that we can take forward to promote a more inclusive workplace.

E – Ethnicity & culture

N – Neurodiversity & disability

A – Age, lived experience & acknowledging life events

B – Breaking gender bias

L – LGBTQ +

E – Enabling social mobility

ENABLE

A day of connection, conversation and commitment- celebrating our first Inclusion Conference

This year, we hosted our first-ever Inclusion Conference, a landmark moment for our Group and a powerful reflection of our commitment to building a workplace where everyone feels respected, included and that they belong.

The event, shaped around our ENABLE inclusion framework, brought together people from across our Group, providing a space for them to come together, share ideas and collaborate on driving meaningful, positive change.



Inspiring voices, powerful stories

The day kicked off with Andrew Findlay, Chief Executive Officer at M Group, setting the scene for the day ahead. Nicola Shaw CBE, CEO of Yorkshire Water, shared her leadership journey and the importance of inclusive thinking at every level of the organisation.

Kelly Grainger, founder of Perfectly Autistic, offered a personal and eye-opening perspective on neurodiversity in the workplace, challenging us to think differently and act with empathy.

Collaboration in action

Our people worked together using our ENABLE framework, collaborating to turn inclusive thinking into real-world action. Teams created tailored action plans to take back to their parts to the business, to keep up momentum.

We were also joined by some of our partners, including the Women's Utility Network and People Plus, who broadened the conversation around inclusion and equity.

Shining a light on social mobility

A standout moment was our social mobility panel, where our people and guests explored the importance of investing in people from all backgrounds.

The discussion highlighted how creating opportunities for everyone, regardless of where they start, strengthens our business and our communities.

Art that captures the moment

To close the day, we unveiled a stunning piece of artwork created live during the event. This captured the passion, energy and key themes of the day. It now stands as a lasting reminder of what can be achieved when we come together with purpose.

Our first Inclusion Conference marked the beginning of a new chapter in our inclusion journey, one where we continue to listen, learn and lead with our values. We're excited about what comes next, and we're proud to be creating a culture where everyone can thrive.



Introducing our Employee Resource Group in Telecom

In our ongoing commitment to fostering an inclusive workplace culture, M Group Telecom proudly launched its new Employee Resource Groups (ERG), Gender Equality Network in April 2025.

As a Division, M Group Telecom is now aligned with, and leveraging, the Group ENABLE framework.

The Gender Equality Network provides a safe space for our people to share their challenges, connect with others and collaborate on the solutions required, as well as celebrate the changes that happen from these conversations.

The launch event for the Gender Equality Network was a significant milestone. We were honoured to welcome guest speakers Katie Milligan, Deputy Chief Executive Officer at Openreach and Mark Turner, Managing Director at M Group Telecom, to join us.

Speaking at the event, Mark said: "We have a responsibility to deliver for all stakeholders, including our people. I wish to lead an organisation where no person is disadvantaged because of their gender or diverse background. I would like to see an improved culture where we provide 'allyship' to our colleagues, allow our values of responsible, open, together and ambitious to guide decision making and make M Group Telecom an even better place to work."

International Women's Day

This year, as part of International Women's Day (IWD) 2025, we hosted our first Group-wide IWD webinar!

Our webinar, which was hosted by our Breaking Gender Bias and Women's Networks, featured representatives from across our Group. Over 120 people attended the session, which showcased an introduction to International Women's Day, followed by a panel discussion and a Q&A session.

This builds on the fantastic work of our ENABLE inclusion networks are doing to support our friendly, fun culture, where everyone is valued.



Beyond Expectations Awards 2025

Celebrating our people at the Beyond Expectations Awards

In a world that's constantly evolving, we celebrate our people's contribution and motivation to build their skills and expertise. Each year, we roll out the red carpet to recognise their outstanding efforts and achievements at the Beyond Expectations Awards.

The Beyond Expectations Awards embody our core values, creating a culture of collaboration and excellence.

During the 2024 Beyond Expectations shortlisting period, we received over 700 nominations from our people, managers, and clients for individuals and teams. These nominations celebrated community heroes to rising stars, who had gone above and beyond, showcasing the best from across our Group. We then came together at One Marylebone in London, in a fantastic celebration of the incredible work of our winners, runners-up and highly commended nominees.

As we enter our fourth year of Beyond Expectations, we look forward to continuing to shine a spotlight on the dedication and passion displayed by our people as they deliver essential infrastructure for life.

Over 700 nominations for the Beyond Expectations Awards 2024



A spotlight on our role model of the year

"In M Group, teamwork is at the heart of what we do. Working with designers and leading a team of nine managing sites, I have seen time and again how our collaborative efforts lead to innovative solutions and ideas. I think the other values will come as a result of investing in working together.

"I have been fortunate to have opportunities to grow personally and professionally with M Group, we spend so much of our time at work and it's important we get to know each other, to grow and develop our teams and people to succeed. I started as an apprentice in this business nearly 20 years ago so know firsthand the value of developing others from within.

"Last year, I won Role Model of the Year award at the Beyond Expectations Awards 2024. This recognised my contribution to developing our team, encouraging others and sharing my expertise. My wife still laughs that I won!

"I was honoured to win, let alone be nominated. I hope that having integrity, being trustworthy and helpful also contributed to that.

"I think the Beyond Expectations Awards are an inspiring platform to recognise the achievements of others and learn about the incredible work being done across the Group."

Oliver Brown, M Group Highways



Renewing our commitment as a forces-friendly employer



In December 2024, we reconfirmed our commitment to the Armed Forces community, by securing our Gold Award under the Defence Employer Recognition Scheme for a second time, as well as signing up again to the Armed Forces Covenant.

This Ministry of Defence scheme recognises employers that demonstrate and advocate support for the Defence community.

While we're proud to be holders of the Gold Defence Employer Recognition Scheme award, what matters more to us is how we put our commitment into practice.

Across our Group, we've already got an active community of 400 Armed Forces alumni. And they're not just succeeding- they're thriving.

We're regularly engaging with the community through British Forces Resettlement Careers Fairs and Career Transition Partnership events, to encourage and welcome people from the armed forces to work with us.

What about reservists who may need time for training and deployment? Our Annual Leave policy enables reservists and cadet leaders to take two weeks paid leave each year for their armed forces duties.

David Steele, ESG & Innovation Technical Content Manager, served in the Royal Engineers between 1990 and 2004. Here's his experience:

"It can be quite daunting when you're looking for work in civilian life, because so many of the skills and abilities you've developed in your military career come without certificates and diplomas. From personal experience, I spent many years in minimum wage jobs before I learned how to 'sell' my skills to an employer.

"M Group genuinely appreciates the added value that a military background can offer. The business is supportive and accommodating when it comes to the extra demands placed on reservists and cadet instructors.

"I've really thrived since joining our business, my one regret is that I didn't discover M Group sooner!"



A spotlight on our M Group heroes

We're delighted that Cal Rose, a transformational leader who has made a remarkable impact in his role as Safety, Health and Environment (SHE) Director within M Group Water, was awarded as Young Leader of the Year at the Annual British Forces in Business Awards 2025. With a career rooted in military discipline, resilience, and strategic thinking, Cal has seamlessly transitioned into the corporate world and we were proud to celebrate his achievement with a spotlight in our people focused internal campaign, M Group heroes!



210 members of the Armed Forces community joined roles across our Group.

A spotlight on our Mental Health First Aiders



Our community has over 250 trained Mental Health First Aiders (MHFA) who offer initial support to our people facing mental health challenges. Our trained people are equipped to recognise signs of mental distress and guide others to available resources within our Group.

Candice Quayle, Documentation Manager, shared her enthusiasm about the MHFA program: "Joining the course was a no-brainer for me. It provided valuable tools to tackle a crucial issue right at work, where I interact with colleagues daily. Now, as an MHFA instructor, I'm deeply involved in this passionate community."

"Upon completion, you receive a MHFA logo for your email signature and are listed as contacts for those seeking support. You can also access a wealth of resources and an app from MHFA England for additional help."

Looking after our people, every day

Our people's mental health and wellbeing is a key priority for us, as part of our zero-harm health and safety approach.

Our most important asset is our people, so it's in our own interests to make sure everyone who comes to work alongside us is able to do so in an environment in which they feel safe, appreciated and healthy.

Mental wellbeing is as crucial as physical safety and have implemented strategies across our Group to support our people, including:

ISO 45001 accredited Integrated Management System.

We actively participate in mental health awareness events and provide direct links to external support organisations.

Widely publicised whistleblowing programmes, managed by external providers.

Mandatory mental health awareness training for all staff, with additional specialised training for managers.

Multiple communication channels for distributing wellbeing information, including email campaigns, our intranet and posters.

Free Employee Assistance Programme (EAP) providing support and advice on various issues affecting mental health, which is also made available to our supply chain partners.

Trained Mental Health First Aiders (MHFA), with information being provided in our working locations about who these people are.

Regular mental health awareness updates during weekly project safety calls.

We're working to make our wellbeing initiatives inclusive, extending to our subcontract partners. By creating a space for open conversations about mental and physical wellbeing, we aim to create a supportive environment where everyone feel cared for in both their professional and personal lives. This approach not only makes sure we're following our legal obligations but also creates a culture where our people feel they can thrive.

How are we helping our people both personally and professionally?

We believe that a supportive workplace is essential for fostering a healthy work-life balance. Through flexible working policies, inclusive benefits, and a culture that values family, we aim to create a workplace where every individual can thrive, both as a professional and as a family member.

In response to feedback from our People Opinion Survey, we introduced our new Family Friendly Policy last year. This covers maternity, paternity, adoption and shared parental leave and pay.

What does this mean for our people?

Our people are now provided an equivalent of 19 weeks' full basic pay for maternity, adoption and shared parental leave, as well as two weeks at full pay for paternity leave, for anyone who is eligible.

Our commitment to family friendly initiatives is more than a policy, it's a key part of our culture that is built on inclusivity, ensuring that all our people feel supported and valued.

We understand the importance and the significance of welcoming a new family member and that's why we go beyond statutory requirements.

Enhancing our environmental and sustainability support with in-house capabilities

The M Group Environmental Services Team is a specialist team within M Group Highways, formed in 2021 to reduce reliance on external consultants, improve resilience, and enhance our client service offering.

Now a team of eight, with recruitment ongoing, we provide expertise in we provide expertise in environmental assessments and management, including specialist support in carbon, waste and resources, ecology and permitting. We act as an 'internal consultancy' supporting all Highways contracts and increasingly other Divisions, helping retain services in-house and deliver efficiencies. We're equipped to help every Division respond to evolving client needs and changing legislation requirements.

In FY25, our team enhanced internal revenue and profits while enabling significant client savings and operational improvements. Highlights include supporting Suffolk County Council with a strategic environmental assessment, enabling Peterborough City Council exceed 20% biodiversity net gain delivery using innovative AiDASH technology, reusing over 50,000m³ of materials to save £450k and 116tCO₂e, and supporting the establishment and management of waste facilities that repaid investment in under five years.

Beyond Highways, we've shaped environmental strategies for Water, supported key strategic bids in Rail mobilised carbon management for Telecoms and delivered planning compliance and ecological support in Energy. Across the Group, we've assessed risks in waste and resources, supported double materiality assessments and driven sustainability alignment.

Looking ahead, we're enhancing our end-to-end capacity and capabilities through recruitment, rolling out waste testing and classification services, supporting PAS 2080 adoption, conducting a fleet electrification study, and leveraging our expertise for major projects like Sizewell C. All of this while supporting the Group on environmental assessments for our design, build and maintenance work.

Our vision is clear: to integrate our environmental services across M Group, enhancing value for clients, reducing risks and embedding sustainability as a competitive advantage.

Looking forward, we hope to further engage all Divisions to understand support requirements and hope they use our availability to support.

A responsible expansion: Welcoming BGEN into M Group

Our acquisition of BGEN wasn't just about growth, it's about strengthening how we deliver sustainable infrastructure services. From the moment we met BGEN's leadership, we saw a strong alignment in values: safety, quality, and a long-term commitment to sustainability.

The due diligence process was more than box-ticking. Over several months, our teams worked side by side with BGEN's, sharing knowledge, asking tough questions, and identifying opportunities. What stood out wasn't just BGEN's technical strength across MEICA services, it was how far ahead it was in embedding sustainability into everyday operations.

BGEN's approach to ESG is practical, mature, and effective. From their supplier assessments to carbon footprint management, it's showed us how ESG, done well, can deliver cost savings, reduce risk, and improve project outcomes.

Building a stronger future

BGEN's 1,500 experts, nationwide footprint, and subsidiaries (BES, Norwood, BFP) now form the core of our MEICA operations. Their people and processes are helping us raise standards across M Group, particularly in critical infrastructure.

BGEN's also driving innovation in sustainability, from reducing office emissions at its headquarters, Firecrest Zero, to rolling out AI-powered smart sockets that cut energy use by over 7,000 kWh in a year.

BGEN's ESG achievements include:

- **A formal sustainability committee:** Providing a strong governance structure, including members of the SLT team to drive and embed change across the business.
- **A net zero-certified head office:** The carbon savings achieved from the replacement HVAC, solar window film, LED lighting and water heating system has resulted in initial annual savings of nearly 23tCO₂e.
- **A Double Materiality Assessment to shape strategy:** Results have enabled them to set a solid foundation to develop an ESG strategy for their MEICA family of businesses.

- **Partnerships that deliver measurable carbon savings for clients:** A successful partnership with Tunley Environmental, a carbon consultancy specialising in calculating GHG emissions, identifying carbon hotspots and suggesting opportunities to reduce emissions.
- **Transparent emissions reporting aligned to ISO 14064.**

Social value matters too. From volunteering in schools to supporting early careers, BGEN is investing in people and communities.

As we integrate further, we're learning from each other. This puts us in a strong position to meet future infrastructure needs while building a more sustainable, responsible business.

Measurable energy smart sockets

BGEN was keen to tackle unnecessary energy consumption and associated carbon emissions, from the use of plug-powered equipment in the office space, which is often an overlooked but substantial source of energy waste. This is from devices such as monitors, printers and heaters consuming power even during non-working hours.

AI-powered smart socket technology was installed across two office locations. The impact achieved over a 12-month period shows:

- 7229.10 kWh saved.
- 957.9 kg saved.
- Over £1,800 saved in electricity costs.

1,500+

employees added across MEICA operations

23 tCO₂e

annual carbon savings
at head office (Firecrest
Zero)

Proud
Gold
member

of the 5% club (early careers initiative)

Decarbonising our fleet

We're introducing and developing sustainable solutions across our operations.

To document the progress we've made and our future plans to make our fleet of over 11,000 vehicles more sustainable, we launched our fleet decarbonisation strategy.

Aligned with our Group Science Based Target, we aim for a 42% reduction in Scope 1 and Scope 2 emissions by 2030, using 2022 as our baseline. As of March 2025, 33% of our company car fleet is fully electric, with 48% of our company cars now hybrid.

Looking forward, what are the key elements of our strategy?

Company cars:

- Promote adoption of EV cars through company car and salary sacrifice schemes.
- Provide hybrid options until more EV models meet our criteria.
- Review reducing the maximum CO2/ Km threshold.

Operational cars:

- Recommend EV cars where suitable.
- Move from petrol to other options where EV is not appropriate at the current time.

Commercial Vehicles:

- Asset replacement strategy aligned to incorporate alternative fuel options with consideration to whole life cost.
- Continue to seek new technology development opportunities to enhance the fleet.
- Recommend HVO is used to fuel HGVs to reduce overall emissions.

Fuels:

- Monitor vehicle idle times to target emission and fuel spend reduction.
- Promote HVO use in company vehicles and contract vehicles (where supplier approved).
- Continue to keep abreast of alternative fuel developments.

Charging:

- Deploy EV charging at offices where there's demand.
- Facilitate Divisions access to installation of home chargers for commercial vehicles incorporating the reimbursement of energy usage.
- Supply access to a wide network of public charging stations.

By incorporating EV, exploring low-emission fuels and investing in smart charging infrastructure, we're reducing our environmental impact while keeping our operations running.

We recorded 4,863,769.63 miles undertaken by battery electric vehicles.

Exploring EV- A spotlight on Harvey Sykes

"Since joining M Group in October 2019 as a graduate, I have contributed to projects within M Group Plant & Fleet to enhance asset management and operations.

"A significant initiative I supported was the introduction of our Fleet Management System, which improved visibility, control, and efficiency across the fleet. This experience has shaped my current role as EV Manager, where I focus on making the transition to electric vehicles (EVs) and the necessary infrastructure possible.

"My role balances strategy and delivery, ensuring our plans are achievable and aligned with long-term goals. Over the past year, I focused on completing a major tender for EV charging infrastructure, collaborating with people across the Group and external suppliers to find solutions that support our growth plans.

"I've also strengthened relationships with our EV infrastructure partners, influencing the features they develop to meet our fleet's needs. Internally, I created tools to help teams understand the financial aspects of EV charging, making decision-making more accessible. Working with telematics partners, we've enhanced fuel and energy tracking across the fleet, analysing data to identify the best locations for infrastructure roll-out.

"I support the wider ESG strategy by contributing to emissions reporting and engaging with industry peers to share insights and best practices. Overall, this past year has been a rewarding mix of collaboration and planning as we accelerate our infrastructure plans."



Supporting sustainable journeys with the completion of Manchester EV charging oasis

Our M Group Energy team has worked with Be-EV to create a flagship electric vehicle (EV) charging oasis at a long-derelict site in Manchester. With a project value of over £1.5m and a timeline of 26 weeks (November 24- April 25), our goal was to build a state-of-the-art hub, featuring 10 new 150kW chargers and a café Nero.

Initially, the design exceeded budget and time constraints. Our team collaborated with the design team to develop a comprehensive solution that met sustainability goals without compromising on quality. Our responsibilities included all CDM work, permits and project management.



We faced some challenges regarding site contamination and coordinating works on a busy road. To ensure safety and efficiency, we held daily health and safety compliance meetings and implemented sustainable measures such as using reclaimed materials in construction and implementing a rainwater harvesting system.

Upon completion, we successfully delivered 10 charging stations, significantly boosting Manchester's EV infrastructure. Our client praised the collaborative project, noting the exceptional teamwork and quality of our delivery.

Ambitious

We're ambitious in a way that wants to see everyone win.

We want our contributions to be more efficient, wider reaching, more impactful or less costly. We ask our leaders to actively look for ways to advance the people they're leading, while our commercial teams are constantly looking to find efficiency and effectiveness in the service we provide to our clients.

To us, ambition is all about unexpected value and finding meaning in exceeding the expectations of ourselves and those around us.

Raising the bar on responsibility: Our ESG improvement plan

We see ESG principles as the foundation for running our business responsibly. They guide how we operate, work with suppliers, and support the communities where we work.

We're now working with EcoVadis, a leading ESG rating agency, to measure our performance and identify areas for improvement. Our latest rating placed us in the 'Good' category, giving us a clear baseline to build from. Over the next three years, we'll strengthen policies, set measurable environmental targets, expand training, and raise expectations for our suppliers.

A key step will be completing a Double Materiality Assessment (DMA). This process looks at two things: How our activities affect people and the environment, and how wider social or environmental changes could affect us. The insights will help us focus on the most important risks, opportunities, and impacts.

This approach will enable us to evaluate ESG risks and impacts from two perspectives: How external ESG factors affect our business, and how our operations and decisions impact the environment and society. By taking this comprehensive view, we aim to identify the most material risks, opportunities, and impacts that will shape our ESG strategy.

For example, areas like biodiversity, procurement, and training will play a prominent role in the assessment process. We recognise that any number of new regulations could have far-reaching implications for different parts of our business, from meter reading to large-scale infrastructure projects. Similarly, global pressures on market forces, and potential abuses within our extended supply chain could materially impact us from both an operational and reputational stand point.

We're also aware of the importance of equipping our workforce with the knowledge and skills needed to drive ESG progress. While a great deal of targeted training is already in place, we see an opportunity to establish Group-wide Minimum Standards for ESG-related training by occupation, ensuring consistency and fostering innovation across all levels of the organisation.

A plan for progress

Our improvement plan runs over three years, starting with a strong focus on building momentum in the next financial year.

In the early stages, we'll capture and record good practices that already exist within our business, so they can be recognised and built upon.

We'll also introduce new policies in areas such as sustainable procurement, environmental stewardship, and people development.

We'll make a start on upgrading and redeveloping our monitoring and reporting systems so we can track progress with greater accuracy. This will help us share our results openly and make informed decisions about where to focus our efforts. Supplier engagement will form a major part of this work, with performance expectations made clear and support provided to help partners meet them.

These activities will allow us to strengthen our operations, improve efficiency, and create a deeper connection between our values and our day-to-day business decisions.

These changes, alongside our refreshed values, will shape M Group for years to come, strengthening trust, resilience, and sustainability while showing real progress in future ESG assessments.

Unlocking innovation: i2i and RDEC

Our clients rely on us to solve some of the UK's toughest infrastructure challenges.

To do this, our Rail and Aviation team has redesigned our innovate 2 improve (i2i) innovation process. It's designed to be open and inclusive, giving everyone, from our people on site to directors, an easy way to share ideas through apps and QR codes.

On average, we receive 40 suggestions each year, with each reviewed for value and potential. Those taken forward come with recognition and a small reward, helping to build a culture where innovation belongs to everyone.

The process follows five steps: identify, incubate, invest, implement, and interrogate. This ensures ideas are not only captured but developed, resourced, delivered, and measured for impact.

Many of our Divisional teams are also benefitting from the government's Research and Development Expenditure Credit (RDEC) scheme, which reduces the financial risk of innovation. It provides a 20% tax credit on qualifying R&D costs such as staff, subcontractors, materials, and software. This support has already enabled projects like leak detection in water, new telecoms systems, and safer rail electrification methods.

Recognising the potential of RDEC to drive innovation, we're preparing to release a stand-alone RDEC guide in the coming year. This resource will be tailored to help teams identify qualifying activities, document their work, and navigate the application process with ease.

RDEC gives us an opportunity to think bigger, act bolder, and create practical innovations that benefit our people, clients, and communities. The example of i2i from our Rail & Aviation Division might also inspire work in other areas of our business as we share the best practice during the coming year.

Charging forward with carbon-cutting EV installation

We recognise how important innovation is in us meeting our ambitions. This includes carbon-cutting innovation, which has been introduced by our M Group Energy EV team in our EV installation process.

Traditionally, installing chargers, power banks and feeder pillars used significant amounts of concrete to ensure stability. To reduce carbon management and installation time, Craig Hopper, Technical Manager, has designed sustainable equipment using recycled plastic.

This new method uses recycled plastic moulds for the charger foundation. The chargers are made from 100% recycled plastic and produced in a factory powered by solar energy.

This approach enhances efficiency by removing the need for concrete curing, which can be timely, while still providing the stability needed for the above-ground equipment.

So far, our EV team has used this innovative technique at six sites, successfully installing 33 chargers, five feeder pillars and seven power banks.



How we approach acquisitions responsibly

Our acquisition strategy is about capability, not volume.

For us, acquisitions are never about chasing scale. Bigger isn't always better. Instead, we focus on finding partners who can help us expand into adjacent markets or deepen our capabilities in areas where we can make a real difference for our clients and the communities where they work. This means we're selective. Every acquisition needs to fit into a broader picture, and is built around growth that's sustainable, responsible, and aligned with our long-term strategic vision.

Our acquisition process is a collaboration between dozens of individuals:

1. The first step: Asking the right questions

When we identify a potential partner, the first thing we do is start a two-way conversation. We want to understand who they are as a business. What's their culture like? What do they stand for? Are they compatible with our values? We want to know if they're the right fit. We believe that shared values lay the foundation for a successful partnership.

2. Due diligence: Bringing in the experts

We then begin our due diligence. This is where our teams come together, involving operations, finance, commercial, legal, people specialists, safety teams, risk analysts, and more. It's a comprehensive process because we're actively seeking opportunities to create something greater than the sum of our parts.

Here's what we examine.

Cultural fit: Will their culture complement ours? Can we see everyone thriving within our organisation?

Alignment: How mature are their governance practices? Will their environmental impact, for example, challenge or enhance our own carbon reduction targets under the Science-Based Targets initiative (SBTi)?

Operational resilience: What risks might we face in integrating their processes with ours? How can we mitigate those risks effectively and strengthen their business for sustainable growth?

This stage is about understanding the complete picture of who they are and how we could complement each other.

3. Data and risk analysis: Leaving no stone unturned

We use a range of tools to ensure we're making informed decisions. From analysing market, financial and operational data to conducting detailed risk analysis, we take a 360-degree view of the opportunity. Of course, no acquisition is without its risks, but the key is being prepared. That's why we develop tailored risk mitigation strategies for every deal, leveraging the extensive experience embedded in our M&A playbook.

4. Integration workshops: Where collaboration meets action

4. Integration workshops: Where collaboration meets action

Once we've agreed the deal, the real work begins. Integration is not a 'one-size-fits-all' process, and we know how important it is to get it right. That's why we hold extensive workshops to bring both teams together and work through everything from operational alignment to cultural integration.

From an ESG perspective, a big part of these workshops is focused on sustainability. For example, since the new partner's carbon footprint will be different to ours, we revisit and rebaseline our SBTi targets to understand the impacts before re-validating our target. It's a collaborative process because we know that bringing two organisations together requires trust, openness, and a shared commitment to success.

We're still learning

This process is one we're constantly refining. We're learning, improving and always striving to set the standard for what responsible acquisitions should look like. Together with our new partners, we're building a legacy of sustainable and ethical growth.

M Group announces acquisition of BGEN: strategic step forward

In 2024, we announced our acquisition of BGEN, a leading technical engineering solutions provider, as part of our ongoing strategy to enhance and expand our capabilities in critical infrastructure sectors.

This acquisition represents a significant moment for us, aligning with our mission to deliver innovative, sustainable solutions while maintaining our commitment to ethical corporate governance and operational excellence.

Why this acquisition matters

The acquisition of BGEN is part of a deliberate strategy by us to deepen our technical engineering capabilities and broaden our reach into new markets. This move complements our existing operations in the energy, water, telecom, and highways and rail and aviation sectors, enabling us to provide even more comprehensive solutions to our diverse client base.

Andrew Findlay, Chief Executive Officer at M Group, highlighted the strategic importance of this acquisition, stating:

"In line with our strategy, the acquisition of BGEN significantly enhances the technical engineering capability of M Group, deepening our ability to provide expert solutions for our existing clients and broad range of new clients, for today and in the future.

"Together, we are even better placed to support the energy transition to net zero, leading the way in maintaining and enhancing essential infrastructure that is continually adapting to a rapidly changing world. I am very pleased to welcome the BGEN team to the M Group family."

Building capability: Progress and innovation in learning and development

Over the past year, we've reshaped our Learning & Development (L&D) approach to make learning more relevant, accessible, and impactful.

We've separated technical and compliance training from personal and career development, giving people clearer pathways. A major step forward was the launch of M Connect, and our learning together pages, our new learning hub. Instead of searching by format, resources are now grouped by topic, making learning easier to find and encouraging self-directed growth.

Through our Competency Cloud system, we've started tracking engagement, allowing us to identify which areas are seeing the most interest and where we might need to focus more attention. The data not only helps us refine our offerings but also provides valuable insights into how learning is being embraced across the organisation.

Our Talent Development Programme has also matured. Last year's Talent23 pilot gave us valuable lessons: The need for better communication, more consistent engagement and wider access to modules. This year, we've introduced quarterly touchpoints, new community webinars, and a 'stay connected' area on M Connect. We've also expanded the curriculum, adding modules on Values & Behaviours and Digital Leadership, and ensured managers receive coaching so learning is reinforced in practice.

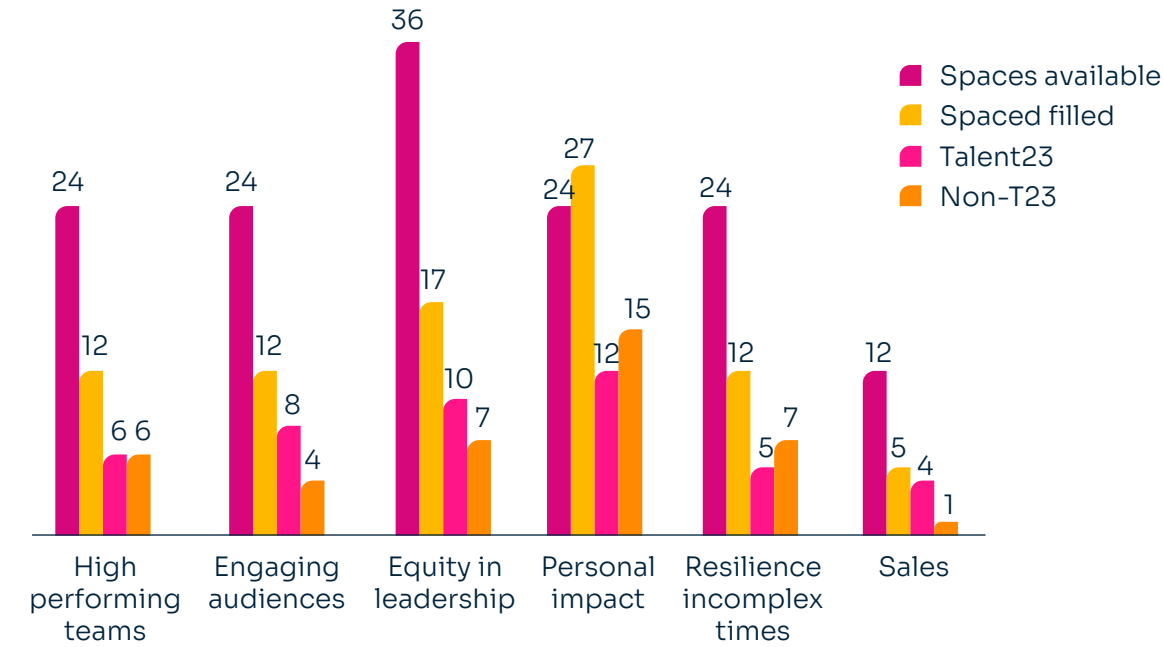
Feedback from Talent23 was encouraging: "The training on resilience was exceptional... the coaching has really supported my confidence." But we also heard that participants wanted more notice of courses and clearer recognition of why they were chosen. In response, we've improved comms through HR directors and managing directors, created a talent mobility portal, and standardised invitations so people feel informed and valued.

Recognising that traditional compliance training can feel disengaging, we're shifting our mandatory training to a behavioural approach. Instead of focusing solely on the legal requirements of data protection, our new training emphasises practical, real-world scenarios, such as keeping data safe at home. This approach not only makes the material more relatable but also encourages our people to apply what they've learned.

Our Leadership Development Programme has been crafted with input from HR business partners, operational leaders, and participants themselves to understand what was needed. The result is a dynamic curriculum that combines face-to-face workshops on essential topics, such as coaching and team presentations, with flexible virtual sessions for other areas of development. Senior managers across the business are invited to recommend candidates who show future leadership potential or demonstrate an interest in learning.

Innovation has played its part too. Our Safety Game makes behavioural safety training engaging and has scored 4.5/5 for impact. And our partnership with Circle connects senior leaders with young people from underprivileged backgrounds, giving both groups new perspectives.

Taken together, these changes show how feedback, innovation, and values are shaping a stronger learning culture, one that prepares our people for the challenges of today and tomorrow.



*Table showing course uptake

Training disclosures

Total spend across the Group

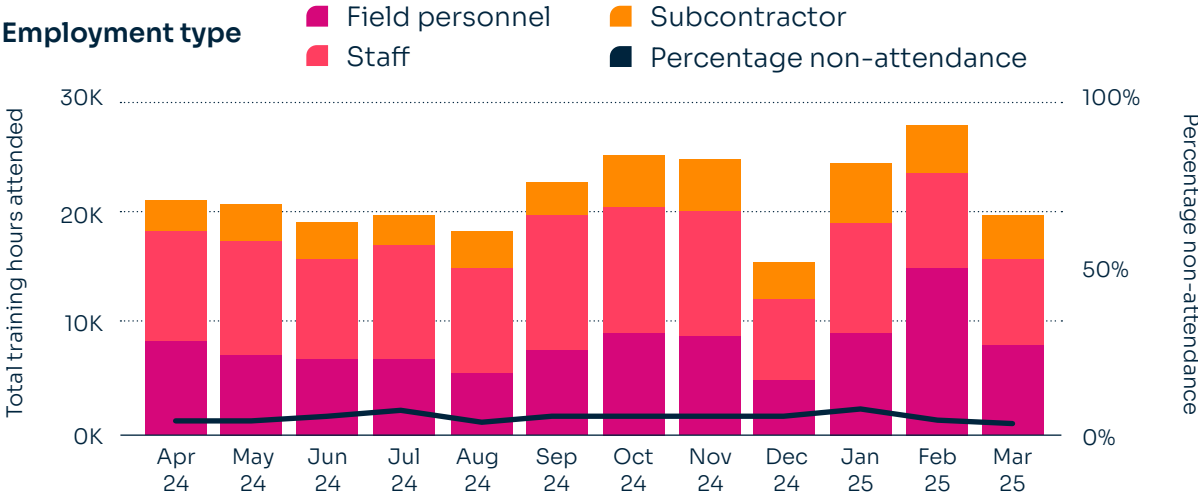
We’ve made significant progress in driving down the amount of non-attendance at our courses which is helping us to drive down costs.

Year	Quarter	Total cost of training	Cost of non-attendance	Non-attendance percentage
2023	Total	£5,931,701.19	£519,360.41	13.3%
2024	Total	£6,554,804.84	£573,294.66	5.5%
2025	Total	£3,358,326.34	£308,696.08	4.0%

Our training hours per operative for this reporting period were:

	Hours	Days
Staff total	117,191	19,532
Field operative total	97,465	16,244
Subcontractor total	257,309	42,885

Training hours and non-attendance (rolling 12 months)



Hours per employee type

As with last year, we’ve broken this down into field operatives and general staff.

Division	Count	No. receiving training	Total training hours	Training days per person
Staff				
Energy	1,256	1,401	21,542	2.85
Group	557	657	9,776	2.98
Telecom	1,577	1,807	6,502	0.69
Transport	1,362	1,578	36,167	4.43
Water	1,909	1,970	43,121	3.76
Total	6,661	7,376	117,108	2.93
Field operatives				
Energy	1,874	1,438	25,216	2.24
Group	29	34	1,171	6.73
Telecom	244	408	616	0.42
Transport	956	1,206	45,213	7.88
Water	947	1,043	25,248	4.44
Total	4,050	4,125	97,464	4.01

Mandatory training across the business

Category	Count
Business Ethics	4,445
Business Ethics & Info Security for Ops	1,946
Equality, Diversity & Inclusion	2,099
Info Security & Data Protection	13,765
Modern Slavery	2,054
Sustainability	136
Unconscious Bias	731

Business Ethics covers modern slavery, diversity and inclusion, bribery and corruption.

Introducing our Early Careers Network

Teamwork and collaboration define life in our organisation, working seamlessly across sectors to share learnings and join the dots between areas that are part of the same ecosystem.

That’s why, we’re thrilled to have launched our Early Careers Network!

The Early Careers Network is a vital forum for our graduates and apprentices to connect, share ideas and learn together. So far, our Early Careers Network has brought together our apprentices and graduates, hosting several virtual network sessions, including an insight into the expanding world of artificial intelligence with guest speaker Stephen Frost, Head of Digital Solutions & Innovation for M Group Highways.

This builds on improving the perception and showcasing what we offer regarding early careers.

We’re incredibly proud of our Early Careers Network steering group, who are leading the way in creating a more collaborative approach for our apprentices and graduate across our Group.

Oliver Tandy, SHE Advisor at M Group Water, said: “The reason I wanted to join the steering group was to become an ambassador for health, safety and wellbeing within the network, and communicate how the business can help our people with their wellbeing through schemes like the Employee Assistance Programme we have in place.”

Apprenticeships

from Level 2 to Level 7

84 apprentices

in apprenticeships across our business

40+ Graduates

enrolled in our early careers programmes

175,000+

learning hours completed annually through our training programme

Proud Silver member

of the 5% club

We've signed the Social Recruitment Covenant

confirming our commitment to inclusive recruitment, training and employment practices

Training the next generation of energy advisors

As energy costs and climate concerns grow, the need for trained advisors is urgent.

After noticing a gap in training, AgilityEco has joined forces with Greenworx, to launch The LEAP Energy Advisor Academy.

With demand rising, the academy, which trains individuals to help households cut energy bills and tackle fuel poverty, aims to launch 100 new advisors this year. The online course includes peer support, flexibility, and qualifications such as NEA Level 3. It’s helping more people see the role as a well-paid, meaningful, and impactful career.

Many graduates are now employed with us, as part of our LEAP network, or have secured positions with other employers. The larger LEAP network has also quickly expanded across the country, directly or indirectly creating approximately 130 jobs.

Many graduates now work with us, as part of our LEAP network, or have found positions with other employers.



MAGI update

Last year we introduced M Group Artificial Generative Information (MAGI) as a pilot to help collate and explain policies. Since then, it has moved from proof of concept into full production, now available to all our people. MAGI shows how we can use Artificial Intelligence (AI) responsibly, improving efficiency while keeping security, ethics, and transparency at the centre.

From the start, MAGI has been built on responsible AI design. It only uses verified internal data, with strict guidance to prevent misuse and protect sensitive information. Quality checks make sure that it can generate reliable outputs.

The system is already delivering results. In bidding, MAGI helped win contracts with Welsh Water, Yorkshire Water, and Southern Water by generating fact-based, compliant responses. As Steve Stanyon, Contract Director (Growth) at M Group Water, said:

“Using MAGI has given our bid team a fantastic tool... I don’t think we could have tendered for so many contracts without it.”

MAGI also supports health and safety, analysing incident data in seconds, freeing teams to focus on improvements. IT developers use it for code reviews and testing, saving time and raising quality.

With 1,500 users already and plans to reach 15,000, MAGI will keep evolving. Next steps include AI ‘agents’, to let teams query their own documents and create bespoke tools, another step in using AI to enhance, not replace, human work.

One Data Collection: Smarter meter reading for greater impact

Our One Data programme, introduced by M Group Energy, combines energy and water meter reading into a single service for clients in the Thames area, including Siemens. By merging teams, we’ve increased meter density, allowing more readings in less time and boosted workforce efficiency by 20%.

The approach also reduces our environmental footprint. Fewer vans are needed, with around 140 vehicles removed from service, cutting road miles by 622,000 annually. This saves 69,000 litres of fuel, reduces emissions by 255,657kg CO₂e, and contributes to cleaner local air quality.

Project Levi has added a further 7.5% efficiency gain, exceeding expectations, while delivering annual fuel cost savings of over £100,000, offsetting its initial £50k investment.

Using our existing system, we plan routes by mapping meter locations and assigning work to staff closest to the area. This smart planning means drivers now travel 1.7 miles less per day.

Looking ahead, One Data and Project Levi will provide the foundation for scaling logistics, with AI technology set to further improve the efficiency of routes taken by our people.



Summary

This year's ESG and innovation report highlights the progress we've made, and continue to make, towards a healthier, more sustainable future.

Guided by our values, this report offers a promising insight into how we're reducing carbon, protecting biodiversity, improving safety and supporting communities and our people.

Our ESG journey reflects the belief that we're greater than the sum of our parts. By working across Divisions, teams, communities and partnerships, we unlock opportunities that drive lasting impact. Across M Group, our people are driving innovation and embedding sustainable practices that deliver real impact today while preparing for tomorrow.

By aligning our actions with both client needs and environmental responsibilities, we're building resilience, strengthening trust and creating long-term value.

We hope that we've managed to demonstrate how together, we're delivering essential infrastructure. For life.



Essential infrastructure
services for life





M GROUP

We're at tipping point

We're well-placed and committed to delivering essential infrastructure services for life.

**And with you, we'll achieve it.
For everyday life. And sustainable life.**

mgroupltd.com

Essential infrastructure
services for life