



MGroup Services

ESG

AND INNOVATION

REPORT

01 April 22 - 31 March 23

WELCOME

to our 2022/23 ESG & Innovation report



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ESG & innovation in
practice



Andrew Findlay
Chief Executive Officer
M Group Services



Message from our Chief Executive

We are pleased to be able to share our new Environment, Social, Governance and Innovation (ESG&I) Report which provides a summary of some of our Group and individual operating businesses successes.

Since becoming Chief Executive of M Group Services in January, I have witnessed first-hand the determined effort and commitment of our people to build upon our already sector-leading ESG credentials. I am delighted that in the year to March 2023 there have been increasing levels of ESG&I activity across our Group.

This increasing focus on ESG&I builds on our first ever independent ESG rating assessment, shared in our second annual ESG&I Report, published this time last year.

Since then, we have focused further on sustaining our leading ESG rating and have been busy identifying new opportunities to improve across a wide range of ESG measures and benchmarks. Looking at our organisation both internally and externally against other industry leading organisations is helping us build our momentum. We see both short and long-term opportunities to evolve our business to become even better for

the environment, increase our social contribution and further enhance our governance. In some cases, best practices and innovations have been immediate and have yielded fast results. Other changes will take longer and will require careful consideration and planning – like our detailed decarbonisation plans, for instance, which we will describe in more detail.

As a result of our collective hard work, I am pleased that we have cause to celebrate our achievements again this year. As improvements to our ESG practices have led to a further improvement in our ESG rating and M Group Services being formally, and internationally, acknowledged as “Industry Leading” by one of the leading global ratings agencies, Sustainalytics. Our drive is to ensure we continue to hold this outstanding, and increasingly coveted position, while delivering a wealth of achievements across the business, some of which are showcased in this report.

I believe that, although our primary obligations are to our clients, customers, people and investors and to remain profitable and financially healthy, we should recognise that our purpose goes beyond that. All of us at M Group Services provide a vital service or solution that ensures the essential infrastructure of everyday life meets the needs of millions of people across the UK and Ireland. Our philosophy is to be ‘for more than profit’ and now, more than ever, we are driving an ethos that ensures our operations are sustainable, responsible, and beneficial to the environments and communities in which we work.

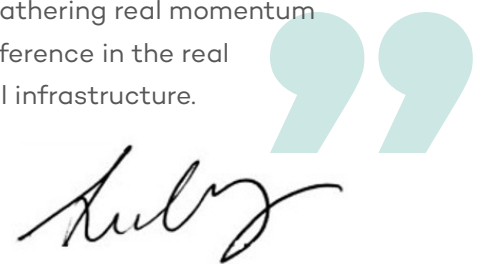
Over the 12 months covered by this report, I have seen the committed efforts and energy of thousands of our people across M Group Services. My observations have convinced me that we are greater than the sum of our parts. In partnership with my team, I see exciting ways to build on the talent and enthusiasm of our colleagues to continue to learn and challenge the way we operate in a world where ESG is an ever more important component of our differentiated offering.

Here is just a handful of the significant steps we have taken recently that have set us on the path of being an even better business:

- We committed to setting science-based targets in 2022, to reduce our Greenhouse Gas (GHG) emissions in line with staying below a 1.5°C global average temperature increase. In this report, we will explain how our commitment to reduce our Scope 1 and 2 emissions by 50% by 2030 is developing, with news about our Carbon Reduction Group.
- We are also proud to have joined the United Nations Global Compact (UNGC). Our first report to this organisation will be filed in December 2023, alongside thousands of leading global organisations. Active participation in the UNGC helps us ensure our people and environmental practices are among the best when benchmarked globally.
- We continue to take a careful look at how the way we work aligns with the United Nations Sustainable Development Goals (UNSDG's), and this report provides information about how our operational contracts are taking these goals to heart in their own activities.
- One of the headline achievements of which we are particularly proud, is the reduction of our Group ESG Risk Rating from 9.6, to 8.3*, based on an in-depth independent analysis by ESG risk ratings agency, Sustainalytics. As a result, we have been awarded the accolade 'Industry Top Rated' for our commitment to the environment and sustainability, managing our impact on and support for local communities. It also means the Group has a 'negligible risk' of reputational and operational risks through its direct and indirect activities.

This report builds on our previous year's progress and highlights some of our key achievements and milestones between April 2022 and March 2023, showcasing the wealth of talent and energy that our people, clients and supply chain partners have demonstrated to make our progress possible.

Our commitment and approach to ESG&I performance is gathering real momentum and making a difference in the real world of essential infrastructure.



A handwritten signature in black ink is positioned below a large, light blue quotation mark graphic. The signature appears to be 'Aulby'.

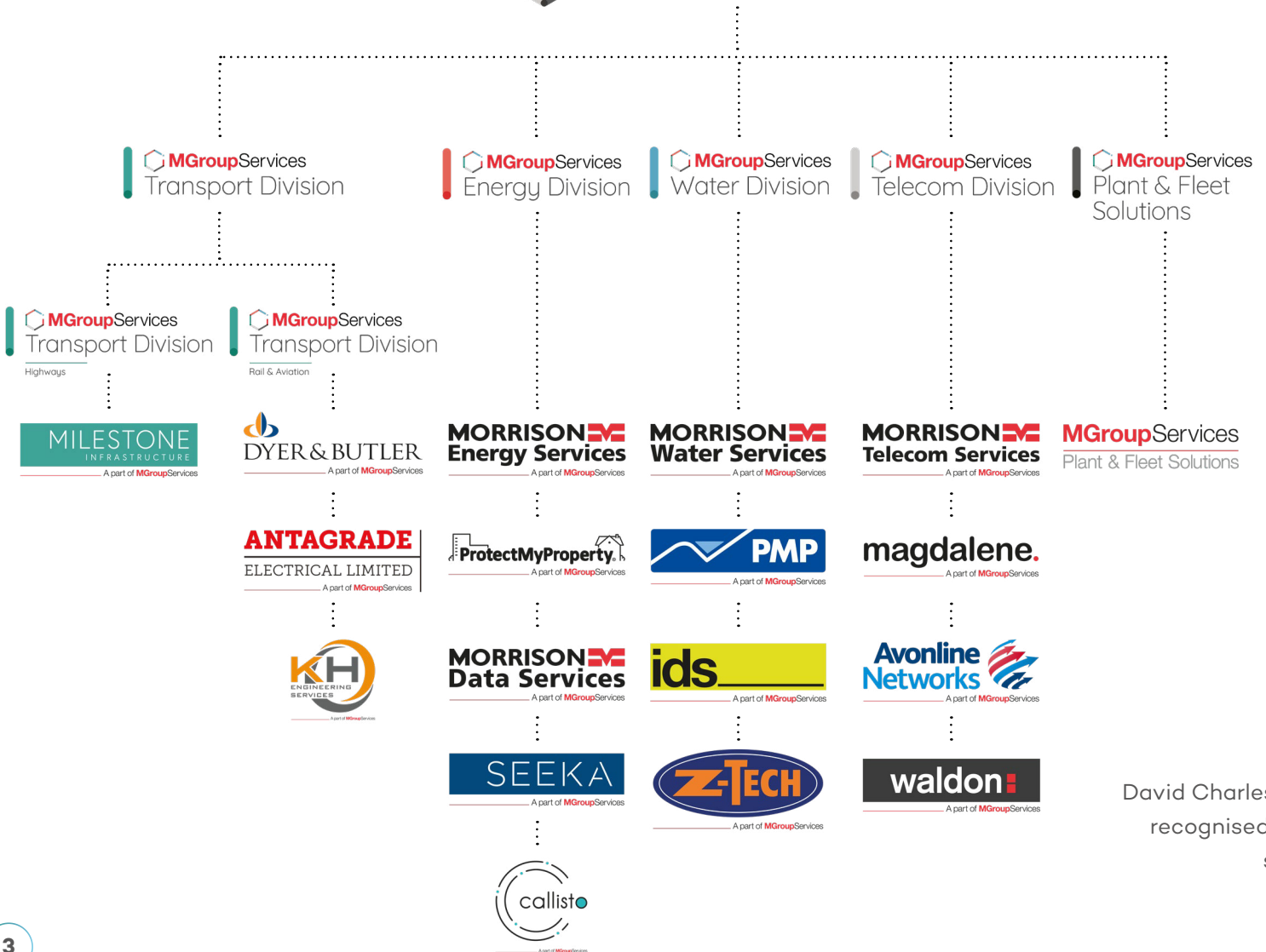
*for those not yet familiar with this rating scale, it represents a total risk exposure of 100, where the lower the risk score, the better our result.

We are continuing to drive a culture of ESG, ensuring we channel our commitment to achieving targeted solutions for our clients and their customers. Using this sense of purpose as a positive force for change, our leadership in this sector will ensure an approach which is sustainable, responsible and respectful, thereby creating a beneficial impact on the environment and communities in which we work.



Overview of M Group Services

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



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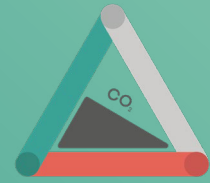
Through our divisions, works are streamlined through operating businesses to further enhance our client focused delivery and provide safe, reliable and cost-effective support and solutions.

The statistics used within M Group Services ESG&I Report are a cross-section from the entire Group showcasing the progress and results we have achieved.

We will use this report to share a selection of metrics we use to measure our performance. From this we categorise our ESG contribution through six common themes as shown on the right.

Each theme references the key UNSDGs, outlining where and how we employ our approach to innovation to extend and discover new ways of delivering service to our clients, their customers and wider communities while reducing our impact on the environment.

Our six key areas of focus:



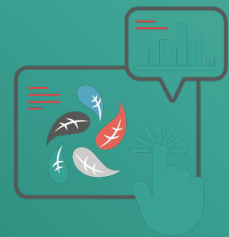
Decarbonising services to our clients



Environmental performance



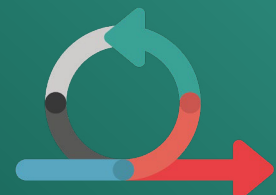
Adopting world class standards



Monitoring and controlling risk



Our people and our communities



Future plans



Contractor for Morrison Telecom Services, has been for his heroic actions after he saved a man's life who offered a severe heart attack at the wheel of his car.
CREDIT: Ayrshire Post/ Ross Turpie



Adopting world class standards

How and why we continue to align ourselves with the United Nations Sustainable Development Goals

Our operating model aligns the Group's delivery to its focussed sectors and clients. We are ideally placed to support the infrastructure sector, through our operational delivery and for enhancing social value, helping to decarbonise our own and our clients' operations. We will continue to safeguard the environment and ensure our presence on contracts is a positive catalyst for local economic and social change. The UN Sustainable Development Goals (UNSDGs) are a foundation upon which we can build and report, enabling us to measure and improve upon our impact on the world and communities in which we operate, now and in the future.

The seven key areas where we feel we have accountability and can make the greatest contribution are:





Andrew Hunt

Director of ESG & Innovation
M Group Services



UNSDGs are now established as the most widely respected and best understood measures of a company's impact on the world. We continue to align our achievements, metrics and best practices to key UNSDGs, wherever they are appropriate, and we are constantly watchful for new opportunities to enhance what we already achieve.

Throughout this report we will be shining a light on some of the individuals and operating businesses within our Group that have embraced these goals and are helping us to develop and grow our business in a sustainable way.

In our previous ESG&I Report, we announced joining two important frameworks: the Science-Based Targets Initiative (SBTi) and the UN Global Compact. This report details how we are working towards validating both targets by April 2024.

We are building a great sense of momentum, and our forward trajectory will be enhanced by continuing to listen to our clients, our people, and supply chain partners to challenge our thinking, embrace new ideas and play a leading role, as we continue to align our efforts to some of the world's most respected ESG evaluation methods



Andrew Hunt





Adopting world class standards

The ESG&I team are proud to work alongside some of the brightest and most driven people in the industry. This report highlights how the passion and drive of our talented people is enabling us to make real changes to the way we do business.

Meet the ESG&I team

Our team is led by our Director of ESG & Innovation, **Andrew Hunt**. Andrew draws extensively on his background in environmental science and almost 30 years in the essential infrastructure sector. Having performed in senior leadership positions in client, consultant and latterly the contracting sector, Andrew is able to draw on skills established during his Masters at Edinburgh Business School, and development programmes at Harvard Business School. He has a significant understanding of the crucial role ESG plays in building successful and sustainable businesses, combining financial, infrastructure and societal perspectives.



Emma Bennett is our Group Carbon & Climate Change Manager. She is a Chartered Environmentalist (CEnv) and subject matter expert in climate change and net zero. Emma has 30 years' experience within the environment sector where she has undertaken strategic technical roles to measure and manage environmental harm. This has included roles at the Environment Agency and in the water sector. Emma is currently completing her Masters in Carbon Management at the University of Edinburgh.



David Steele is our ESG and Innovation Technical Content Manager. He joined the team in the summer of 2023, having spent time in gas and construction management roles. His background in social housing construction generated a wealth of experience of social value and community matters. In common with many of our colleagues, David is a former member of the armed forces, having served in intelligence roles. This has provided a wide range of communication skills which will help ensure we are able to record, catalogue and evidence our ESG and innovation development.



Our people. We have more than 1,000 people across the business making a huge contribution to our culture, energy and approach to ESG&I as we embrace new ways of thinking and challenge what's possible. This includes our clients and supply chain partners, dedicated Safety, Health, Environment and Quality (SHEQ) experts, HR professionals, customer and community engagement specialists, training and development leaders, our marketing and communications team and people delivering stakeholder engagement, contract directors, volunteers for carbon reduction groups, diversity and inclusion networks and workshops, innovation forums, STEM ambassadors, environmental protection champions, IT Cyber security experts and many more. Our continuing success is the reward of thousands of people's work, and made possible only by their contribution.



Aiming high

We have significantly improved our ESG rating since our last report. We have also been ensuring we remain at the forefront of governance activities by undertaking reporting to various disclosure bodies:

- Streamlined Energy and Carbon Reporting (SECR) – Carbon accounting as part of our Statutory Accounts)
- Specific ESG&I reports for our investors
- Preparation for our forthcoming CFD (Climate Related Financial Disclosures) debut report.

We also produced our second Annual ESG&I Report, helped to further develop our Green Fleet Strategy, assisting all divisions to measure performance to ISO 14064 standards in carbon management via the Achilles Carbon Reduce scheme and laid the groundwork to establish our Group-wide Carbon Reduction Group. In addition, we continued our commitment to the UN Global Compact and prepared our first progress report.

The next big things

Our priorities for the year ahead are equally ambitious and start with targeted engagement with the Divisional and Group Operations Boards to define primary ESG performance targets, including investment and intervention requirements.

We will set performance measurements for each divisional area, introducing new targets for a wide range of metrics. We will also use the year ahead to prepare our decarbonisation glidepath to achieve 50% reduction in scope 1&2 by 2030 and net zero before 2050. We will define our strategy for reducing Scope 3 supply chain emissions and achieve validation with the SBTi, which will be the culmination of a three-year project.

Another significant area of focus for us in the next year will be working in even closer partnership with our supply chain, building on our collaboration with the Supply Chain Sustainability School to set our expectations for compliance with carbon reduction, waste avoidance, training and environmental stewardship.



Our people and our communities



The role of innovation:

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

Community matters

Community engagement underpins our stakeholder management strategies and helps us ensure we have a positive impact on the regions in which we operate.

We have a wide range of opportunities to use our presence in an area as a positive force, from employing local people and placing orders with nearby supply chain partners, to making use of Social Enterprises, community groups and charities. We see our 'for more than profit' ideology as contributing to sustainable development and communities.

Our people regularly undertake additional activities, fundraising for charities, as well as volunteering within the communities in which they live and work. Measuring and recording our social value impact is an increasing area of focus for us. We are currently engaging with a wide variety of organisations that offer this service. Some of our operating businesses are already sector leaders in this field, and we will enable the learning and best practice from their success to be replicated across the wider Group.

Several of our operating businesses are demonstrating social value best practice on a large scale through a number of core focus areas, including developing new jobs and skills in the community, actively promoting equal opportunities and promoting community health and wellbeing. The majority of our companies have introduced employee volunteering days, allowing our people to spend some of their paid work time for the greater good of others.

We recognise that social value isn't a 'one size fits all' solution and we make every attempt to be agile and specific to the communities in which we operate. Whether this is achieved through a community clean up, enhancing community spaces, inspiring young people to consider working with us or providing advice to our client's customers, our social value is targeted to focus on the most effective impact and lasting effect.

Some of our businesses are members of the 5% Club. They have committed to having at least 5% of their workforce classed as Emerging Talent, working with us through apprenticeships, sponsored student placements or as graduates. You can read about our Building Talent Programme on page 48.



Industry leading



Case Study 1 The road to better

We have excellent examples of social value in all our operating businesses and we are particularly proud of what Milestone Infrastructure has achieved.

Part of our Transport Division, Milestone is providing social value best practice on a targeted range of areas. In common with many of our businesses, Milestone has established programmes to recruit those experiencing barriers to entering the workplace, such as ex-offenders and those with Special Educational Needs and Disabilities (SEND). They also work hard to include and implement the best ideas of their supply chain, having brought together a wide range of regional and national experts to showcase and demonstrate concepts to reduce the environmental and carbon impact of maintaining and building the UK's highways.

Milestone Infrastructure's social value initiatives are supported through the four pillars of their social value strategy: Equality, Diversity & Inclusion, Local Economic Prosperity, Environmental Sustainability and Target Community Integration.

Milestone is recording its social value contributions through industry-recognised toolkits to calculate the social impact that they are creating. In the coming months, we are going to be working with Milestone's experts to help introduce these reporting metrics into other businesses across our Group, starting with other companies in our Transport Division, enabling them to access a consistent framework through which to record the impact of their social value activities.



MILESTONE
INFRASTRUCTURE

A part of **MGroup**Services

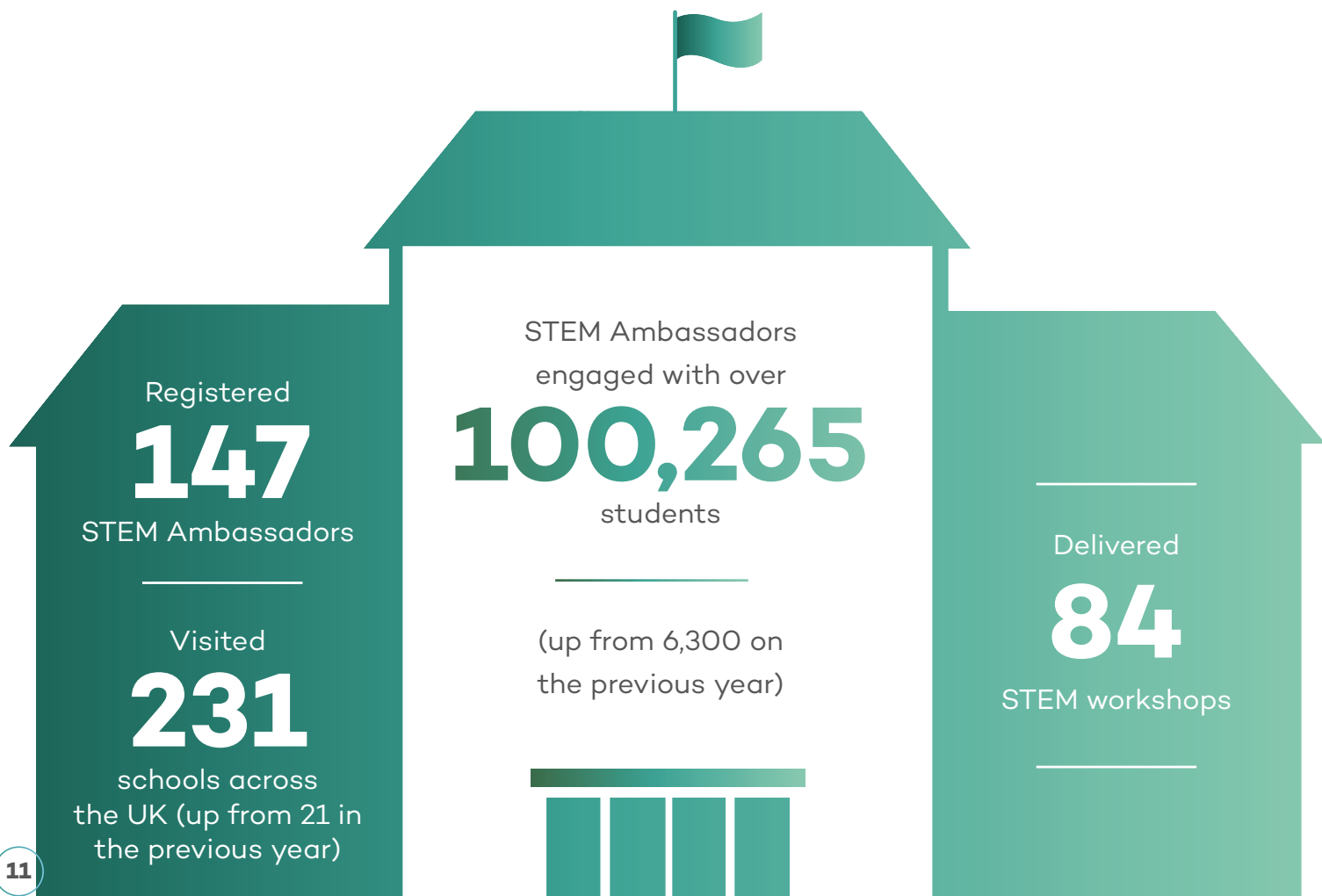


Our people and our communities

Inspiring young minds

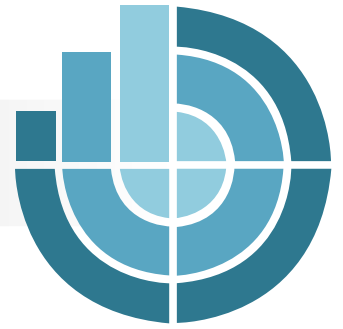
We are committed to attracting, developing and retaining the next generation of professionals within M Group Services. We love to see our people inspiring students and young people to develop their knowledge and understanding about the fascinating world of infrastructure services. Science, technology, engineering and mathematics (STEM) are fields of study central to our operations and we are constantly looking for ways to encourage people to pursue a career in these areas.

We have been training up a new team of STEM Ambassadors, who are out in schools, colleges and community groups across the UK, spreading the word about the opportunities we offer. Some quite stretching targets are being set. For example, our Water Division has set itself the ambition of delivering 1,000 hours of STEM volunteering by December 2030.





Industry leading



Case Study 2 First girls on the Moon

Jonathan Higgins, Business Director at Z-Tech has attracted a lot of attention with his work with the East Kent Girl Guides and their Space Engineers Programme, which is supported by the Royal Academy of Engineers and the STEM Ambassadors Hub.

Jonathan has personally delivered more than 15 hours of community engagement, and recently helped to deliver a fun-filled programme in which Girl Guides visited a 'lunar base', where they took part in a wide range of exciting activities. Jonathan supported escape-room style scenarios requiring STEM thinking, made more exciting and fun because they took place on the lunar surface.

Jonathan said: "It was a pleasure to see their engagement in the event and to see them start to develop a lively interest in engineering.

"I've been a STEM ambassador for more than four years. I've always had a keen interest in engineering, but until I joined the programme, I didn't know there was so much of a network and community to support the work we do. People from all different industries get together to make events like this happen, and it's a fascinating thing to be part of.

"I was attracted to join Z-Tech for several reasons, but I was particularly impressed by the clear evidence from M Group Services' ESG&I Report that it takes things like community engagement seriously. Knowing the company and wider Group would support and encourage my STEM activities was a deciding factor in joining the team at Z-Tech.

"Being a STEM Ambassador is a rewarding personal interest that I'm happy to give up my free time for. I don't feel under any pressure to represent our company – I've presented to a range of different year groups, which requires different approaches. You get loads of engagement across all the different age groups and I've always left each session more convinced than ever that it's a great way to give back to the community."



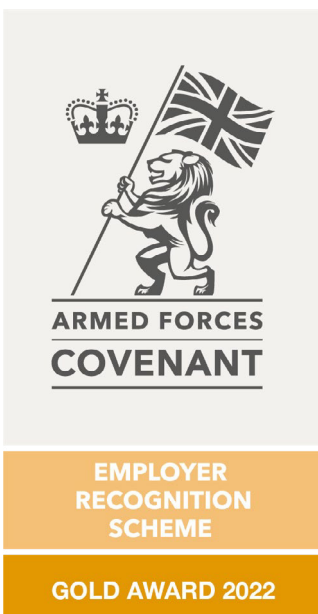


Our people and our
Communities

Support for service veterans

We place a lot of value on our country's veterans and reservists. To help us find and attract the best candidates, we actively engage with the Career Transition Partnership (CTP), enabling us to take part in regional events to ensure we connect with service leavers before they enter civilian life. We are proud of our Armed Forces Covenant Gold Award and reinforce this through our actions to ensure we remain an employer of first choice for many ex-service personnel. **We have almost a thousand ex-service colleagues in the Group and this year recruited an additional 240**, working in disciplines such as SHEQ roles, project management, human resources and as part of operational resources on our many contracts across all our divisions. Together, they make up a supportive and connected community.

Armed Forces colleagues can access to their own area in our 'Stay Connected' intranet space to enable them to remain in touch with each other as part of a community within our wider Group. This is a space where veterans and reservists can share photos and stories from their time in the Armed Forces, access useful resources for support and information, and connect with people from across the Group who have also served or are currently serving in a reservist capacity.





Darren Haldenby

Field Delivery Manager
Morrison Data Services



Darren joined the army aged 16 and spent his first year at 'The Junior Leaders Regiment Royal Artillery' learning basic military skills.

During this time, Darren was posted to Germany where he undertook most of his military service. He has also been involved in numerous operations around the world, including Iraq, Bosnia, Kosovo, Canada, USA, Kenya, Cyprus, and Denmark.

Darren left the Armed Forces in 2006 with the rank of Staff Sergeant and applied his transferrable skills in various industries including construction and gas, eventually joining Morrison Data Services in September 2020 as part of a TUPE process.

"Working at Morrison Data Services really plays to my strengths and enables me to make use of the leadership and management skills that I developed in the forces. I find that having the communication skills and the ability to get the most out of the teams I work with has given me an edge in civilian life, and putting these skills to use to help supervise technical operational works is something that's very much in my comfort zone. I would recommend any company in M Group Services as a career option for somebody who's been in the forces. I really appreciate that they 'get' services people and appreciate what we can offer."



Andrea Reeve

Reception & Facilities Co-ordinator
Morrison Energy Services Transmission Networks



Andrea followed in the military footsteps of her dad and godfather, joining the Women's Royal Navy Service (WRNS) in 1989. She joined as a steward (hospitality) and served for a total of six years.

She served many members of the royal family and government officials and was honoured to be chosen to be part of the National Remembrance Day parade at the Cenotaph. Andrea is no stranger to working under pressure, and this is reflected in her service history. Andrea said: "At my first formal dinner, you can imagine how much I wanted to get things right. I walked in and there was Margaret Thatcher. At the time, she was Prime Minister! I remember her asking me if I would go to sea and I said absolutely! She

was campaigning for women to have the same rights as our male counterparts, so I appreciate that I've been able to back up her argument.

"I was honoured to be part of the first wave of women to serve on an Aircraft Carrier, and spent three years on the ship, during which we travelled to many places around the world. This has broadened my horizons and given me a love of travelling that's never left me.

"After leaving to start a family (yes, I married a sailor!) I worked in many various roles in hospitality including as a Wedding Planner. I joined M Group Services in 2022 and I'm happy to part of a company that works closely and supports the Armed Forces."



Environmental safeguarding and our responsibility for future generations

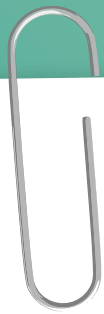
From the UK's busiest cities, railway lines, airports and highways to the most remote rural areas, our people are working hard to deliver essential infrastructure services sustainably in every environment.

As a Group, we understand our legal and ethical obligations to minimise the environmental impact of our works. Promoting good environmental practice across our operations, we continually seek opportunities to develop and introduce sustainable processes and behaviours across each operating business, while recognising the complex and inter-dependent nature of their supply chains.

Each of our operating businesses is now independently ISO:14001:2015 certified, with a bespoke Environmental Management System governing their processes and driving continual improvements in environmental performance.

This means all projects, regardless of their size, are carefully planned to ensure we have minimal impact on the environment and communities in which we work. Specific instructions can be recorded in the form of Environmental Management Plans, considering environmental risk factors that are local to each area of operation. Complex or sensitive projects and frameworks receive their own Environmental Handbook, which sets out our expectations for the way in which environmental safeguarding will be undertaken. Many of our contracts make use of Site Ecologists and, where appropriate, Archaeological Consultants, who work with environmental and local agencies or authorities, community groups and landowners to ensure our works maintain their environmental focus while respecting the ancient and irreplaceable nature of our heritage and ecology.





Industry leading

Case Study 3 Not costing the Earth

Conserving valuable trees in the heart of the nation's capital

When working in London, we are aware of the wealth of architecture and history around us. We are also mindful that the city is home to some of Britain's most treasured and diverse collections of trees. Species from all over the world are an integral part of London's parks and streets, with many individual trees being older than the capital's original gas supply.

As impressive as trees might be above the ground, their root systems are just as extensive under the pavement, with vast expanses of roots extending in all directions in search of water and nutrients, often forcing their way through existing utility infrastructure. Many well-laid gas, water, electricity and data services have been disrupted in this way.

In the shallow soils of London, most tree roots are found in the first 600mm below ground, occupying the same space in which many utilities are buried. Modern day utility infrastructure projects can be exercises in arboreal husbandry as much as in engineering.

Our Cadent gas contract alone requires Morrison Energy Services to call in the services of arboricultural consultants on a more-than weekly basis, with a similar number being deployed by our colleagues in Morrison Water Services on behalf of Thames Water, and our operational teams from Magdalene working to lay optical data cables that keep the capital connected to the rest of the world

Our teams have implemented and delivered tree-specific training programmes, proposing innovative trials and playing a key role in the development of new methodologies with the arboricultural experts in our supply chain. We also work hard with our clients to ensure the design phase includes impact and assessment reports on tree health so that we can challenge the existing design and plan the works with the preservation and safety of trees being a foundation principle.



magdalene.
A part of MGroupServices

MORRISON Energy Services
A part of MGroupServices

MORRISON Water Services
A part of MGroupServices



Achilles

Carbon Reduce Certified

Powered by
Toitū Envirocare

Driving down emissions

The reduction of our carbon emissions is a long-term focus for us. As a participant in CarbonReduce (previously called the Certified Emissions Measurement and Reduction Scheme), we monitor, measure and seek to minimise our carbon footprint.

Our measurements make use of external audits to provide verified carbon emission monitoring. The use of the Achilles CarbonReduce certification has confirmed that, following an in-depth audit and review process, the Group now complies with the rigorous ISO14064:2018 carbon reporting standards.

In April 2022 we formally registered our commitment to setting a near term science-based target to 2030 that aligns with maintaining global average temperature rise to below 1.5oC .

Following this commitment, the SBTi allows 24 months in which to establish our target for their validation. We have been actively using this time period to establish a target and action plan and have revised our target deadline to the end of March 2024 (from March 2023) to take full advantage of the time allotted to us.

In the last year we have undertaken a full analysis of our Scope 3 indirect emissions with our specialist carbon consultants EcoAct. This assessment provided insight on where we need to focus our efforts in our indirect emissions, these are principally with our supply chain.

We are now actively developing our target for scopes 1, 2 and 3 in preparation for submission to SBTi for validation. We are looking forward to sharing our success for this ambition in our next report.

Understanding Science Based Targets

Science Based Targets translate the latest knowledge from climate science into the reduction targets necessary to meet the requirements of the pivotal Paris Climate Change Agreement of 2015. The agreement was to maintain average global temperatures to below 1.5oC when compared with pre-industrial levels. Preventing the increase of global temperatures requires a significant reduction in levels of greenhouse gases released into the atmosphere. This reduction in the so called 'carbon budget' equates to halving of emissions by the end of 2030 and reaching net zero by 2050. Net zero is the point where the emissions of greenhouse gases released matches those absorbed out of the atmosphere.



SCIENCE
BASED
TARGETS

Science-based targets determine by how much and how quickly we need to reduce our emissions in the near term and long term. These standards are set and validated by SBTi with the requirement to disclose our performance annually.

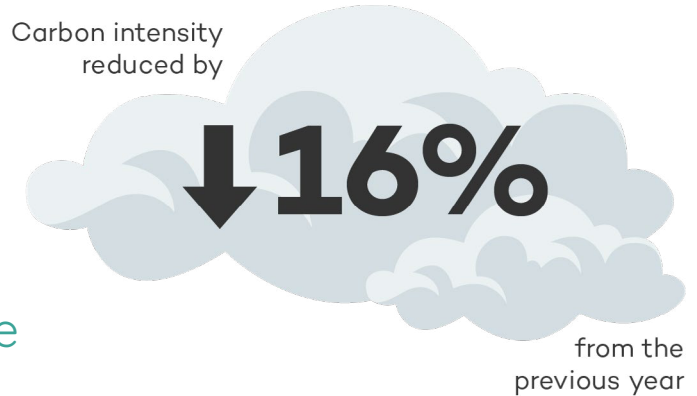
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Our carbon story so far

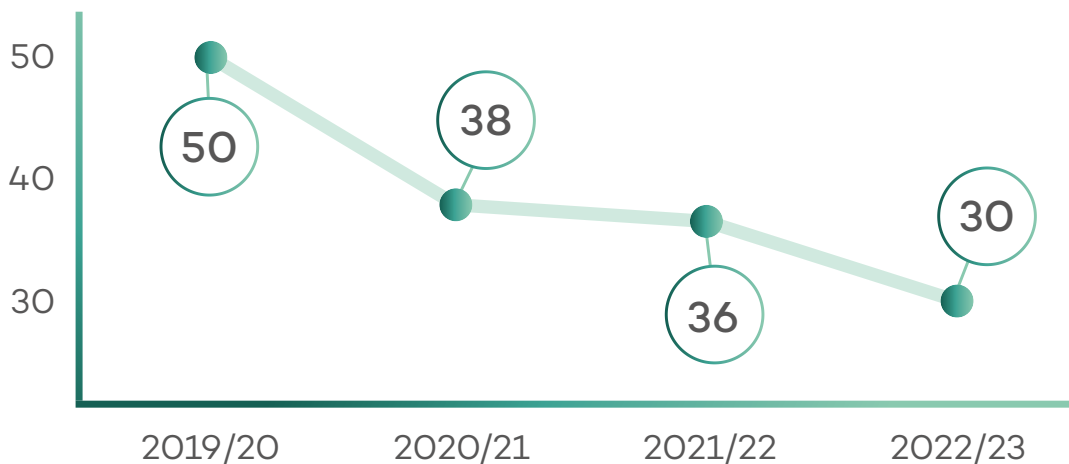
Carbon intensity allows us to reflect how much carbon we emit per unit spend. It is a consistent measure regardless of the size of the business. We have been reporting this value since 2019 as part of our Streamlined Energy and Carbon reporting (SECR) disclosures.

This measure includes our Scope 1 (direct emissions) and 2 (imported electricity) emissions and one element of Scope 3 (business travel in vehicles not owned by the company).

Our carbon intensity has reduced year on year from an initial 50 tonnes of carbon dioxide equivalent per million pound in turnover (tCO₂e/£m) to 30 tCO₂e/£m, which is a reduction of 16%.



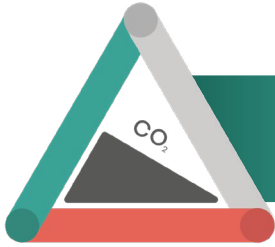
Our Carbon Intensity over time



There's a long way to go

Even though we are making huge efforts to reduce our carbon footprint, as a Group in the financial year 2021-22 we still produced 402,000 tCO₂e - the volumatic equivalent of 40 Bristol Balloon Fiesta events.





Decarbonising services to our clients

MGroupServices

Plant & Fleet Solutions

MORRISON Data Services
A part of MGroupServices

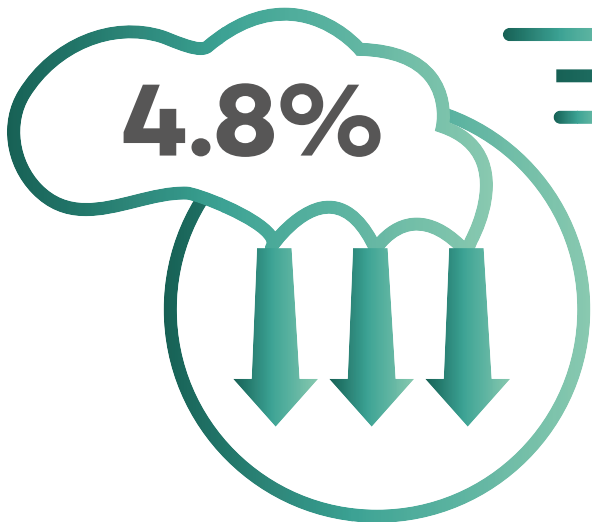


MORRISON Energy Services
A part of MGroupServices

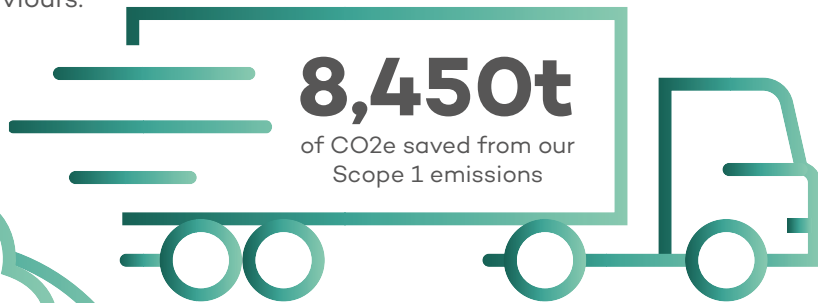
Call out the fleet

M Group Services Plant & Fleet Solutions offer a range of hybrid and electric vehicles as part of their fleet and are working to transition their core fleet of over 8,000 vehicles to electric by 2030. In line with several of our client's carbon net zero ambitions, M Group Services operating businesses Morrison Energy Services, Morrison Data Services and KH Engineering Services have been awarded contracts to fit Electric Vehicle Charging Points. We are also improving efficiency of fuel use in our commercial fleet by using telematics and encouraging eco-driving behaviours.

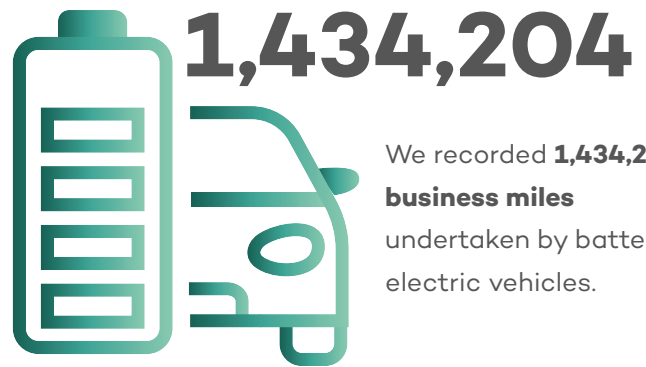
Since last year...



Our telematics trials show a **4.8% reduction in greenhouse gases** because of this strategy, and as a result, we now have **40% of our commercial fleet using telematics** to support eco-driving.



We saved **8,450 tonnes of CO2e** from our **Scope 1 emissions** through substituting diesel in our fleet vehicles and plant with HVO.



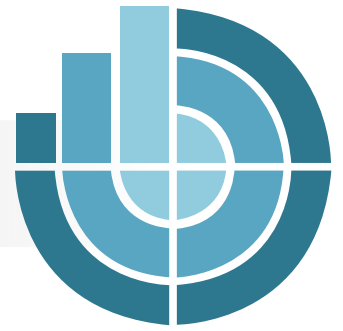
We recorded **1,434,204 business miles** undertaken by battery electric vehicles.





Case Study 4 Essential oils

Industry leading



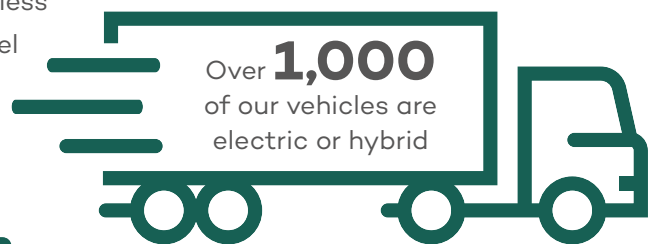
We are showing a clear commitment to help underpin the UK's move towards net zero by 2050, as well as working towards the Group's commitment to achieving a 50% reduction by 2030.



Hydrotreated Vegetable Oil (HVO) is helping us to significantly reduce our carbon footprint by replacing fossil-based diesel. HVO is a second generation, advanced biofuel that is derived from a blend of waste and residue derived feedstocks such as vegetable and animal oils. The fuel meets EN15940 specification which means it is a certified diesel replacement.

The carbon reduction from using HVO is over 80%. The emissions associated with HVO are known as 'short cycle carbon' because they are derived from elements that are already part of our current natural ecosystem. This is a world away from the diesel and petrol we find in most service stations. The carbon for 'traditional' fuels was last seen in our atmosphere about 400 million years ago, which is why we think it's better not to release it, if possible.

A common criticism levelled against HVO fuel is that farmers will do more good for the communities they serve by growing food. There is also concern that some producers of palm oil are cutting down forests to make room for bigger fields. This is why 100% of the HVO fuel we use is a second-generation biofuel, exclusively made from waste and residual feedstocks as listed and approved by the EU regulations in Renewable Energy Directive and meets the UK Dept of Trade & Transport requirements. We are proud to be working with Green BioFuels in the sourcing and supply of our HVO. With their help we avoid issues of deforestation and palm oil use which can be associated with HVO use from less sustainable sources. The provenance of our biofuel is certified through the ISCC (International Sustainability & Carbon Certification) scheme.



632

fully electric vehicles with nearly all of this being company cars.



MGroupServices
Plant & Fleet Solutions

Case Study 5

Taking the low road

Leading the way to net zero in Scotland

One of M Group Services' longest-standing client relationships is our ongoing alliance between Morrison Water Services (MWS) and Scottish Water. The latest development of this is the Caledonia Water Alliance (CWA) which is currently providing waste and clean water services to Scotland. Tackling climate change while delivering safe, innovative, sustainable and cost-effective projects is a principle which underpins the CWA's purpose. To support their ambitious net zero carbon targets, they have rolled out an extensive Carbon Management initiative.

CWA is making substantial, long-term changes to the way they deliver their projects to meet their own carbon targets by encouraging innovation, developing technology, and changing their behaviour to create a net zero environment.

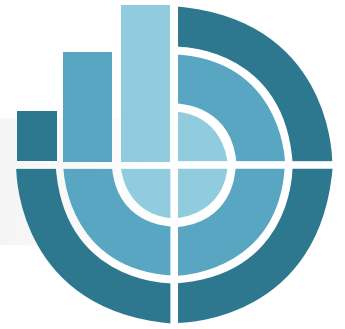
This initiative also provides a foundation for how MWS will play its part in Scottish Water's commitment to achieve net zero by 2040 which in turn supports the Scottish Government's net zero 2045 commitment.

The Alliance has set ambitious targets to reduce its carbon intensity by 25% every two years. This means that, by 2026, the contract is expecting to have cut its CO2 output in half.



Bog mats used in conjunction with reusable track mats have replaced traditional temporary stone access roads. This has saved the requirement of 12,000 tonnes of stone being brought in and out and saved approximately 1,200 wagon movements in the local community.

MORRISON 
Water Services
A part of MGroupServices



Industry leading



Ecologists at work on our CWA projects



Through continuous improvement in their policies, procedures and workplace practices, identifying more environmentally friendly materials, and fundamentally reviewing the design and execution of projects, CWA will deliver carbon reductions that will enable MWS to contribute, alongside other organisations, in supporting the UK's climate change goals. We think there is significant potential for the example set by the CWA to be modelled across the wider water and other utility infrastructure sectors.

Much of what is being achieved has relied on a culture of information sharing and teamwork. For each low carbon innovation trial that takes place, details are communicated to the CWA community, the supply chain, Scottish Water and its delivery vehicles. Data from the trials are sent to Scottish Water's Carbon Academy (an external learning hub) where information is shared with delivery partners in the industry.

A programme of carbon registers has been rolled out to all CWA projects. These registers record the effective outputs of carbon initiatives and are used to share best practice with our teams and stakeholders.

The CWA meets quarterly with the wider supply chain to share the findings of their research. This encourages the rest of the industry to incorporate carbon saving criteria into their strategic decision making, developing a more sustainable approach to their own project delivery.



Making the most of it

How recycling is transforming the way we think about materials

Recycling matters, not just from a commercial point of view, but because as a society, we are becoming increasingly aware of the true cost of needlessly sending good material to landfill. By taking a close look at our method statements to minimise waste in the first place, our people have set us on the path to significant improvement. This progress has also influenced the way we work with and speak to our supply chain partners to identify and implement best practice.

Recycling IT

At M Group Services, we are committed to reducing our impact on the environment. Our IT Recycling Scheme is a great example of this.

In partnership with Storm Technologies our scheme runs Group-wide and has seen us recycle almost 5,000 IT items since March 2020. These items go through the process of testing, cleaning, grading, wiping and re-purposing. If devices can be refurbished, they are sent back to us so we can reissue them instead of new IT equipment.

Extending a machine's life saves large amounts of CO₂, from the process of manufacture all the way to transport and packaging. As part of this recycling strategy, we will soon be able to access data confirming the amount of CO₂e saved and Megawatt Hour (Mwh) energy saved. This process also ensures we comply with the Waste Electrical and Electronic Equipment (WEEE) Regulations 2013, which set out how individuals and businesses can reduce the amount of WEEE that goes to landfill.

Recycling PPE

As part of its ongoing commitment to enhance the sustainability of its operations, M Group Services has launched a Group-wide Personal Protective Equipment (PPE) recycling scheme.

The use of PPE is usually the first thing people see when they encounter infrastructure works. Although its primary purpose is to ensure people's safety, there is huge scope for PPE to play an integral role in the sustainability of the environment.

Our PPE recycling scheme provides an opportunity for all Group operating businesses to sustainably dispose of used PPE. Each year, we order around 200,000 items of PPE Group-wide.

The new arrangements have been put in place in partnership with PF Cusack, a nationwide supplier of contractors' tools, Personal Protective Equipment (PPE), road traffic management and other products used in a wide range of industries including utilities and infrastructure services.

The scheme covers all types of PPE, including hard hats, boots and gloves, as well as waterproofs, fleeces and workwear. It will be recycled into car roof insulation, panel linings and compressed mattress fillings.

Recycling something as fundamental as PPE is also a great way to cut carbon emissions. Recycling stations are located at our depots and offices throughout the UK, making it straightforward for our people to recycle their redundant PPE and workwear.



Industry leading



Case Study 6

Our transport-sector agreement with OCL Regeneration Ltd works to supply our clients with localised highways recycling opportunities while delivering a circular economy solution nationwide. With OCL, we have jointly recycled over 30,000 tonnes of highways waste into low carbon materials reused back into the network, saving more than 600 tonnes of CO₂ over the past two years.

Milestone Infrastructure has signed a collaboration framework agreement to supply its current and future clients with OCL's industry-leading highways recycling and circular economy solution nationwide.

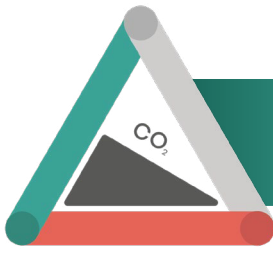
OCL's approach and network of facilities brings together Milestone's asset management and design expertise to enable 100% of the waste produced through highways maintenance to be recycled into new aggregates, surfacing materials and low carbon concretes.

Working with OCL in this way means Milestone will process, treat and re-lay highway waste within close radius of where the material originates. This helps Milestone to support its clients to reduce their costs and carbon associated with the transport and disposal of waste, cut the reliance on virgin products and ultimately bring them closer to achieving their sustainability and carbon reduction goals.



MILESTONE
INFRASTRUCTURE

A part of **MGroup**Services



Decarbonising services to our clients



Carbon (greenhouse gas) emissions for 2022 – 2023

M Group Services GHGs Emissions Report	2020-21	2021-22	2022-23
Scope 1 (tCO ₂ e)	44,409	57,299	50,749
Scope 2 (tCO ₂ e)	632	1,339	1,033
Scope 3 (tCO ₂ e)	2,941	651	2,387
Total Gross Annual Emissions (tCO₂e)	47,982	59,288	54,169
Intensity Metric tCO₂e/£m turnover	38	36	30
Scope 1 Emission Sources	2020-21	2021-22	2022-23
Combustion of natural gas at sites (tCO ₂ e)	221	527	271
Fuel use for mobile plant (gas oil, LPG) (tCO ₂ e)	6,207	7,366	696
Emissions from fuel use for travel and transport (tCO ₂ e)	37,981	49,405	49,782
Total Scope 1 (tCO₂e)	44,409	57,299	50,749
Scope 2 Emission Sources			
Purchased electricity (location-based approach**) (tCO ₂ e)	632	1,339	915
Purchased electricity used in vehicles (location based approach**) (tCO ₂ e)	NR	NR	119
Total Scope 2	632	1,339	1,033
Scope 3 Emission Sources* (SECR boundary)*			
Employee Business Travel	2,941	651	2,387
Total Scope 3	2,941	651	2,387

* SECR is Streamlined Energy and Carbon Reporting

**Location based approach has used the UK Grid average factor for 2022

NR = Not Recorded

Performance for the year

The data reported for this year has been verified to ISO 14064:2018 greenhouse gas accounting standards. Our carbon intensity has improved by 16% from last year with a reduction from 36 to 30 tonnes of CO₂e per £ million turnover. We have also recorded an absolute reduction of 8% for Scopes 1 and 2 from our previous year.

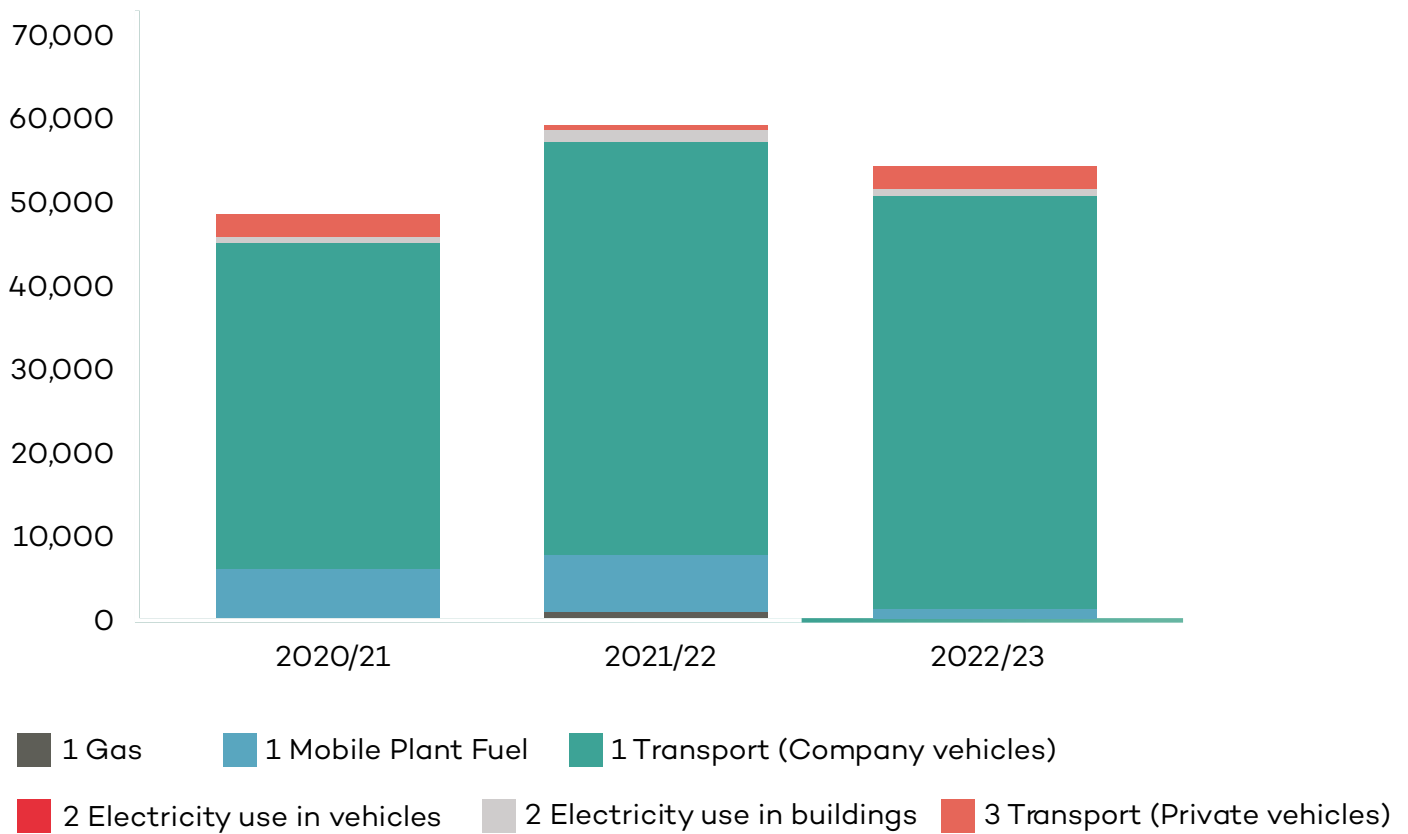
Organisational boundary

Our emissions report includes the activity we undertake in delivering contracted business support services for essential infrastructure to our clients. It is based on operational control reporting boundaries. During 2022-23 one business was acquired (Light Source Design Ltd) and was assimilated into Morrison Telecom Services in February 2023. .

Targets

We have committed to reducing our emissions by 50% by 2030 (for Scope 1 and 2) using a 2021-22 baseline year, and are currently developing a science-based target for validation by SBTi. This target will include Scope 3 value chain emissions. The target will be developed and forwarded to SBTi for verification by the end of March 2024 and is being prepared with our specialist carbon consultants EcoAct.

Annual tonnes of CO₂e (SECR boundary)



Case Study 7

Making our voices heard

The role of the Carbon Reduction Group



In September 2022, we established a new company-wide Carbon Reduction Group (CRG) which coordinates a Group-wide action plan for carbon reduction across our Divisions.

In doing so,, we have identified bold and ambitious targets that the team will be driving and innovating towards. The group has brought together 10 colleagues, all experienced professionals from across M Group Services and its operating businesses. These individuals offer valuable insight into their specific sectors which co-develop our carbon reduction plans.



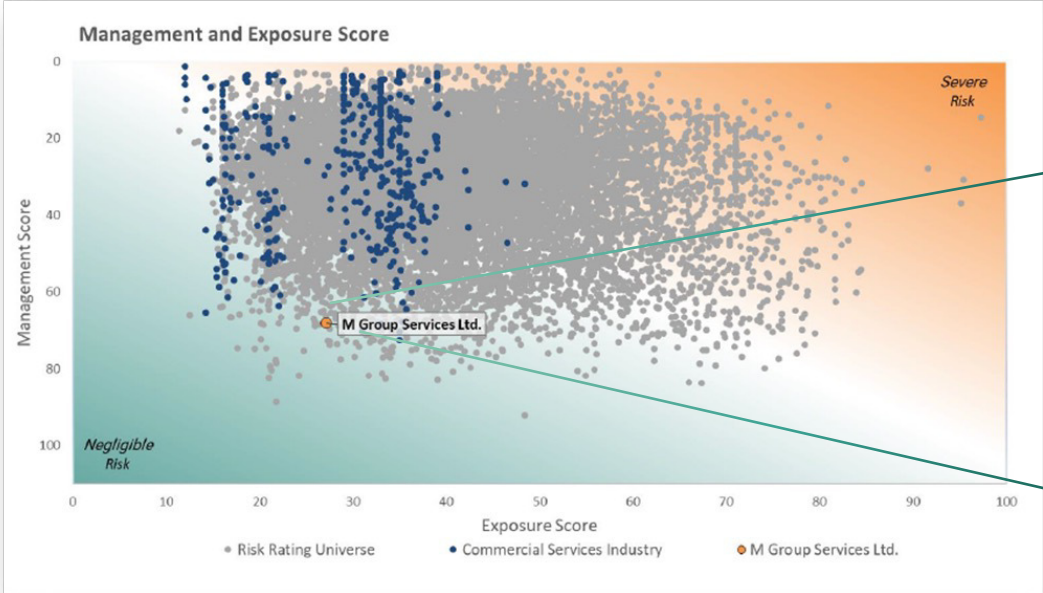
Disclosure - the key to good governance

We have been working with a wide range of external reporting and auditing organisations to ensure our Governance element of ESG is measured and meaningful. Voluntarily choosing to subject ourselves to external auditing is a significant undertaking, and we feel it's an important one. Measuring ourselves against a wide range of other companies – both those in similar fields and a range of other organisations – provides us with an excellent benchmark from which to monitor our progress and set our new directions.

Our global ESG score

We are particularly proud of our impressive and improving results from our work with Sustainalytics, which enables us to be measured against similar companies in our sector to determine what sort of risk factors M Group Services' faces from an ESG perspective. Their measurements examine how exposed we are to certain risks and reviews what processes we have in place to control or mitigate those risks. Last year, we reported that we'd obtained a market-leading outcome from this assessment, with an overall low risk rating of 9.6, which put us in the "negligible risk" category and enabled us to confirm that we had a sector leading benchmark. This year, thanks to the hard work of our people, clients and suppliers, we have done even better.

Our audit score for Financial Year 2021-22 has awarded us with an overall risk score of 8.3, which entitles us to proudly proclaim that we are an industry Top Rated company. This places us in the top 2% percent of all companies globally.



FY21
9.6
'Negligible ESG Risk'

FY22
8.3
'Negligible ESG Risk'

Measuring up

While it would take a huge document to explain the rationale and methodology behind each of our reporting frameworks and relationships, we thought it might be useful to explain what some of these organisations are and why we think they matter to us, our clients and the communities in which we work.

Framework

Why it's important

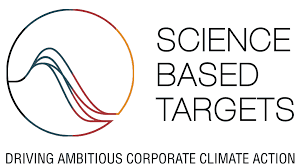


Corporate and organisational success requires stable economies and healthy, skilled and educated workers nested within a natural environment that is able to thrive. Adoption of the 10 principles of the UNGC supports this and demonstrates our responsible approach to our clients and investors.

In signing up to the UNGC standard, we have joined more than 160,000 other companies across the world. Our first reporting to this organisation will take place in the next 12 months, so we hope to be able to share our results in next year's report.



We have aligned our approach to climate disclosures on principles set out by the Taskforce on Climate-Related Financial Disclosure. This approach enables us to more effectively understand our risks and opportunities associated with the climate emergency. Our submission will be audited by our independent financial auditors and will be included in our annual financial statements.



As discussed in more detail on page 17, the carbon reduction framework from SBTi enables us to adopt a decarbonisation strategy that is in aligned with the latest climate science. Our submission of our near term science-based target will be delivered to SBTi for validation by the end of March 2024.



SECR is a government-mandated process of reporting energy consumption and greenhouse gas emissions. We include these figures in our annual financial statements. In the last year, we have Groupwide verification to the ISO standard for the quantification and reporting of greenhouse gases (ISO 14064:2018).



Monitoring and
controlling risk

Governance and compliance

ESG is a key element within our Governance and Compliance frameworks. We believe that monitoring, evaluating and reporting our ESG activity is a valuable element of our wider governance and risk management frameworks. We are also committed to doing the right thing and have backed this up with easily accessible and straightforward whistleblowing policies and systems.

Thanks to the efforts of the ESG&I team, we now fully comply with the SBTi and the Taskforce on Climate-related Financial Disclosures (TCFD) and will be producing our first reports for both of those organisations in the financial year ahead.

Our Group Operational Board takes responsibility for determining our Corporate Responsibility policies and strategies, and our Director of ESG and Innovation has a seat on the board. This means ESG is an integral part of our governance controls as managed in all areas of our business.



Dyer & Butlers' HSQE team takes members of the recruitment and training departments on site in Fareham.

To demonstrate our focus, we take steps to identify, analyse and manage the social, economic and environmental risks to which our business is exposed, enabling corrective and pre-emptive actions to be taken to retain our position as a leading exponent of ESG in the UK and Ireland. In the year ahead, we will enhance the scope of our dedicated ESG&I team, adding a new Technical Content Manager, whose role will be to work with each of the operating businesses in our Group to identify, record and share best practice across all business divisions.

By continuing to manage our compliance and reputational risk, we protect our people, our business assets and our commercial capacity, contributing to our continued and sustainable development. Corporate Responsibility risk assessment forms a part of our Corporate Risk Management Policy. This policy defines the company's assessment, evaluation, mitigation, monitoring and auditing across the full spectrum of corporate risk. Our existing approach and any adaptations that may be required will be subject to a full and independent external benchmark during the winter of 2023/24.

Our focus on risk identification and management, combined with our governance structures, ensures that these policies are not just fit for purpose, but examples of industry best practice.

Responsibility for the management of the processes involved in each area of risk is assigned to the appropriate member of our operational board, ensuring personal and involved accountability from the highest level.

A word on social value

Although there is no single national measure of social value on which we are required to report, there are various social value reporting providers who offer this function. Some of the companies in our Group are already experienced and established in working with these agencies to record outputs such as engagement with schools, figures for local employment and training, to calculate a social return on investment.

We are excited about the opportunities that social value reporting provides us and have been undertaking market engagement exercises to review providers and identify which of them best suits our needs and those of our clients. We recognise that due to the diversity of our Group, we may not ultimately be able to establish a single overarching social value framework for all our operating businesses. Investigating these options has been identified as a key area of enquiry for us over the next 12 months.



We've got this

How we implement governance

As part of our ISO 9001 accredited Business Management System (BMS), our Risk and Assurance Policies recognise that risk is inherent in the business environment. Our BMS procedures help to de-risk our programmed activities, enabling the establishment of project-specific Commercial, Environmental, Quality, Risk and Programmed Delivery Plans, which sets out our process for bespoke controls for each project.

Our Risk Management systems are fully aligned with ISO 31000, and the Risk Management Committees of each Division ensure that various policies in our BMS such as Conflicts of Interest or Gifts and Hospitality remain fit for purpose and suitable for a Group of our size and scope. These findings are reporting to our Group Risk Board, attended by the Chief Executive, Chief Finance Officer and Chief Operating Officer, which further scrutinises our processes with input from external auditing agencies.

The Way We Work

We are committed to doing the right thing and operating in a manner which is principled and sets an example in our sector. In addition to personal and business codes of conduct and policies contained in our Business Management Systems, we also make use of our 'The Way We Work' document, which sets out key behaviours and expectations for the way we choose to conduct ourselves. This document is our North Star when it comes to ethical conduct and acceptable behaviours. It enables us to set out what sort of business we wish to be and enables us to ensure the high standards expected by our colleagues, clients and investors are clearly and simply explained for everyone. We believe it sets us apart.

In the 12 months since our last report, our risk and governance professionals have been concentrating on a number of governance factors ensuring our processes remain examples of industry best practice. As well as implementing new Delegated Schemes of Authority to enable tendering and work winning approval within our operating business structures, we have also been actively ensuring our colleagues are properly informed about their own responsibilities. This has included working with our Train With Us team to ensure we provide and record compliance with training for our key five mandatory courses, illustrated above.



Our key five mandatory courses



IT Security



Data Protection



Diversity and
Inclusion



Bribery and
Corruption



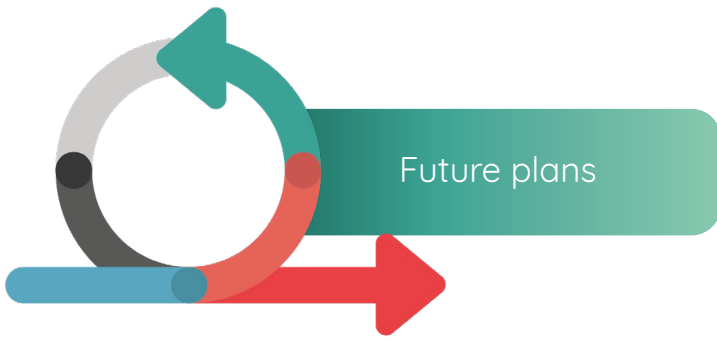
Modern Slavery

We are currently engaged with our Risk Management Committees on conducting an in-depth assessment of our fraud management, looking for areas of vulnerability in which we might be able to improve what we regard as best practice.



Plans for the future

In the coming year, our Group professionals will take the learning from this year to completely update our Fraud Risk Management Framework, along with revitalising our whistle-blowing approach to make it significantly easier for our colleagues and supply chain partners to raise concerns. We will also update and refresh our The Way We Work document. We see these factors as increasingly valuable as we grow our business, ensuring that we don't compromise on the foundations of good practice as we develop.



The role of innovation:

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

The role of innovation

Solutions for infrastructure

We are proud of our market-leading reputation for championing and delivering innovation. This has helped us to exceed the expectations of our clients and add value to the markets in which we operate. Increasing global demand for environmental and social sustainability is ensuring innovation is more relevant than ever.

M Group Services has evolved to become one of the UK and Ireland's leading essential infrastructure service providers across several critical sectors. With more than 11,000 people across the Group, working on behalf of one of our 17 operating businesses across Water, Energy, Transport and Telecom sectors, our agile and focused structure has allowed us to deliver a carefully tailored approach to our clients, drawing upon the passion, intelligence, and knowledge of our people. Our cross-sector innovation ecosystem helps us to solve the needs of our ever-changing operational landscapes and support the evolving objectives of our clients.



of work on essential infrastructure

M Group Services innovation ecosystem

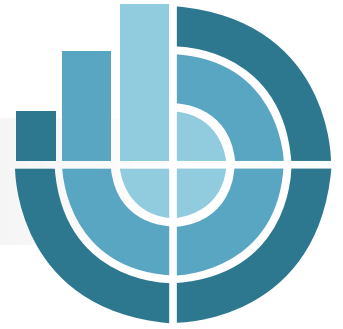
In this era of constant change, the way a business delivers value today will be different tomorrow. Agile businesses such as ours recognise the need to continually innovate to provide excellent value while minimising our impact on the environment, leading to a sustainable competitive advantage which drives business growth.

From new products, services and client service delivery models to the development of scalable innovation, products, techniques, and processes, we are building a culture that fosters creativity and entrepreneurship. Our innovation ecosystem connects all M Group Services' operating businesses to help us and our clients meet perennial challenges like operating in busy and built-up cities through to emerging priorities such as delivering economic business growth while reducing our proportional carbon footprint.

Using global best practice frameworks like SBTi and UNGC we constantly work and engage with new influencers to inspire our current thinking and set the course of future development.



Industry leading



Case Study 8

Think different

The Energy Division Innovation Network

The Energy Division Innovation Network was launched in November 2022, bringing together colleagues representing a range of business units and functions.

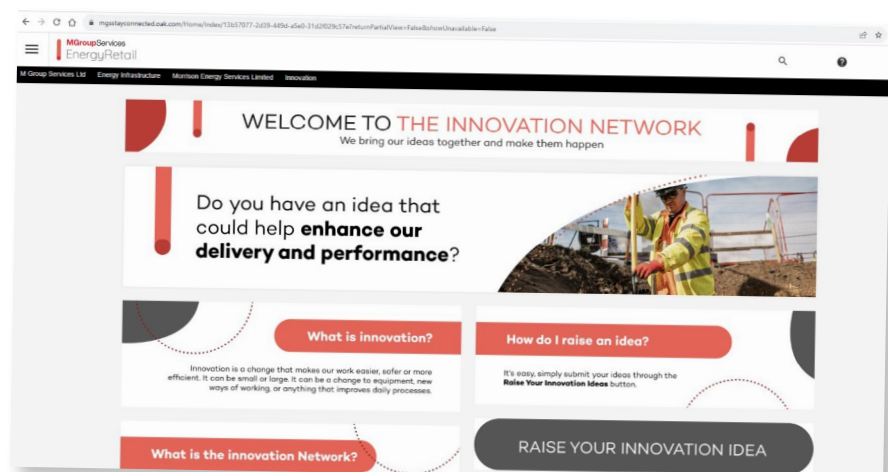
We invited people already in an innovative or improvement role and with significant experience, to join the network as an Innovation Champion. This team made use of a co-ordinator and strategist to bring ideas to life, sharing concepts across the different companies within our division, while continuing to drive innovation for their own business areas.

The network sees innovation as a change that makes work easier, safer, less environmentally damaging, or more efficient – no matter how great or small. It can be a change to equipment, new ways of working, or anything that improves daily processes.

“The Energy Division has some great examples of innovation and improvement that have been recognised across industry for their positive impact. This network ensures that we are making the most of existing best practice, as well as encouraging and supporting ideas with the potential to further improve the experience of our customers and colleagues, drive operational efficiency and reduce environmental impact.”

Tom Tuppen

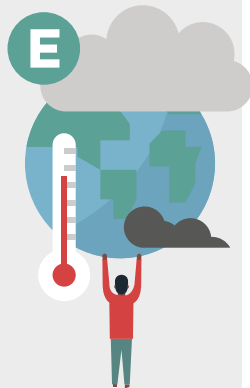
Director for Sales
and Strategy,
Energy Division



Supporting the infrastructure of everyday life...



Global ESG drivers...



Environmental challenges

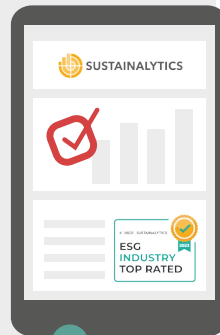
... have led to global and national legislation



... which drives reporting and auditing



... and results in ESG ratings to assess performance



... all of which drives clients' challenges and needs across our key sectors



S



Social drivers

G



Governance



SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



We are at the forefront of solving global and local infrastructure challenges

Innovation for our clients and for the sector

Problem-solving

Providing business improvements

Ensuring we are a leader in ESG



...without costing the earth

ESG drivers influence our sector and our clients, so we innovate to help address their challenges, enabling essential everyday life in a sustainable way.

MGroupServices

At the heart of our global and local structure through...



Bringing together the best practice



Delivering on compliance



an ESG top performer

MGS Sustainalytics score:

8.3



6

7

8



Adopting world class standards

Our passion for health, wellbeing & safety

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

Across our Water, Energy, Transport and Telecom businesses, we seek to embed and maintain exemplary health, wellbeing and safety values, practice and performance – a prerequisite for the markets in which we work.

A total of 13 M Group Services businesses have received prestigious health and safety awards from the Royal Society for the Prevention of Accidents (RoSPA). Morrison Energy Services, Morrison Data Services, M Group Services Plant & Fleet Solutions, Morrison Telecom Services, Magdalene, Avonline Networks, Waldon Telecom, Dyer & Butler, Morrison Water Services, Z-Tech, Milestone Infrastructure, KH Engineering Services and Antagrade have all been recognised for demonstrating the highest standards of health and safety excellence in their respective sectors.



The role of innovation:

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

0.07

Accident Frequency Rate (same as last year)

42m+

hours worked
4% increase compared with previous FY

14m+

Digging hours
3% increase compared with previous FY

1.05

Non Lost Time Injury Rate 15% decrease compared with previous year





Award wins 2022/23



Energy Division

- Morrison Energy Services received the RoSPA Construction Sector Award
- Morrison Data Services received a British Safety Council Distinction and a RoSPA Gold Award
- Morrison Energy Services received an industry sector award for construction - commercial

Plant & Fleet Solutions

- RoSPA Gold Medal Fleet Safety
- M Group Services Plant & Fleet Solutions received a Gold Fleet Safety Award

Water Division

- Morrison Water Services (RoSPA Gold)
- Z-Tech (RoSPA Presidents Award 15 Consecutive Golds)
- Morrison Water Services received a Gold medal.
- Z-Tech has been awarded a prestigious Order of Distinction

Telecom Division

- ROSPA Gold for each business within division (Avonline Networks, Morrison Telecom Services, Magdalene, Waldon)

Highways

- Milestone Infrastructure (RoSPA Gold)

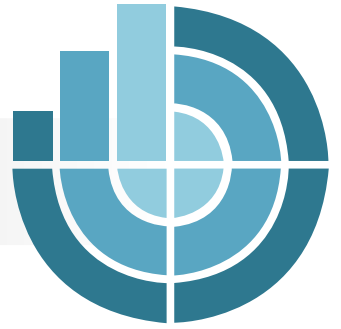
Rail & Aviation

- Dyer & Butler Heathrow - RoSPA Order of Distinction (for 18 consecutive golds)
- Dyer & Butler Gatwick - RoSPA Order of Distinction (for 18 consecutive golds)
- Dyer & Butler Rail - RoSPA Presidents Award (for 12 consecutive golds)
- KH Engineering Services - RoSPA Silver Award
- Antagrade Electrical - RoSPA Silver Award





Industry leading



Case Study 9

Safe to speak up

Our London-based gas colleagues at Morrison Energy Services are engaged in outstanding work to help improve the mental health of colleagues through their Safe to Speak Up (S2SU) programme.

The S2SU initiative is helping our colleagues to break the silence about mental health, offering confidential and meaningful support to colleagues coping with emotional upset. The original idea came from a group of colleagues on the London CMO contract, who were concerned that some people were coping with personal stress that they didn't feel comfortable talking about. They realised there could be some of the workforce who needed to be given the opportunity to share what was on their minds in a supportive environment.

S2SU provides a safety valve function of monthly calls to discuss anonymous questions and comments in a supportive and confidential environment. The initiative enables every member of the team to ask questions or make comments anonymously, using the Slido conferencing facility.

Topics of discussion since the first meeting have included deeply personal issues such as suicide, menopause awareness, cancer and other significant illness, to more routine problems such as concerns about items mentioned in the news to difficulty with IT systems.

Around 60 colleagues join the S2SU call every month, around a fifth of our workforce. We expect our reach is significantly wider, with at least half of our people making time for at least one call in a six month period.



MORRISON Energy Services
A part of MGroupServices



The first two participants, James Hobson, Finance Director at Morrison Water Services, and Jonny Yarr, Executive Director – M&A met to kick off the event for this year. They will both carry the medicine ball for one week before handing it to the next volunteer.

Harsh medicine

As a business and as a society, we are becoming increasingly aware of the difficulties caused by poor mental health. For some time now, volunteers from across our Group of companies have been subjecting themselves to the Medicine Ball Challenge, with the aim of raising awareness of the importance of mental health. Those taking on the challenge are encouraging people to talk about their mental health with the aim of breaking down the stigma associated with these issues.

The ball itself symbolises the weight of the invisible burden that mental health problems can be for many people. It is a physical, visual and tangible representation of how struggles with mental health can weigh an individual down. It is widely acknowledged that awareness and acceptance of mental health issues, including stress, PTSD and depression, needs to be higher and that people should feel able to talk more freely.

Now in its second year, the Challenge takes place every September. At the end of each person's seven-day challenge, they will cut the medicine ball off their wrist and pass it onto the next member of their team. The premise is to keep the medicine ball attached to the wrist for the whole seven days, aside from when sleeping, showering, driving or doing any other activity that may be dangerous.

“The aim of the event is to generate awareness of stress and anxiety within the armed forces community and to break down the stigma of mental health issues. I would encourage people to talk about their problems – it’s okay to not be okay.”

John Marshall
Senior SHEQ Advisor
Morrison Water Services.

MORRISON 
Water Services
A part of MGroupServices



Our people and our communities

Developing, engaging and valuing our people

M Group Services is a trusted employer to more than **11,000** people, working from over **240** locations across the UK and Ireland.

As a Group, we recognise that engaging and empowering our people to deliver and grow is pivotal to driving our business and achieving continued success. We are committed to creating a working environment in which our people feel valued, supported and fulfilled.

We promise to listen to our people, to provide feedback and keep them engaged and informed. Equally important is the development of a resilient and sustainable workforce that is equipped to deliver on our promise to clients. Attracting, developing and retaining the next generation of highly skilled, customer-focused, and forward-thinking people is imperative for the continuous development of our core capabilities and growth of the business.

One of the ways in which we listen to our employees and give them a voice on issues that matter to them is via our People Opinion Survey, which is a system that enables anonymous responses to a wide range of topics and questions. We believe it is important for us to understand how our colleagues think, so that we can shape the business to create the best possible work environment, taking the changing attitudes and preferences of our workforce into account.

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

In a pilot scheme which we hope to roll out across other sectors, our Telecommunications colleagues now have access to a feature called 'My Fanmail' which allows them to send an e-card as a more interactive way of communicating positive feedback or a 'job well done'.

Using a custom-built Reward and Recognition Hub which sits on our existing "My Rewards" platform, those who manage people and crews are able to reward individuals who have gone above and beyond expectations, by awarding them a shopping voucher worth either £25, £50 or £100.

Our Telecoms business is also leading the way in enabling its people to make a difference to their communities, with brand new policies relating to charity giving, match funding and volunteering pilot schemes.



The role of innovation:

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



British Heart Foundation

£2,051



DementiaUK
Helping families face dementia

£2,363



£1,416



£248



Eden Reforestation Projects
7,630 new trees



A part of MGroupServices

Inclusion and Diversity

All businesses within M Group Services are committed to providing an environment free from discrimination, bullying, harassment or victimisation, where all our people are treated with dignity and respect. We recognise that by harnessing diversity and applying the experiences, abilities and unique qualities of all our people, we will enhance our business.

We create environments where everyone's opinion and inputs are valued and where all are treated with respect and dignity, irrelevant of their characteristics or background.

The diversity in our business means understanding, accepting and valuing differences between our peoples' unique qualities such as ethnicity, gender, age, religion or religious belief, disability, education and sexual orientation.

This is not just a matter of policy. We have been actively engaged in making sure the highest standards of diversity run through our business as part of our DNA.

Our approach has included the setting up of a wide range of Diversity and Inclusion forums, for which every company in the Group has been able to set its own agenda and choose its own priorities. For example, our Water Division launched two new networks; Women's Network and Race, Equality and Celebrating Heritage (REACH), focusing on the experiences of women and people of different ethnic and cultural backgrounds to create positive change for the future.

Many of our senior managers are also benefitting from participation on reverse mentoring schemes, in which volunteers from under-represented groups work with them to share their perspectives and provide a different 'take' on the way they see the world.

This has led to many of the beneficiaries of the programme adopting and embracing new ways of thinking and championing allyship.

Two more examples which demonstrate our active approach to supporting diversity and inclusion can be found on the next page.






DYER & BUTLER
A part of **MGroupServices**

MORRISON 
Water Services
A part of **MGroupServices**



Enabling our people to excel

Enhancing opportunities for women

In the last 12 months, we have been doing a lot of work to promote diversity and inclusion, and a significant part of this has been the great work some of our trailblazing women have done to enhance career opportunities for women and challenge assumptions about traditional gender stereotype.

One example of this is the initiative from the Water Division Women's Network, to create an active and thriving Allyship Programme. This began at the start of 2022 and is already gaining traction and generating interest. They aim to run one session each quarter, focusing on a different key topic each time. Allyship is crucial in the workplace to help us create a more inclusive environment that will consider a wide range of values and principles, and compliment our EDI/ESG commitment. The group will be open to all our people to create a better understanding and awareness of important social issues whilst recognising that being different does not mean you cannot add value. During the year ahead, this network hopes to gain enough momentum to enable its activities to be replicated and shared across other areas of our Group.

More positive work is also being pioneered by the Rail and Aviation EDI Group, ENABLE, which is helping to break gender bias and under-representation across a wide range of different social groups in their sector. The network is working at site level to challenge issues such as the lack of adequate female toilet facilities and badly fitting PPE.

Charlotte Robinson, (pictured right above) at Dyer and Butler explains: "I was visiting sites five years ago, and realised something should be done to make our working environment more welcoming for women. Over time, this has evolved into our Diversity Charter, showing what good looks like at site level. Although the charter addresses all sorts of diversity and inclusion issues, it also sets out a minimum standard, making sure everyone can expect a good level of facilities and feel valued and welcome on site, regardless of their characteristics.



It's often the little things like properly fitting PPE that makes so much difference. M Group Services already allows for items to be ordered with specific fit for the female form, but we can now have these items tailored to fit on an individual basis. I know we call it Personal Protection Equipment, but there's nothing personal about kit that's not made for your shape!



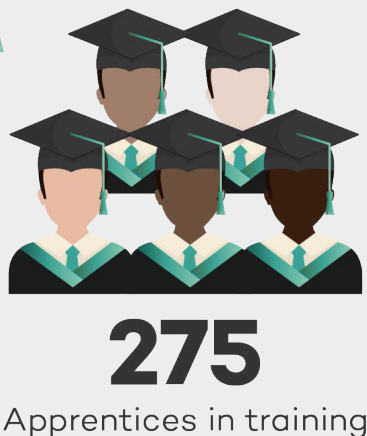
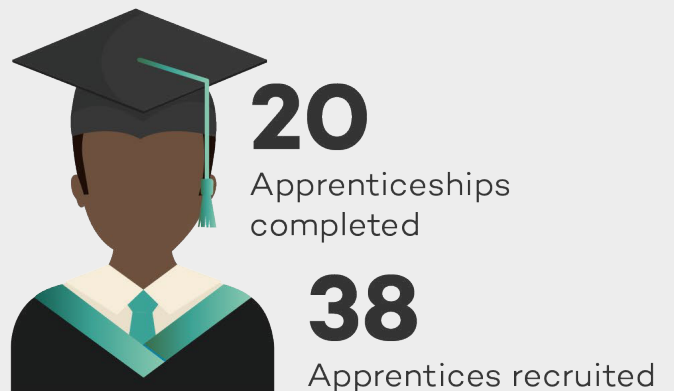
The role of innovation:

A significant challenge regarding women's facilities on a temporary site is the provision of adequate sanitary hygiene, which generally requires bespoke contractors to remove the waste. The EDI group identified an innovative supplier that can provide a waste management system that any operative can dispose of safely, without specialist training. Thanks to the work of the group, the product has been approved and the provider is now on our Approved Vendor List. This has helped to remove a significant barrier to site set-up, reducing the cost of providing facilities for female operatives.

The ENABLE network has a mission to address:

Ethnicity & Culture | **N**eurodiversity & Disability | **A**geism & Lived Experience | **B**reaking Gender Bias | **L**GBTQ+ | **E**nabling Social Mobility

Recruitment





The role of innovation:

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

SUPPLY CHAIN SUSTAINABILITY
SCHOOL



Adopting world class standards

Mutual trust and respect

Engaging with our stakeholders

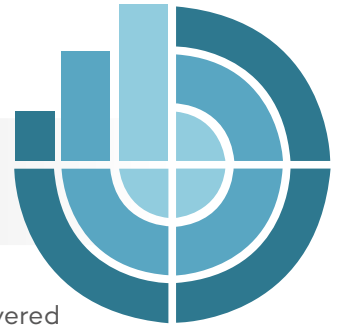
We collaborate and communicate with our stakeholders to understand their perspectives and to share our own.

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

As our business grows, we remain committed to building and maintaining strong, respectful and trusting relationships with our people and with each of our key stakeholder groups.

Through training and developing our people; developing sustainable, open and responsible supply chains and continuing to deliver excellent performance for our clients, we aim to preserve our strong relationships with our key stakeholders.

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



Case Study 10

Working in partnership with our client, Cadent Gas, Lucy Nembaware has delivered the Centres for Warmth programme to our London CMO contract's area of operation. Lucy has worked tirelessly to change lives and make a difference to hundreds of customers in fuel poverty.

Cadent Gas is invested in Centres for Warmth. These are community hubs where residents can go to sit in a warm, safe and welcoming community environment. The hubs also provide advisory services such as debt and money management advice, covering everything from energy saving tips to advice on housing issues. Most of the centres also team up with food banks to provide an additional level of service.

Lucy has been instrumental in developing these centres in the London region of our contract.

She was aware that Cadent had invested in Centres for Warmth in other working regions and requested to be put in charge of helping to set these centres up, in addition to her full-time role. She engaged with community centres in deprived areas to see which areas of London would benefit the most.

Lucy said: "It was quite a task, requiring a lot of research, starting with the indices of deprivation but also considering other factors such as free school meals and the existence of similar initiatives in the area. I also visited a wide range of different organisations and centres to personally discuss how the Centres for Warmth would operate and to work out how closely our vision aligned with the needs of the community."

At the time of writing, with five established centres in operation and one in development, Lucy has been seconded to our client to manage this project on a full-time basis.

Lucy (bottom row on the left) at one of Cadent Gas's Centres for Warmth





Our people and our communities

A positive sign

Our work in the highways sector through Milestone has benefitted from our relationship with Nuneaton Signs, which provides social value by providing meaningful employment for people with a wide range of abilities, including more than 70 percent of people with a registered disability. We appreciate the additional benefits that using Social Enterprises such as Nuneaton Signs can bring, and will be increasingly making use of companies such as this to enable us to provide a social return on investment.



Train With Us



275

Apprentices in training

Working on national infrastructure is a technical and demanding field that requires high levels of competence in some quite specific areas of expertise. Our Train With Us team manages the skills and competency requirements for all our people with their Competency Cloud management system database to record, manage and track the progress of each individual as they progress through their careers and training.

Competency Cloud provides all our operating businesses with easy access to our comprehensive system to monitor and manage training records and bookings. It is overseen by our Train With Us team, which makes sure required courses are completed and upcoming expiries are monitored. All our colleagues can access their own up to date training records and certificates from any device, at any time and managers have access to a live training calendar showing upcoming courses and availability. In this way, everyone can talk to their line manager about training opportunities and discuss how their career progression can be developed through upskilling and training.

During this reporting year, we provided around three days training per person, with structured development programmes which range from management and personal growth learning to more technical, skills-based courses which, where appropriate, are recognised and certified by Energy and Utility Skills Alliance (EU Skills).



As an ever-growing business with an expanding workforce, we manage a lot of courses, keeping track on a wide range of expiry dates and retraining requirements. Every time one of our businesses wins a new contract, Train With Us works with the mobilisation team to provide information about how much training will be needed for the new project so a new training matrix and course profile can be generated.



We currently have 275 apprentices in the business, with many other individuals either training for a promotion or engaged in a trainee position in which they can gain skills under supervision.

Combined with the fact that most of our operating businesses run their own Graduate Training Schemes, and still more manage contract-based mentorship programmes to help encourage and foster the next generation of talent, it starts to become clear how our Group is a positive force for providing training and opportunity across the communities in which we operate.

Building Talent

Our talent and recognition programme

Our people are our greatest resource, and we have identified the recognition and development of emerging talent as one of our highest priorities. We began our Building Talent programme in January, which identified the 300 of our most promising people from across our business and mapped their potential onto a talent map matrix to identify who might be ready for promotion, who might need training and who should be targeted for specific encouragement.

Selected candidates from this exercise have been invited to complete interviews and psychometric testing to corroborate the opinions of their line managers, helping us to uncover tomorrow's managers from a pool of people who may not have considered promotion into more demanding roles without being invited to do so.

We have already been able to promote several people as a result of this process. The plan is to develop this programme to a wider group of people as an on-going process.



Average number of training days per field operative



Industry leading



Case Study 11

Local training for local people

Brickwork Development programme

Dyer & Butler has launched its Brickwork Development programme, providing brickwork and structures training for its operatives internally for the first time.

After noticing a gap in its training, Dyer & Butler's Training Team has worked in partnership with JRS Training and Assessment to launch the Brickwork Development programme. The course provides operatives working on site with the basic trowel skill and knowledge to undertake brickwork repairs and demolition to masonry structures, in line with Network Rail's standard detail drawings.

Since the launch of the programme, the first operatives have worked hard towards their certifications. This has included completing their classroom theory modules, which took place at Dyer & Butler's head office in Nursling, and the practical elements of the course. Working with its client, Network Rail and Gunwharf Quays, Dyer & Butler was granted access to a heritage arch as part of the coursework, with the work completed significantly improving the structure.

Heritage and structure repair work is a specialist sector, and it can be hard to locate bricklayers in the industry that can carry out this artisanal level of repair work. By implementing this programme, Dyer & Butler can deliver this work efficiently and cost effectively on behalf of its clients.



MORRISON Telecom Services

A part of **MGroupServices**

Morrison Telecom Services has invested in local jobs and skills by establishing a regional training centre in Leyland, Lancashire. This enables local operatives and technicians to access training and development specifically relevant to their job role, without the need to travel further afield.

Leyland has traditionally been an area of excellence for technical and qualified workers which has been affected by the closure of vehicle factories and military engine manufacturers. The site is contributing to the opportunities and skills of local people. It has trained a total of 650 candidates in the year from January 2022, awarding over 1,000 individual accreditations annually.

The centre has also provided work experience opportunities for local school children, helping us to promote our STEM activities and encouraging pupils to consider joining us when they enter the world of work.

The Training and Accreditation Centre uses solar photovoltaic (PV) panels and a battery unit reducing our carbon footprint. In the last year, the centre has saved 26 tonnes of CO2 equivalent through the switch to on-site solar power. These reductions have also reduced noise from the site by almost half (47%), which is also great for our neighbours.



SEEKA

A part of **MGroupServices**

At Seeka we have conducted multiple Energy Theft Awareness sessions across a wide range of organisations, including Police Forces, Housing Associations and local authorities.

These sessions are primarily aimed at highlighting the dangers associated with energy theft, from a personal safety and a wider 'keeping communities safe' perspective. Seeka focusses on ensuring the audience know what signs to look for, and how to keep themselves safe when working in an environment where energy theft may have occurred.

In addition to ensuring their own personal safety, the presentation also enables the audience to recognise the typical signs of energy theft and gives details on how and where to report a suspicion, allowing specialist Revenue Protection Officers to attend site, and conduct a proper investigation.



Beyond Expectations Awards

Launched earlier this year, the Beyond Expectations Awards are an opportunity for our people to celebrate their colleagues and the incredible work they do across the Group.

We were delighted that the awards were so well received, with 390 entries submitted, celebrating the positive impact we make, not just for clients but in the communities in which we work. We believe this is further evidence that every day, our people go above and beyond to support our business, clients and the communities we serve. We are proud of everyone who was nominated.

The results ceremony was held in London in December providing us with an opportunity to recognise and thank our colleagues in person.



Compliance statement

Our organisation complies with all applicable legislation and has not been subject to any sanctions or fines for environmental, health and safety or any other infringements during FY 2022/23.

A final comment...

As an account of the ESG and innovation activities of M Group Services, we hope you have enjoyed this document. In reality this is just a snapshot of the fantastic work so many of our people have been engaged in over the last reporting period.

We believe that this document offers a balanced and accurate reflection of some of the activities across the Group and their impact. It was evident while compiling this report that we are becoming very much more than the sum of our parts and there is a real and genuine appetite among our people to make a positive impact on the environment and communities in which we work. ESG and Innovation may well be a new acronym for some, but it is built upon a cast of thousands inside and outside our business.

Looking ahead, we recognise there is still much work to do. We have key areas of focus for the year ahead in virtually all our ESG reporting fields. What is highly encouraging is that as we move closer to new empirical targets for ESG we are merely harnessing, and shaping the passion and drive of the individuals, contracts, and divisions which combine to represent M Group Services.

We are proud of the work we do for our clients and society at large and are delighted when this pride and performance is recognised with accolades like our industry awards and ESG rating score.

If you are reading this as a member of our Group, or as somebody considering joining us, please be assured that you have a part to play in the journey towards our ESG and Innovation goals.

Whether this is through identifying ways for us to improve, reducing waste, going above and beyond for our communities, or simply by making sure your colleagues are okay today, all our actions have a real impact.

M Group Services will continue to drive down the environmental cost of our operations while ensuring our service proposition remains commercially and technically competitive. As our business expands and thrives, we will enable growth without forgetting what we value.

Our culture will ensure we will remain an ethical and responsible organisation, committed to inclusivity and respect for all, underpinned by a strong sense of doing the right thing while delivering what we promise.



Andrew Hunt
Director of ESG & Innovation
M Group Services

The authors and production team of this report would like to thank the many people across our Group who contributed their time and energy to its production.

ESG & Innovation in Practice

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

1. Dyer & Butler trial first fully electric road sweeper at Heathrow

Dyer & Butler trialled the first fully electric Bucher Municipal road sweeper on its Heathrow Airport contract, in order to reduce carbon emissions and cut costs. Using a 600v lithium-ion phosphate battery, the road sweeper charges faster, lasts longer, and produces zero emissions.

Scan the QR code to read more.



2. Milestone Infrastructure brighten up Peterborough's highways

Milestone Infrastructure inspired young people to bring their imagination to life by printing a student's winning design on several of Peterborough's highways maintenance vehicles.

Milestone Infrastructure partnered with Aggregate Industries to sponsor PECT's annual Eco Awards and challenged children across the city to design vehicle livery based on Milestone's environmental theme 'Let's Go Zero.' 10-year-old student Aprameya Ghosh, won first prize, with Milestone Infrastructure, Aggregate Industries and PECT visiting the school with a Witherly tipper truck mounted with Aprameya's design.

Scan the QR code to read more.



3. Z-Tech wins prestigious safety award

Congratulations to Z-Tech Control Systems Ltd, for receiving a prestigious Order of Distinction award from the Royal Society for the Prevention of Accidents (RoSPA) for its run of 15 consecutive RoSPA Gold award wins.

The Order of Distinction is presented to businesses sustaining the high standards of Gold award level commitment to safety over consecutive years. This accolade demonstrates Z-Tech's dedication to ensuring its people get home safely at the end of every working day.

Scan the QR code to read more.



A part of MGroupServices

4. Welfare goes green at MGSPFS

M Group Services Plant & Fleet Solutions (MGSPFS) is proud to now offer over 100 sustainable welfare units to M Group Services' operating businesses.

These units provide our people with a meeting space, kitchen and toilet facilities and are essential for the wellbeing of everyone working on or visiting a site. These innovative welfare units, designed by our supplier, Genquip Groundhog, reduce CO2 emissions by up to 80%, helping towards our commitment to achieve net zero before 2050.

Scan the QR code to read more.



MGroupServices
Plant & Fleet Solutions

5. New Apprentices join Milestone Infrastructures Street Lighting team

As part of our commitment to providing opportunities to young people, Milestone Infrastructure recently welcomed four new apprentices to its streetlighting team. The four new team members will be training for two years to gain their Highway Electrical Maintenance and Installation Operative Level 2 National Vocational Qualification (NVQ).

At M Group Services, we offer a variety of apprenticeships and graduate schemes.

Scan the QR code to read more.



6. I&C turns plastic bottles into protective electrical kiosks

I&C is using plastic bottles to build protective electrical equipment kiosks made from 97% recycled materials. Over 5,000 plastic bottles are recycled in each 3m x 3m x 2.4m glad reinforced plastic (GRP) kiosk.

The UN Environment Programme (UNEP) reports that globally only 9% of all plastic is recycled. That's why as a Group we are finding ways to tackle this issue, to help us meet our commitment to halve our carbon emissions by 2030 and reach net zero before 2050.

Scan the QR code to read more.



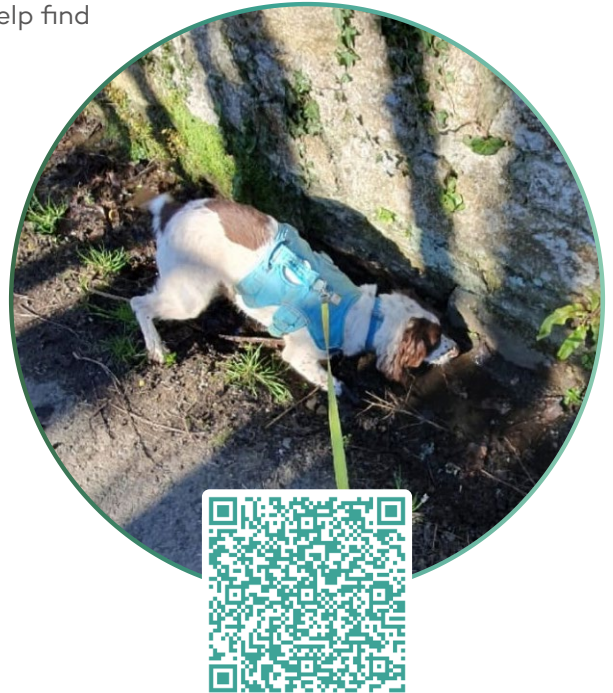
7. Morrison Water Services use trained dogs to take the lead on leakage detection

Morrison Water Services has been working in partnership with South West Water and specialist dog trainers, Cape SPC, to help find water leaks in rural areas using highly-trained dogs.

The dogs can cover a wide area in more rural and inaccessible locations and can accurately pinpoint water leaks, reducing the impact on the environment.

The pioneering approach proved to be a success with two springer spaniels searching 44 kilometres of hard to navigate rural land over five days, finding a total of seven leaks.

Scan the QR code to read more.



8. Attending the Highways UK conference carbon neutral style

Milestone Infrastructure attended the Highways UK conference at The NEC, Birmingham and offered visitors a unique opportunity to help the environment, by handing out 250 UK native pine trees to people visiting our stand at the conference.

The Highways UK conference has over 200 exhibitors from across the globe with industry leading figures sharing their expertise.

Scan the QR code to read more.



A part of MGroupServices

9. Morrison Energy Services connects homes and businesses to low carbon energy

Morrison Energy Services is applying sustainable methods to National Grid's Hinkley Connection Project. The next phase of the project will help connect six million homes and businesses to low carbon energy.

The project involves connecting T-pylons near Bridgwater to Hinkley Point C, EDF Energy's new power station in Somerset. This will be done by upgrading the existing 275kV overhead line near Stogursey and Shurton to 400kV.

Scan the QR code to read more.



MORRISON
Energy Services
A part of MGroupServices

10. M Group Services has over 650 Mental Health First Aiders

At M Group Services we encourage our people to put their mental health first. As part of this we have a number of services available for those who might be struggling or know someone who needs support.

We are proud to have over 650 Mental Health First Aiders (MHFA). Our MHFAs are available to support those across the Group who need it.

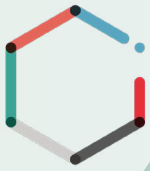
Scan the QR code to read more.



 **MGroupServices**

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





MGroupServices



You can
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here

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