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Responsible Business Report 2021

THE GLOBAL GOALS
FOR SUSTAINABLE DEVELOPMENT



SUSTAINABILITY REPORT

FES Group is a leader within the UK Building Services market. As part of our role within this industry we have an obligation to ensure that the delivery of our projects are both for the benefit of the local community and the environment.

OUR MISSION

To responsibly design, build, operate and maintain buildings and infrastructure.

OUR VISION

To create exceptional environments for present and future generations.

OUR VALUES

We continue to live our values of passion, integrity and engineering and service excellence.

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Foreword

We recognise the opportunity and responsibility that we have as a business to make a positive impact on our people, communities and the environment.

In order to remain at the forefront of delivering engineering and service excellence, we must continue to commit to new and challenging targets.

Our Sustainability Policy, announced in September 2020 demonstrates our long-term commitment to sustainable development across all our business activities.

Duncan K Fletcher

Vice Chairman FES Group

Accreditations

As a reflection of our experience, commitment and quality, we have gained some of the industry's highest third party certification.



THE GLOBAL GOALS

The Sustainable Development Goals (SDGs) were adopted in 2015 by the 193 United Nations (UN) member states.

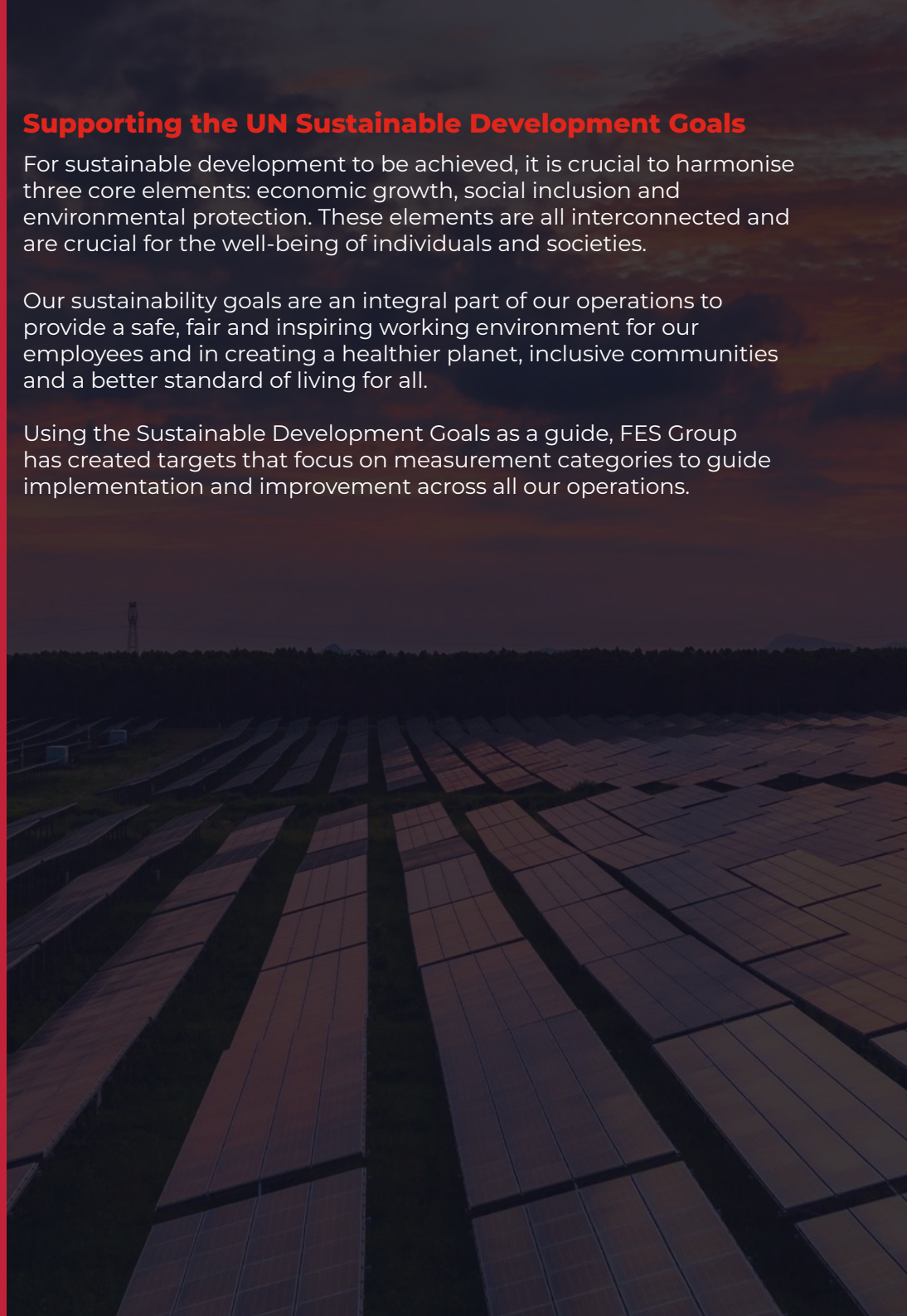
There are 17 goals which address economic, environmental and social impacts, and are designed to form a blueprint for good growth, nationally and internationally by 2030.

Supporting the UN Sustainable Development Goals

For sustainable development to be achieved, it is crucial to harmonise three core elements: economic growth, social inclusion and environmental protection. These elements are all interconnected and are crucial for the well-being of individuals and societies.

Our sustainability goals are an integral part of our operations to provide a safe, fair and inspiring working environment for our employees and in creating a healthier planet, inclusive communities and a better standard of living for all.

Using the Sustainable Development Goals as a guide, FES Group has created targets that focus on measurement categories to guide implementation and improvement across all our operations.



SAFETY

GOOD HEALTH AND WELL-
BEING

We aim to protect our people, our contractors and the customers who live and work in the communities that we serve by ensuring our operations are carried out safely every single day.



SUMMARY

Our sustained focus on protecting the Health & Safety of everyone working for and on our behalf has continued to yield impressive results. We have continued to see a downward trend in our accident rate. Overall, the total accident rate has reduced by 52% since 2015.

We wish to reach a state where we have no accidents, incidents and cases of ill health. We will achieve this state by concentrating our efforts on assessing and robustly controlling our most significant risks and by leading, motivating, supporting and challenging our people to improve locally so that we may collectively perform to the highest possible standards.





EMPLOYEE WELL-BEING

We have embraced the positive steps taken in improving mental health and have trained 16 mental health first-aiders that provide staff members with first-contact assistance.

In addition to this, we also provide an Employee Assistance Program (EAP) via AXA PPP Healthcare that provides practical and impartial support on everyday matters ranging from financial, legal to home and family issues.

SAFETY

OUR ACHIEVEMENTS

59%

Reduction in total accidents over last 5 years

0.04

AFR average since 2015

0.03

AFR 2021

0.04

RIDDOR 2020

8000+

Employee hours spent in training

5

New mental health first aiders

PEOPLE

QUALITY EDUCATION

FES Group seeks to nurture best performance from its staff and to encourage their personal and professional development.

4 QUALITY EDUCATION



SUMMARY

For over 55 years education and opportunities for young people have been a driving force in company policy. We have expanded on this over the years, providing educational opportunities for all staff members.

Our objective is to ensure that all our employees receive training to allow competence to be achieved across all the business activities. This approach leads to improved performance and increased empowerment within the organisation stimulating the motivation of individuals to develop their skills and knowledge.

FES Group is one the largest recruiters and trainers of apprentices within the building services industry, recruiting on average 40-50 new apprentices each year across various trades and roles.



HAND PICKED ACADEMY

Each year FES partners with Hand Picked to hold apprenticeship academies for pre-employment pupils from local schools at our training academy. Hand Picked is a unique employer sponsorship programme, which supports young people into employment.

The sessions provide workshops designed to prepare the participants for the workplace, including practical classes, social etiquette and intensive preparation for interviews.

These academies are a vital element of our recruitment programme for the next intake of apprentices and we commit to continuing this unique programme.

PEOPLE

OUR ACHIEVEMENTS

90%+

Apprenticeship retention since 2015

200

Apprentices and staff in training

100%

University interns retained

1,650

Apprentices trained since founding

4

Graduate apprentices employed

STEM WORKSHOPS

Secondary and Primary school presentations

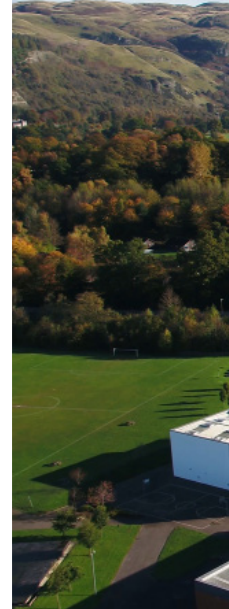
COMMUNITIES

DECENT WORK AND ECONOMIC GROWTH

We recognise that our responsibilities extend beyond our immediate operations and into the communities that we work within and wider society as a whole.

It is important to us that FES Group contributes to the communities in which we operate.

8 DECENT WORK AND
ECONOMIC GROWTH



SUMMARY

To enhance our impact on our local communities, we work in accordance with our Corporate Social Responsibility (CSR) policy and strategy which has been developed in line with the Social Value Act 2012 and the principles of ISO 26000.

Through our continual support and investment in local community initiatives, we provide employment opportunities to the long-term unemployed and young people who are Not in Education, Employment or Training (NEET) delivering a meaningful positive social and economic impact.



LOCAL IMPACT

A key foundation of our success is through our commitment to recruit, train, develop and promote our people.

This commitment and our ability to transfer staff to other divisions within the Group provides opportunities for staff development and progression and ultimately providing secure decent work for our employees.

As we continue as a business to diversify into new and emerging sectors, we not only provide new employment opportunities but contribute to our own economic growth.

COMMUNITIES

OUR ACHIEVEMENTS

PEOPLE

2000+ directly employed

EMPLOYMENT

Disability Confident
Employer

ARMED FORCES

Community Employer

INVESTORS IN YOUNG PEOPLE

Good Practice Award

LIVING WAGE EMPLOYER

Accredited Business

INNOVATION

INDUSTRY, INNOVATION AND INFRASTRUCTURE

Our business is driven by innovation, everything we do is focused on providing services and solutions that satisfy the changing needs of our customers and industry.



SUMMARY

Low carbon technologies, innovative use of natural resources and disruptive infrastructure and fabrication techniques are key to our operations and success.

Through our own research and development activities we are shaping a low carbon future for our customers nurturing innovative technologies and creating new ways of doing business that transform industries.

We have developed various demonstrator projects using technologies to deliver heat and power with zero dependency on fossil fuels with a goal to create a more sustainable future for our business and customers.



PREFABRICATION

Our Prefabrication Facility located in Stirling is an innovative aspect of our delivery of projects, sometimes reducing traditional site installation times by as much as 85%.

This process has massive benefits for sustainability, as the products are constructed in a clean, unobtrusive environment and reduces leftover waste products, with unused material being able to be recycled or used in other projects.

As well as the benefits to waste management, modular design and production being localised to a specific premises and then transported in a single journey reduces carbon emissions for our fleet and reduces local noise levels for nearby residents.

INNOVATION

OUR ACHIEVEMENTS

85%

Reduction time on site due to off site fabrication

400

Battery storage systems installed

700kWth

Heat generated from waste water plant installed

20km

District heat pipework installed

UK's first ambient district heating network at AMIDS

2

A9 low carbon vehicle electrification schemes

Innovative construction methods including recycled plastic road

ENVIRONMENT

RESPONSIBLE CONSUMPTION AND PRODUCTION

We recognise that as a responsible business we must take steps to manage our own impact on the environment, both to reduce our carbon emissions and to ensure efficient use of resources.

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



SUMMARY

Operating sustainably means that we strive to lessen the environmental impact of our operations. We want to make sure that our operations contribute to the UK achieving its carbon emissions targets and wider sustainability objectives.

We have also taken steps to ensure that our own energy consumption is more sustainable. We have installed a solar PV array and a battery storage system at our head office to reduce our dependency on fossil fuels and connected grid services.

We have developed our consumption and production in line with the most sustainable techniques possible, sourcing locally, recycling when possible, and reusing resources when applicable.



PRODUCTION

One of our largest areas of energy consumption and carbon output is our fleet. We have identified this issue and have taken several steps to reduce future impact by mixing our fleet with carbon reduction technology.

These steps have reduced our energy consumption by 1% compared to last year, and reduced our fleet consumption per 100km by 11% compared to 2015. This has been done through the utilisation of more efficient engine types and the use of electric vehicles in the delivery of urban based projects.

FES Group has operated electric vehicles in our fleet since 2010 and is continuing to expand our electric vehicle fleet.

We have also encouraged the uptake of electric vehicles for our office based staff by installing EV chargers within the premises of our office buildings.

ENVIRONMENT

OUR ACHIEVEMENTS

58,000kWh

Solar PV generation at FES offices

11% Reduction

In fleet efficiency per 100km since 2015

170,011kWh Reduction

In fleet energy usage in 2021

360t Reduction

of transport travel emissions

75%

increase in electric vehicle chargers installed at FES offices

NET ZERO

CLIMATE ACTION

FES understands the impact that a business can have on the environment so we are taking integral steps to mitigate any impact that our company may have.

In joining stakeholders from around the globe FES Group has pledged to effectively help implement the Paris Agreement to accelerate the transformative change needed to reach greenhouse gas emission neutrality in the second half of the twenty-first century, while also supporting the achievement of the Sustainable Development Goals.



SUMMARY

The Climate Neutral Now is an initiative launched by UN Climate Change in 2015 to encourage everyone in society to take action to help achieve a climate neutral world by mid-century, as enshrined in the Paris Agreement.

FES Group is working with One Carbon World to achieve climate neutrality by addressing our own climate footprint across direct and indirect emissions (Scope 1, 2 and 3).

Our goal is to reduce our carbon footprint as much as possible through our own actions and compensate those which cannot be currently avoided by using UN certified emission reductions.

In addition, each year we contribute to the natural regeneration of native seedlings and carbon capture over circa 10,000 acres of hill ground within Scotland.



ZERO CARBON INITIATIVE

We have set long term targets to decouple our operational environmental impacts from our economic growth. Between 2015 (our baseline year) and 2021, we reduced our consumption of energy by 25% and increased our office recycling rate to 90%.

We continue to report our energy use, CO2 emissions and energy efficiency measures in accordance with the Streamlined Energy and Carbon Reporting (SECR). SECR replaces the previous CRC scheme and builds on the Energy Savings Opportunity Scheme (ESOS).

NET ZERO

OUR ACHIEVEMENTS

Net Zero

FES Group is Climate Neutral for 2020

25%

Reduction in company premises electricity usage since 2015

100%

Green energy across all FES offices

1% Reduction

In overall annual energy consumption 2021

**EcoVadis Silver
Sustainability Rated**

20,000 Trees

Planted since 2015

Climate Neutral

UN Pledge

ConstructZero Business
Champion

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