



Edwin James Group

Environmental, Social and Governance Report

1st March 2022 – 28th February 2023

**ENGINEERING
A BETTER WAY**



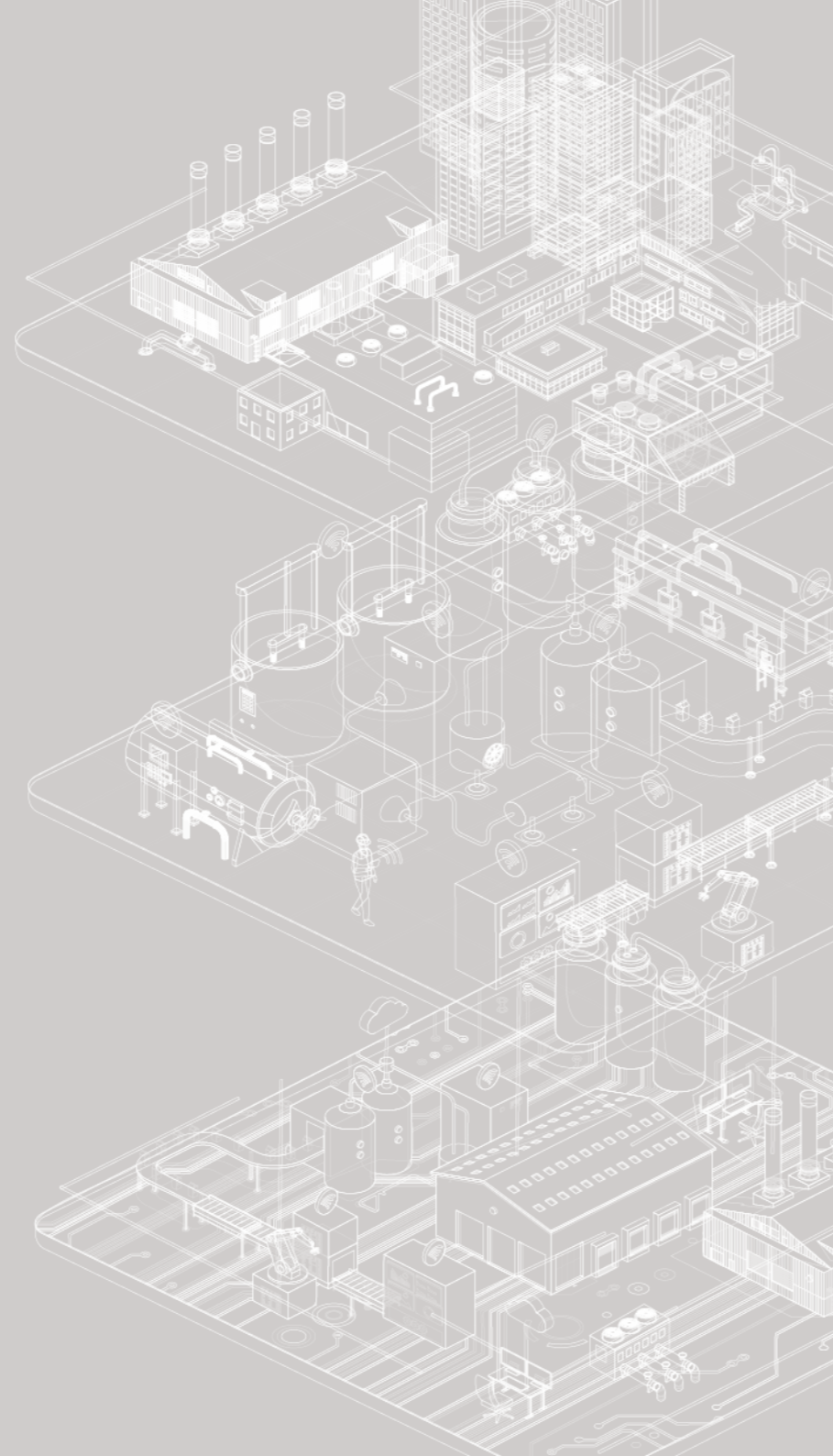
Engineering a better way

Edwin James Group is a technology-led engineering services provider, supporting customers in their built, process and digital environments.

We keep industry moving forwards by combining engineering excellence with leading technology to deliver transformational services.

Every part of our business operates a simple philosophy. To be successful we need to look after our clients better than anyone else and we need to invest in the quality and safety of our colleagues.

We call it the EJ Way.



Contents

About us	2
Welcome	4
Highlights	5
Our ESG ambitions	6
Our ESG targets	7
Ambition 1 Environmental Sustainability	8
Ambition 2 Social Responsibility	13
Ambition 3 Corporate Governance	17

Welcome

I am pleased to welcome you to Edwin James Group's Environmental, Social and Governance Report for 2023.

As CEO it is my privilege to share with you our commitment to responsible and sustainable business practices and the progress we have made in these critical areas.

At Edwin James we firmly believe that our success should be measured not only by financial achievement but also by the positive impact we make on the world around us. This ESG report is a testament to our dedication towards sustainable excellence and outlines our initiatives, accomplishments and strategies we have adopted to drive positive change in key areas.

In this report, you will read about our commitment to environmental responsibility and how our efforts have led to a 10% reduction in our carbon footprint with plans to go even further with ambitious targets for the coming years.

I am delighted with our continuing approach to social impact. Our colleagues are at the heart of everything we do and we are committed to fostering a diverse and inclusive workplace, ensuring fair treatment of our colleagues and partners and

actively engaging with our communities within which we operate to create lasting positive change. We continue to provide excellent training through the EJ Academy, our Learning and Development pathway for all colleagues.

On governance, our values and practices are designed to protect the interests of all stakeholders and ensure the long-term sustainability of our business with the highest standards of ethical conduct, transparency and accountability.

At Edwin James we understand that this journey towards sustainability is ongoing and we embrace the opportunity to learn, adapt and improve continuously. I extend my sincere gratitude to our dedicated colleagues, partners, customers, and shareholders who have played a pivotal role in our ESG efforts. Together, we are building a more sustainable and responsible future.

Thank you for your continued trust and support.

Christopher Kehoe,
Group CEO



Highlights



Gold Medal Award
RoSPA Awards 2023

WINNER



ECITB
Training and
Development
Awards 2022

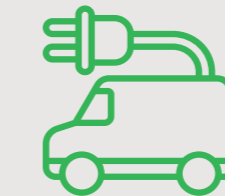
WINNER



Reduction
10%
in Scope 1 and 2 Emissions

>90%

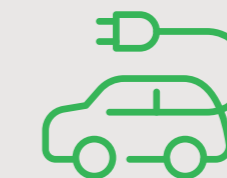
Office Electricity
from Renewables



Emissions reduction
9%
in company owned fleet

>35%

Company Cars
Fully Electric



Accident Incident Rate

0

No RIDDOR reportable
incidents during the year



50%

Reduction in personal
safety accidents since
March 2020



Training Hours

+80k

Delivered through EJ Academy

Our ESG ambitions



To provide sustainable asset engineering services with a thriving and prosperous workforce and engaging leadership

1

Environmental Sustainability

Accelerate the Group's approach to Net Zero through industry leadership and innovation.

2

Social Responsibility

Ensure safe and healthy workplaces for our colleagues, increase diversity and promote inclusion and develop our talent through training, coaching and mentorship.

3

Corporate Governance

Deliver the highest standards of governance through strong leadership geared towards creating value, driving transformation and delivering on our Environmental and Social ambitions.

Our ESG targets



1

Environmental Sustainability

- Net Zero by 2030
- Waste management: zero waste to landfill by 2030

2

Social Responsibility

- A healthy and safe working environment for our colleagues – halve the number of incidents by 2025
- Embrace diversity and promote inclusion – taking Group-wide actions to close the gap against engineering sector standards for workforce diversity
- Attract and retain talent – increase retention rate

3

Corporate Governance

- Maintain ISO certifications and IT security standards
- Report progress against our ESG ambitions and targets to stakeholders
- Make the appropriate choices to ensure the sustainability of the Edwin James Group, our colleagues, and our investors.
- Ensure we pay fairly and offer long term employment security

Environmental Sustainability

CO₂

Ambition 1 Environmental Sustainability

Edwin James Group is committed to tackling climate change and accelerating our actions towards providing sustainable engineering services.

Achieve Net Zero by 2030

(50% reduction by 2025)

In our Streamlined Energy and Carbon Report (SECR) for 2022-2023, we reported an encouraging 10% reduction in total Scope 1 and 2 emissions to 1,717 tCO₂e. Whilst this represents only a slight 2% reduction on our 2020-2021 baseline figures, it should be acknowledged that emissions data during and post-Covid, may not have been representative.

Despite this the Group's emissions performance is moving in the right direction and our plans remain to reduce and eliminate Scope 1 and Scope 2 emissions in line with our Glidepath to Net Zero through the following activities:

Consolidating our switch-over to renewable energy in our offices:

In the past year, we have sourced almost 90% of our offices' electricity requirements from renewable sources. Our aim is to source all our electricity needs from renewables.

Reducing energy usage in our offices:

Over the past year Edwin James Group has continued to benefit from its energy reduction projects and has removed a further 55 tonnes of CO₂e through reduced gas and electricity consumption, representing an 18% decrease from the previous year.

Reducing fleet emissions: Emissions from our company-owned fleet have reduced by 9% in the current year. We continue to leverage vehicle tracking data to encourage more efficient driving behaviours such as reducing speeds and eliminating harsh driving events, such as excessive acceleration and limiting excessive idling times.

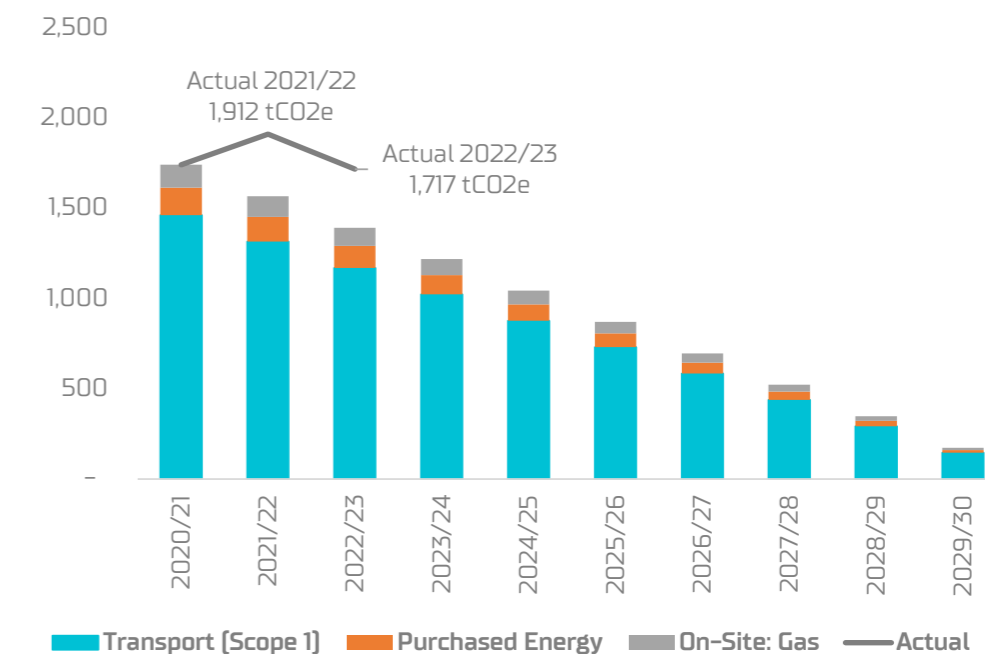


Figure 1: Total Scope 1 and 2 emissions against our yearly Glidepath to Net Zero targets

Converting the fleet: Whilst 35% of our company cars are now fully electric, the majority of our Scope 1 emissions are from our commercial fleet. Following last year's project to identify company vans that could switch over to fully electric our first electric commercial vehicles arrived in early 2023 and the fleet is continuing to grow.

Tackling Scope 3 emissions: We have started to map our Scope 3 emissions footprint by quantifying and reporting the emissions in each of the 15 Scope 3 categories of the Greenhouse Gas Protocol. Our ambition is to achieve net zero Scope 3 emissions by 2050.

Change vs last year

The 10% reduction in emissions has been achieved across all Scope 1 and Scope 2 areas.

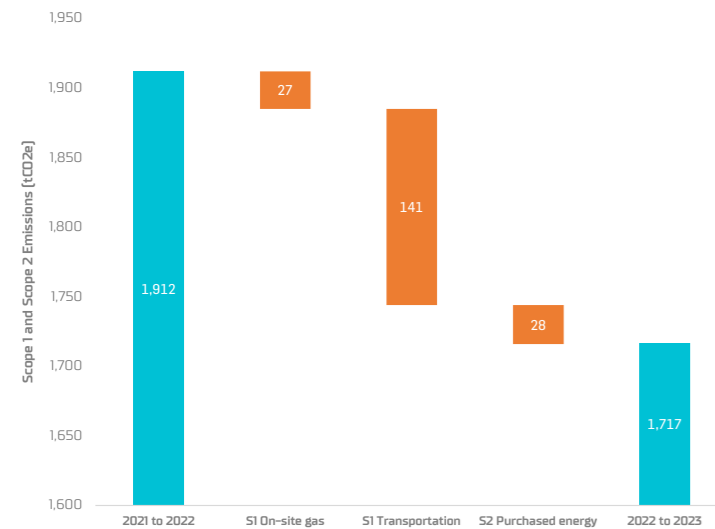


Figure 2: Waterfall chart showing reduction in emissions by Scope 1 and 2 categories



Waste management – zero waste to landfill by 2030

We are on-track to meet and exceed our target with >90% waste already diverted from landfill.

In accordance with our ISO14001 accreditation, each business has an Environmental Management Plan detailing our approach to waste management.

We follow the waste hierarchy and prioritise the reduction of waste produced and the re-cycling or re-use of waste where practicable. Key to this is the detailed measurement, monitoring and onsite auditing which enables us to assess our waste management activity, analyse root causes and identify areas where corrective action is needed.

We work with buyers and our supply chain to meet external and internal targets for the reduction of waste and develop sustainable ways of achieving zero waste to landfill and continuous improvement.

Best practices already in place include:

We implement a Design for Manufacture and Assembly strategy on large scale works with the reduction in waste a key consideration and benefit. Offsite manufacturing and modularisation play a significant part in our waste reduction targets.

Working with supply chain partners to influence packaging recovery and recycling rates and the volume of packaging materials e.g. using reusable packaging, recycled materials, non-synthetic adhesives, paper and cardboard materials that are certified by the Forest Stewardship Council (FSC)

Recycling as much as possible by segregating waste at source and providing a wide range of different waste receptacles we can separate waste streams to maximise the amount of waste recycled.

When carrying out replacement works we explore opportunities for refurbishment rather than disposal or for re-use, such as saving components for spare parts or for training purposes.



Ambition 2 Social Responsibility

At Edwin James Group, we are proud of our colleagues and ensure that each and every one is individually valued and developing professionally.

We want our colleagues to enjoy their career with us and embrace the 'Apprentice to Board' opportunities within the Group.

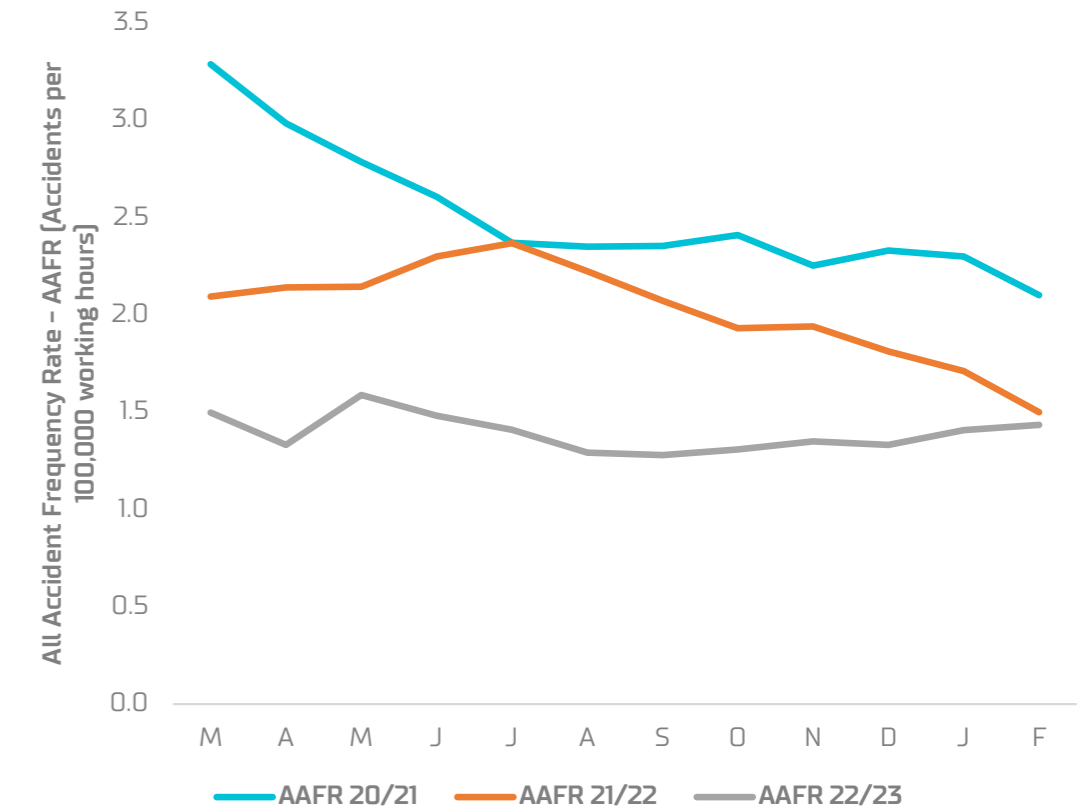
A healthy and safe working environment for our colleagues

In line with our corporate values, Edwin James Group has a strong focus on the safety, health and wellbeing of our colleagues. Our strategy is reviewed every year and objectives are set and monitored at Board level.

Our hard work and effort is reflected in our results and at the end of the year, our All Accident Frequency Rate has fallen by a further 5%, see figure 2.

Key achievements during the year

- 50% reduction in personal safety accidents since March 2020.
- No RIDDOR-reportable incidents in the current reporting year resulting in an Accident Incident Rate (AIR) of zero.
- Resourcing of SHEQ professionals in all Group businesses
- Safety leadership coaching sessions via the EJ Academy
- Continued visible safety leadership through "Walk the Talk" initiatives and the "Talking Heads" programme





Attracting and retaining talent

At the heart of our Group's history is the development of our colleagues and nurturing home-grown talent from "apprentice to boardroom".

Many of our senior leaders are products of a technical engineering career path. They started as apprentices under day release schemes, or as graduates, and have been developed through training, mentoring, additional study and experience.

We currently employ 177 apprentices - 18% of our workforce, which is ahead of the 15% target we set ourselves. We want to ensure apprenticeships are accessible for all and remove any barriers to entry. Whether that is looking at the language and placement of adverts, diverse recruitment panels, or examining data and ensuring our messages are landing in the communities and groups currently underrepresented.

Throughout a 4-year modern apprenticeship (M&E, HVAC, Building Services) with the EJ Academy, the learning and development teams will be heavily involved in the training and development of apprentices, together with line managers who play a significant part in supporting individual development plans and activities via formal career reviews as the EJ Academy is an integral part of our Career Development Pathway.

Retention of apprentices is critical. We have a career development framework for all apprentices. This is supported by our investment in training, technical and professional qualifications, technical and degree apprenticeships, graduate schemes, competitive salaries

and achievement rewards. Currently a subset of 58 employees are completing a higher level apprenticeship course.

In 2022 - 2023, the EJ Academy delivered over 85,000 hrs of training, averaging >88 hrs per employee.

All staff have tailored Personal Development Plans (PDPs) structured in line with our core values of safety, people and service and our Career Development Pathway. These identify career aspirations of individuals and allow us to identify and develop talent through the EJ academy, we offer programmes of skills development at all levels of the business to suit career progression aligned to business goals.

Key individuals are aligned with a career path, and are allocated a mentor to work with them, from a very hands-on approach at the start to a more supportive role as skills, experience and confidence grow and performance meets expectations. Where additional training or support is required, this is arranged through the EJ Academy which provides physical and online training via our e-learning platform.

Initiatives such as coaching, secondment opportunities and work shadowing is used to provide a platform on which skills can be developed and progression supported. We offer trainees a two-way secondment arrangement to broaden learning experience.

Contributing to Local Communities

We take our responsibilities of being part of the local community and supporting others very seriously.

Our colleagues are encouraged to assist the local communities and regularly provide pro bono/volunteer work building local community relations.

We regularly participate in events at schools which includes careers fairs, running mock interviews, supporting work experience students and sponsoring young children to participate in introductory first aid classes.

We work in partnership with local communities and regularly engage in curriculum educational activities for schools delivering support at varying levels to varying ages.

From H&S talks to young primary school children to arranging site visits to our manufacturing centres for younger secondary aged children demonstrating working examples of biomass systems, air source heat pumps and modular construction techniques and products, showcasing the latest in these technologies.

For older secondary school children, as well as also facilitating educational visits to our centres, we regularly deliver mentoring, work experience and mock interview sessions as well as CV writing techniques to prepare them for when they leave school.

Our teams regularly come together for charitable causes.



Corporate Governance

Ambition 3 Corporate Governance

Edwin James Group is committed to creating a sustainable business through sustainable and profitable growth and acting responsibly and transparently to all our stakeholders.

The four pillars of our governance system include board leadership and company purpose, robust internal control and risk management systems, effective and rewarding remuneration and consistent engagement with our stakeholders.

Our corporate governance system is subject to continuous checking and review, ensuring it is up to date with law and best practice.

The Edwin James Group Board

The Edwin James Group Board includes three executive and three non-executive members. Each member provides a balance of skills and knowledge to govern effectively.

The Board of Directors is guided by the UK Corporate Governance Code when leading the company. The Board know the importance of having a dialogue with stakeholders based on the mutual understanding of objectives. This happens through active, centralised, communications that encourages 2-way dialogue.

The Board meets monthly and is advised and led by the sub-committees for both Audit and Remuneration.

Leadership visibility is key to good governance. Leadership team members continuously work together to review and evaluate feedback on their leadership and management competencies. They listen and act on all

feedback and communicate their actions.

External and internal relationships

Edwin James Group has numerous stakeholders that we are accountable to and responsible for. These stakeholders underpin the strategy and direction of the company. Understanding what is important to them enhances our business.

- The EJ Way of looking after customers ensures we are providing the best, and most valued service to meet their needs. We have implemented a Key Customer Management (KCM) approach that is measured and managed, with a set of reviews that provide continuous engagement and is delivered by highly qualified teams.
- Shareholders' backing has been imperative over the last two years as the Group has invested in growth and acquisitions. Working in partnership with our shareholders has involved transparency and trust as we focus on the long-term future of the business.
- Customers are at the heart of our business, and we work closely with them to ensure aligned goals and standards for quality.
- Regulatory bodies define our everyday parameters and have been increasingly important during the

pandemic, adjusting their guidance on business practices. Working with these bodies, and national and local government organisations, ensures fairness and consistent high standards.

- Our supply chain follow rigorous procedures and processes to work as part of the Group and follow our own strict code of conduct for safety and service.
- We encourage a strong employee voice across the business with open feedback, without judgement or criticism.
 - [i-edwin, our company intranet, is our group-wide engagement platform](#)
 - [Senior leadership roadshows visit our sites and offices talking face-to-face with our teams](#)
 - [Yammer company social networking channel for real-time conversations and groups](#)
 - [MDs' breakfast briefings](#)
 - [1 to 1's between managers / employees](#)

Our Policies

Equality and Diversity policy

The Group strongly supports the principles of equality and diversity within employment. We are committed to the dignity of all colleagues, their right to respect and the equality of opportunity. We aim to create an environment in which cultural diversity and individual differences are positively valued in an environment that is free from harassment and discrimination.

The Equality and Diversity policy establishes clear guidance regarding equality and diversity and establishes key principles and monitoring arrangements within the Group ensuring compliance with the Equality Act 2010.

We ensure we are a national real living wage employer. Many of our apprentices and employees are under 24 years of age and they are the most likely group to be affected. Therefore, they are employed under industry agreements, ensuring they are paid equally and fairly.

Our new Diversity and Inclusion Taskforce will complement the Group's actions to close the diversity gap with the Engineering sector and promote inclusion across the business.

Modern Slavery policy

Edwin James Group is committed to driving out acts of modern-day slavery and human trafficking. Our policy and processes require suppliers to confirm their compliance with the Modern Day Slavery Act 2015 and provide us with copies of their policies together with Corporate Social Responsibility statements. We ensure checks on labour provided by agencies are carried out and we expect any organisations we work with to adopt one up one down due diligence checks. Our colleagues are trained in understanding the risks of modern slavery and human trafficking and the HR Department carry out right to work checks on all new employees.

Anti-bribery and Corruption policy

The Group has a zero tolerance policy towards any incidents of bribery and corruption, at home or abroad, and will report any suspected offences to the police or appropriate prosecuting authority. Our colleagues are online trained to recognise and avoid the use of bribery. We have clear reporting channels for any suspicions to be dealt with sensitively, and we carry out rigorous investigations of any allegations.

Excess gas in their furnace, electricity on their cooling fans, and inadequate control in the glass making process meant spiralling energy costs for our customer, a glass container manufacturer.

Furnaces are the biggest energy consumer in glass plants and are critical to the glass container making process. In this case, the furnaces were cross fired with independent port air control and operating in a certain way because "they have always done it this way" which was a conservative and inefficient approach.

The challenges were;

- Understanding the differences in performance of the furnace as the largest energy consumer on site and;
- Operational issues due to production changes such as lean combustion operation or emissions spikes

We installed our energy management system and analytical software on the Scada systems on the furnaces. This gave the operators the ability to see critical process variables and monitor them in real-time with historical trends to help analysis.

With this information it enabled air-fuel ratio to be adjusted port by port to achieve oxygen levels in the range of 1.0% to 2.5% and carbon monoxide levels below 200 ppm. Being able to track this over time has enabled operational issues to be highlighted.

£275k
Annual gas savings

£180k
Annual electrical savings

9months
CAPEX Payback

Projects

Edwin James Group supports £1.2bn Edmonton EcoPark project to transform green waste hub.

Edmonton EcoPark is a waste management site of approximately 38 acres. The existing Energy from Waste facility is coming to the end of its life, having served north London for over 50 years. The redevelopment aims to generate electricity for 127,000 homes, provide hot water and heating for 60,000, and improve air quality using advanced technology, saving the carbon equivalent of removing 110,000 cars annually.

Working together, group companies EJ Parker Technical Services and EJ Peak Technology Solutions delivered complex projects totalling over £37m, covering comprehensive mechanical and electrical (M&E) services, extensive automation and control implementation and the largest solar array in North London.

The implementation of this sustainable energy solution is projected to reduce CO2 emissions by 334,602 kg per year, equivalent to the impact of planting 8,830 trees annually.



Safety



Service



People

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