



Transforming our social and sustainability ambitions into results

Mitie Group plc
ESG Report 2023



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In December 2022, we welcomed our 3,000th electric vehicle (EV) to our fleet and we now have 3,194 EVs on the road.

[Read more about our environment strategy](#)



We are proud to say that we have over 1,000 live learners on our range of 70+ apprenticeship programmes.

[Read more about our people](#)



Our 72 robots are delivering water savings of c.6,307 million litres and c.14,825 CO₂e savings a year at Mitie, thanks to their water recycling and Lithium-ION technology.

[Read more about our responsible supply chain](#)



19,298 hours of volunteering by Mitie colleagues delivered in our communities in FY23.

[Read more about our communities](#)

Our commitment

Environment, Social and Governance (ESG) initiatives form a key part of how Mitie does business: from managing risk to driving growth opportunities, so that we can transform workspaces to be more flexible, safe, sustainable and attractive for everyone.

Facilities management organisations have the potential to positively impact the environment, make a significant difference in the workplace and deliver social value to local communities and beyond.

Mitie employs over 64,000 colleagues, working with over 3,000 diverse customers. Through the work we do, we make a positive difference to the lives of millions of people, and we take that responsibility very seriously.

Climate action and job creation are at the heart of our agenda. Alongside our own ambitions to continue leading the industry in these areas, our aim is to support our customers in driving positive social change. Our strong relationships with a wide range of blue-chip organisations position us as key promoters of sustainability and we collaborate with customers, communities and partners to foster social value and

aid their transition to Net Zero, through initiatives such as decarbonisation and biodiversity, and social mobility programmes.

Mitie's ESG strategy has evolved from managing risk to creating social value and pursuing growth opportunities. ESG is fully integrated into our business practices and guides how we deliver services to our customers.

In April 2023, we received validation from the prestigious Science-Based Targets initiative (SBTi). Our industry-leading targets, to be Net Zero for our operations by 2025 and across our supply chain by 2035, are more ambitious than the SBTi's requirements and they are significantly ahead of the UK Government's 2050 target.

Leveraging our expertise, we strive to make a tangible difference for our customers through our Plan Zero – Decarbonisation Delivered™ programme. We offer a wide range of solutions that promote energy efficiency and carbon reduction, and we provide our customers with the ability to generate renewable energy through solar PV installations.

Our Science of Service approach is integral to the work we do. We have developed leading cloud-based platforms for facilities management, and we have put technology at the forefront of all our services, providing customers with innovative solutions to create clean, safe, sustainable and energy-efficient spaces.

This report provides insights into our approach to ESG, key measures of success and strategic goals for each of the five pillars of our framework: environment, responsible supply chain, people, community and innovation.



Mitie's commitment to ESG underpins everything we do as a business, including how we deliver for our customers, support our colleagues, work with local communities and protect the planet.

Phil Bentley
Chief Executive Officer,
Mitie Group

What we do

Mitie is the UK's leading facilities management company. We offer a range of services to the public and private sectors, including engineering, energy, security, cleaning, custody, landscaping and waste management services. We take care of our customers, people and buildings, and we are transforming facilities management to be more flexible, safe, sustainable and attractive to all. We are differentiated by our world-class, cloud-based proprietary technology.

Our vision

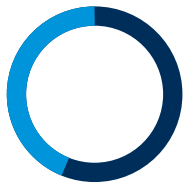
The Exceptional, Every Day

Our purpose

Our expertise, care, technology, insight and focus on sustainability create amazing work environments, helping our customers to be exceptional, every day.

Customer breakdown FY23

Revenue from continuing operations



FY23	%
Government	54
Non-government	46



Business Services FY23 Revenue 29%

We keep some of the UK's biggest companies across a diverse range of sectors (including financial and professional services, manufacturing, telecoms, retail and transport) clean, safe and secure.

- 👉 Cleaning & Hygiene
- 👉 Security
- 👉 Office services



Central Government & Defence FY23 Revenue 20%

A leading provider of facilities management services to central government departments in the UK and Europe, as well as the Ministry of Defence in the UK and deployments overseas.

- 👉 Cleaning & Hygiene
- 👉 Security
- 👉 Office services
- 👉 Engineering services
- 👉 Decarbonisation



Communities FY23 Revenue 12%

A leading provider of mainly integrated facilities management services to public sector customers, with a focus on community environments in healthcare, schools and universities, emergency services and local authorities.

- 👉 Cleaning & Hygiene
- 👉 Security
- 👉 Portering
- 👉 Engineering services
- 👉 Decarbonisation



Technical Services FY23 Revenue 29%

We provide the full range of key technology-backed engineering, maintenance, repair and mechanical and electrical systems, project activities, energy, carbon and water management services, air-conditioning/disinfection solutions and digital workplace services.

- 👉 Engineering services
- 👉 Projects
- 👉 Decarbonisation



Specialist Services FY23 Revenue 10%

Care & Custody
We provide high-quality, critical public services in immigration, criminal justice and secure healthcare.

Landscapes

A leading provider of landscaping services, focused on both horticultural and winter services.



Waste Management

A leading national waste management business providing innovative waste reduction and treatment solutions.

Spain

We provide a wide range of facilities management services to customers in Spain, including cleaning, passenger assistance, customer support and information, and management of luggage trolleys.

Foreword from Salma Shah, Chair of the ESG Committee



Facilities management providers have a key role to play in the creation of sustainable spaces and delivery of social value.

Mitie is a leader in this area. Our remit extends from energy efficiency and recycling to developing and implementing new property technology, and creating inspiring workspaces for our customers and their employees.

ESG describes our approach to sustainability and social value, and our ESG commitments span the environment, our partners, our colleagues and the communities in which we operate.

We are fortunate to have an expert, dedicated sustainability team at Mitie. Greater understanding of ESG issues has brought together specialists within our business, and the ESG Committee (the Committee) is well attended by subject matter experts, which adds wider perspective, promotes increased debate and is most important when delivering on our sustainable commitment.

The Committee was set up and run by my predecessor, Baroness Philippa Coultie, who sadly passed away last year. Philippa made an enormous contribution to Mitie's ESG agenda and helped to establish us as an industry leader in this area. She is greatly missed.

In FY23, Mitie set out a new ESG strategy (see page 11) and the Committee has been focused on building a robust ESG framework in line with this strategy. Good governance has continued to be a key area of focus for stakeholders, with disclosure expectations becoming ever more demanding. Robust and transparent governance is extremely important to Mitie and is embedded across our processes and practices to ensure that we receive actionable data across all levels of the business.



We are lucky to have an expert, dedicated ESG team at Mitie. Greater understanding of ESG issues has brought together specialists within our business.

Salma Shah
Chair, ESG Committee

Foreword from Salma Shah, Chair of the ESG Committee

continued

Each of our four ESG governance groups plays a role, leading delivery to meet our targets, engaging with customers and ensuring alignment with Board-level business strategy. We continue to embed sustainable risk into our operations through the Risk Committee and our internally developed Risk-Safe platform, a digital risk register, through which existing processes for managing operational, reputational and regulatory and compliance risks are to be automated.

Our risk, ESG and Finance teams are working together to create a broader understanding of our exposure to climate-related events and impacts across the Mitie estate, key customer sites and strategic suppliers. The results and financial modelling will be incorporated within our business strategy in FY24.

Our Plan Zero Working Group leads delivery against our Net Zero targets and commitments. We have tough targets to reduce our emissions and, over FY23, we continued to make progress against these targets. Our accelerated transition to electric vehicles (EVs) is on track to ensure we reach our Net Zero targets. We had 3,200 EVs in service in FY23, one of the largest EV fleets in the UK.

We are proud to be joining over 2,000 other climate conscious organisations in having validated science-based targets. We are also extending our ISO 50001 energy management system across the Group to improve energy efficiency.

Two sub-groups have been established to investigate alternative fuels for specialist vehicles where electric alternatives are not currently available, as well as the use of plastic in operations, transport and packaging.

The Social Value Model from the Government's procurement policy notice PPN06/20 creates a level playing field for all organisations to address social value and add real benefit to the communities we serve. We have developed a series of internal guides on social value and decarbonisation to deliver against progressive targets in all contracts. In addition, we have invested in two measurement platforms to ensure accurate reporting of social value metrics for customers and the communities we serve on their behalf.

Mitie is a people business, so ensuring we are making this the best place to work is key to our ESG proposition, and our campaign work in autumn 2022 has communicated this effectively throughout the Group. We have developed a new sustainability learning campaign called 'Action Now' to target our frontline colleagues and improve sustainability and social value awareness.

We continue to receive recognition for our ESG practices, through leading scores and rankings from external agencies such as SFMI and CPD, and industry awards (see page 7).

Salma Shah
Chair, ESG Committee



Recognition for our progress and achievements

Mitie is at the forefront of ESG best practice within the facilities management sector and more widely, and this has been reflected in the market-leading scores and ratings we have received from prestigious external organisations, including accreditations from the Sustainable FM Index (SFMI), Carbon Disclosure Project (CDP), MSCI ESG Ratings and Top Employer. Mitie is also a constituent company in the FTSE4Good Index Series.



Mitie has been recognised as a UK Top Employer for the fifth year running. The award showcases our dedication to creating a great place to work by delivering excellent HR policies and people practices.



Mitie has been awarded the highest ranking of 'Platinum' in the Sustainable Facilities Management Index.



'B' from CDP for climate change disclosure and 'A-' for our supply chain.



Mitie's AA rating is the second highest available. Only 4% of rated MSCI ACWI Index constituents, Commercial Services & Suppliers, have been ranked higher.



Our Plan Zero Strategy has won an Edie! It scooped Net-Zero Carbon Strategy of the Year in the world's largest sustainable business awards scheme – formerly known as the Sustainability Leaders Awards.

Plan Zero is our sustainability strategy. We've pledged that we'll reach Net Zero carbon emissions by 2025. We're doing this by:

- ➊ Eliminating carbon emissions from power and transport
- ➋ Eradicating non-sustainable waste
- ➌ Enhancing inefficient buildings to meet the highest environmental standards

The judges highlighted 'the impact this plan has on broader society and other businesses, including peers within the industry'. They praised how it supports organisations on their journey to reduce carbon and greenhouse gas emissions from buildings, operations and the supply chain.



Recognition for our progress and achievements continued

Environmental accreditations

In the past year, we have expanded our ISO 50001 accreditation from Mitie Energy to Mitie Group. Our Plan Zero strategy ensures that we are continuously optimising our sites to be as energy efficient as possible, and aligning with ISO 50001 provides an internationally accepted standard relating to energy management systems, reducing our environmental impact through energy efficiency. This accreditation is in addition to our ISO 14001:2015 certification, which provides an external best practice framework for identifying, managing, monitoring and controlling environmental issues, maximising our efforts to reduce our environmental footprint.

Securing these certifications ensures that our policies and procedures are fit for purpose, providing external recognition for our environmental efforts, and reassuring our customers and suppliers. Our strategies are aligned to external international standards, we fulfil relevant compliance obligations and we operate sustainably and responsibly.

Mitie is publicly committed to reducing its impact on the environment through our Plan Zero strategy. To ensure we follow best practice, Mitie was the first FM provider, and one of only 16 organisations globally, to join all three Climate Group initiatives – EPI100, EV100 and RE100 – relating to energy productivity, EV fleets and renewable energy.

Aligning to the Climate Group allows us to benchmark our achievements, gives us access to a community on its own Net Zero journey and provides opportunities to lobby for improvements relating to decarbonisation, such as green infrastructure and EV policies.

We have signed up to the Climate Pledge and the Business Ambition for 1.5 degrees through Race to Zero. We received third-party verification for our FY23 greenhouse gas data to ISO 14064-1 standard from Optera, which has also verified our social value data, ensuring that our data collection processes are accurate and that we are fully transparent.



2013



2013

EP 100

RE 100

CLIMATE GROUP
EV100

Validation from the Science-Based Targets initiative for our ambitious Net Zero targets

In February 2021, we committed to science-based targets incorporating our Scope 3 emissions from the supply chain, in line with the Science Based Targets initiative (SBTi) and 1.5 degrees Paris Agreement target. In April 2023, Mitie received SBTi validation for near- and long-term science-based emissions reduction targets.

During FY23, we engaged with our suppliers to collate our supply chain emissions, allowing us to calculate the size of our Scope 3 emissions and to implement milestone targets to achieve Net Zero.



SCIENCE
BASED
TARGETS

Overall

- Net Zero greenhouse gas emissions across the value chain by FY46, from a FY22 base year

Near term

- Reduce absolute Scope 1 and 2 GHG emissions by 29.4% by FY27, from a FY22 base year
- Continue to annually source 100% renewable electricity through to FY27
- Reduce absolute Scope 3 GHG emissions from fuel and energy-related activities, waste generated in operations, business travel and employee commuting by 25.2% by FY27, from a FY22 base year
- 60% of our suppliers (by spend), covering purchased goods and services, upstream transportation and distribution, will have committed to a science-based target methodology by FY27

Long term

- Reduce absolute Scope 1 and 2 GHG emissions by 90% by FY46, from a FY22 base year
- Reduce absolute Scope 3 GHG emissions by 90% by FY46, from a FY22 base year

To achieve these targets, we continue to implement our Plan Zero initiative and embed sustainability throughout Mitie and our services and processes. We are prioritising direct emissions reductions to achieve true decarbonisation. All residual emissions will be neutralised in line with SBTi criteria before reaching Net Zero emissions.

With our decarbonisation expertise and in-house experience, Mitie has committed to more ambitious targets, through our Plan Zero Initiative, than those validated by the SBTi. These targets are Net Zero operational emissions by 2025 and Net Zero non-operational emissions by 2035.



SBTi is regarded as the gold standard for Net Zero emissions targets and receiving SBTi validation marks an important milestone in our decarbonisation journey.

While we have our own ambitious targets of Net Zero carbon for our operations by 2025, we know that we can make an even bigger impact on the planet by helping our customers decarbonise too.

Jason Roberts
Group Director,
Sustainability
& Social Value

Our guiding sustainability principles

Our social value framework is our platform for ESG, sustainability and social value throughout our value chain: from investors to winning new business, delivering a sustainable service and creating social value impact. Climate action and job creation are at the core of our social value philosophy. We recognise that we must adopt positive social impact strategies to improve health and education, reduce inequality and spur economic growth, while tackling climate change and working to preserve our oceans and forests.

Mitie embraces the United Nations Sustainable Development Goals (SDGs), which aim to protect the planet and ensure prosperity for all, and calls on governments and business to contribute towards their achievement. Social value refers to an organisation's positive impact on society: economic, social and environmental. The SDGs shape our social value framework of five pillars, which each have specific focus areas and targets and specific links to different SDGs.



Innovation

Innovation is embedded within all our pillars, to ensure Mitie remains at the forefront of technology and processes, through our Science of Service offering.

[Read more about our approach to innovation and the Science of Service](#)



Environment

The climate emergency is humanity's biggest challenge. At Mitie, we believe it is key that for all our people to understand the consequences of our environmental impact.

[Read more about our approach to the environment](#)

[Read more about Plan Zero](#)



Responsible supply chain

Mitie has a robust, diverse and responsible supply chain, which is trained in social value and engaged in creating positive social impacts across all areas of business.

[Read more about our approach to ensuring a responsible supply chain](#)



People

People are Mitie's greatest asset, and we have a duty of care to ensure they are supported to make Mitie a great place to work.

[Read more about our approach to people](#)



Community

We are an active part of the communities in which we operate, helping deliver social value commitments, not only for Mitie but also for our customers.

[Read more about our approach to community](#)



Progress against our social value targets

We have set specific targets across each of the social value pillars of environment, people, community and responsible supply chain, all of which are underpinned by the fifth pillar of Innovation.

To align our environment targets and Plan Zero ambitions, we have separated our emissions target into Scope 1 and 2 and Scope 3 for the first time in FY23 and have therefore reported against 14 targets in total.

Through our ongoing ESG initiatives, we met or improved on 12 of the 14 targets in FY23. Further information on each of the targets we report against, including those in which we did not meet our target, can be found in the relevant section of this report. Details about our emissions reporting and females in senior leadership, including an explanation of our performance against the target, can be found on pages 14 and 40 respectively.

Environment

Scope 1 and 2 emissions – UK only (tonnes) ¹	20,300	21,115	●	16,900	12,775
Scope 3 emissions – global (tonnes)	315,433	300,114	●	296,507	275,752
% of fleet zero carbon ²	45%	45%	●	65%	85%
Waste to landfill (tonnes)	100	2	●	50	0

[+ Read more about our approach to the environment](#)

Responsible supply chain

Spend with VCSEs	£1.5m	£2.3m	●	£2m	£2.25m
% of spend with SMEs (commitment to maintain public sector % SME spend above 33% target)	31%	46%	●	32%	33%
% of spend on Supplier Management Framework	37%	40%	●	39%	40%

[+ Read more about our approach to ensuring a responsible supply chain](#)

People

% of employees, where Mitie controls salary, paid Real Living Wage	100%	100%	●	100%	100%
% of employees through apprenticeship scheme	3.5%	3.8%	●	4.3%	5%
% of women on senior leadership team	35%	28%	●	35%	40%
% of racially diverse colleagues on senior leadership team	10%	10%	●	10%	20%

[+ Read more about our approach to people](#)

Community

Volunteer paid hours	16,320	19,298	●	20,720	23,680
Health and wellbeing training hours delivered	8,169	26,152	●	26,312	28,943
Armed Forces recruitment This target relates to maintaining Armed Forces recruitment at a percentage of 0.5% above population average	2.43%	3.14%	●	2.39%	2.34%

[+ Read more about our approach to community](#)

	Target	Actual	Achieved?	Target	Target
	FY23	FY23		FY24	FY25
Environment					
Scope 1 and 2 emissions – UK only (tonnes) ¹	20,300	21,115	●	16,900	12,775
Scope 3 emissions – global (tonnes)	315,433	300,114	●	296,507	275,752
% of fleet zero carbon ²	45%	45%	●	65%	85%
Waste to landfill (tonnes)	100	2	●	50	0
Responsible supply chain					
Spend with VCSEs	£1.5m	£2.3m	●	£2m	£2.25m
% of spend with SMEs (commitment to maintain public sector % SME spend above 33% target)	31%	46%	●	32%	33%
% of spend on Supplier Management Framework	37%	40%	●	39%	40%
People					
% of employees, where Mitie controls salary, paid Real Living Wage	100%	100%	●	100%	100%
% of employees through apprenticeship scheme	3.5%	3.8%	●	4.3%	5%
% of women on senior leadership team	35%	28%	●	35%	40%
% of racially diverse colleagues on senior leadership team	10%	10%	●	10%	20%
Community					
Volunteer paid hours	16,320	19,298	●	20,720	23,680
Health and wellbeing training hours delivered	8,169	26,152	●	26,312	28,943
Armed Forces recruitment This target relates to maintaining Armed Forces recruitment at a percentage of 0.5% above population average	2.43%	3.14%	●	2.39%	2.34%

1. The baseline for Scope 1 & 2 emissions remains the same for FY23, reflecting the UK only targets. From FY24 onwards, the targets have been updated to include both UK and overseas reporting.
2. 85% is based on completion by 31 December 2025.

Mitie's ESG strategy

The ESG agenda is continuously evolving. In 2022, we introduced a new ESG strategy with a 15-point plan which sets out our desired outcomes over a five-year horizon and the actions we will take to achieve these. Alongside our own goals, it is our ambition to support our customers in driving positive social change, including the transition to Net Zero.

Our ESG strategy focuses on long-term success rather than short-term gains and embraces the social, environmental and economic aspects of our operations. By considering the broader impacts of business decisions, we build resilience, adapt to changing market conditions

and ensure our long-term viability. We are also focused on demonstrating our commitment to responsible practices in order to attract and retain environmentally and socially conscious customers, investors, employees and suppliers.

Our strategy encourages us to explore new technologies and processes, such as those that improve the energy efficiency of buildings, and is aligned with the Group's Science of Service approach. Our leading technology provides a competitive advantage by differentiating our services in the market.

Our ESG Committee regularly reviews the Group's ESG strategy and our progress against the desired outcomes so that we can continue to evolve our practices, ensure we are meeting the expectations of our stakeholders, mitigate risks and maintain our position as a sustainability leader in the sector and more widely.



Meeting our ESG commitments

Environment

Our ambitious Plan Zero Initiative to become Net Zero carbon for direct operational carbon emissions by the end of 2025 and indirect operational emissions by the end of 2035 is industry leading.

Delivery against our Low Carbon Transition Plan is well underway and the switch to electric vehicles (EVs) gives us one of the largest EV fleets in the country, removing significant amounts of fossil fuels from our operations. We have optimised our estate for energy consumption and are decarbonising our heating systems by replacing our gas boilers with low carbon heat pumps. Self-generation of energy through Solar PV is next on the horizon, providing us resilience and security of supply. It's not just carbon reduction from energy, Mitie Waste and Mitie Landscapes address other environmental aspects, such as the circular economy, efficient resource use and environmental net gain.

With a baseline for our supply chain emissions, we have developed a science-based carbon reduction plan encompassing all three scopes. We are delighted to join over 2,000 other organisations in having a validated science-based target. This will form the springboard for Mitie to address its largest amount of carbon exposure in our Scope 3 reporting, encompassing our supply chain and full commuting emissions. 2022 also saw significant transformation within our Procurement teams. Innovation is now threaded through policy and procedures to revolutionise supplier engagement, transforming the team into a strategic function of the business. Engaging our supply chain to protect human rights, prevent child labour, reduce environmental impact and improve supply chain resilience is a top priority for Mitie.

Our commitments:

- 1 Reduce Scope 1 and 2 carbon emissions**
Drive down energy consumption, eliminate all fossil fuels emissions and adopt natural renewable sources for electricity.
- 2 Reduce Scope 3 carbon emissions**
Measure, report and influence emissions in the value chain to align with our Scope 1 and 2 commitments.
- 3 Circular economy**
Reduce water and waste at source and adopt a circular economy. Take all measures to eliminate virgin products from our operations.
- 4 Biodiversity**
Biodiversity net gain must be significantly increased throughout our property portfolio.
- 5 Deliver sustainability**
Embed environmental sustainability into all aspects of every contract and project delivery, not just green projects.
- 6 Sustainable procurement**
Procurement process delivers a longer-term value beyond cost savings. Promotes safe and fair working conditions, human rights and labour standards.

Mitie's ESG strategy continued



Social

Our social agenda work over the past decade has seen our people function develop into a world-class programme for the creation of quality jobs and embraces learning, equality, diversity and inclusion, social value and breaking down the barriers to employment.

Our Learning and Development (L&D) team provides significant support to enable the championing of apprenticeships. They play a key role in supporting our business performance and developing our people. They feed our talent pipelines, in anticipation of tomorrow's skills gaps, and develop the right talent to grow our business. In FY23, we supported a record 1,100 apprentices across more than 70 different courses, the L&D team are helping our apprentices to gain valuable technical, professional and managerial skills and qualifications, to improve their social mobility and to support our business growth.

The Mitie Foundation continues to add significant value to the communities in which we work by developing new, award-winning ways to remove barriers to employment, engage underrepresented groups and create the platform for volunteering projects from the individual up to large corporate projects. Going forward, a significant focus will be to embed the principles of the Foundation and incorporate the methodology of employing people with perceived barriers to the job market into our key accounts.

Our commitments:

7 Develop talent

Develop talent through a skills-based learning strategy for all to create and retain quality jobs.

8 Diverse workforce

Attract and retain a diverse workforce and foster a truly inclusive culture where everyone can bring their true selves to work.

9 Health and wellbeing

Health and wellbeing is fundamental to our people and the communities we work in.

10 Tackling inequality

Consider underrepresented groups for employment and promote volunteering to meet all stakeholder goals.



Governance

Good governance plays its part too. Our four levels of governance structure give us a platform to implement initiatives for ourselves (Plan Zero Working Group), understand the risk and develop the opportunities for additional business growth (Plan Zero Steering Group), oversee the full programme for ESG Matters incorporating environmental sustainability and social value (ESG Committee) and report into the Board as a standing item agenda.

We have reimaged the Plan Zero Steering Group to incorporate further collaboration between our Environmental, Risk and Finance teams in addressing the requirements of Task Force on Climate-related Financial Disclosures (TCFD). Our insurers have undertaken a physical risk climate change scenario analysis across 500 of our built estate, customer and supplier sites throughout our operations in the UK and overseas.

Mitie has adopted a culture of continuous improvement to ensure we remain at the forefront of the ESG agenda. Our size and reach across the blue-chip and public and private sector customers we work with position us as a key influencer in this space. It is our ambition to make a difference in combating climate change and improving the social value in the communities we serve.

Our commitments:

11 Senior level oversight

Oversight of the whole ESG programme. Set the strategy, measure, report and incorporate transparent and public disclosure of material impacts, progress and targets.

12 Act responsibly

Show the highest levels of ethical and moral stewardship regarding tax evasion lobbying, bribery and corruption and ensure appropriate whistleblowing schemes are in place.

13 Risks and opportunities

Finance & Risk teams to drive sustainable investment and transparent disclosure throughout the business.

14 Environmental management systems

Sustainability frameworks will be established, maintained and improved to fulfil our moral, legal and contractual obligations.

15 Collaboration

Collaboration with all stakeholders is encouraged, fostered and embedded throughout the business.



Environment

Our sustainability strategy aims to minimise the negative impact on the environment and promote responsible resource management. It recognises the finite nature of resources and the need to preserve them for future generations.

In this section	16 Plan Zero initiatives
14 Environment – FY23 progress	21 Mitie Plan Zero – Decarbonisation, Delivered™
15 Environment strategy	


Progress against our targets in FY23

2023 target: Reduce Scope 1 and 2 emissions (UK only) to 20,300 tonnes	FY23 performance: 21,115 FY22: 20,596	2025 target: 12,775 tonnes
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2023 target: Reduce Scope 3 emissions (global) to 315,433 tonnes	FY23 performance: 300,114 FY22: 332,035	2025 target: 275,752 tonnes
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2023 target: 45% of fleet zero carbon	FY23 performance: 45% FY22: 33%	2025 target: 85%
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2023 target: Reduce waste to landfill at Mitie sites to 100 tonnes	FY23 performance: 2 tonnes FY22: 19 tonnes	2025 target: 0 tonnes
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 Find out more about our progress against our social value targets

Mitie's alignment with the UN Sustainable Development Goals

We are protecting the environment by eliminating fossil fuel use, improving energy efficiency and transitioning to a low carbon economy through our Plan Zero Initiative.

We aim to:

- Eliminate all Scope 1 emissions (fossil fuels)
- Drive down energy consumption and adopt natural renewable sources for Scope 2 emissions
- Measure, report and influence Scope 3 emissions throughout our value chain



Environment

FY23 progress

Our ambitious Plan Zero initiative to achieve Net Zero direct operational carbon emissions (Scope 1 and 2) by the end of 2025, and non-operational emissions (Scope 3) by the end of 2035, is industry-leading.

We have joined over 2,000 companies with our Science Based Target initiative (SBTi) validated targets, although we are one of only 219 SBTi participants with targets across all three categories (near-term, long-term and Net Zero) – find out more on page 8.

Expanding our carbon reporting

In our FY23 reporting, we have included the supply chain segment of our Scope 3 emissions for both FY22 and FY23, and increased commuting and working from home figures to cover all colleagues for FY23, resulting in a significant increase on previously reported figures. We have also reported overseas Scope 1 and 2 emissions data for the first time.

As such, we have reviewed our carbon targets to ensure they are aligned with the expanded scope of our reporting and are sufficiently stretching. We have introduced a new baselined target for Scope 3 emissions and, moving forward, we will have two separate

carbon targets to support our Net Zero commitments for Scope 1 and 2 by 2025, and Scope 3 by 2035.

Scope 1 and 2 emissions

Mitie reported Scope 1 and 2 emissions for the UK and overseas of 22,439 tonnes CO₂ in FY23. This included UK emissions of 21,115 tonnes CO₂e, a 3% increase from the prior year and above our existing UK target of 20,300 tonnes CO₂e. The increase in UK emissions reflects a 7% increase in gas consumption (kWh) for heating and 10% increase in electricity consumption (kWh) for our built estate as building occupancy levels continue to rise following the pandemic. Mitie has also increased its carbon inventory through the three acquisitions completed during the year. Although our absolute emissions increased, our emissions intensity decreased by 1% compared to the prior year.

We continue to see an increase in electricity emissions for our EV fleet as we transition to an all-electric fleet. Mitie increased the number of EVs in service by 977 during the year and had 3,194 EVs in operation (45% of the fleet) at 31 March 2023. This initiative will reduce our Scope 1 emissions from fossil fuels. The recent acquisitions added 384 vehicles to our fleet.

Scope 3 emissions

In FY23, we reported Scope 3 emissions of 300,114 tonnes CO₂e, below our target of 315,433 tonnes CO₂e. We are developing a stronger relationship between our

Procurement team and our suppliers and subcontractors, to embed sustainability throughout our supply chain.

Our Procurement team has undergone significant transformational change over the past few years. It is now a key strategic function at Mitie, and will lead on our Scope 3 Net Zero target for 2035. (See our responsible supply chain on page 31.)

Waste

A circular economy is key to Mitie's operations. We align to the waste hierarchy and choose disposal as a last resort, favouring recycling, energy from waste and anaerobic digestion (conversion of organic matter to biogas that can be reused). Through implementing circular economy principles, in FY23 we reduced the amount of waste we produced by 17%, to 306 tonnes. To add to this, we also significantly exceeded our target to reduce waste sent to landfill, achieving 2 tonnes – that's an 89% reduction from last year, and 98% less than the target of 100 tonnes.

	FY22	FY23*	FY24**	FY25	FY26
Scope 1 & 2	20,596	20,300	16,900	12,775	8,400
Scope 3	332,035	315,433	296,507	275,752	253,692
Total	352,631	335,733	313,407	288,527	262,092

* The baseline for Scope 1 & 2 emissions remains the same for FY22 and FY23, reflecting the UK only targets.

** From FY24 onwards, the targets have been updated to include both UK and overseas reporting.

Environment strategy

We consider the environment throughout our value chain and are taking positive steps to reverse the effects of climate change, ensuring future generations live in a more sustainable world.

Plan Zero follows a 'Do, Lead, Deliver' approach where we do it for ourselves, lead the industry, then use our in-house expertise to deliver exceptional services for our customers. This way we make sure our own processes are in order, then use our significant influence and reach to impact the wider industry.

Our commitments:

1 Reduce Scope 1 and 2 carbon emissions

Drive down energy consumption, eliminate all fossil fuels emissions and adopt natural renewable sources for electricity.

2 Reduce Scope 3 carbon emissions

Measure, report and influence emissions in the value chain to align with our Scope 1 and 2 commitments.

3 Circular economy

Reduce water and waste at source and adopt a circular economy. Take all measures to eliminate virgin products from our operations.

4 Biodiversity

Biodiversity net gain must be significantly increased throughout our property portfolio.

5 Deliver sustainability

Embed environmental sustainability into all aspects of every contract and project delivery, not just green projects.

6 Sustainable procurement

Procurement process delivers a longer-term value beyond cost savings. Promotes safe and fair working conditions, human rights and labour standards.



Net Zero Carbon Strategy of the Year: Edie sustainability awards 2023



Sustainable Business of the Year – Mitie Landscapes, Pro Landscaper awards 2023



Private Sector Fleet of the Year, Green Fleet Awards 2022

Fleet of the Year (more than 1,000 vehicles), Fleet News Awards 2023, for the third consecutive year

Green Fleet of the Year, What Van Awards 2023

Plan Zero initiatives

Mitie's Plan Zero initiative commits to Net Zero operational emissions by 2025 and Net Zero non-operation emissions by 2035. In March 2023, Mitie received validation from the Science Based Target initiative for their near-term and long-term carbon reduction targets.

We will achieve these targets by focusing on:

- Eliminating carbon from power and transport through EVs and decarbonised sites
- Eradicating non-sustainable waste through removing chemicals from our cleaning operations, reducing our use of natural resources and eliminating single-use materials
- Enhancing inefficient buildings by optimising our sites, choosing offices with high energy ratings and implementing biodiversity initiatives within our estate
- Engaging with our supply chain to influence and reduce our Scope 3 emissions.



A fleet of over 3,000 electric vehicles

Our vehicle fleet accounts for over 98% of our overall Scope 1 and 2 emissions, so we are targeting our fleet's emissions to reduce our environmental impact.

In December 2022, we welcomed our 3,000th electric vehicle (EV) to our fleet and we had 3,194 EVs on the road at 31 March 2023. Some of our latest EVs go the extra mile, with solar panels on the roof that charge battery-powered tools in our Landscapes business.

Mitie's 3,000th EV was allocated to our Green City contract, which delivers innovative sustainable solutions to customers in urban environments, and ensures zero chemicals, zero waste to landfill and zero emissions, while increasing the uptake of wildflowers and creating living walls and green roofs.

Mitie has one of the largest electric vehicle fleets in the UK with

3,194 EVs



Our 3,000th electric vehicle is topped with solar panels to charge tools on the move. We are driving innovation across our fleet, as we help to decarbonise Britain.

Heidi Thompson
Group Fleet Manager



Heidi was awarded 'Fleet Manager of the Year' for the second consecutive year at the What Van Awards 2023.

Plan Zero initiatives continued

Supporting the transition to Net Zero

Operating one of the largest EV fleets in the UK requires significant investment in infrastructure and the development of new procedures and ways of working.

We have installed over 2,800 chargers at our colleagues' homes, Mitie sites and for our customers. Through our partnership with Mina, we pay directly for charging at our colleagues' homes. Stefan Szrama, QHSE Lead, Fleet and Procurement, at Mitie, explains how it works: "I'm a company car driver and I started using Mina in June 2022. All the charging costs, which would have gone into my home energy bills, are paid directly to my energy provider – I even receive a payment confirmation text every month."

We continuously engage with colleagues and customers about using EVs, including EV van FAQs for colleagues on our intranet. In 2022, we held a three-day roadshow with EV demonstrations to over 100 people from three customer organisations, with around 300 EV van orders arising from the event. In March 2023, we held a two-day manufacturer event to engage with the vehicle manufacturing industry and feed our business requirements into their design processes. We want to ensure that the EVs of the future are fit for purpose, and we are now working with vehicle manufacturers to develop 4x4 and large commercial EVs.



I'm a company car driver and I started using Mina in June 2022. All the charging costs, which would have gone into my home energy bills, are paid directly to my energy provider – I even receive a payment confirmation text every month.

Stefan Szrama
QHSE Lead,
Fleet and Procurement



2,800+

charge points installed at colleagues' homes, Mitie sites and for our customers

Flying the flag for EVs

Mitie took part in the five-day, 1,200-mile Great British EV rally in July 2022, held by Green Fleet. Starting at John O'Groats and finishing at Land's End, the rally highlighted the UK's EV charging infrastructure and the roles that EVs can play in improving efficiency, saving money and helping reach Net Zero. Team Mitie had three Audi Q4 Etron cars and one Vauxhall e-Vivaro van in our convoy, joining the 50-vehicle strong fleet.

Sean Glade, Security Operations Manager, had never driven an EV before. "Being new to EVs, the prospect of driving in this event was daunting. It took 12 hours to get to Aberdeen on the Saturday before the event, however the charging process was amazingly easy to grasp, the rally was an amazing experience and it's helped as I now drive an EV," he says.



Plan Zero initiatives continued

Proudly wearing sustainability

We ran a new initiative to limit our environmental impact by recycling 80 tonnes of old Interserve uniforms following our acquisition of Interserve Facilities Management in 2021. Our innovative nationwide recycling project repurposed old Interserve clothing and gave it a new lease of life. We arranged multiple collections from 2,000 sites across the UK, and the Interserve uniforms went through a specialist recycling process involving shredding and separating to re-make garments, insulation, textile products and specialist papers. Any garments containing non-recyclable fibres were securely and safely incinerated, with heat generated from this process used to generate power then sold to the National Grid.

Around 13,000 new colleagues needed new Mitie-branded clothing, and we saved 80 tonnes of waste from going to landfill, avoiding 1,800 tonnes of CO₂ emissions in the process – equivalent to 2,700 return flights to New York from London.*

80

tonnes of waste saved from going to landfill



Recycling textiles not only reduces carbon, it also ensures we are embracing the principles of the circular economy. We want all our unwanted items to be used as a resource and not waste products.

Isobel McGlashon
General Manager,
Waste and Environmental
Services



* Source: [BBC News](#)

Plan Zero initiatives continued

Taking our HQ to the next ecological level

Enhancing environmental net gain is an important stage in the decarbonisation journey and, through our biodiversity initiatives, we are creating tangible impacts.

To show our customers and stakeholders the importance of incorporating biodiversity into any space, we are taking the decarbonisation of our Landscapes offices one step further.

We achieved Net Zero on site in 2021 with rainwater harvesting and air source heat pumps, and we are now making our Landscapes offices an ecological haven. After completing ecological surveys, we introduced a mosaic of habitat types in April 2022, to entice a variety of species to enjoy the space, including a species-rich native hedgerow, a perennial wildflower meadow, a herbaceous area, a living wall and a green roof.

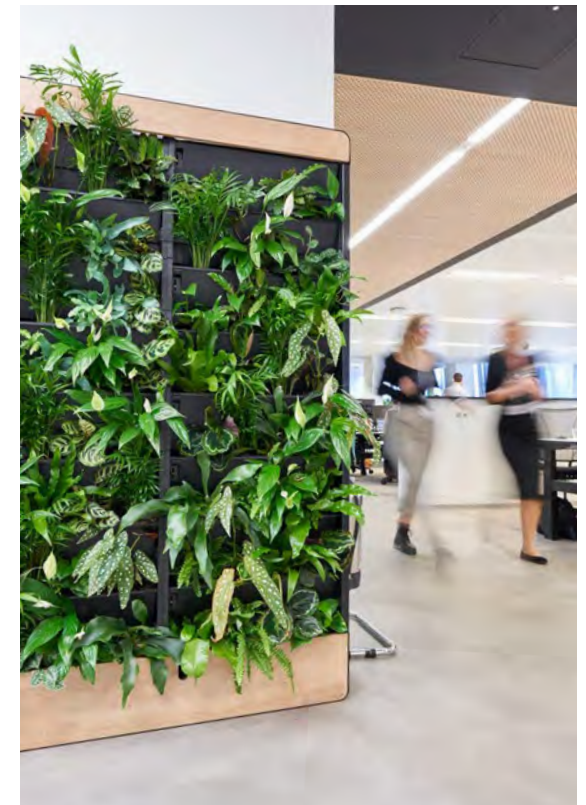
We are always exploring new technological innovations and are designing trials for a new satellite technology to identify suitable locations for retrofitting green roofs and provide a proof of concept for mapping habitat types in landscape settings. These initiatives have improved biodiversity at our Landscapes offices by 476%.

At Mitie's headquarters in the Shard, London, we have installed a living wall in our main reception area containing 96 plants which reduce CO₂ levels by up to 25%. This has elevated the office space, and improved air quality and the wellbeing of our colleagues and visitors. We have also installed three Farmstands, standalone hydroponic (no soil) systems for plants and herbs such as kale, basil and oregano. The stands are made from ocean-bound plastics with each stand saving over 4kg of plastic from polluting our oceans. They recirculate water and nutrients from a reservoir base, using 95% less water than conventional growing systems. We aim to generate around 30 bags of produce every two weeks for our colleagues to take home.



476%

improved biodiversity
on our Bordon site



Read more about how we are improving biodiversity on our customer's estates

Find out more about how we are making customers and their habitats happy

Plan Zero initiatives continued

Collaborating through education

We partner with environmental charities and promote their work to our customers, joining forces to drive positive messaging on nature recovery.

After recognising the synergies between Mitie and Plantlife, a plant-based charity making lasting positive change for wildflowers, plants and fungi, Plantlife became our first biodiversity corporate partner. We now drive Plantlife's initiatives with our customers and colleagues, giving the charity access to a significant platform.

The Bumblebee Conservation Trust is our second corporate partner. It aims to increase the number and distribution of bumblebees, which are crucial to balancing our habitats and keeping our ecosystems functioning.

Both corporate partners work directly with Mitie to advise our customers. In FY23, we held two environmental conferences in collaboration with our corporate partners for our customers in London and Preston.

We also hold quarterly Nature Recovery Forum webinars for our customers, featuring major NGOs such as National Parks and The Woodland Trust, to share learnings and connect with organisations that could benefit from our services.

We understand the importance of educating the next generation on biodiversity. In October 2022, we took part in the Co-op Academies Trust's first Eco Conference, an event to explore carbon reduction plans. Our Biodiversity teams presented to 60 students on biodiversity and living walls and advised them on their sustainable projects.

In January 2023, we took part in Education and Employer's Climate Kickstart event, providing over 500 young people with insights on pioneering biodiversity initiatives from leading organisations such as Mitie.

500+

young people were provided with insights on pioneering biodiversity initiatives from Mitie



Prioritising fire safety

Mitie's living wall specialist, Biotope, understand that fire safety is a top priority when designing a building. To provide clarity on the latest National Building Regulations, and to ensure architects and designers can confidently specify living walls as safe external cladding, we collaborated with other industry leaders to produce an External Cladding: Living Walls and Fire Safety Best Practice Guide in December 2022.

Action Now!

We are embedding sustainability into all our colleagues' roles through our Action Now training programme (find out more on page 45) and supporting underrepresented groups into sustainable employment (find out more on page 57).

mitie
LANDSCAPES

PLAN ZERO

ENVIRONMENTAL ROADSHOW

2022

Plantlife

Bumblebee Conservation Trust

PLUS customer speakers

● **ESG Strategies** – drivers and catalysts ● **Biodiversity in context** – landscapes for people and wildlife ● **Biodiversity Conservation Plans** – delivering change ● **Future Risks** – securing our future ● **Our customers** – change in action

8th September
Camley Street Natural Park, London

21st September
Brockholes Nature Reserve, Preston

● 1.30pm to 4.30pm
● Buffet and refreshments
● Train shuttle service provided (Preston event)

Email sustainable.landscapes@mitie.com for more information

Mitie Plan Zero – Decarbonisation, Delivered™

As organisations gear up for the Net Zero 2050 deadline, there is pressing need for progress and delivery by customers, the public, investors and employees alike.

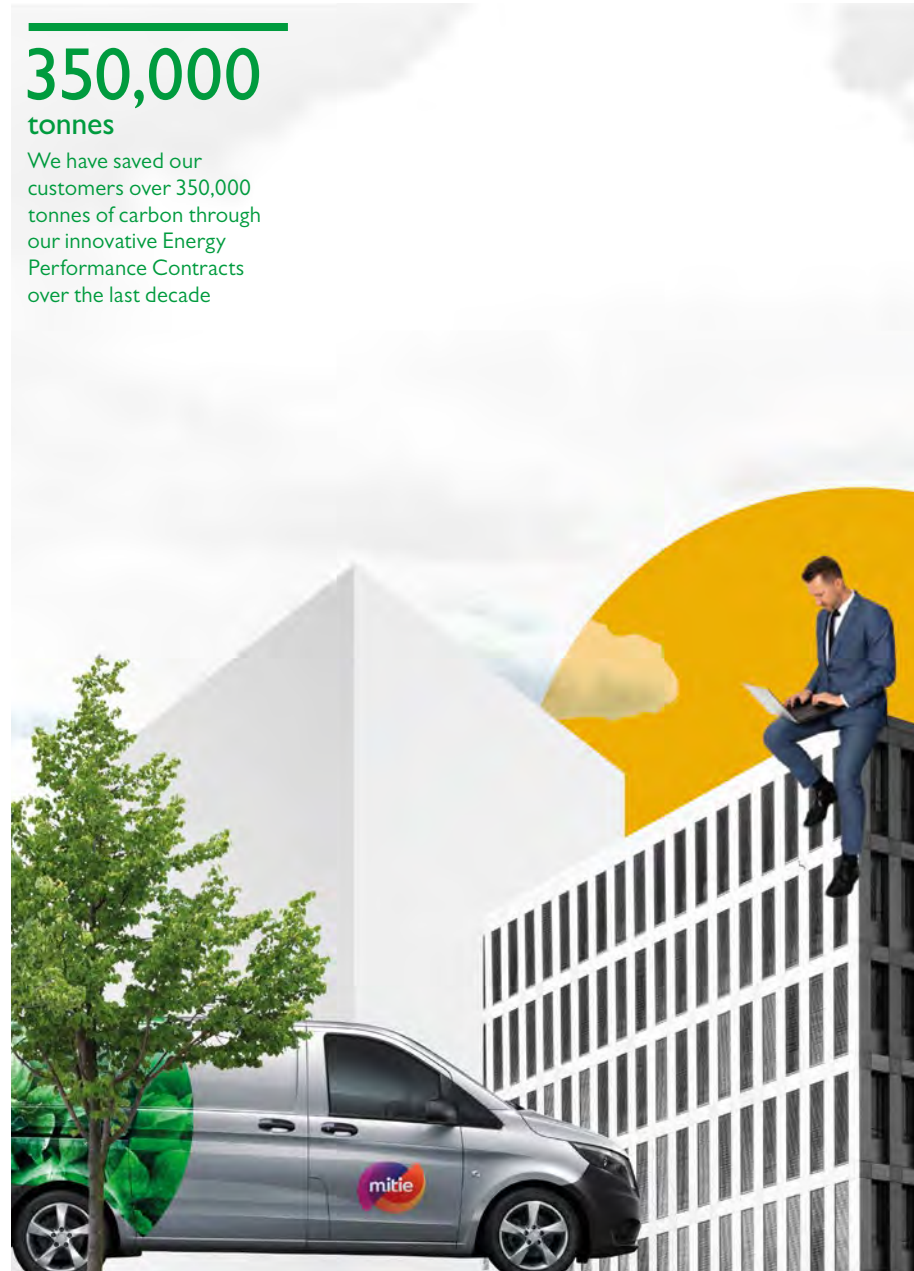
Our Decarbonisation, Delivered range of services help our customers accelerate progress on decarbonisation of their built environment and fleet. We are passionate about finding practical paths forward: helping to realise Net Zero ambitions while minimising disruption to operations.

Mitie harnesses the power of data to reduce energy spend and create efficiencies; using market-leading technology to reduce carbon emissions and secure energy supply, including the design and installation of renewable power systems.

With solar specialist Custom Solar as part of Mitie, we are now one of the UK's largest commercial solar energy specialists. We've installed over 250MW of solar PV in the last decade, providing end-to-end design and delivery services. We also support our customers in preventing waste creation, cutting costs and reducing their carbon footprint through better waste management.

350,000 tonnes

We have saved our customers over 350,000 tonnes of carbon through our innovative Energy Performance Contracts over the last decade



Working across energy, buildings, transport and waste, Mitie identifies opportunities to deploy technologies and helps build the business case for decarbonisation. Our customers benefit from improved efficiency and effectiveness of operations and meet their carbon reduction goals.

Prad Pandit
Managing Director of Decarbonisation and Energy



Decarbonisation is the greatest challenge facing humans if we still want to exist on this planet. Planet Earth will survive but if we want to be here too, we need to learn how to balance the needs of our modern age with living in balance with nature.

Mike Sewell
Plan Zero Director

Scan me!
Find out more about how to succeed at decarbonisation



Or click me!

Mitie Plan Zero – Decarbonisation, Delivered™ continued



It's time for a partner who can turn planning into action, and ambition into results.

It's time for Mitie Plan Zero.

As the UK's leading facilities management company, millions of people pass through the doors of spaces we take care of every day. Our size and scope mean we have unique oversight and deep understanding of multiple sectors, and what it takes to stay ahead of the competition.

Given our expertise in decarbonisation, and our award-winning commitment to sustainability, we also have the capability, and the imperative, to help customers reduce their carbon footprint.

So wherever our customers are on their Net Zero journey, we make decarbonisation of their built environment and fleet simple, working alongside them to break down barriers and accelerate progress.

We are passionate about finding practical paths forward, where our customers can be confident in realising their Net Zero ambitions while minimising disruption to operations.

We help our customers to strengthen their organisations against environmental, economic and regulatory landscape changes, now and for the future.

With Mitie, our customers, decarbonisation ambitions are delivered. We harness the power of data to reduce energy spend and create efficiencies; and use market-leading technology to transform carbon emissions – securing our customers, energy supply along the way.

The opportunity to turn Net Zero planning into action is here. Together, we will make the difference and inspire positive change, powering our customers to achieve Net Zero and protecting our planet for the next generation.

Decarbonisation, Delivered.



For me, Plan Zero – Decarbonisation, Delivered™ feeds directly into the Waste Hierarchy supporting our ethos of reduction and elimination, which is a fantastic way to reduce carbon and costs.

Mike Taylor
 Managing Director,
 Waste Management



For me, Plan Zero – Decarbonisation, Delivered™ allows us to use our skills and experience to design, install and maintain horticultural schemes that benefit how an organisation is viewed, the wellbeing of its people and the enhancement of biodiversity, no matter the scale.

Tim Howell
 Managing Director,
 Landscapes

Mitie Plan Zero – Decarbonisation, Delivered™ continued

Delivering decarbonisation services for our customers

Our 1,000+ strong Decarbonisation team supports customers in achieving their ambitious Net Zero targets.

We delivered decarbonisation services to 372 customers covering 800 sites during FY23, including Vodafone and Lloyds Banking Group. We also developed decarbonisation pathways for 28 customers, covering around 1,700 buildings, supporting our customers to achieve their decarbonisation objectives.



Delivering decarbonisation plans for a leading fast-food company

Last year, we worked with one of the largest fast-food companies in the UK, helping it to achieve its 2030 Net Zero target.

We looked at over 1,400 of their customers restaurants and identified measures to get its site portfolio to Net Zero, covering energy efficiency and decarbonisation technologies and putting together a comprehensive decarbonisation plan with associated phasing and costs. Our plan outlined:

- ➊ Optimisation initiatives, such as improving Net Zero governance and engagement by developing an energy management system framework
- ➋ Training and engagement
- ➌ Energy efficiency projects, including BMS upgrades and electrification of heat and hot water through electric heat pumps
- ➍ Securing renewable energy tariffs
- ➎ On-site renewable generation opportunities, including rooftop solar, and potential for a portfolio of over 600 solar carports – 10 of which are being prioritised for the next year

We also advised on waste management and circular economy solutions, including reducing single-use packaging, improving waste segregation and introducing potential waste backhaul projects, supported by clear and accurate data.

33,000

tonnes

Our proposed plan will save our customer an estimated 33,000 tonnes CO₂e and 175GWh of energy annually



We are proud to have been chosen by one of the UK's leading fast-food companies and most recognised brands globally, to be their trusted partner on their journey to Net Zero. Working alongside companies that put sustainability at the heart of what they do is not only a pleasure, but it ensures that strategies get translated into action, which is what we are seeing with this client.

Alex Avila,
 Director, Head of Plan Zero Consulting

Mitie Plan Zero – Decarbonisation, Delivered™ continued

Delivering living walls – reconnecting people with nature

Mitie acquired Biotecture in 2022, a living wall specialist with a mission to transform urban landscapes and reconnect people with nature. Mitie is now one of the largest living wall installers in the UK, and installed over 50 living walls during FY23 across the UK.

In FY23, Chalegrove Properties, a real estate developer, enlisted our expert teams to install the UK's highest roof garden and living wall at Landmark Pinnacle, London. Soaring 75 floors above the city, its Sky Terrace spans the top floor of the building. Following our customer's vision of showcasing London's exceptional skyline, the space is designed as a pair of landscaped external roof terraces providing spectacular panoramic views. 'Level 75' offers a healthy environment, allowing residents to connect with nature in an urban setting. The living walls are constructed using Biotecture's patented hydroponic living wall system, the most flexible, resilient and low water use of any comprehensive living wall system in the world. They include an integrated irrigation system, which is being remotely monitored by our business support team.

Over 6,500 plants across 25 species were included in this living wall, selected by Mitie to suit local climatic conditions, including aspect, wind conditions and shade. The roof terrace is open to the elements, so the plant selection is hardy and robust, with dashes of colour creating a naturalistic background overlaid with bursts of seasonal interest.



Delivering a Green City

2,000 city dwellers responded to our Urban Greening Survey in 2021, investigating the importance of green spaces in cities:

78%

of respondents said spending time in green spaces makes them feel happier and improves their mental health

68%

of respondents said a lack of green space is making them consider moving out of the city

62%

of respondents said they would consider staying in their city if there was more investment in urban greening

Mitie Plan Zero – Decarbonisation, Delivered™ continued


Delivering improved air quality and calm environments

Living walls bring plants into urban areas where space is at a premium. In July 2022, we celebrated 15 years of reconnecting people with nature. The Managing Director of Biotecture, Richard Sabin, comments: "Living walls have many benefits, from reducing stress to improving air quality and increasing biodiversity. Over the next 15 years, we want to embed 'technology into biology', to quantify data and to show people how living walls are positively impacting their environment."

Transforming spaces

In October 2022, local MP Gillian Keegan, at the time serving as Minister of State for Care and Mental Health, visited Biotecture's West Sussex office and nursery. We showed her how we are helping to 'green up' urban environments. Gillian says: "It was fantastic to meet Richard and the team and celebrate Biotecture's 15th anniversary. Biotecture creates incredible living walls, which are remarkable to look at, have a host of benefits and can transform indoor and outdoor spaces with beautiful plants."



Living walls can reduce stress, improve air quality and increase biodiversity.

Richard Sabin
 Managing Director,
 Biotecture

Delivering sustainably – processing our customer's hazardous waste

One of Mitie's pharmaceutical customers produces a significant amount of hazardous liquid solvent waste – around 8,000 tonnes during 2022. With Mitie's expertise in handling waste sustainably, we were approached to recycle as much of this material as possible.

We used a combination of recovery techniques, including distillation, blending and using high-calorific value wastes as a fuel in the manufacture of cement, to recycle 74% of the liquid solvent waste. By moving the waste stream away from carbon-producing high-temperature incineration, we also avoided 167.5 tonnes of carbon.



During FY23, we saved 55,000 tonnes of CO₂ through improved waste management for Mitie and our customers.

Mitie Plan Zero – Decarbonisation, Delivered™ continued

Delivering green innovation for Lloyds Banking Group

Our customer, Lloyds Banking Group (LBG), partnered with Mitie to improve the energy efficiency of their buildings and help them achieve their net zero carbon operations by 2030 and reduce direct carbon emissions by 75%. Their Halifax Head Office site is LBG's largest energy consuming office and was responsible for 10% of the Group's total gas consumption, using three aging gas boilers to heat the building.

Working collaboratively with specialist drilling partners, hydrologists and government agencies, Mitie developed an innovative Ground Source Heat Pump (GSHP) scheme to replace the existing boilers, improving energy resilience and eliminating the reliance on a non-renewable gas-fired heating system.

As a Grade II-listed building, in a tight urban area, innovative, careful, and creative design and logistics were required to ensure success. We identified that the site was suitable for an open-loop GSHP, pumping groundwater to a heat pump, which transfers heat to the building. The unique history of the site as a former brewery meant that the foundations were suitable for deep boreholes required for GSHPs.



Two boreholes were drilled at a depth of 300 metres, which is nearly as tall as the Shard, and due to the careful planning, the building remained operational, with minimal impact to the public or local environment, throughout the entire construction phase. To ensure 100% of yield could be met by the renewable source, a 50,000-litre storage tank was incorporated, which can be charged up with surplus ground water at off-peak periods, for use at peak times.

Successful completion of this project required innovation, adaptability and perseverance, demonstrating that high-quality, energy efficient decarbonisation projects can be achieved, even on highly challenging sites. This innovative project provides renewable heating and cooling through a bespoke heat pump system, saving over 1,000 tonnes of CO₂ annually. The system eliminates gas usage at site, which significantly contributes to LBG's goal to become Net Zero carbon for their operations by 2030.

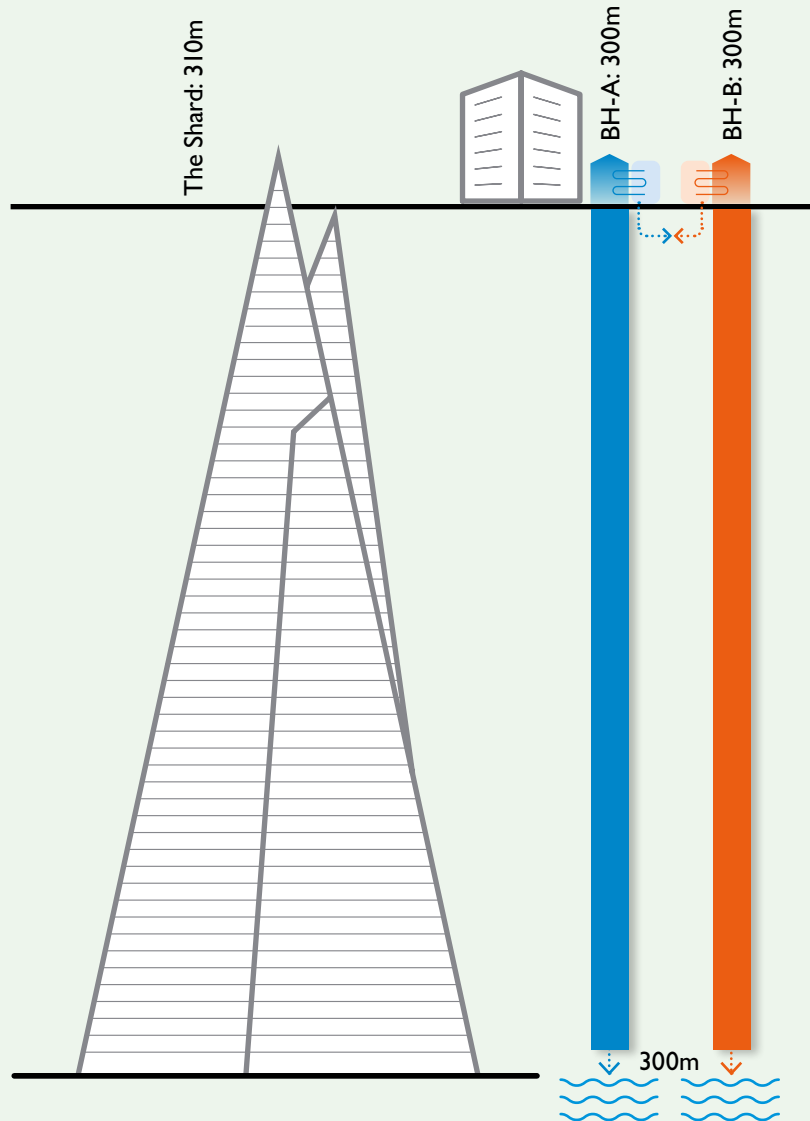
From the LBG's perspective, this was the most innovative and complex green renewables project it had undertaken.



A bespoke heat pump system saves over **1,000** tonnes of CO₂ annually

Mitie Plan Zero – Decarbonisation, Delivered™ continued

Trinity Road – Drilling the foundations of a Ground Source Heat Pump



Lloyds Banking Group are proud of being able to dig deep for a greener future unlocking an innovative solution in a tight urban site. It's definitely put Trinity Road on the UK map for greener buildings.

Matteo Deidda
LBG Senior Manager,
Sustainability

Delivering energy saving solutions

Our Energy Management teams have supported Lloyds Banking Group for 10 years, delivering energy and monetary savings across their estate through optimisation. Working across sites to understand energy usage and activity, we analyse consumption data to identify optimisation opportunities, focusing on heating, cooling and lighting. We continually monitor the impact of these optimisations for our customer; which are measured and internally and externally verified each quarter. Between 2012 and 2022, we facilitated Lloyds Banking Group to cumulatively avoid 839 GWh of energy, resulting in reducing its energy bills by £82.6 million and exceeding contractual savings targets.'

Between 2012 and 2022, we facilitated Lloyds Banking Group to cumulatively avoid **839GWh** of energy reducing energy bills by **£82.6m**



By improving energy efficiency, we cut energy bills and operating expenses for our customers.

Martin Reed,
Head of Energy Optimisation

Mitie Plan Zero – Decarbonisation, Delivered™ continued

Delivering food disposal to divert 100% food waste

A food manufacturing customer asked Mitie to transform its waste disposal system. We highlighted a major opportunity to divert its waste from landfill via anaerobic digestion, a process that breaks down organic matter and produces electricity, biogas and nutrient-rich fertiliser.

Our Waste team completely refreshed this customer's current processes, introducing suitable bins to segregate waste at source, diverting 100% of food waste from landfill to anaerobic digestion, and residual waste to the energy-from-waste process. The system has been in place for 18 months: over the first year we diverted 481 tonnes of food waste from landfill, reducing CO₂ by 3,292 tonnes, achieving the customer's zero landfill targets while also saving over £19,000 in the process.



Every year, we process enough food waste through anaerobic digestion to power

12,791 homes



By embracing the principles of the circular economy, we helped our customer to move their food waste from a disposal to a recycling route, reducing their operating costs and Scope 3 carbon emissions.

Isobel McGlashon
 General Manager, Mitie Waste and Environmental Services



Delivering office equipment to new homes

Our Waste Match service supports organisations to find cost-effective, sustainable and circular solutions for surplus assets, while reducing disposal costs. One of our customers, a world-leading professional services firm, contracted Waste Match to remove all furniture, fixtures and equipment when customers vacated a property, and to identify the quality and quantity of assets. By February 2023, we had cleared the property and successfully redirected over 530 items to be reused, including meeting chairs, tables and storage units.

By successfully reusing over 66% of the furniture, fixtures and fittings, we avoided 4.2 tonnes of CO₂e from waste disposal. By reusing the metal components, we saved our customer 54.7 tonnes of embodied carbon and £8,500, demonstrating real triple bottom line savings by embracing the circular economy that Mitie is able to provide through our 'resource not waste' philosophy.

We saved our customer

54.7

tonnes of embodied carbon and £8,500 by embracing the circular economy

Mitie Plan Zero – Decarbonisation, Delivered™ continued

Delivering EV technology

Rock Power, an independent connection provider owned by Mitie, specialises in designing and installing new high voltage electricity supplies, and renewing electrical assets and EV charge points.

Over the past year, we have designed and installed ultra-rapid charging hubs for major charge point operators across the UK at motorway service stations and public destinations, including major hotel chains and retail parks, providing around 11,825kW of EV charging across 56 sites, equating to fuelling over 15 million miles. We have also worked with a major motorway service area operator to install large electrical supplies, bringing power from the grid to their sites to facilitate EV charging.

2,800+

EV chargers installed to date



Delivering energy consumption for companies

With the current energy crisis, and rising costs of energy, reducing energy consumption is not just the right thing to do environmentally, it is also business critical to keeping costs down and maintaining business operations.

We work with organisations to identify and implement measures to improve their energy efficiency and optimise energy consumption, significantly reducing business energy bills and operating expenses. Across our customers, our optimisation initiatives to reduce energy and gas saved 141GWh of energy in FY23, equating to a 26,600 tonnes of CO₂ reduction.

Across our customers, our optimisation initiatives to reduce energy and gas saved:

141GWh
of energy and over
26,600
tonnes of CO₂ during FY23



We are enabling the transition to a low carbon economy by installing the electricity infrastructure that enables EV chargers to be connected to the networks. Our expertise in installing High and Low voltage electricity networks direct onto the Grid or on the private networks supporting the chargers creates a seamless service for our clients.

Kev Sankar
MD, Rock Power Connections

Mitie Plan Zero – Decarbonisation, Delivered™ continued

Designing the UK's first solar carport

In August 2022, we completed the first solar carport canopy PV system at a UK port. The canopy incorporates a solar carport, with rooftop battery storage solutions, at Portsmouth International Port (PIP), which handles millions of customers and vital cargo across the globe.

In June 2022, Mitie acquired Custom Solar, an award-winning solar energy specialist that designs, installs and maintains world-class solar systems. Mitie's customer, Portsmouth City Council, chose Custom Solar to develop and pioneer its innovative PV project, an electric power system using photovoltaics to generate usable solar power from sunlight.

The PV system and its 2,774 solar panels will generate 1,128,499kWh annually, 50% of the site's power, saving 204 tonnes of emissions annually. The scale of the project puts Portsmouth on track to reduce its carbon footprint and move to a more sustainable future, achieving its 'Net Zero by 2030' goals.

After encountering a plague burial site on the planned locations for the carport canopies, we called in archaeologists to survey the site. Following their recommendations, we widened the site and redesigned the foundations, ensuring any structures were less than a metre deep. Not only is this solar carport the first in the UK, but it is also one of the first carport canopies to sit five metres high with a metre depth for fixings.

2,774

solar panels

generating

50%

of the site's power

saving

204

tonnes of emissions annually



We worked closely with Portsmouth City Council to successfully deliver the project.

It shows how solar and storage can be deployed in major operational environments – solar car port canopies are set to play a major role in generating power and assisting company Net Zero ambitions.

Gary Sucharewycz
 CEO, Custom Solar



This innovative project won Commercial Solar and/or Storage Project of the Year 2022 at the Solar and Storage Live Awards.





Responsible supply chain

The procurement team function is transforming into a strategic team at Mitie. Engaging our supply chain to protect human rights, prevent modern slavery, reduce environmental impact and improve supply chain resilience is a core imperative.

In this section

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- 37 Innovation in our supply chain
- 38 Environmental benefits

Progress against our targets in FY23

2023 target: Increase in spend with VCSs to £1.5m	FY23 performance: £2.3m FY22: £1.1m	2025 target: £2.2m
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2023 target: Increase % spend with SMEs to 31%	FY23 performance: 46% FY22: 50%	2025 target: 33%
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2023 target: Increase % of spend on Supplier Management Framework to 37%	FY23 performance: 40% FY22: 35%	2025 target: 40%
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Find out more about our progress against our social value targets

Mitie's alignment with the UN Sustainable Development Goals

- Create a responsible supply chain that supports social enterprise and local delivery, and adopts a circular economy to reduce consumption and waste
- Promote safe and fair working conditions, including the responsible management of environmental and social issues within the supply chain incorporating human rights, modern slavery and labour standards
- Sustainability is a fundamental measure in supplier engagement and delivers long-term value beyond cost savings



Responsible supply chain

FY23 progress

Our supply chain transformation programme aims to make our supply chain operations more efficient, sustainable and resilient. Building on our initial progress, in FY23 we have continued to focus on third-party supplier engagement, cost-efficiencies, implementing new technology and enhancing sustainability across our supply chain.

Diversity is embedded in our supply chain, and we are focused on equal opportunities for small and medium-sized enterprises (SMEs) and voluntary community and social enterprises (VCSEs). We actively work with Social Enterprise UK (SEUK) and Minority Supplier Development UK (MSDUK) to identify these suppliers for inclusion when we tender new requirements. Our initiatives aim to level the playing field between small and large suppliers by regionalising tenders with smaller contract values that are more suitable for SMEs, advertising new opportunities and offering training on how to complete bid responses to encourage more SMEs to enter Mitie's supply chain. The effectiveness of our inclusive approach is evidenced by the high percentage of diverse supplier spend across Mitie.

We exceeded all three of our targets relating to Responsible Supply Chain in FY23. We spent £2.3 million with VCSEs, exceeding our target by 53%, by working with SEUK to ensure we consider a diverse pool of suppliers. Our Supplier Management Framework (SMF) is a high priority for Mitie, as it provides a framework to support our critical suppliers in becoming more aligned to Mitie's priorities, such as environmental and community impact. For FY23 we increased our spend with our SMF suppliers to 40%, above our target of 37%. Find out more about our SMF on page 33. Our final target within this area relates to our work with SMEs, of which we exceeded the target by 48%, achieving 46% spend.



Carbon in our supply chain

Carbon reporting in our supply chain is a vital step in addressing climate change and reducing our own emissions. Mitie's Scope 3 supply chain emissions are around 14 times greater than our Scope 1 and 2 emissions, and we are encouraging greater collaboration with our suppliers around the climate agenda and their decarbonisation plans.

Mitie's Supplier Management Framework

Our Supplier Management Framework (SMF) sets out how we work with suppliers that are critical to our business success, help us deliver social value and reduce our Scope 3 emissions.

Our SMF manages the performance of these suppliers, ensuring they align with Mitie's sustainability priorities, including shared initiatives such as decarbonisation, and that they work towards increasing supply chain resilience and capacity. We hold regular reviews with suppliers to ensure they continue to meet Mitie's standards, and to identify any potential supply issues.



Understanding supplier emissions

As part of our drive to declare a science-based target, we have actively engaged with suppliers to collect carbon emissions reporting data.

In FY23, we contacted over 400 strategic suppliers in order to obtain data in a Power BI Dashboard, and then analysed it to report progress. This is a fundamental requirement within our SMF as part of performance feedback, as well as defining and monitoring targets to drive our environmental and social improvement.

Our Scope 3 Dashboard provides an overview of all supplier-reported emissions data, which drives insight such as identifying high polluters, generating emissions profiles per category and low-spend, and high-emission suppliers. It also supports tracking data collection progress against targets and trends.

In FY23, we engaged with the Supply Chain Sustainability School, giving us access to its Carbon Calculator, a tool that allows our suppliers to calculate their emissions and Mitie to subsequently collate our supply chain emissions. We are in the process of uploading our suppliers to the Carbon Calculator.

400+

strategic suppliers were contacted for carbon emissions data



We want to continue to influence our supply chain to report and reduce their carbon emissions and join us in our decarbonisation journey.

Duncan Edwards
Group Procurement Director



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Scan me!
Find out more about our science based targets



Or click me!

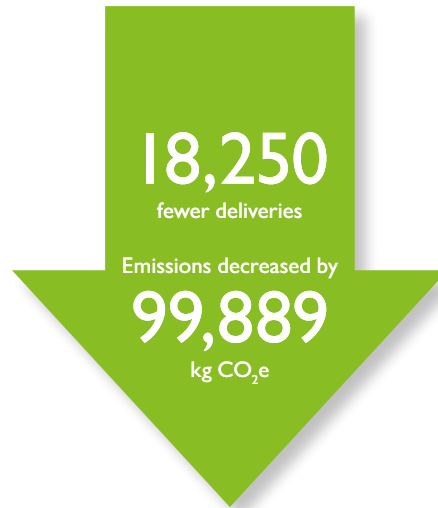


Carbon in our supply chain continued

Carbon reduction through logistics

Logistics add significant carbon emissions to our inventory. Working with our suppliers to reduce deliveries and packaging can make a large impact.

We are working towards reducing our carbon emissions within logistics by reducing the number of deliveries through suppliers. In FY23, we cut deliveries by 18,250 or 23% on FY22, based on direct action, including using less packaging, using a smaller range of products and increasing our minimum order value.



The equivalent to:

12,785,792
charges of a smartphone

100
acres of forest absorbing
carbon over one year

249,723
miles driven in an average
passenger vehicle



Collaborating on Plan Zero

Mitie is working with its suppliers to understand their plans and to identify opportunities to collaborate, including sharing Net Zero commitments, and plans for carbon and water reduction.

Mitie suppliers have committed to only use items that can be repurposed for the circular economy, aligning with our Plan Zero Initiative. We have a minimum weighting of 15% for ESG built into our new Digital Supplier Platform e-sourcing tool for new tenders.

Cutting environmental impact together with our suppliers

In FY23, we started a trial to return meal trays at Watford Hospital back to the supplier, Apetito, for recycle and reuse. This closed loop use of plastic trays returned c.246kg over a three-week trial period, reducing the demand for the production of new trays and additional plastic.

We linked up with our customer NFU via Social Enterprise UK to discuss best ways to increase use of social value and sustainability products in the supply chain. We are now building a pipeline of activity to increase ESG in their downstream supply chain.

**PLAN
ZERO**
A MITIE INITIATIVE



Find out more about our
Plan Zero Initiative

Working with a diverse group of suppliers

We work with SMEs, and voluntary, charity and social enterprise suppliers (VCSEs) and diverse suppliers. This helps us to contribute more to our local communities, economies and vulnerable groups, tackle inequality and increase supply chain resilience and capacity.

Supplier diversity

Mitie's membership of Minority Supplier Development UK (MSDUK), the UK's leading supplier diversity organisation that promotes business opportunities for innovative ethnic minority-owned businesses, enables access to accredited diverse suppliers and events, ensuring our supply chain promotes diversity and inclusion.

As part of Social Enterprise UK's (SEUK) 'Buy Social Corporate Challenge', we seek to increase the amount we spend with voluntary, charitable and social enterprises. Our membership enables us to include verified supplier details within our database, ensuring they are flagged when appropriate and spend levels are reported. We attend quarterly meetings with SEUK to discuss initiatives and highlight potential new suppliers and support SEUK 'Meet the Social Enterprise Supplier' events.



Social value for suppliers

Mitie's expectations are set out in our social value for suppliers policy on mitiesuppliers.com. To become an approved Mitie supplier, all our partners must commit to meeting this policy, alongside other contractual and legislative requirements, and support and deliver against our responsibility and environment social value pillars. Our SMF monitors performance progress against WISEQC metrics: Working together, Innovation, Service, Ethical procurement and social value, Quality, Cost and safety.

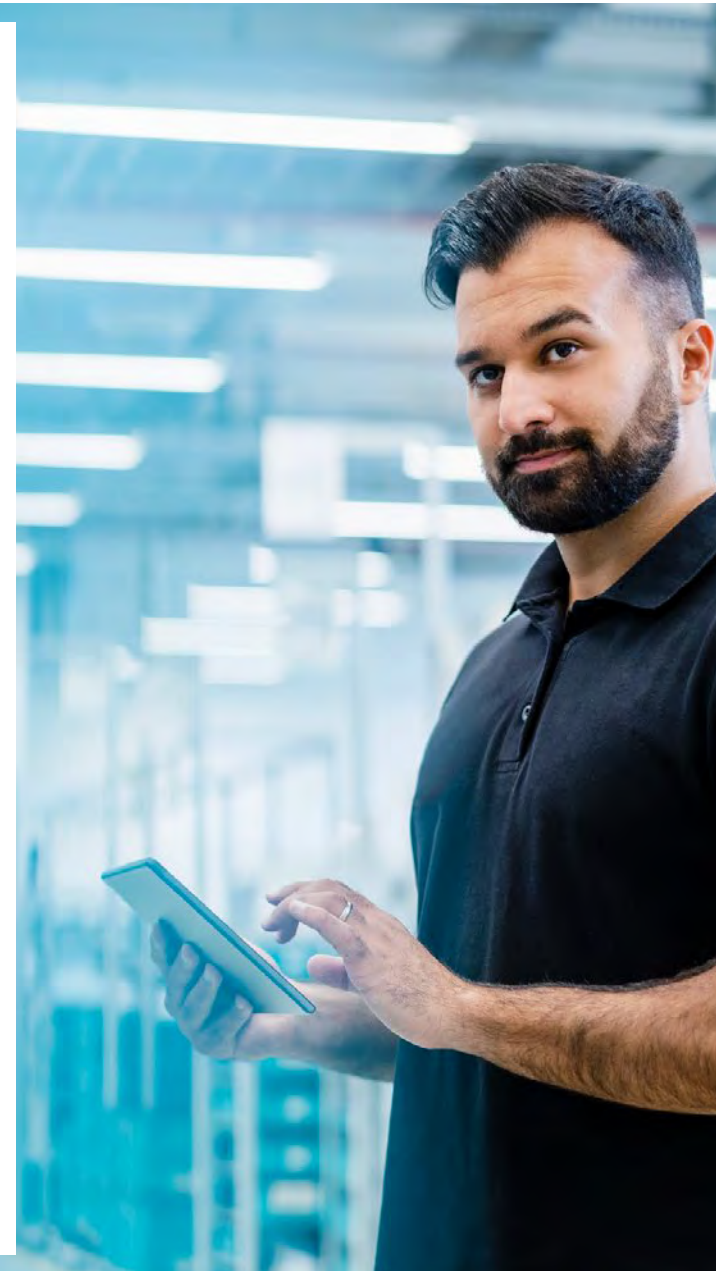
Examples of work with suppliers includes:

- Improving processes within tender documentation and highlighting sector identification (VCSE/minority owned) and sharing knowledge and ideas on how suppliers can best work with Mitie and their customers
- Working Together with Suppliers to identify strong social value programmes supporting the eradication of modern slavery, reducing the gender pay gap and implementing supply chain diversity programmes
- Collaborating on carbon reduction initiatives to address Scope 3 emissions throughout the supply chain

Scan me!
Find out more
about our
suppliers policy



Or click me!



SROI VCSEs
£1,374,000

This figure comprises our social return on investment from spending £2.3million with Voluntary, Community, and Social Enterprises (VCSEs) during FY23. Find out more about how we calculated this on page 66.

Working with a diverse group of suppliers continued

Finding new homes for office equipment

Waste to Wonder is a charity that provides an ethical and environmentally sensitive approach to the managed disposal and donation of no longer needed office and IT equipment to international good causes. It has partnered with Mitie since 2020, managing several large-scale clearance projects with an average reuse rate of over 90%. Items have been redistributed to support education in Cameroon, Romania, Kenya and Sierra Leone, as well as to several UK charities.

It has a 90%–100% reuse success rate, diverting huge volumes of perfectly reusable equipment from the national waste stream, resulting in:

- Reduced carbon dioxide emissions
- Eliminating the environmental impact of creating a new item
- Reduced consumption of natural resources and energy
- Reduced land area required to assimilate solid waste
- Reduced landfill greenhouse gas emissions



Waste to Wonder has equipped over 1,300 schools in 31 countries through its 'School in a Box' initiative, and has diverted tens of thousands of tonnes from waste.

Waste to Wonder



Supporting African villages with water supply

As part of Mitie's ongoing commitment to deliver social value through our partnership with Essex County Council (ECC), we have renewed our long-standing relationship with AquAid. This Essex-based SME provides high-quality water coolers, dispensers and water boilers to ECC, as well as other companies around the UK.

AquAid donates part of the profits generated from operating ECC's water coolers to building wells and supporting communities across Africa. During 2022, 258 bottles of water were delivered to ECC, with 127 plumbed in machines. Over two years of working with AquAid, we have supported donations totalling over £4,000, which has

enabled the construction of 29 wells in Zimbabwe, helping to provide fresh, clean drinking water to thousands of families in Zimbabwe, making a huge positive impact on the families using the wells. Since 1998, through companies across the UK choosing to work with AquAid, over £19.5m has been donated to help bring clean drinking water to more than 3.5 million people.

£19.5m+

has been donated to help bring clean drinking water to more than 3.5 million people

Innovation in our supply chain

Innovation in procurement can lead to new scalable and future-proofed methods that modernise delivery and increase productivity.



Mitie's Innovation Forum – a gateway for innovation development

Mitie aims to push the boundaries of what technology can do to transform business. We strive to be the facilities management innovation leader, deploying new and innovative technology that drives efficiency, supports our Plan Zero Initiative and delivers exceptional services to our customers. Our Innovation Forum is a straightforward way for any supplier to let us know about their innovative technology-based product or solution. If successful, we partner with suppliers and the product is rolled out across our customers.

Robotics as innovation

Mitie is leading the way for employing robots in the FM cleaning sector with the largest fleet of robots in the UK. We are working in partnership with ICE, a UK-based SME distributor of technically advanced robots that are designed to work closely with and safely alongside humans, helping to solve skilled labour shortages.

Our 72 robots are delivering water savings of c.6.3 million litres and c.14,825kg CO₂e savings a year at Mitie, thanks to their water recycling and Lithium-ION technology.

Following the successful deployment of hundreds of robotic disc vacuums in partnership with The Perfect Little Company in FY22, we have expanded our robot supply chain to over 800, delivering sustainability benefits and cleaning enhancements across 21 of our contracts.

The autonomous nature of the robots, together with the water recycling technology, saves thousands of labour-hours. We expect this momentum to gain more traction in 2023 as new robotic innovations are introduced, so we can support more customers to save water and energy while enhancing the cleanliness of their premises.

72

robots are delivering water savings of

6.3m

litres of water

14,825kg

of CO₂e savings a year



The robotic cleaner is becoming central to modern cleaning and hygiene solutions, demonstrating productivity gains while being more efficient and offering a sustainable approach.

Imran Malik
Cleaning & Hygiene Technical Support Manager



Find out more about our Plan Zero Initiative

Environmental benefits

Removing chemicals from our operations is a fundamental value of our Plan Zero Initiative to protect the environment. Mitie is introducing natural eco-friendly cleaning products to replace traditional cleaning chemicals.

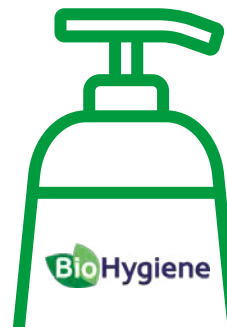


Introducing eco-friendly cleaning products

Over the past 18 months, we have trialled and tested a new eco-friendly cleaning product to replace traditional cleaning chemicals. Mitie has selected Biohygiene, a UK manufacturer of biotech and plant-based cleaning products, as our cleaning product supplier of choice for a range of applications.

- To support our customers with their targets to reduce single-use plastic within the supply chain, and in line with Mitie's Plan Zero, we have proactively introduced new cleaning products that do not use single-use or virgin plastics
- Some customers have introduced sachet products in FY23, eliminating 912.5kg of plastic
- As part of our move to a natural biological cleaning solution, we removed a further c.400kg of virgin plastic in the move to super-concentrates within three months

28%
of the cleaning products we use are chemical-free, up from 5% last year



Rethinking sustainable paper products

Purchasing washroom paper is one of our biggest challenges within our estate. One of our Plan Zero pillars relates to eradicating non-sustainable waste and we are engaging with various suppliers to ensure that the washroom paper we procure is from a sustainable source. Metsä Tissue, one of our new washroom paper providers, is one of Europe's leading manufacturers of tissue paper products, using sustainable Northern Wood from Finland where forests grow faster than they are used and no part of the tree is wasted.

We now purchase 25% of our washroom paper volume from Metsä, ensuring that we are procuring sustainable, renewable resources that create environmental and social benefits.





People

We're committed to making Mitie a great place to work and our ambition is to be the destination employer in the industry. We know that our people give their best when we show them that we care. Through the immense challenges of the pandemic and the soaring cost of living, showing our colleagues that we care has never been more important.

In this section

- 40 People – FY23 progress
- 41 People strategy
- 42 Developing our talent
- 46 Diverse workforce
- 48 Employee engagement


Progress against our targets in FY23

<p>2023 target: Maintain paying 100% of employees, where Mitie controls salary, a Real Living Wage</p>	<p>FY23 performance: 100% FY22: 100%</p>	<p>2025 target: 100%</p>
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<p>2023 target: Increase % of employees through apprenticeship scheme to 3.5%</p>	<p>FY23 performance: 3.8% FY22: 3.5%</p>	<p>2025 target: 5%</p>
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<p>2023 target: Increase % of women on the senior leadership team to 35%</p>	<p>FY23 performance: 28% FY22: 24%</p>	<p>2025 target: 40%</p>
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<p>2023 target: Increase % of racially diverse colleagues on the senior leadership team to 10%</p>	<p>FY23 performance: 10% FY22: 8%</p>	<p>2025 target: 20%</p>
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 Find out more about our progress against our social value targets

Mitie's alignment with the UN Sustainable Development Goals

- Develop talent through skills-based learning strategy for all to create and retain quality jobs
- Create a great place to work by attracting and retaining a diverse workforce and fostering a truly inclusive culture where everyone can bring their true selves to work
- Embed sustainability and social value learning and awareness, founding the culture and knowledge across the business and wider value chain



People

FY23 progress

Our vision is to be the destination employer in the facilities management industry, creating a 'Great Place to Work', and a truly inclusive culture where our people are supported to achieve their full potential.

We have made good progress in delivering our people strategy in FY23, and we have been recognised as a Top Employer for the fifth year in a row. At 31 March 2023, we achieved our target of 10% racially diverse representation on the senior leadership team (SLT) (FY22: 8%). Female representation increased to 28% of the SLT (FY22: 24%), but was below our 35% target. We will continue to focus on supporting the career progression of women at Mitie and increasing their representation on the SLT to achieve our target of 40% by 2025.

Everyone who wears our logo is part of something much bigger – together, our work makes a positive difference to millions of lives, each day, every day. During FY23, we developed a campaign to define the essence of Mitie – what we stand for. The overwhelming messages from our focus groups were the sense of support and unity our culture engenders, and that our people feel heard, recognised and valued.

Within Mitie we have three different types of apprenticeship: professional, management and technical. We are proud to say that we have over 1,000 live learners on our apprenticeship programme on a range of 80+ apprenticeship schemes. We want our people to be truly engaged in their development at Mitie and to be their best. In FY23, we launched You Are Mitie, an innovative bespoke company-wide learning programme, giving colleagues the skills

to deliver consistently exceptional service. We also developed our Leading Together programme, a new practical behavioural course exploring what leadership in Mitie means. Find out more about our training programmes on page 45.

Equality, diversity and inclusion (ED&I) is an integral part of how we work at Mitie. We aim to represent the diversity of the communities and customers we serve, from the frontline to the Boardroom, in a working environment that includes everyone. A diverse team brings a range of experiences, perspectives and skills to the workplace, leading to more creative and innovative solutions, a vibrant, inclusive culture and business growth. Our ED&I approach is governed and supported from the top but driven by our diversity networks and our head of ED&I, who has developed an ED&I strategy across the business. This is key to our goal of creating a 'Great Place to Work'.

Our diversity data reporting framework allows us to look at progress against our goals, broken down by business area. We encourage our colleagues to disclose diversity data such as on gender, race, disability and sexual orientation. This data helps us to better understand the demographic of our workforce, so we can make sure we provide the right levels of support and development.



People strategy

In FY23, we continued to enhance our people offering, from updates to learning and development and leadership training to our new ED&I strategy, and our apprentice programme.

We have clear objectives to deliver our people-focused approach, based on talent management, colleague engagement, combating cost, customer focus and seamless service. We are proud of our improvements and have been recognised as a 'Top Employer' for the fifth year in a row by the Top Employers Institute, the global authority on recognising excellence in people practices.

Within our ESG strategy, our social strand focuses on our colleagues and relationships, through four key commitments.

Our commitments:

7 Develop talent

Develop talent through skills-based learning strategy for all to create and retain quality jobs.

8 Diverse workforce

Attract and retain a diverse workforce and foster a truly inclusive culture where everyone can bring their true selves to work.

9 Health and wellbeing

Health and wellbeing is fundamental to our people and the communities we work in.

10 Tackling inequality

Consider underrepresented groups for employment and promote volunteering to meet all stakeholder goals.

Top 100

Apprenticeships Employer

Inclusive

Top 50

UK Employer for the fifth year running



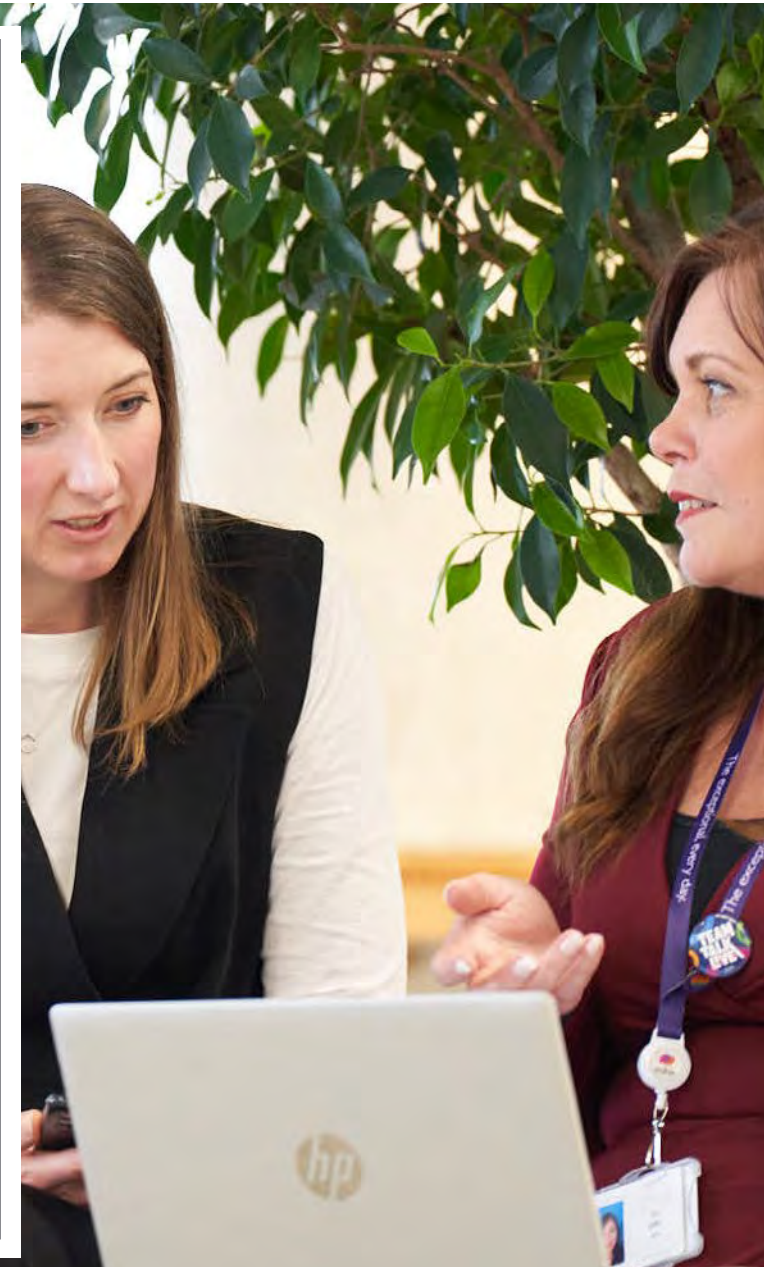
Endometriosis-Friendly



Mental Health at Work commitment



Menopause Workplace Pledge



Developing our talent

As a people business, the skills, knowledge and behaviours of our colleagues make a positive difference to our customers and the communities they serve.

Our learning strategy aims to help all our colleagues to realise their potential and career aspirations, attract more people to work at Mitie and support their development through access to a range of learning and development that will shape and build core skills and behaviours.

Our apprenticeship offer

In FY23, we supported a record 1,100 apprentices to gain valuable technical, professional and managerial skills and qualifications, to improve their social mobility and to support our business growth.

We are trying to access a more diverse group of external candidates to meet our resourcing needs, while supporting the UK economic recovery. We offer more than 70 sustainable apprenticeship programmes and promote these through Group and local channels. We exceeded our target to support 3.5% of eligible people to have taken part in an apprenticeship programme (FY23: 3.8%).

We will continue to grow our apprenticeship programmes by supporting the development of a future talent pipeline and to increase the use of our Apprenticeship Levy funds. Together with external networks, including the Business Services Association Apprenticeship and Skills Group, and the All-Party Parliamentary Group on Apprenticeships, we are lobbying to remove unnecessary

barriers to learning, enabling businesses to repurpose and optimise levy funds and to offer more broad and inclusive apprenticeship-based programmes.

The Government allows all Apprenticeship Levy-paying employers to gift a maximum of 25% of their previous year's contributed levy funds to other organisations. This provides us with an opportunity to determine how to make the best use of our Apprenticeship Levy funding and to support our ESG agenda. It enables us to gift funds in the most valuable way, linked to our social values objectives.

In FY23, we continued to gift levy funds to 17 organisations, supporting up to 64 external apprentices. We have pledged £1.7m funding over the duration of the learners' full programmes. Funds were gifted across a range of organisations, including charities, the public sector and SMEs in the engineering and construction sector (enabling them to take on new technical apprentices in electrical, plumbing and carpentry).

SROI Apprenticeships £1,171,725

This figure comprises our social return on investment, calculated from both creating 382 Level 2, 3 and 4 apprenticeship opportunities, and facilitating 249 completions during FY23. Find out more about how we calculated this on page 66.



+1,100

live learners on our apprenticeship programme

We offer over 70

different apprenticeship programmes

Celebrating our apprentices

An apprenticeship with Mitie is an incredible way to build experience, gain a professional qualification and work towards a bright future. Our learning and development teams are passionate about engaging with current and prospective apprentices and, as well as attending apprenticeship fairs, we celebrate National Apprenticeship Week each February. In FY23, we handed out over 20 Mitie Stars to our apprentices, including Boboi Rahedi, who is taking part in a Level 4 Project Management course. Boboi was recognised for being a curious learner who actively applies all his learnings, continuously showing exceptional work.



Developing our talent continued

Career progression for everyone

Imran is an electrical apprentice for Mitie, based at University College Hospital London. He enjoys the variety of his role and the opportunity to work on different projects. He was encouraged to join Mitie as an apprentice thanks to the opportunities for career progression we offer.



The greatest thing about this apprenticeship is that, at the end of it, I'll get an industry-recognised qualification. I'd recommend this apprenticeship to anyone – the team is supportive, and Mitie really does invest in your future. Sometimes I need to pray at work, and my managers make time for me so that I can.

Imran
Electrical apprentice

Scan me!
Find out more about Imran's story



Or click me!

I couldn't resist the challenge

Rachael is currently undertaking a strategic leadership apprenticeship to enable her to progress within her current role as Environment and Sustainability Manager for Mitie Group. Her manager presented the opportunity for further education in September 2022, and she couldn't resist the challenge.

The Imperial College Business School and Corndel partnership programme is a 13-month personal development programme, focusing on strategic leadership, personal effectiveness, communication skills, change management and data-driven decision-making. On completion of the programme, each participant will achieve the Level 7 Chartered Management Institute qualification, which is equivalent to a master's degree in leadership and management. The programme focuses on Personal Effectiveness, Inspirational Leadership, Strategy and Change Management, Implementing Business Solutions, Driving Business Performance and Leadership, and the external environment.



My course focuses on theoretical understanding of leadership topics, with hands-on application – like any traditional apprenticeship. It really challenges me to overcome obstacles in a way that works for me. This has been an incredible opportunity.

It requires dedication and time management, but with structures in place I have found a way to make this work alongside my day-to-day role and at home with my four-year-old son.

Rachael Burn
Level 7 Strategic Leadership apprentice

Developing our talent continued

Ideal engineering opportunities

Shani wanted a career change from retail, but she thought apprenticeships were just for school leavers. Then she discovered her ideal engineering opportunity at Mitie.

Shani's story at Mitie

I knew I wanted to change careers, but as a mum of six, I had to find something that gave me the balance I needed. When my youngest child started school, it was the ideal opportunity to find something I wanted to do. In my new role, I liaise with suppliers, am responsible for health and safety within the stores and work closely with the engineers to identify the relevant parts needed to complete a job.

I would recommend the apprenticeship path. It's not just for young people, and it's an amazing way to build on your skills and drive your career forward.

The thing that makes me most proud working for Mitie is the inclusion, the diversity and the opportunities for career development.

Having completed her Level 2 Facility Services apprenticeship, Shani is now successfully using her skills and passion for engineering to keep hospitals running smoothly in her role as an Apprentice Stores Person.



I would recommend the apprenticeship path. It's not just for young people, and it's an amazing way to build on your skills and drive your career forward.

Shani
Apprentice Stores Person,
former apprentice

Scan me!
Find out more
about Shani's
story



Or click me!



Developing our talent continued



Learning at Mitie

Learning at Mitie is not about getting the skills to do a job – it is about focusing on individual strengths.

We want our people to be truly engaged in their development at Mitie and to be their best, so we are making it as easy as possible for our colleagues to be engaged in their development.

We are meeting more learning styles, matching the changing work environment and replicating our increasingly digital lives. Our learning solutions now include video, webinar, e-learning, social learning and much more.

In FY23, we launched You Are Mitie, an innovative bespoke, company-wide learning programme. This tailored, rich-media learning solution delivers a uniquely different approach from Mitie's customer service training, giving colleagues the skills to deliver consistently exceptional service in fresh and surprising ways. Our bespoke approach ensures our colleagues recognise that everything they do reflects the Mitie brand. To the customers they interact with, they are Mitie.

Learner feedback:

"The course should be compulsory for all staff from the frontline up. I support what is said 100% and it's one of the best laid out and delivered courses I have done. It supports my own work strategy and beliefs."

"It made me realise just how important it is to give off the right signals when dealing with the customer and colleagues."

"Thought provoking, and it makes you question whether you are trying hard enough to show up, step up and stand out."

MyCareer Journey toolkit

We value the power of a diverse workforce, where people's skills and talents are used for the collective success of the business, and we empower our people to take control of their own career and development. Our MyCareer Journey toolkit allows colleagues to follow different journeys so that they can plan their career and realise their career goals.

Leadership Capability

Our People Managers are fundamental to Mitie's success. Under their direct leadership, our colleagues should be engaged, motivated

1,146

colleagues completed three optional sustainability courses in FY23

and empowered to deliver exceptional service to our customers. In December 2022, we introduced two new initiatives to improve our People Manager capability – our People Manager Hub and the launch of our new People Manager behavioural course Leading Together.

The **People Manager Hub** is the go-to place for all learning and development resources relating to people management, with a self-directed, point of need approach. Content is focused on developing skills, building knowledge and gaining qualifications: empowering our People Managers to access the right development and resources, and ensuring their people thrive under their leadership.

Our **Leading Together** programme is our new behavioural course mandatory for all People Managers. Broken down into five development phases over a 20-week period, participants will explore what leadership in Mitie means, how they lead themselves, lead others, lead performance and lead for the future: featuring digital learning content and practical activities to practice new skills on the job, with a learning buddy to support them.

Our **Action Now – Transforming Tomorrow Together** campaign has been launched for colleagues to learn about energy, carbon and biodiversity, the circular economy and resource efficiency, social value and sustainable procurement – as well as tangible options to apply and embed the learning they receive. All our colleagues can also take part in three optional sustainability courses under our Plan Zero section. In FY23, 1,146 people completed the courses, which aim to help all colleagues have a basic understanding of sustainability and our commitments.



We want to create a learning culture to enhance the performance of our people and our business. We have moved our learning agenda to performance enablers, addressing our challenges, needs and aspirations by focusing on the things that will really make a difference.

Kate Large
Director of Learning and Development

At Mitie, we understand that the prosperity of the built environment is reliant on the health of the natural environment. In FY23, we joined the **Institute of Environmental Management and Assessment (IEMA) as a corporate partner**, giving us access to IEMA's expertise and networks, and the opportunity to plan the development of our personnel. We are also the UK's first facilities management company to become an IEMA Training Centre, giving our colleagues and customers' personnel access to certified IEMA training courses delivered by our team of environmental experts. As leaders in decarbonisation, we look forward to working together with IEMA to transform the world to sustainability.



We're committed to providing diverse environmental services, and our partnership with IEMA and Training Centre status are great examples. Together, we aim to deliver for our customers, reducing their costs and impact on the environment.

David Dowson
Environmental Consulting Lead

Diverse workforce

Attract and retain a diverse workforce

As part of our commitment to making Mitie a 'Great Place to Work,' we put wellbeing and development at the heart of our people strategy, ensuring that our people work in an inclusive and supportive environment.

We aim to represent the diversity of the communities and customers we serve, from the frontline to the Boardroom, in a working environment that includes everyone. A diverse team brings a range of experiences, perspectives and skills to the workplace, leading to more creative and innovative solutions, a vibrant, inclusive culture and business growth.

Mitie has been awarded Silver status by the Inclusive Employers Standard, an evidence-based accreditation tool for diversity and inclusion. This achievement highlights the great work Mitie is doing to promote ED&I.



Over the past year, ED&I at Mitie has moved on. We've really professionalised ED&I and made it part of the business. We are making sure our leaders are equipped to make inclusive decisions every single day in everything they do.

We know our diversity makes us stronger, we're proud that our position as a leading British business for ED&I is recognised.

Sim Sian,
Head of ED&I



MyMitie

In November 2022, we launched MyMitie, a campaign to demonstrate to existing and potential colleagues why Mitie is a great place to work; from the benefits and support available to our people to learning development opportunities and career progression available. It featured real Mitie colleagues, sharing their stories about how Mitie helps them to thrive.



Our ED&I strategy

- 1. Developing an inclusive organisation**
Aimed at strengthening our capability of ED&I through leadership and all-colleague training, promoting inclusive behaviours and more informed decision-making.
- 2. Creating career fulfilment**
Delivering an inclusive and representative workforce, offering all colleagues clear opportunities to develop and progress.
- 3. Amplifying our colleagues voice**
Responding to the voice of our colleagues to build trusting relationships to define our future.
- 4. Driving business growth**
Enhancing core people policies and procedures to deliver our commitment to ED&I.

Diverse workforce continued



Elvedin's story

I started as a security officer and was quickly asked to act as a relief supervisor. I was often asked to go to various sites that were experiencing issues and act as a troubleshooter. This led to a permanent supervisor position.

I knew that I wanted to progress within the organisation and took the opportunity to complete a Level 3 Management Apprenticeship. It was tough, juggling studying with full-time work. Due to the pandemic, it also took longer than planned to complete the course – but I got there! As challenging as it was, I learned so many skills that I was able to take back to the workplace, including better communication with our customers and better management of my team.



My manager coached and trained me in the practical skills I needed to work in management. This year, I started my current role of Operations Manager. I can't believe how far I've come!

Scan me!
Find out more about Elvedin's story



Or click me!

Employee engagement

Our six diversity networks support the progression of diverse talent at Mitie, ensuring representation across all levels of the business, with a particular focus on senior representation to support closing the pay gap.

Our employee networks:

We have six employee networks to allow members to discuss issues affecting them with key decision makers, assist in formulating new and reviewing existing policies and procedures, provide a safe space for members to raise their concerns in a confidential environment, and provide an opportunity for members to update each other on local and national policy and developments.

Each network is sponsored by a member of the Executive Leadership team who is a role model for diversity and inclusion, and champions the agenda across the Group.



CHORD

A network focused on creating an inclusive working environment for people of all races and ethnicities



Mitie Military

A network for armed forces leavers, veterans, families and friends of forces



Parents & Carers

A network that offers a supportive space for parents and carers who are passionate about engaging with one another



Mitie Women Can

A network supporting women to maximise their potential in an equal workplace



Proud to Be

A network all about educating, informing and inspiring our people to be themselves by promoting an inclusive culture in the workplace, particularly around LGBTQ+



Enable

A network that raises awareness of disability-related topics across the business, while offering support and guidance to our colleagues and line managers



Raising disability awareness

Disability history month in December gave us an opportunity to raise awareness of how different disabilities impact our colleagues every day. This event was an important first step for the Enable network to ensure everyone is aware of disability support available at Mitie, how to access services and how to start conversations with colleagues and managers. Across the month, we had around 750 unique engagements. Around 500 colleagues attended our live events over disability month, which were also broadcast online.

We have identified areas for improvement to support our FY24 objectives, including data capture for disability status, accessibility of Mitie offices and awareness of existing tools for those with disabilities (specifically managers looking to support their teams).

We hope to encourage more colleagues to talk about their disabilities and to disclose their disability status. While we have some excellent processes and procedures in place already, we know the disabled community in Mitie is still struggling to be heard. By giving everyone the tools and information they need, we hope to improve life at Mitie for everyone. We want every disabled colleague to bring their true self to work and receive the same opportunities and support as everyone else.

Across disability awareness month, we had around

750

unique engagements by colleagues



I joined the Microsoft training yesterday and found it was a fantastic opportunity to learn on the subject for my own benefit, as well as the benefit of the team. I can now assist them with making changes without help from IT.

Gary G
Technical Services



Thank you for creating the Wellness Action Plan, I will definitely be encouraging my team to use this.

Amelia R
People Services team

Employee engagement continued

Celebrating Pride

For Pride month in June, 2022, we held a month-long campaign to raise awareness and understanding of the issues faced by our LGBTQ+ colleagues, customers and community members and to embrace Pride.

It's important we equip our colleagues with the right tools and education to help them create inclusive cultures, manage their biases and understand the impact of their actions. Mitie aims to provide an inclusive culture, where our colleagues are open in the workplace about their sexuality.

As well as local coffee mornings, we held an event at the Shard that was live streamed and recorded. Over 540 colleagues at different levels attended, including Mitie Group Executive team members, Proud To Be network members and allies. Since then, our Proud To Be network membership has increased 13%, and we have also noted a rise in self-declaration rates on sexual orientation in our HR system. Our colleagues have also increased their awareness of LGBTQ+.



I do not come from the LGBTQ+ community and knew people faced some challenges – but didn't really understand them until I heard colleagues sharing their experiences. It was hearing these personal stories from people I work with that made me think differently about how I can be an ally.

An Inclusion Ally



Encouraging service members to Mitie

Mitie Military is one of our most active networks, with over 240 members. Mitie recognises that service members have unique skills and training that can add real value to the business, and we have several initiatives to engage with and encourage ex-military personnel to take a new career path in FM.

In FY23, we started working with Career Forces, which works with ex-military personnel and UK businesses to match people to career opportunities. We attend monthly Military Careers Fairs to meet ex-military personnel looking for a new job, and we work with the Careers Transition Partnership (CTP), together operating a work experience programme at Mitie. Our talent teams match interested people with vacancies at Mitie, with CV and interview support offered by the Foundation. Volunteers from our Mitie Military network are on hand to provide any additional support needed. Aligned with Mitie's proud commitment to the Armed Forces Covenant, our new Ready2Work Military programme aims to support veterans in finding civilian roles in facilities management. At 31 March 2023, Mitie had 463 veterans, up from 261 in FY22. We continue to support reservists employed at Mitie with 10 extra days of paid leave.



I joined the 1st Battalion, The Kings Regiment, in 1999 and left in early 2003 as a Kingsman. I've worked for Mitie almost 17 years now, having joined straight from the Forces. During this time, I have filled nearly every role in Security to achieve the position of Director of Security.

The Army provided me a great platform upon which to excel within the security industry.

The values and discipline helped me in the early stages of my career change. The skills, standards, behaviours and 'can do' approach picked up in the Army have served me well.

Over the years I have enjoyed continuous training from Mitie. I've also had the opportunity to draw upon apprenticeship funding and benefit from the networking support Mitie continues to offer and promote.

Gary Culloden
Director of Security

SROI Veterans

£8,218,123

This figure comprises our social return on investment from hiring 449 veterans during FY23. Find out more about how we calculated this on page 66.

Employee engagement continued



Team Talk Live 2023

Team Talk Live 2023 brought Mitie colleagues together to hear about the future of Mitie, what makes Mitie a great place to work, what our colleagues would like to see improved and to provide a platform for our exceptional colleagues to share their stories about their careers and lives at Mitie.

The Mitie executive team met 980 colleagues across the UK (in Glasgow, Manchester, Birmingham, Bath and London) in person and over 12,000 colleagues online through the virtual MyMitie Week. This included a virtual late show designed so our colleagues who work shifts could join. At the physical events, attendees visited different market stalls, all themed on the pillars of MyMitie, to understand more about what Mitie offers colleagues, from great benefits to career and development opportunities.

Each business area ran a team talk online and we held fireside chats on different subjects, from apprenticeships to the workplaces of the future. We also hosted virtual breakfasts and lunches with our gazelles (the heads of recently acquired businesses within Mitie) to hear more from them about their career journey and their business.



Communicating with our people

Over FY23, we have increased the diverse ways Mitie communicates with all its colleagues, from frontline to Board. Our new initiatives include:

- Introducing global Town Halls to discuss Mitie strategy and interim results. These events occur twice a year across seven locations, including the UK, Ireland and Spain
- New podcasts hosted by the CEO and the MD of Business Services to reach frontline colleagues
- Launching My Mitie Week, a programme of virtual events and thought leadership, supported by the first in-person Team Talk Live since the pandemic
- Initiating ED&I events: 20 events hosted by Mitie networks



The feedback from colleagues was brilliant, with many highlighting how great it was to connect with peers, hear about key activity from across the Group and ask senior leaders questions on the future of Mitie.

Harriet Cloake
Group Head of Internal Communications

Scan me!
Find out more about Team Talk Live



Or click me!



Employee engagement continued

Living Wage

We want our people to feel valued – and we understand that fair pay is important to our colleagues. All people directly employed by Mitie receive the real Living Wage. We are a Recognised Service Provider with the Living Wage Foundation, we provide a real living wage option for all our new bids and we encourage customers to sign up to the real Living Wage where they can.



Our benefits

We offer a broad and varied rewards and benefits package called MiDeals.

Our benefits include enhanced maternity pay to all colleagues eligible for statutory maternity pay and life assurance. In FY23, we introduced a pre-employment health check and enhanced existing schemes such as cycle-to-work, gym membership and access to a virtual GP.

As flu season approached, we again offered flu vaccine vouchers for anyone who could not get a vaccination through the NHS.

In FY24, we will continue to improve our industry-leading benefits.

Vouchers are available for all Mitie colleagues for a free eye test and money towards prescribed glasses.

We also offer all colleagues the opportunity to either arrange an advance on their pay to support any immediate financial challenges

when they require extra money before payday or arrange low-interest-rate loans where the monthly fee is deducted from wages.

We also shared information about Salary Finance and their tips and resources to save monthly spending costs on food, for example.

At Mitie, we think it's really important to reward our colleagues for a job well done. That's why we offer a range of benefits regarding wellbeing and help their money go further. Celebration Hub is Mitie's one-stop shop for everything related to employee recognition and reward. It's the place to go to find all the information related to benefits, access to the MiDeals discount portal, nominate Mitie Stars, claim long service awards, send e-cards, see good news stories and discover tools to support our colleagues' wellbeing.



We love a family day out and like to explore new places. Celebration Hub has been a great way to get new ideas for places to go and get a discount.

Jade Clarke
Premises Manager

£10m

In November 2022, we launched a £10m Winter Support package to support colleagues with the rising cost of living

Helping our colleagues in the cost-of-living crisis

To help those colleagues most in need during the cost-of-living crisis, we launched our £10m Winter Support package in November 2022.

The package was aimed at colleagues who earn up to £30,000. It included a cash bonus of up to £125; a £50 e-voucher for colleagues to spend at more than 100 retailers, including Boots, Asda, Tesco and Argos; and a new £1,000 net pay cycle-to-work scheme (making it more accessible to lower paid colleagues).

We also gifted free shares for the third year running, giving more to those that earn the least, and waived the fee usually charged for salary advances.



Our Winter Support package was designed to help our colleagues with the rising cost of living. Through a combination of e-vouchers, a one-off bonus, free shares, a new bikes-for-work scheme and removing the fee to draw down salary advances, it helped 40,000 of our lowest-paid colleagues across the business.

Jasmine Hudson
Chief People Officer

Employee engagement continued

Prioritising wellbeing in our offices

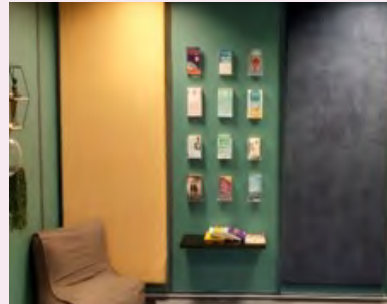
We want our people to put their wellbeing first, at home and in the office. We ensure that all our teams have access to our Mental Health First Aiders, and their skills and knowledge. We have also allocated designated wellbeing areas in two of our headquarters: The Shard, London, and Swords, Dublin.

Wellness in Ireland

Out of our 250 Mental Health First Aiders, 10 are based in our Dublin office. Jen Mooney, Bid Writer, completed her Mental Health First Aid training in 2019 as she wanted to be equipped with the relevant skills to enable open and honest conversations about mental health: to support her team and to break down the stigma surrounding mental health in the industry.

To show our colleagues in Ireland that their wellbeing is a priority, we created a wellness room in our Dublin office. This room is designed for quiet time, championing privacy and calm energies, providing recuperation from the noise and pace of the typical office environment.

We use this space to promote health and wellbeing through information leaflets with helpline contacts, relevant books, a water machine to hydrate, different rest areas, mellow lighting and details for our local Mental Health First Aiders.



Mitie has given me the skills to help my colleagues. In several situations, I've been able to step in and chat when they have needed someone to listen.

Jen Mooney
Mental Health First Aider



Regenerating in London

In our London HQ, we have created a space that encourages our colleagues to take time out to nurture their wellbeing. Our regeneration pods are in the corner to offer inspiring views over London, and the opportunity to slow down the mind. Our pods allow our colleagues to tend to their own personal health and wellbeing needs, shutting the door on office noise and relaxing, with soothing background music.



Community

We focus on supporting our different communities, in particular working with our diverse colleagues to ensure their wellbeing and empowering their development, whatever their story.

In this section

- 54 Community – FY23 progress
- 55 Health and wellbeing
- 57 The Mitie Foundation
- 59 Giving back to our people and communities

Progress against our targets in FY23

2023 target: Increase volunteer paid hours to 16,320	FY23 performance: 19,298 FY22: 14,650	2025 target: 23,680 hours
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2023 target: Increase health and wellbeing training hours delivered to 8,169 hours	FY23 performance: 26,152 FY22: 5,520	2025 target: 28,934 hours
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2023 target: Increase Armed Forces recruitment to 2.4%	FY23 performance: 3.1% FY22: 4.0%	2025 target: 2.3%
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Find out more about our progress against our social value targets

Mitie's alignment with the UN Sustainable Development Goals

- Enrich the community by providing employment opportunities to underrepresented groups, health and wellbeing provision, and colleague volunteering



Community

FY23 progress

Making a positive difference, wherever we operate.

As the UK's largest facilities management company, Mitie is at the forefront of many communities. We strive to deliver the exceptional, every day, and to deliver social value through our own operations and for our customers. We continue to integrate the Government's Social Value Model throughout our business, including for public sector contracts, for which it is a requirement. Delivering high levels of social value to our customers is a key differentiator and delivers positive results across the business, while positively impacting the communities in which we operate and driving change for a better future.

Our work through the Mitie Foundation, an independent charity wholly funded by the Mitie Group, supports young people and those who face barriers to work: whether through long-term unemployment, having a disability, having learning difficulties or being ex-service personnel or ex-offenders. In FY23, the Mitie Foundation continued to deliver our flagship Ready2Work programme, launched our Ready2Work Military programme and piloted the Beyond Bars programme. Find out more about the great work of the Foundation on page 57.

All of our targets relating to community were exceeded for FY23. We exceeded our volunteering target of 16,320 hours by 18%, achieving 19,298 hours – find out more about our exceptional colleagues volunteering stories on page 59. Due to the identification of first aid hours that previously weren't feeding into our health and wellbeing training target, we exceeded our target by 220% with 26,152 hours. As the scope of this target has significantly increased, we have re-baselined and revised our targets for FY24 and FY25 – these figures can be found on page 10. We also exceeded our Armed Forces recruitment target of 2.43% with 3.14% – find out more about our work with military personnel on page 49.



Health and wellbeing

Overall approach and strategy, MyWellbeing, mental health, benefits.

Our overriding objective is to make Mitie the safest place to work, where health, wellbeing and our environment are valued. We care for everyone's health and wellbeing and our vision is to create a culture that promotes safe working, ensuring that our colleagues get home safe and well every day.

Our target is to increase health and wellbeing training hours delivered to 28,943 by 2025. FY23 performance was 26,152 (FY22: 5,520). We recognise that a healthy workforce plays a vital role in achieving the 'Exceptional every day'. Looking after our people's wellbeing is vital, because together we are stronger, so we are focused on preventing occupational ill health, proactively managing health, and optimising health and wellbeing.

Colleague wellbeing extends beyond just a set of services. We are committed to promoting a culture where wellbeing is embedded and embraced by the entire workforce. Our health and wellbeing strategy is focused on six key areas: job design, mental health, physical health, financial wellbeing, support and relationships and environment.

MyWellbeing is our wellbeing network for our colleagues and includes a range of contacts, support and information, including access to mental health first aiders and our vibrant diversity networks, self-help guides on personal safety, our 24/7 virtual GP service and our Employee Assistance Programme.



MyWellbeing

Focus on mental health

Colleague mental health has been a key priority during FY23.

We have increased the support and knowledge that we provide to our 250 mental health first aiders. We have also increased awareness and reduced stigma around mental health through campaigns and training such as Mental Health Awareness Week, and equipping managers with the skills and understanding of the role they play in colleague wellbeing. In FY23, we introduced a central directory that enables employees to search for a Mental Health First Aider.



SROI MHFA £223,200

This figure comprises our social return on investment from training 186 individuals to be Mental Health First Aiders during FY23. Find out more about how we calculated this on page 66.

Health and wellbeing continued

H&S – focus on safety, innovation and training

We are committed to our vision of 'Zero Harm' and continually strive to achieve this. The safety of our employees is our number one priority. All our colleagues are empowered to 'Stop the Job', if they believe that an unsafe act or condition exists. Our 'LiveSafe' culture keeps our employees safe and contributes significantly to the success of the business.

At Mitie, we have five key safety principles:

1. All injuries and occupational illnesses are preventable
2. Everyone is responsible for safety
3. Safety is a condition of employment
4. Everyone has the right to challenge anyone
5. Never think you can't keep improving

Over FY23, our HSE team worked with colleagues across Mitie Group, including our technical team, to review our existing Working at Height (WAH) procedures and guidance.

We have pulled all our instruction and guidance documents around access equipment into one manual and added further information on:

- Test and inspection requirements
- Individual and team training requirements
- Links to associated forms



It is not what we do at Mitie, but how we do it that sets us apart. Our QHSE culture is constantly evolving. Our colleagues are empowered to lead this improvement and take ownership to deliver the best quality, health, safety and environment performance.

Sarah Smith
Group QHSE Director

Vodafone Business Fleet Analytics
SUPPORTING DRIVER SAFETY AND BUSINESS EFFICIENCY

Together we can **vodafone business**

The advertisement shows a fleet of white vans with 'mitie' branding. A large red arrow graphic points from the text to the vans. Below the image is a process flow diagram with five steps:

1. Driver on the road (e.g. Mitie employees on their way to provide building maintenance services)
2. Forward-facing camera captures accident on drivers route (e.g. collision with cyclist) - video system uploads and stores data. Footage only sent to manager if accident - this supports investigations and insurance claims
3. In-cab facing camera uses AI to identify risky behaviour (e.g. driver fatigue) and creates an audible alert giving the driver an opportunity to correct (e.g. waking driver up)
4. Mitie managers will work with employees to reduce risky driving behaviours (e.g. fatigue, distractions, no seatbelt) to make sure that drivers are safe and complying with the Highway Code
5. Analytics and reporting give managers the insight they need to reduce risk and drive operational efficiency - supporting Mitie to keep people safe and deliver operational excellence

Innovation to protect

Incorporating technology into our operations improves efficiencies and effectiveness and keeps our people and the community safe. Through our partnership with Vodafone, our fleet now has dashcams installed that use Artificial Intelligence (AI), reducing incidents by 60%. The AI technology identifies risk behaviour and allows intervention, enabling drivers to take responsibility and managers to take ownership. Further benefits include driving efficiency and reducing mileage by allocating the nearest skilled operatives to tasks. We have installed 900 dashcams so far and are continuing their roll-out throughout our fleet, as well as carrying out a safety check on each vehicle during installation, ensuring the wellbeing of our drivers and their surroundings.

Our fleet now has dashcams installed that use Artificial Intelligence (AI), reducing incidents by

60%

The Mitie Foundation

Established in 2013, the Mitie Foundation is a registered charity, wholly funded by Mitie Group, with a mission to break down perceived barriers to employment for disadvantaged communities.



The Mitie Foundation provides opportunities to people who struggle to secure employment. We are passionate about helping a diverse range of enthusiastic and capable participants into sustainable, fulfilling employment.

Ready2Work, the Foundation's flagship work experience programme, provides employment skills and opportunities to often overlooked candidates, and is collaboratively delivered by the Foundation, Mitie and our customers. The programme is an action-packed, eight-week introduction to the world of work, comprising an initial week of CV and employment skills workshops, followed by seven weeks of work experience. Ready2Work supports the following groups with tailored programmes to open viable routes into employment:

- Long-term unemployed
- Disabled and those with learning difficulties
- Veterans
- Ex-offenders
- Young people

By focusing on these communities, not only are we making a huge impact on these individuals' lives and prospects, but we are also attracting the very best potential to Mitie, and enriching the diversity of our workforce as well as that of our customers.

In 2022, we launched our new Ready2Work Military programme to support those leaving the military with three to six months left of service, by giving them the opportunity to experience working in the facilities management sector and get to know Mitie. The transition for ex-military personnel to corporate life can be daunting and we want to minimise that stress. We offer participants placements in a field of their choice, and buddy them up with a veteran within Mitie. We aim to ensure a smooth transition into the business and believe that giving a detailed insight into Mitie will give everyone a chance to ask questions, be sure of their role and get used to familiar surroundings.

FY23 saw the pilot of Mitie's Beyond Bars programme. Mitie is on the Prison Operator Service Framework and delivers a range of FM services at HMP Brixton and HMP & YOI Isis in London, which have a combined capacity of approximately 1,400 prisoners. Our Beyond Bars programme is being trialled in HMP Brixton: an eight-week programme that supports ex-offenders to ensure they are 'employment ready' before leaving the prison. From speaking with ex-offenders in HMP Brixton, we know they want this support. We will support individuals with skills such as managing work expectations and sourcing job opportunities within Mitie.



We're extremely proud of the work the Mitie Foundation has done over the past 10 years. Its initiatives make a real difference to our colleagues and their communities.

Mollie Green
Head of the Foundation

Getting our candidates ready for work

We delivered five Ready2Work programmes in FY23, covering Manchester, London and new locations in Edinburgh, Watford and Northampton. These programmes aimed to support young people, the long-term unemployed and the disabled community. Last year, we again retained our 70% employment rate of people into sustainable employment from Ready2Work.

Our 'Introduction to the workplace' programme enables individuals to rebuild their self-confidence in a supportive environment. It attracts a lot of interest from Mitie colleagues, who use their volunteering time to either become a mentor or deliver skills workshops.



347

candidates hired through the Mitie Foundation in FY23

The Mitie Foundation continued



Abdul's Mitie Story

Abdul Nasir Nawabi came to the UK as an Afghan refugee in February 2022. Due to barriers including language and unrecognised qualifications, he struggled to find work in auditing, his career to date.

"When I was accepted on the Ready2Work programme, my confidence was restored, and I felt like I was able to stand on my own feet again. I really enjoyed every step of the training. Everything that was taught allowed me to grow; not just in my field, but as a professional. My advice is to go to the training, soak up everything and work hard. Do these things and doors will definitely open up to you."

Abdul now works as a Crime Analyst for our Business Services division. He is flourishing in his role and wants to use the opportunities at Mitie to grow his skillset and improve his communication skills, and plans to start moving up the Mitie career ladder.



When I was accepted on the Ready2Work programme, my confidence was restored, and I felt like I was able to stand on my own feet again. I really enjoyed every step of the training.

Abdul Nasir Nawabi
Crime Analyst, Business Services division



Meet Mollie

Mollie came to Mitie from the British Army in 2020, where she initially joined our team mobilising Covid testing sites. She has progressed rapidly and, in FY23, stepped in to lead the Foundation.

"Joining the Foundation was a big education piece. Sometimes it's hard to get companies to understand the advantages of employing individuals with barriers, but it's so rewarding when you finally get through. Our main aim is to target and support individuals into employability. I'm working on capturing and reporting all the incredible work the Foundation and Mitie do.

"The Foundation has had a great year supporting individuals with barriers to work and giving back to our communities. We have helped so many communities through delivering 19,298 hours of volunteering. I'm excited to see the impact of our Ready2Work programmes, which start in FY24, including ex-offenders and veterans for the first time. These programmes give participants the best insight into Mitie and the FM industry, and the team and I are very proud of their success. We are celebrating the Foundation's 10-year anniversary in FY24, which is a great achievement, and we are looking forward to what the next 10 years will bring."

Helping Jeffrey out of long-term unemployment

Jeffrey came to the Foundation after ill health caused him to spend a lengthy period out of work. He discovered our Ready2Work programme, aimed at assisting long-term unemployed communities, where he received interview preparation and employment support. He now works at Mitie in our Maintenance team, keeping hospitals clean and functioning, and has a renewed sense of purpose.



Before I joined Mitie, I'd been out of work for nearly 18 years. Although I had applied for many positions, I felt I was often discounted because of my health conditions.

Mitie gave me a chance and saw something in me that nobody else did. Having epilepsy is a big risk – I have to control it at work, and Mitie has been very understanding and given me a great opportunity.

Jeffrey
Cleaning Assistant



Giving back to our people and communities

Mitie is committed to giving back to the communities that we serve. Our Giving Back programme gifts all salaried colleagues 10 hours each year to support local causes that matter to them, from joining our different charity partner events to taking part in a Mitie national volunteering campaign.

Working with charities

We champion our relationships with national charities, including the British Heart Foundation, Career Ready and Macmillan Cancer Support, encouraging our colleagues to use their volunteering time to support these worthy causes.

We recognise the role we can play in inspiring tomorrow's workforce and equipping people with important employability skills. It is also a powerful way to address social mobility, ensuring life opportunities are not based on postcode. Education is one of our key areas of focus and, in FY23, we supported the Career Ready programme for the third year running. It includes a 12-month mentorship and a paid four-week internship at Mitie. Find out more about our apprentices on page 42.

How our colleagues 'Give Back'

"Giving Back to our communities is an important part of what Mitie does. Our employee-supported volunteering programme allows our colleagues to support external causes during their working hours. We are proud of the positive impact these hours have on residents' lives.

"In FY24, we're aiming to engage more colleagues, making an even bigger impact. We have already committed to delivering 20,720 volunteering hours. To achieve this, we are supercharging our impact through national campaigns, building on existing local partnerships and developing new ones. We are also continuing to focus on five key areas: environment, education, food poverty/homelessness, health and local community projects."



Giving Back to our communities is an important part of what Mitie does.

James Kidby
Foundation Manager

SROI Donations £650,580

This figure comprises our social return on investment from raising over £325,000 for charity during FY23. Find out more about how we calculated this on page 66.

UK Social Mobility Awards™

Awarded Silver for 'Community Programme of the Year' at the UK Social Mobility Awards 2022, for our mentoring and supportive work with young people.

19,298

hours of volunteering by Mitie colleagues delivered within our communities in FY23

£325,290

fundraised by Mitie for charities and worthy causes in FY23, a 38% increase from £237,781 in FY22



Giving back to our people and communities continued

Supporting a range of charities



Global Humanitarian Centre

During the height of the pandemic, we set up a warehouse in partnership with Stronghold to ensure we had a reliable supply of PPE. When Mark Donnelly, Group Director of Operational Excellence and Business Transformation, told us about the Global Humanitarian Centre in Warsaw and its desperate need for basic hygiene equipment, Mitie sprang into action and, together with Stronghold, donated and transported leftover equipment, including sanitiser, spill kits, gowns, masks, face shields and gloves, collectively worth over £150,000. The Centre works with over 52,000 refugees, so these items are crucial to continuing their essential support.



The Mitie Scottish Ball

Almost 250 customers, colleagues, suppliers and sub-contractors attended the Mitie Scottish Ball in FY23, raising £46,000 for Prostate Cancer UK and the British Heart Foundation. This brings the total we have raised for these charities since 2015 to £300,000.



Macmillan Coffee Mornings

Our colleagues also raised £23,500 for Macmillan through coffee mornings during FY23. Charlotte Wood, Corporate Business Development Officer at Macmillan, said:

"A huge thank you to everyone at Mitie who took part in Macmillan Coffee Morning this year. The funds you've raised will help people living with cancer and their families to receive essential medical, practical and emotional support."

Making a difference to our communities



The BIG Mitie Spring Clean

Our colleagues have undertaken a total of 4,000 volunteering hours to support environmental initiatives in FY23. Our second BIG Mitie Spring Clean took place in June 2022, where we collectively spent 1,580 hours collecting rubbish from parks, beaches and cities across the UK.



Food redistribution support

Due to the cost-of-living crisis, an increased number of households in the UK are reporting skipping meals, going hungry or not eating for a whole day. Colleagues across Mitie took positive action by joining the fight against food poverty. In FY23, we supported over 25 food redistribution centres across the UK through team volunteering days, equating to 1,000 volunteering hours.

"This was one of the most rewarding experiences I've taken part in for a long time. I've even started to get my own children to drop items off in the supermarket collection bins," said Andy Cloarec, Hammerson Security Contract Manager.



Maintaining UK canals

Our canals are at the heart of our communities and are largely managed by volunteers. Working with the Inland Waterways Association and local canal societies, Mitie colleagues dedicated 578 volunteering hours in FY23 to support the maintenance of these important waterways.

"We were keen to do something a little different, so we decided to support the restoration of a canal. Incredibly hard work for all involved, but so rewarding and a great team building opportunity," commented Sarah Smith, Group QHSE Director.

SROI Volunteering
£606,150

This figure comprises our social return on investment from gifting 19,298 hours of volunteering time for our colleagues to spend in their local communities. Find out more about how we calculated this on page 66.

Giving back to our people and communities continued

Reforestation Essex

After successfully planting 1,600 trees in Canvey Island in 2022, colleagues from across Mitie, together with our customer Essex County Council (ECC) and local SMEs, joined forces and planted a further 6,000 trees over a week in January 2023 in Basildon.

Over 100 volunteers contributed to this community project, planting a variety of tree species that will help to improve local air quality through absorbing carbon as the trees mature. The trees, which include oak, aspen, alder, hornbeam, hawthorn, goat willow, field maple, crab apple, rowan, bird cherry, wild cherry, silver birch and dogwood, will also provide habitats for wildlife, encouraging biodiversity to the area, and helping to maintain a healthy ecosystem. The day also provided an opportunity for the community to work together and build relationships.



This planting event is our largest yet. We are making a positive contribution to ECC's target of planting 375,000 trees over five years and assisting it in meeting wider sustainability targets. We brought together multiple organisations delivering services to ECC, together achieving an incredible outcome.

Ryan Nelson
Strategic Account Director



Giving back to our people and communities continued



Supporting our Scottish communities

Mitie plays an active role in the communities in which we operate, helping to deliver social value commitments for our customers.

From litter picks to gardening, and career advice to fun days, communities have benefited from our colleagues' hard work and dedication.

The Mitie Way of Embedding Social Value guide sets out considerations for delivering social, environmental and economic benefits within our communities – outlining best practice, such as partnering with the Mitie Foundation and our Ready2Work programme.

We aim to incorporate Mitie Foundation principles into all our operational delivery at contract level; from delivering programmes to providing career advice, support and experience to underrepresented groups with perceived barriers to employment, to actively supporting recruitment across the business at every level by introducing untapped talent from underrepresented groups. We promote the benefits of 'Giving Back' and volunteering opportunities and support specific fundraising campaigns to align with target KPIs.

Our colleagues Sarah Howard, Community Benefits and Social Values Manager, and Jennifer Melvin, Community Benefits Coordinator, work on our Scottish Government and City of Edinburgh Council contracts and have embedded social value directly into their customers' communities.



Delivering high levels of social value is what makes us a key differentiator to our competitors and delivers positive results across the business, while impacting the community and driving change for a better future.

44  volunteering events

1,044  hours of volunteering

331  volunteers

"Our main goals are to protect and enhance the environment, support our communities and provide employability support to underrepresented groups. We achieve these by developing long-lasting, mutually beneficial partnerships, involving as many colleagues as possible, and promoting our Giving Back programme.

"Supporting the Government's Levelling Up agenda, many of our partner organisations work with people who have experienced homelessness, long-term unemployment, refugees, disability and are living in areas of deprivation. We provide mentoring, work experience, paid internships and career insights, and work with referral partners to promote vacancies."

"We've recently introduced Thrive – a platform to measure our social value contributions on the Scottish Government contract. Our biggest achievements in FY23 include holding 44 volunteering events in 16 different locations, involving 21 different organisations and delivering 1,044 hours of volunteering with 331 volunteers." Said Sarah Howard, Community Benefits and Social Values Manager, and Jennifer Melvin, Community Benefits Coordinator.



Governance

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Governance strategy

Having an effective governance structure in place is crucial to the success of our environmental and social programmes.

Our four levels of governance enable us to: have a platform to implement initiatives; understand the risks involved; develop opportunities for additional business growth; oversee the full programme for ESG matters – incorporating environmental, sustainability and social value; and regularly report our progress to the Board. See page 69 for more detail.

We have adopted a culture of continuous improvement to maintain our lead across the ESG agenda. Our size and reach with the leading organisations we work for establishes us as a key influencer, and with our initiatives we can mitigate climate change and improve the social value in the communities we serve.

Within our ESG strategy, governance focuses on five key pillars:

Our commitments:

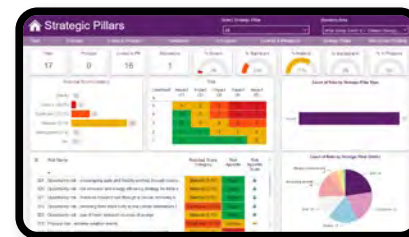
- 11 Senior level oversight**
Oversight of the whole programme. Set the strategy, measure, report and incorporate transparent and public disclosure of material impacts, progress and targets.
- 12 Act responsibly**
Show the highest levels of ethical and moral stewardship regarding tax evasion lobbying, bribery and corruption and ensure appropriate whistleblowing schemes are in place.
- 13 Risks and opportunities**
Finance & Risk teams to drive sustainable investment and transparent disclosure throughout the business.
- 14 Environmental management systems**
Sustainability frameworks will be established, maintained and improved to fulfill our moral, legal and contractual obligations.
- 15 Collaboration**
Collaboration with all stakeholders is encouraged, fostered and embedded throughout the business.

Managing risk

Mitie's innovative "Risk Safe" solution is an automated risk management platform used to accurately capture, assess and manage risks across the organisation, including climate-related risk. In FY23, our risk management software won the 'Risk Management Innovation of the Year' and 'Risk Management App of the Year' at the CIR Risk Management Awards 2022, recognising our technology-led approach to risk management.

Mitie won the inaugural Change Management category at the IWFM Awards 2022, recognising how our approach to change management – informed by our annual NPS customer survey – is helping deliver what customers need, as well as to grow Mitie in line with our strategic objectives.

In FY23, we achieved ISO 22301:2019, the gold standard accreditation in business continuity management. Our stringent risk management framework prevents, prepares, responds to and helps us to recover from planned and unexpected events.



Mitie governance

Mitie governance framework

The Company's formal governance framework underpins the Group's operations. In addition to the four main Board Committees, the Company has a Disclosure Committee and an informal Bid Committee.

The Disclosure Committee is chaired by the Chief Executive. Its members include the Chairman, Chief Financial Officer, Chief Legal Officer and the Deputy General Counsel. Its purpose is to assist and inform decisions of the Board concerning the identification of inside information and to make recommendations about how and when the Company should disclose that information in accordance with the Company's disclosure policy.

The Bid Committee is chaired by the Chief Executive. Its members include the Chief Financial Officer, Chief Legal Officer, Chief Government & Strategy Officer and members of the sales team. The Bid Committee met weekly during FY23. Its purpose is to consider material bid submissions and to determine whether such bids meet the Group's financial, commercial and legal objectives.

Stakeholder engagement

It is the Board's duty to understand the needs of all of our stakeholders, and to act on their feedback. This year, the Board has engaged extensively with Mitie's different stakeholder groups, with a particular focus on our colleagues.

A high proportion of our colleagues work for us on the frontline, and we never stop learning how to improve our two-way communications. Our colleague listening strategy is focused on hearing from and acting on colleague feedback and, this year, we have refreshed the Board's approach. Jennifer Duvalier, our Non-Executive Director responsible for workforce engagement, has undertaken a full programme of in-person and virtual employee listening sessions, in which other Board members participated.

Our Board members also attend the many ED&I events run with our diversity networks across Mitie, and the Board has travelled extensively around the UK to meet colleagues over the past year. This culminated in our flagship annual 'Team Talk Live' employee engagement festival in February 2023. Mitie's annual employee engagement survey, Upload, indicated that our colleagues feel more engaged than ever.

Mitie Group plc Board

Nomination Committee	Audit Committee	Remuneration Committee	ESG Committee
Purpose: to evaluate and make recommendations regarding the composition, diversity, experience, knowledge, skills and independence of the Board and its Committees.	Purpose: to monitor the integrity of the Group's financial reporting, review the effectiveness of the Group's internal controls and evaluate the performance of the internal audit function and external auditor.	Purpose: to determine and review the Company's remuneration policy and monitor its implementation.	Purpose: to provide oversight and governance for all of Mitie's Environment, Social & Governance initiatives, ensuring they are aligned to Mitie's Purpose, Promises and Values.

Mitie Group Executive (MGX)

Members of the executive team, which includes senior members of management from each business unit and central Group functions, meet weekly to discuss and implement the Group's strategic objectives. The Board is updated on matters discussed at MGX meetings at Board meetings as part of the Chief Executive's regular update paper, and on an ad hoc basis as required.

Mitie business divisions

Business Services, Central Government & Defence, Communities, Technical Services and Specialist Services.

Board composition dashboard



Mitie governance continued

Culture at Mitie

Culture at Mitie is underpinned by its purpose. Our expertise, care, technology, insight and focus on sustainability create amazing work environments, helping our customers to be exceptional, every day.

Mitie is a people business, offering facilities management services that are driven by Mitie colleagues. Mitie's vision is to be the destination employer in the facilities management industry, creating a 'Great Place to Work', and a truly inclusive culture where our people are supported to achieve their potential.

All Directors lead by example and promote the desired culture.

At 5 April 2022, Mitie's median gender pay gap was 6.8% (2021: 5.4%), which continues to compare favourably with the UK national pay gap of 14.9%. Mitie's mean gender pay gap was 12.0% (2021: 8.6%).

A key contributor to our pay gap is the imbalance of men and women at various levels: at 5 April 2022, we had 62% males and 38% females, and fewer females in senior roles. To address this imbalance, we continue to raise awareness of gender equality issues and topics, and we support colleague development through different programmes. We regularly review our family friendly policies and we have developed inclusive recruitment principles for our senior hires.

Ethnicity pay

We voluntarily publish ethnicity pay gap data in addition to our statutory gender pay gap reporting. Mitie's median ethnicity pay gap at 5 April 2022 was 1.1% (2021: 2.8%). Our target is for 20% racial diversity on the senior leadership team by 2025.

Mitie's ambition is to increase the number of pay gaps we report, to include disability and LGBTQ+.

Gender breakdown

At 31 March 2023	Male	Female	Total	% Male	% Female
Board	5	3	8	62%	38%
Senior leadership team	52	20	72	72%	28%
Employees	38,212	26,104	64,316	59%	41%

Ethics

Mitie is committed to promoting equality, diversity and inclusion; eliminating discrimination; providing equality of opportunity; and encouraging inclusivity among colleagues. All colleagues are required to adhere to Mitie's key ethics and compliance policies, which include the Employee Handbook, Ethical Business Practice Policy, People Policy, and Equality, Diversity & Inclusion Policy. Colleagues are encouraged to report any behaviours that they believe do not comply with the policies or do not meet the standards of conduct expected at Mitie. Channels for raising any such concerns include Mitie's independent whistleblowing service, line managers, People Support, directly with the Chief Executive via email to 'Grill Phil', via email to the equality, diversity and inclusion mailbox and through Mitie's diversity networks. Mitie's award-winning inclusion learning and development programme, Count Me In, is available to all colleagues and continued into FY23. As part of the Count on Mitie phase of Count Me In, a new eLearning activity 'Inclusivity, Culture and You' and a new 'Speak Up' exercise were launched during the year. The new eLearning activity explores the impact of creating an inclusive culture on individuals, Mitie, Mitie's customers and the wider community. The 'Speak Up' exercise encourages colleagues to speak up if they notice non-inclusive behaviours or behaviours that fall outside Mitie's Values. The exercise also equips colleagues with guidance on how to identify these behaviours and provides support and confidence to speak up.

How the Board assesses and monitors culture

Mitie's Values help define the behaviours of its people and underpin its vision of The Exceptional, Every Day. An important element of Mitie's culture is establishing a 'One Mitie' way of operating across the business. The 'One Mitie' way leads to consistent, high-quality and relevant information flows across the business. Mitie's colleague listening strategy, which is focused on hearing from and acting on colleague

feedback, supports the adoption of a 'One Mitie' culture which is inclusive and high performing. The strategy includes colleague listening sessions hosted by Board members and Mitie business divisions, Team Talk Live 2023 and the annual colleague engagement survey, Upload. Regular Town Hall events with colleagues at Mitie offices are also held by the Board, including a Town Hall event held at Mitie's Birmingham office during FY23. Where virtual events are held, they include the ability for colleagues to ask questions of management via a chat box (anonymously, if preferred).

These information flows, together with direct engagement from each of Mitie's business divisions, are key to the Board's oversight of cultural matters. Mitie also measures several non-financial KPIs, such as colleague turnover, employee engagement, Net Promoter Score and lost time injury frequency rate, which allow trends and changes to be identified and monitored.

Whistleblowing

Mitie has an independent whistleblowing service, 'Speak Up', to enable employees, customers, suppliers and third parties to report any concerns or wrongdoing anonymously, without any fear of retaliation. Mitie's whistleblowing service platform, EthicsPoint, is managed by an independent third-party service provider, Navex Global. The service can be accessed via a freephone hotline number and a web portal, details of which are made available to employees in multiple languages via workplace posters, Mitie's Employee Handbook, Intranet and MitiePeople.com. The service can also be accessed by customer and supplier personnel, as well as members of the public, with details being provided via www.mitie.com.

The whistleblowing service and related internal procedures are structured to ensure that all reports are reviewed and investigated independently from the area of the business to which they relate, thereby minimising the risk of conflicts arising. All reports are copied to and reviewed by a central Whistleblowing Investigation Group, which includes the Deputy General Counsel and senior members of the Group's Internal Audit function. This helps to ensure transparency and enables any trends to be identified and addressed.

An update on whistleblowing activity is provided to the

Board at every Board meeting and to the MGX as appropriate. The update to the Board includes details of incident reports received in the period between meetings, as well as details of ongoing investigations. The EthicsPoint platform provides Mitie with the ability to report by business division and by investigation status/outcome, facilitating the Board's ability to effectively track the progress of investigations and to monitor and address trends across individual business units and the Group as a whole.

Quality, Health, Safety and Environment (QHSE)/LiveSafe

Mitie recognises that health, safety and wellbeing play a pivotal role in achieving The Exceptional, Every Day. This is achieved by creating an environment where Mitie colleagues feel able to bring their whole selves to work, thereby improving health, safety and wellbeing. Mitie's aim for zero harm is underpinned by Mitie's core values and influenced through Mitie's LiveSafe programme. The programme facilitates proactive leadership, leading to better trust and accountability in all aspects of health, safety and wellbeing management. In turn, this helps increase performance, influence ownership, improve customer service, reduce absence, reduce accidents and increase creativity and innovation, ultimately embedding a thriving culture throughout the organisation.

In FY23, a 'WeCare' engagement week was launched. Throughout the week Mitie's HSE function engaged with customers and frontline colleagues.

Health, safety and wellbeing are also key metrics in demonstrating that Mitie is a responsible business and adds social value, which helps Mitie to attract and retain employees and customers.

Social return on investment

During FY23 we introduced the Thrive platform, a portal that allows us as a Group, and our contracts, to measure social value contributions. Thrive aligns to PPN06/20, the Government's procurement model to deliver social value, and therefore the Social Value Model, using Impact Evaluation Standards which are a standard set of rules encompassing economic, sustainability, and community benefits, with financial 'Proxy Values' to enable accurate social value contributions to be calculated.

Mitie governance continued

Net Promoter Score (index)

Rebased to include Interserve

3pt

increase from previous year

FY23		+42
FY22		+39
FY21		+24

Description

Customer Net Promoter Score (NPS) is a widely used measurement derived by asking customers how likely they are to recommend a company's products and services to others. NPS continues to be an important metric for Mitie, to understand our customers' overall satisfaction with the quality of services provided and their willingness to recommend our products and services.

Our achievement

Mitie's overall NPS score is +42, an improvement of 3pt compared with the prior year. Supplementary to the main NPS question, we ask a number of questions to understand how our customers feel about partnering with Mitie. While all of the scores improved year-on-year, the largest increases recognise the innovation and technology we are bringing to our customers. The broader improvement in all scores supports the overall increase in NPS. The FY23 survey captured feedback from 1,044 customers.

Employee engagement (%)

7ppt

increase from previous year

FY23		57%
FY22		50%
FY21		55%
FY20		46%
FY19		45%

Description

The Group's success is underpinned by the way Mitie leads and engages with its people. The employee engagement (Upload) survey asks colleagues at Mitie how they feel about working within the organisation, and what improvements could be made. Beyond the annual survey, the Board and senior management regularly travel around the UK to engage with all employees, including our frontline colleagues.

Our achievement

The most recent annual Upload survey took place in April 2023. The participation rate increased by 7ppt to 54% of colleagues (84% of those working more than 35 hours per week), compared with the prior year. The overall employee engagement score rose by 7ppt to a record high of 57% of colleagues 'fully engaged' in the year.

Employee turnover

—

No change from previous year

FY23		19%
FY22		19%
FY21		12%
FY20		16%
FY19		20%

Description

Mitie measures the number of employees leaving us voluntarily over a 12-month period against our overall headcount. Voluntary attrition has been a focus area for a number of years as we strive to create a 'Great Place to Work' and become the employer of choice in our industry.

The data for FY21 and earlier is for Mitie prior to the acquisition of Interserve.

Our achievement

Employee turnover remained unchanged at 19%, which is broadly in line with pre-Covid levels. We provide our colleagues with a comprehensive industry-leading benefits package, including virtual GP access for all colleagues and those in their household, and life assurance for all colleagues. We also launched a Winter Support package in November 2022 to help our colleagues through the cost-of-living crisis.

Lost time injury frequency rate

Per million hours worked

0.3

increase from previous year

FY23		3.87
FY22		3.55
FY21		2.85
FY20		3.94
FY19		6.08

Description

Mitie's efforts to keep its people safe are of great importance and Mitie continues to focus on improving safety performance. Our overriding objective is to make Mitie the safest place to work, because we care, value and protect our people, the environment and society.

Our injury rate is just one measure to monitor our progress towards zero harm and includes all injury severities.

Our achievement

Mitie's commitment to ensuring near-misses and hazardous conditions are reported has helped to maintain a low number of injuries. It means potential risks can be identified and addressed before matters escalate. Accident rates remain broadly in line with the prior year.

Mitie governance continued

**Designated Non-Executive Director for workforce engagement**

Jennifer Duvalier is Mitie's designated Non-Executive Director responsible for oversight of the Board's engagement with Mitie colleagues. Jennifer participates directly in employee engagement initiatives and, along with other Board members, has carried out a full programme of activities in FY23. These events include colleague listening sessions, which ensure that the Board hears directly from frontline colleagues about what is working well at Mitie and what can be improved. One of Jennifer's main roles is to encourage colleagues to share their views. She then champions their voice in Board discussions.

Why Jennifer?

Prior to joining the Board in 2017, Jennifer had a long career in HR, working in several large, people-driven companies going through significant transformation. Jennifer brings this wealth of experience to Mitie.

Objectives

The objectives of Jennifer's programme of activities include:

- Ensure that the Board hears from a wide cross-section of Mitie colleagues both in the UK and internationally
- Hear from colleagues from a diverse range of backgrounds, roles, contracts and business units
- Ensure Board and MGX involvement in key equality, diversity and inclusion events

- Create opportunities to get involved in the work of colleagues to better understand their lived experience at work, subject to health and safety rules
- Create a cycle of feedback with the Board to inform decision-making and people strategy setting/deliverables, and ensure colleagues hear what actions are taken from these discussions

Board site visits

The Board is at the forefront of the journey to make Mitie a 'Great Place to Work' and is keen to understand the views of all employees and the impact its decisions have on them. During FY23, Mitie refreshed its process in relation to colleague listening sessions, with Jennifer and other Board members hosting at least one listening session with Mitie colleagues or attending a Mitie equality, diversity and inclusion event each month. The wider Board will continue to join Jennifer in attending listening sessions and equality, diversity and inclusion events during FY24.

The Board's role in colleague engagement is supported by Mitie's Chief People Officer and Internal Communications Business Partner. In collaboration with the business division leads, the Chief People Officer and Internal Communications Business Partner evaluate Mitie's Upload survey data and Net Promoter Score (NPS) scores to propose a range of site visits that ensure effective reach to Mitie colleagues globally.

The Internal Communications Business Partner facilitates these visits alongside the business unit and/or account lead. While each visit varies in structure, generally Board members receive a tour of the site or receive an overview of it, hold a one-to-one meeting with managers and then hold an informal session with the frontline site team without managers present. No specific topics for discussion are provided in advance, though the site team is advised that the Board would like to hear about their experiences of working at Mitie, whether they

have any challenges, concerns or ideas for improvement, and the things that they consider Mitie does well.

A summary of what Board members hear from colleagues is shared with the whole Board ahead of Board meetings and then discussed by the Board during its meetings. Where specific matters are raised, these are discussed with members of senior management to ensure they are properly considered and appropriately addressed.

Details of the Board's engagement with colleagues are shared through Mitie's internal communication channels – Minet/mitiepeople.com and in Mitie's weekly round-up email, Recap.

Jennifer's wider activities in relation to colleague listening

The Board considers it important that colleagues' views are heard through several mediums, including feedback from managers, surveys, internal communications and digital channels (such as Yammer), to develop an inclusive, two-way and 'One Mitie' culture. Therefore, as well as site visits and colleague listening sessions, Jennifer is involved in a range of other activities, including leading remuneration listening sessions, analysing feedback from Mitie's annual Upload survey and regular Pulse surveys, spending time with the HR teams and attending virtual Q&A events, and invites colleagues to contact her directly via her Mitie email address.

Why the role of designated Non-Executive Director for workforce engagement adds value (over and above other employee engagement mechanisms)

Through hosting colleague listening sessions, Jennifer and the wider Board meet people across the business and listen to their views and experiences to understand first-hand what they value about Mitie and what they would like to be different. The Board is also able to instil confidence that colleagues' views are being heard at the highest level of the organisation.



I always feel really energised when I leave colleague listening sessions about what is going well and the great ideas from colleagues for what can be improved. I am always blown away by how dedicated our frontline colleagues are to supporting our customers, often in very challenging circumstances.

Jennifer Duvalier
Designated Non-Executive Director for workforce engagement



Jennifer with colleagues at a panel discussion to celebrate International Women's Day in March 2023.

In analysing the feedback received, the Board can quickly identify any recurring concerns across the business and provide assurance that these will be managed effectively and efficiently.

Learnings and responses

Themes identified from the Board's colleague listening sessions during FY23 included:

- Benefits and recognition: awareness of Mitie benefits is mixed
- Technology and access to systems: recognised as an area for improvement for some Project Forté users
- Pay: rates of pay in the context of the cost-of-living crisis
- Communications: a desire for more effective communication with colleagues across business divisions

ESG governance

Actions over the year

Developed ESG strategy

Mitie's ESG strategy was developed by the ESG Committee during FY23 and presented to the Board for approval in September 2022. The ESG strategy forms the backbone of Mitie's drive towards a continuous improvement cycle for sustainability and social value within Mitie.

ESG performance

The Committee continued to improve Mitie's ESG scores with ESG rating agencies in FY23 and initiated improvement activities. Mitie received the highest-ranking Platinum Award in The Sustainable FM Index's December 2022 report for the second year running.

Employee engagement

The Board is at the forefront of the journey to make Mitie a 'Great Place to Work' and is keen to understand the views of all colleagues and the impact its decisions have on them. Mitie's annual colleague engagement survey provides feedback that management acts upon to improve the working experience at Mitie. The results of the Upload survey also provide the Board with a Group-wide snapshot of how our colleagues rate Mitie's culture and engagement. The most recent Upload survey took place in April 2023, with the employee engagement score rising by 7ppt to a record 57%.

Governance framework



Board	ESG Committee	Plan Zero Steering Group	Plan Zero Working Group
<p>The Board has overall responsibility for sustainability, environmental and climate-related matters, including Task Force on Climate-related Financial Disclosures (TCFD) risks and opportunities. It reviews climate-related risks and opportunities as part of its principal risks and business strategy considerations.</p> <p>Key achievements in FY23:</p> <ul style="list-style-type: none"> Monitors progress against social value and climate-related goals and targets Approval of the ESG strategy and the development of a Low Carbon Transition Plan Approval of the acquisition of Custom Solar following consideration of the strategic benefits to all stakeholders Approval of a £10m Winter Support package to help those colleagues most in need during the cost-of-living crisis Refreshed the Board's approach to improve our two-way communications through our colleague listening strategy focusing on hearing from and acting on colleague feedback Gifted free shares for the third year running, giving more to those that earn the least 	<p>Chaired by Salma Shah, our ESG Committee has oversight for social value, sustainability, environmental and climate-related matters, including TCFD risks and opportunities. Its key responsibilities are:</p> <ul style="list-style-type: none"> Preparing Mitie's ESG strategy and submitting it to the Board for final approval and adoption Promoting, overseeing and monitoring the implementation of the ESG strategy on behalf of Mitie Seeking to ensure that Mitie conducts its business in a responsible way to achieve positive impact on the communities, people and the environment in which it works, and consistently with the ESG strategy Reviewing and approving Mitie's Climate Change Risk Assessment document (TCFD risks and opportunities), following its approval by the Plan Zero Steering Group. The Committee also receives regular updates on outputs from Plan Zero Steering Group meetings <p>Key achievements in FY23:</p> <ul style="list-style-type: none"> Adoption of a science-based target for Scope 3 emissions Increasing the number of colleagues undertaking apprenticeships across Mitie – find out more on page 42 Increasing diversity of leadership roles and inclusivity in Mitie's culture – find out more on page 40 	<p>The Plan Zero Steering Group meets quarterly and reports to the Committee. Its members include Managing Directors of Mitie's business divisions and senior members of the Finance team. Its key responsibilities include:</p> <ul style="list-style-type: none"> Overseeing and directing the Plan Zero Working Group Delivering Plan Zero solutions and opportunities to Mitie's customers Reviewing and mitigating identified climate-related risks Realising climate-related opportunities Reviewing and approving Mitie's Climate Change Risk Assessment document (TCFD risks and opportunities) <p>Key achievements in FY23:</p> <ul style="list-style-type: none"> Completing a scenario analysis for physical climate risk in conjunction with our insurers – find out more on page 70 Identifying opportunities to expand Mitie's commercial decarbonisation offering – find out more about Decarbonisation, Delivered™ on page 21 Updating the risk matrix to incorporate further mitigation measures 	<p>The Plan Zero Working Group meets monthly and reports to the Plan Zero Steering Group. Its members include ESG team members and operational managers from across the Group. Its key responsibilities include:</p> <ul style="list-style-type: none"> Identifying and delivering actions to achieve Mitie's Plan Zero Initiative objectives Developing, reviewing and updating Mitie's Climate Change Risk Assessment document (TCFD risks and opportunities) <p>Key achievements in FY23:</p> <ul style="list-style-type: none"> Exceeding our electric vehicle (EV) target: we now have 3,194 EVs and our fleet is 45% electric. See more on page 16 Creating a Plan Zero Plastics Working Group, which is developing a heat map to identify where plastics can be removed or reduced across the business Launching our Plastics Charter, which sets out our responsibilities and objectives for plastic elimination Developing our processes around collecting our supply chain emissions – find out more on page 33

ESG governance continued

Climate scenario analysis

We are reducing our environmental impact as fast as we can, with ambitious, industry leading targets covering Scope 1, 2 and 3. However, if others don't take as ambitious action as we do, we know that we will be facing detrimental climate change consequences. To ensure we are fully aware of the risks and how to mitigate them, Mitie commissioned its insurers, Marsh, to conduct a climate-related scenario analysis considering impacts at 1.5°C and >3.0 °C, based on the analysis and likely impacts of these levels of heating contained within the IPCC Special Report on Global Warming of 1.5°C (IPCC Report), 2018.

Undertaking different scenarios

Mitie undertook a scenario analysis based on Representation Concentration Pathway (RCP) 2.6 and 8.5 across 500 sites incorporating the Mitie estate, key suppliers and strategic accounts; RCPs are greenhouse gas concentration trajectories adopted by the IPCC. RCP 2.6 most closely corresponds with the assumptions used within this analysis, as the speed of action required for this 'stringent pathway' scenario aligns to Mitie's Plan Zero strategy and ambitious targets of Net Zero operational emissions by 2025, and non-operational emissions by 2035, reaching zero and keeping global temperature rise below 2°C by 2100. RCP 8.5 is based on the worst-case scenario of emissions continuing to rise throughout the 21st century, leading to an expected temperature rise over 3°C. We conducted this scenario to give us a view of the challenges we would face if other organisations chose to do nothing.

This physical risk assessment allows us to understand long-term critical asset damage and failure probability, which feeds into our risk profile and financial modelling, helping to set our strategy. Marsh has combined climate models with Mitie portfolio data to produce a Climate Change assessment. This indicates how physical natural catastrophe damages are expected to evolve over time and identifies specific 'hot spot' sites most at risk from major climate-induced physical damage and which may benefit from mitigation planning.

This modelling generates severity outputs based on their damage potential, against seven climate perils: precipitation stress, river flood, sea level rise, drought, tropical cyclone, fire weather and heat stress. RCP 2.6 is used to identify sites at risk even in the case of least climate impact and RCP 8.5 identifies all sites with possible climate risk (and those with no apparent climate risk).

Results show sea level rise as main risk

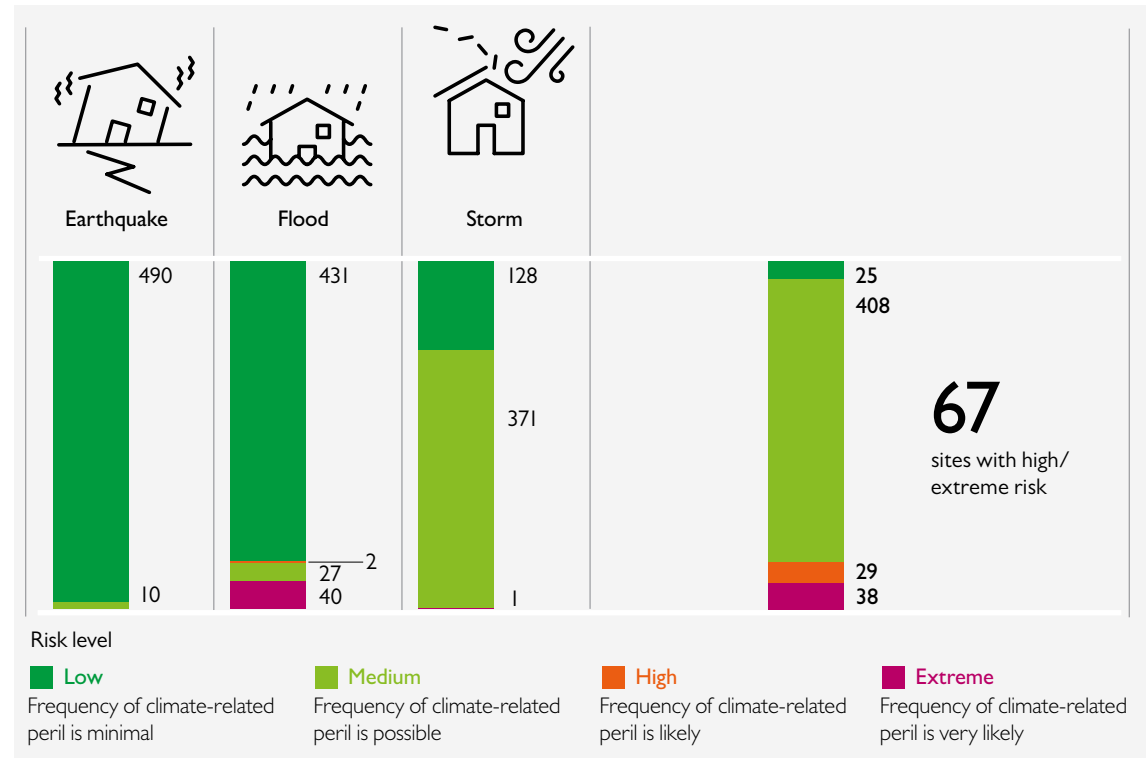
Our portfolio screening suggests that 67 Mitie sites could be at high/extreme risk from climate perils. Mitie's portfolio is generally low risk today, with 87% of assets with medium risk score or lower in 2020. Sites with medium and high risk are typically most at risk of flood exposure in UK, Spain and India.

Mitie's portfolio is generally low risk today, with 87% of assets with medium risk score or lower in 2020. Sites with medium and high risk are typically most at risk of flood exposure in UK, Spain and India.

We carried out a deep dive analysis for 95 assets based on whether they had high site values, were strategically important and those sites with high and/or very high-risk scores. Overall, these sites represent 42% of total expected cost of damage across the portfolio.

Our results outlined that sea level rise is expected to become the main area of increased risk from 2050 onwards, with 10 sites at high or extreme risk under RCP 2.6 and 28 sites at extreme risk under RCP 2.6 by 2100. Flood remains a consistently high risk for over 20 sites on RCP 8.5 pathway.

Mitie is committed to making changes aligning with as close to a 1.5°C scenario as possible in its own operations and expecting its supply chain to follow suit.



ESG governance continued

Task Force on Climate-related Financial Disclosures (TCFD)

The Group's approach to TCFD reporting continues to evolve, and this year has been no exception. Mitie is a strong advocate of TCFD reporting, recognising its potential to create a positive impact in the fight against climate change, especially as the disclosure of information regarding the financial implications can help redirect investments towards more sustainable and resilient solutions.

TCFD summary

A summary table aligned to the TCFD requirements has been provided to help signpost where compliance has been demonstrated. Mitie recognises that the TCFD is not a static framework and every year as more becomes known about the evolving climate change landscape the need to ensure the right improvements are driven at the right time is paramount. As a result, we have updated our compliance key to highlight where we will be driving improvements during the next financial year. Information on the specific actions we will take is detailed in the section titled 'actions we will take in FY24' on page 57 of our 2023 Annual Report and Accounts.



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Find out more about TCFD in our 2023 Annual Report



Or click me! 

TCFD recommendation	Recommended disclosures	Compliance position	
		FY22	FY23
Governance Disclose the organisation's governance around climate-related risks and opportunities.	A. Describe the Board's oversight of climate-related risks and opportunities.	●	●
	B. Describe management's role in assessing and managing climate-related risks and opportunities.	●	●
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	A. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	●	●
	B. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	●	●
	C. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	●	●
Risk management Disclose how the organisation identifies, assesses and manages climate-related risks.	A. Describe the organisation's processes for identifying and assessing climate-related risks.	●	●
	B. Describe the organisation's processes for managing climate-related risks.	●	●
	C. Describe how the processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	●	●
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	A. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	●	●
	B. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	●	●
	C. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	●	●

- Disclosure consistent with the recommended disclosure.
- Disclosure consistent with the recommended disclosure, further improvement opportunities planned.
- Disclosure not consistent with the recommended disclosure.

GHG reporting methodology statement for FY23

Reporting period

Emissions are reported against accounting year covering the period 1 April 2022 to 31 March 2023.

Reporting boundary

Financial control authority – Mitie reports any emissions from its operations for which it can directly influence financial and operational policies to gain economic benefit.

Greenhouse gases

All GHG emissions are reported in tonnes of carbon dioxide equivalent (tCO₂e) to account for all six of the Kyoto Protocol GHGs.

Emissions factors

Mitie has applied the UK Government's GHG reporting conversion factors for 2022.

Science-based target validation

Mitie has validated science-based targets.

Baseline year

Mitie's baseline was set at FY20 when the Plan Zero Strategy was launched. However, in FY23 we are reporting our full Scope 3 inventory, including our supply chain for the first time. Therefore, FY22 has been introduced as a new baseline in line with our policy. Our new carbon targets are shown in the table on the right.

Intensity ratio

Mitie uses tCO₂e/£m revenue as its intensity ratio to compare its emissions over time as it normalises for changes in the scale of Mitie's business activities.

Inclusions

For FY23, we have included supply chain emissions, increased commuting and working from home figures to cover all colleagues.

Exclusions

Mitie does not report fugitive emissions (refrigerant leakage) from refrigeration and air-conditioning systems in leased properties or fleet. This is due to the difficulty in obtaining centralised data on refrigerant top-ups and owing to many of our buildings being out of scope as landlords manage the HVAC systems. Given the size and types of emission sources listed by Mitie, fugitive emissions are expected to be a very small proportion of total emissions and are therefore considered immaterial.

Carbon targets (tCO ₂ e)	FY22	FY23	FY24	FY25	FY26
	New baseline ¹				
Scope 1 & 2	20,596	20,300	16,900	12,775	8,400
Scope 3	332,035	315,433	296,507	275,752	253,692
Total	352,631	335,733	313,407	288,527	262,092

1. The baseline for Scope 1 & 2 emissions remains the same for FY22 and FY23, reflecting the UK only targets. From FY24 onwards, the targets have been updated to include both UK and overseas reporting.

FY23 – Carbon emissions breakdown

	Emissions (tCO ₂ e)	%
Electricity	1,067	0.3
Gas	360	0.1
Water	2	0
Transport/Travel	28,602	8.9
Waste	6	0
Commuting/Working from home	46,498	14.4
Supply chain	246,018	76.3
Total	322,553	
Mitie Scope 1 and 2 (UK and overseas)	22,439	
Mitie Scope 3 (UK and overseas)	300,114	
Total	322,553	

GHG reporting methodology statement for FY23 continued

Scope of emissions

Scope 1 – Direct emissions

On-site fuel combustion

- Gas directly purchased for heating or generation across leased property managed by Mitie

Company vehicles

- Fuel purchased for fleet vehicles

Fugitive emissions

- Refrigerant leaks from air-conditioning (RAC) equipment in leased assets and fleet vehicles¹

Scope 2 – Indirect emissions

Purchased electricity

- Electricity directly purchased across leased property and EVs managed by Mitie

Scope 3 – Other indirect emissions

Purchased goods and services

- Purchased goods and services from supply chain

Fuel and energy related activities

- Electricity transmission and distribution (T&D) losses
- Upstream emissions associated with the extraction of purchased fuels and gas
- Gas and electricity recharges across leased property managed by the landlord

Upstream transportation and distribution

Transportation of goods

Waste

- Waste generation across leased property

Water

- Water usage across leased property

Business travel

- Expensed air, road and rail travel (including hotel stays)

Employee commuting

- Commuting (all forms of transport)
- Working from home

1. Fugitive emissions are not reported as outlined in the exclusions statement.

Process

Mitie follows the reporting approach set out in the UK Government's Environmental Reporting Guidance (2019 version) to ensure that reporting standards are robust and transparent.

For most of its major emissions sources, Mitie uses primary data from automatic meter readings, utility bills, service charge data and expensed claims.

Emissions data is collated centrally by Mitie Energy on a quarterly basis and then restated at the end of the year to reflect any changes or to replace any estimated data with actual data (where available). Emissions figures are verified by the Sustainability team, who have overall responsibility for ensuring the calculations and methodology are correct.

Mitie obtained independent verification on the accuracy of selected information included in Mitie's FY23 GHG UK emissions and water consumption datasets, in accordance with (1) ISO 4064-1 Specification with guidance at the organisation level for quantification and reporting of GHG emissions and removals, and (2) Global Reporting Initiative's (GRI), G4 Sustainability Reporting Guidelines.

Data sources

Scope 1 and 2

Gas and electricity consumption

Information is populated from automatic meter readings (AMRs), invoiced data, service charge data and estimates. AMR data has priority, followed by supplier or service charge data. If none of this is available, then an estimate will be generated based on all data for other sites. This is used to calculate an average kWh/m² for the Mitie estate, and the estimate is this average multiplied by the floor area for the site in question. For sites where, in addition to a direct supply, there is also a service charge for energy use within the communal areas, the figures are added together.

For sites where invoiced data is only available for a partial period, the data has been apportioned based on the average kWh/day for each site, based on the billing data that is held. Unless advised otherwise by the property, sites are assumed to have all supplies in place. This information is taken from the Mitie Property Master Site List, which is updated in real time. Data is obtained from the data collector for HH/AMR data, the SRI80 export from Optima for invoiced data and directly from the landlords for service charge data.

Company vehicles

Data is provided by Mitie's fuel card provider, and users then submit their monthly business and personal mileage via our Fleet Data Platform.

As personal mileage must not be included within the report, we have undertaken a check of the data, comparing total business miles and total personal miles, and agreeing that the percentage split is 77% of consumption for business purposes. Within the raw datasets is the 100% figure, and this split is then calculated within the Consumption and Environmental tabs. This ensures that the raw data within the report matches the files received from the Fleet team.

Scope 3

Purchased goods and services

These emissions are calculated from 60% of our supply chain category spend, which comprises around 370 suppliers. The remaining 40% is extrapolated. Mitie engages directly with our supply chain to obtain carbon emissions or consumption data to apply to their carbon inventory. This is the first year Mitie has reported against this category.

Business travel

Business travel (Air, Rail and Hotel Stays) is provided by our Corporate Travel Provider in a report from their dashboard.

Upstream transportation and distribution

Emissions calculated from the delivery and transportation of goods to Mitie-run facilities, including our own estate and customer contract premises.

Fuel and energy related activities

Scope 1 and 2 data is used and Defra emissions factors for Scope 3 are then applied. Landlord recharge data is calculated from service charge bills or estimated from an anticipated energy use per square metre. This is calculated using actual billing data received.

GHG reporting methodology statement for FY23 continued

Estimations

Where leased building utility data is unavailable, estimations are made using an anticipated energy use per square metre. This is calculated using a combination of half hourly meters and actual billing data received across the estate. For sites where invoice data is only available for a partial period, the available data is apportioned using an average kWh/day figure based on known utility data from other sites. Waste data is estimated using an average waste per desk figure based on actual data we receive.

FY23 position

At Mitie, we see the climate emergency as a business-critical issue that needs to be addressed within our operations.

Three years ago, we launched our industry-leading Plan Zero commitment to set a clear pathway on how we will decarbonise our business and reach Net Zero carbon emissions by 2025 (Scope 1 and 2).

This focuses on three key areas:

- Eliminate carbon emission from power and transport
- Eradicate non-sustainable waste
- Enhance inefficient buildings to meet the highest environmental standards

We received confirmation that we had achieved validated near- and long-term science-based targets from the Science Based Targets initiative. These targets cover Scope 1, 2 and 3.

Absolute emissions

	Emissions	FY22	FY23	Change from previous year	% change from previous year
UK only	Total Scope 1 (tCO₂e)	19,414	19,225	-189	-1%
	Emissions from fuel combustion across our fleet	19,371	19,177	-194	-1%
	Emissions from fuel combustion in our occupied buildings	43	48	5	12%
Overseas	Total Scope 1 (tCO₂e)	–	1,305	–	–
	Emissions from fuel combustion across our fleet	–	1,305	–	–
UK & overseas	Total Scope 1 (tCO₂e)	19,414	20,530	1,116	6%
UK only	Total Scope 2 (tCO₂e)	1,182	1,890	708	60%
	Emissions from the purchase of electricity across occupied buildings (location based)	307	433	126	41%
	Emissions from electricity combustion across our EV fleet	875	1,457	582	67%
Overseas	Total Scope 2 (tCO₂e)	–	19	–	–
	Emissions from the purchase of electricity across occupied buildings (location based)	–	19	–	–
UK & overseas	Total Scope 2 (tCO₂e)	1,182	1,909	727	62%
UK only	Total Scope 1 & 2 (location based)	20,596	21,115	519	3%
	Total Scope 1 & 2 (market based)	20,289	20,682	393	2%
Overseas	Total Scope 1 & 2 (location based)	–	1,324	–	–
	Total Scope 1 & 2 (market based)	–	1,324	–	–
UK & overseas	Total Scope 1 & 2 (location based)	20,596	22,439	1,843	9%
	Total Scope 1 & 2 (market based)	20,289	22,006	1,717	8%
Intensity – emissions ratio					
UK only	tCO₂e/£m revenue (Scope 1 & 2)	5.28	5.21	-0.07	-1%
UK & overseas	tCO₂e/£m revenue (Scope 1 & 2)	5.28	5.54	0.26	5%
UK only	Total Scope 3 (tCO₂e)	274,007	298,950	24,943	9%
	Mitie generated Scope 3	7,936	52,932	44,996	567%
	Supply chain emissions	266,071	246,018	-20,053	-8%
Overseas	Total Scope 3 (tCO₂e)	–	1,164	–	–
	Mitie generated Scope 3	–	1,164	–	–
UK & overseas	Total Scope 3 (tCO₂e)	274,007¹	300,114	26,107	10%
UK & overseas	Total Scope 1, 2 & 3 (tCO₂e)	294,603	322,553	27,950	9%

1. During FY23 we retrospectively obtained Scope 3 data for FY22 as part of the work completed for the SBTi. This activity was completed after publication of the FY22 annual report.

GHG reporting methodology statement for FY23 continued

Like-for-like analysis highlights that Mitie's Scope 1 and 2 UK emissions have increased by 3%, however emissions intensity has decreased by 1%. Mitie had a 7% increase in gas consumption for heating and 10% increase in electricity consumption for our built estate as shown in the table below. These are attributed to progress towards fuller occupancy as increasing numbers of colleagues return to the workplace following the pandemic. It is further noted that Mitie has increased its carbon inventory with some significant acquisitions over this period.

We continue to see a significant increase in electricity emissions for our electric vehicle (EV) fleet as we transition further to an all-electric fleet. Mitie has increased the EVs in service during the year by 977 and as at 31 March 2023 had 3,194 EVs in operation (45% of the fleet) and this initiative will continue to reduce our Scope 1 emissions from fossil fuels. Our total fleet has increased by 384 vehicles as a result of acquisitions.

For our FY23 reporting, we have included the supply chain segment of our Scope 3 emissions for both FY22 and FY23, and commuting and working from home figures to cover all colleagues for FY23, resulting in a significant increase to previously reported figures.

TCFD continual improvement – actions we will take in FY24

During FY24, Mitie will:

- Roll out both preventative and improvement measures in response to the findings from our FY23 scenario analysis focused on extreme weather events
- Extend our scenario analysis to focus on the impact of transition risks
- Extend our financial framework to include a modelling assessment of our material climate-related opportunities
- Review the inclusion of internal and external carbon prices into our metrics framework

Environmental data

The below table provides further details on our UK environmental performance:

	FY22	FY23	Change from previous year	% change from previous year
Electricity consumed across occupied buildings (kWh)	4,502,916	4,931,269	428,353	10%
Gas consumed across occupied buildings (kWh)	1,554,794	1,668,849	114,055	7%
Fuel used by vehicles for business travel (kWh)	82,848,214	80,238,049	-2,610,165	-3%
Electricity used by EV vehicles for business travel (kWh)	4,122,667	7,331,647	3,208,980	78%
Total organisational energy consumption (kWh)	93,028,591	94,169,814	1,151,223	1%
Water consumed across occupied buildings (m ³)	4,396	16,392	11,996	273%
Total waste generated across occupied buildings (tonnes)	368	306	-62	-17%
Total waste to landfill (tonnes)	19	2	-17	-88%
Energy from waste (tonnes)	135	82	-53	-39%
Total waste recycled (tonnes)	214	222	8	4%
Recycling rate	58%	72%	14ppt	

Environmental targets

	Actual			Target		
	FY23	FY24	FY25	FY23	FY24	FY25
CO ₂ emissions (tonnes) – Scope 1 & 2 ¹	22,439	16,900	12,775			
Of which: UK	21,115	–	–			
Of which: Overseas	1,324	–	–			
CO ₂ emissions (tonnes) – Scope 3	300,114	296,507	275,752			
% of fleet zero carbon	45	65	85 ²			
Waste to landfill (tonnes)	2	50	0			

1. In FY22, we reported that our FY23 target for Scope 1 & 2 emissions was 20,300 tCO₂e. This target represented UK emissions only. For ease of reference, we have provided the breakdown of our FY23 actual Scope 1 & 2 emissions for the UK and overseas. From FY24, we will be using our rebaselined carbon emissions targets as detailed on page 10, which incorporates the UK and overseas.

2. 85% is based on completion by 31 December 2025 as detailed on page 13.

GHG reporting methodology statement for FY23 continued

Resource	Details	Scope	Units	18/19 Baseline Totals	19/20 Annual Total	20/21 Annual Total	21/22 Annual Total	22/23 Annual Total	% Change vs. Baseline	% Change vs. Previous Year
Gas	MITIE Supplies	Scope 1	tCO ₂ e	541.82	279.02	162.23	42.95	47.61	-91%	11%
Transport Fuel	Fleet (Liquid Fuel)	Scope 1	tCO ₂ e	27,513.63	26,162.21	18,556.73	19,371.28	20,482.13	-26%	6%
Electricity	MITIE Supplies – Generation	Scope 2	tCO ₂ e	857.08	612.90	463.62	307.09	452.34	-38%	73%
Transport Fuel	Electricity (EV)	Scope 2	tCO ₂ e		18.21	22.02	875.32	1,456.87		66%
Gas	MITIE Supplies – Upstream	Scope 3	tCO ₂ e	75.31	36.29	21.10	48.74	51.90	-31%	6%
Gas	Landlord Supplies	Scope 3	tCO ₂ e	119.00	436.08	378.63	243.73	259.98	118%	7%
Electricity	MITIE Supplies – T&D Losses	Scope 3	tCO ₂ e	73.06	52.04	39.87	84.61	94.35	29%	12%
Electricity	Landlord Supplies – All	Scope 3	tCO ₂ e	188.00	486.23	254.84	649.01	520.28	177%	-20%
Water	All	Scope 3	tCO ₂ e	31.03	38.95	9.18	0.65	2.44	-92%	273%
Landfill Waste	–	Scope 3	tCO ₂ e	220.57	220.57	5.42	8.82	1.03	-100%	-88%
EFW/Recycled/AD Waste	–	Scope 3	tCO ₂ e	7.81	7.81	6.60	7.44	5.41	-31%	-27%
Transport Fuel	Fleet – Upstream	Scope 3	tCO ₂ e	6,530.59	6,254.86	4,469.51	4,871.63	4,751.92	-27%	-2%
Transport Fuel	Expensed – Upstream	Scope 3	tCO ₂ e	1,093.00	1,518.76	690.44			-100%	
Transport Fuel	Electricity (EV) – Upstream	Scope 3	tCO ₂ e		1.55	1.89	29.56	50.88		72%
Business Travel	Rail	Scope 3	tCO ₂ e	299.09	299.09	24.06	166.53	241.12	-19%	45%
Business Travel	Air	Scope 3	tCO ₂ e	407.83	407.83	33.04	279.69	885.87	117%	217%
Business Travel	Hotel Stay	Scope 3	tCO ₂ e	423.67	423.67	403.87	832.25	733.70	73%	-12%
Commuting	Commuting Survey	Scope 3	tCO ₂ e	767.41		767.41	310.21	45,540.84	5,834%	14580%
Working From Home	Working From Home	Scope 3	tCO ₂ e	93.08		93.08	403.44	957.01	928%	137%
Supply Chain	Purchased Goods & Services	Scope 3	tCO ₂ e				257,010.14	215,556.40		-16%
Supply Chain	Upstream Transport & Distribution	Scope 3	tCO ₂ e				9,060.36	30,461.30		236%
Electricity Total	All	All Scopes	tCO ₂ e	1,118.14	1,151.18	758.33	1,040.71	1,066.97	2%	10%
Gas Total	All	All Scopes	tCO ₂ e	736.14	751.38	561.96	335.42	359.49	-51%	7%
Transport Total	All	All Scopes	tCO ₂ e	35,844.14	34,662.51	23,797.69	25,594.01	27,868.79	-22%	9%
Water Total	All	Scope 3	tCO ₂ e	31.03	38.95	9.18	0.65	2.44	-92%	273%
Waste Total	All	Scope 3	tCO ₂ e	219.03	525.18	264.02	649.67	522.73	139%	-20%
Supply Chain	All	Scope 3	tCO ₂ e				266,071	246,018		-8%
Total by Scope		Scope 1	tCO ₂ e	28,055.45	26,441.23	18,718.96	19,414.23	20,529.74	-27%	6%
Total by Scope		Scope 2	tCO ₂ e	857.08	631.11	485.65	1,182.41	1,909.21	123%	61%
Total by Scope		Scope 3	tCO ₂ e	10,329.45	10,183.73	7,198.95	274,006.83	300,114.45	2,805%	10%
Total		All Scopes	tCO ₂ e	39,241.98	37,256.07	26,403.56	294,603.47	322,553.40	722%	9%
Total	3 Excluding Upstream	Scope 3	tCO ₂ e	2,557.49	2,320.23	1,976.14	259,911.92	264,704.09	10,250%	2%
Total Excluding Upstream		All Scopes	tCO ₂ e	31,470.02	29,392.57	21,180.75	280,508.56	287,143.04	812%	2%
Intensity	Employee	Scope 1&2	tCO ₂ e/employee	0.59	0.52	0.37	0.31	0.39	-34%	25%
Intensity	Revenue	Scope 1&2	tCO ₂ e/£m	14.46	12.19	8.98	5.28	5.54	-62%	5%
Intensity (UK Only)	Revenue	Scope 1&2	tCO ₂ e/£m		12.19	8.98	5.28	5.21	-1%	-1%
Intensity	Water	–	m ³ /employee	0.56	0.71	0.51	0.07	0.29	-49%	327%
Intensity	Water	–	tCO ₂ e/employee	0.00	0.00	0.00	0.00	0.00	-93%	327%
Intensity	Water	–	tCO ₂ e/£m	0.02	0.02	0.00	0.00	0.00	-96%	259%
Intensity	Created Waste	–	tCO ₂ e/employee	0.00	0.00	0.00				



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