

For a
**Better
Future**

SUSTAINABILITY REPORT 2022

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WELCOME TO THIS REPORT

I am delighted to share with you our first annual HE Simm Group Sustainability Report – a new step in our journey to a better future.

This report outlines our progress in 2021/22 in relation to each of the five key areas we are focusing on: carbon, waste and resource efficiency, air quality and wellbeing, people, and community. It provides an overview of targets and objectives, actions taken, milestones reached, and plans for the year ahead.

Highlights have ranged from completing the first M&E waste case study in the industry, to rolling out fantastic community activities in our projects across the country. I'm particularly proud of the way in which colleagues have embraced the opportunity to learn more about sustainability through our new training pathways.

We have worked hard and fast to put in place a robust framework to deliver all this activity, including a Sustainability Governance Group, Sustainability Working Group, plus working groups for each of our five focus areas. The colleagues involved in these have worked tirelessly – both individually and collaboratively – to plan, prioritise and act. Their achievements in such a short space of time have been remarkable and I would like to pass on my personal thanks to all.

As an engineering and services organisation, we are acutely aware of our responsibility to help shape a better future through the decisions and choices we make. We have already made great progress towards doing this and I am excited to see what lies ahead on our journey to a better future.



Gareth Simm

Chief Executive Officer – HE Simm Group



OUR SUSTAINABILITY MISSION



To deliver outstanding engineering and services within the built environment, creating the most positive environmental impact and social value, whilst leaving a lasting positive impact for our colleagues, communities and future generations.

FIVE FOCUS AREAS AND FIVE COMMITMENTS

01

Carbon

.....
We will be a net-zero carbon organisation by 2030



02

Waste & resource efficiency

.....
We will be a zero avoidable waste organisation by 2030



03

Air quality & wellbeing

.....
We aspire to be the trusted partner to improve indoor air quality and occupier wellbeing



04

People

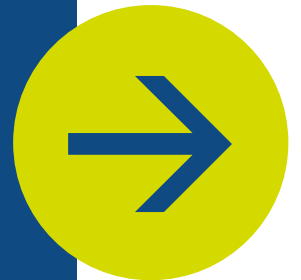
.....
Through a culture of striving 'to be the best', we will enable all colleagues and supply chain members to be the best they can be



05

Community

.....
We will leave a lasting positive impact for the communities in which we operate



01 Carbon

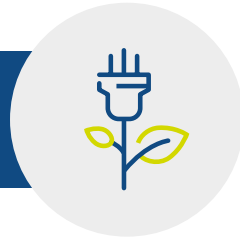
We will be a net-zero carbon organisation by 2030

OBJECTIVES AND TARGETS:

- To become **carbon neutral** by 2023 (scope 1 and 2 emissions) across the whole business
- To become **net zero** (scope 1, 2 and 3 emissions) by 2030 across the whole business
- To achieve **PAS 2060 carbon neutrality standard** for the whole business
- To deliver a **carbon gateway review** of all new project designs by 2025



01 CARBON

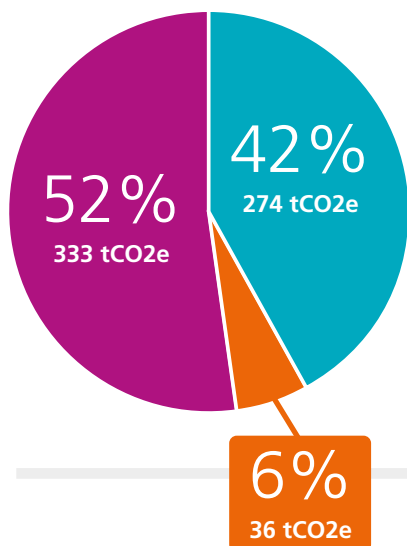


Our performance in 2021/22

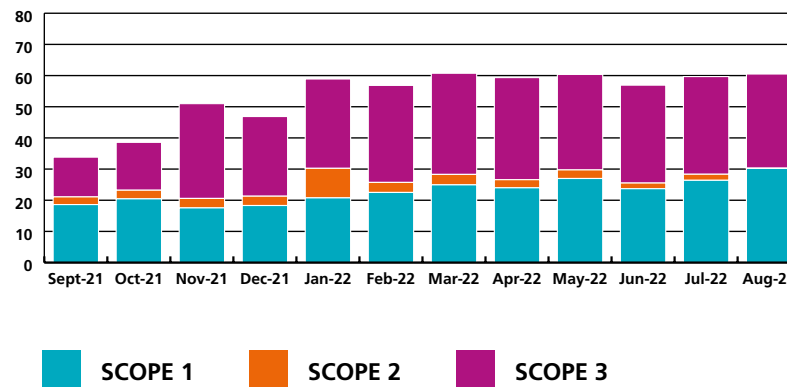
Our total carbon emissions, 1 September 2021 to 31 August 2022:

644 tCO₂e

Total emissions by scope across the year



Total emissions by scope each month



WHAT IS COVERED BY SCOPE 1, 2 AND 3?

Scope 1 emissions: direct emissions that are owned or controlled by HE Simm Group (e.g. fuels used in vehicles).

Scope 2 emissions: indirect emissions that are a consequence of HE Simm Group activity, but occur at sources owned or controlled by another company (e.g. emissions from the generation of purchased or acquired electricity).

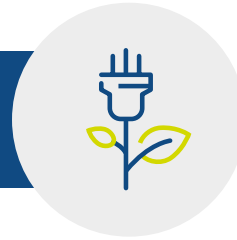
Scope 3 emissions: all indirect emissions that occur in the value chain of HE Simm Group, including both upstream and downstream emissions (e.g. production of purchased products, or use of sold products).



CALCULATING OUR CARBON FOOTPRINT

We use an operational control consolidated approach to calculate our carbon footprint, using Defra GHG Conversion Factors.

01 CARBON



Carbon reduction projects completed

Current performance baselined...

... to understand where our hotspots are and where we can reduce and improve our processes.

Carbon reduction working group established...

... to deliver our net-zero commitment. This is a cross-functional team, including representatives from design, procurement, commercial and environmental teams.

Good practice researched...

... through a peer review analysis of practice within our sector, including our supply chain, competition and our customers.

Client workshops run...

... to better understand how we can work collaboratively to deliver different clients' net-zero ambitions.

Carbon and sustainability training delivered...

... to representatives from our design, procurement, commercial and environmental teams, plus key suppliers.

Energy contracts reviewed...

... for our headquarters and regional offices, with contracts changed to 100% renewable sources.

Carbon and sustainability consultants appointed...

... to accelerate our journey to net zero (Action Sustainability).

Supply chain analysed...

... to understand which of our suppliers have most influence over the whole-life carbon of the products we install in our clients' premises.

Gold Standard achieved...

... with the Supply Chain Sustainability School.

In our employee engagement survey in early 2022, 97% of colleagues agreed that:

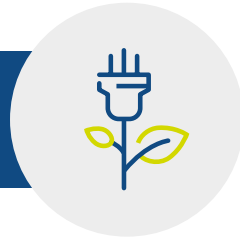


My organisation genuinely cares about the environment.

MEASURING CARBON REDUCTION

The carbon reduction achieved by these projects is captured by our monthly reporting of carbon data in our Sustainability Reporting Tool. Total reductions are calculated at the end of the financial year.

01 CARBON



Our focus for 2022/23



Achieving our target of carbon neutrality in 2023.



Beginning the process of accreditation to PAS 2060 Carbon Neutrality Standard.



Reducing our hotspots, in particular fuel use on site (scope 1) and colleague travel (scope 3).



Developing a fleet strategy, in order to phase out diesel engines from our fleet and non-road mobile machinery by 2030.



Setting science-based targets, in line with the Science-Based Target Initiative (SBTi).



Improving our scope 3 data capturing, including embodied carbon in the products that we provide and in our own supply chain.



Undertaking case studies of projects to understand where we can reduce embodied carbon.



02

Waste & resource efficiency

We will be a zero avoidable waste organisation by 2030

OBJECTIVES AND TARGETS:

To achieve **zero waste to landfill** by 2023 for the whole business

To **eliminate single-use plastics** for the whole business by 2025

To determine and measure the **impact of pre-manufactured value** (PMV) on waste generation

To deliver a **circular economy review** of all new project designs by 2025



02 WASTE & RESOURCE EFFICIENCY



What did we do in 2021/22?

We have been focusing on baselining and improving our current waste performance on site, with a particular focus on our target of achieving zero waste to landfill for the whole business by 2023.

CASE STUDY: NEW VICTORIA, MANCHESTER

New Victoria, Manchester was a mechanical and electrical (M&E) residential project spanning:

520 apartments | 45 levels | 2 tower blocks

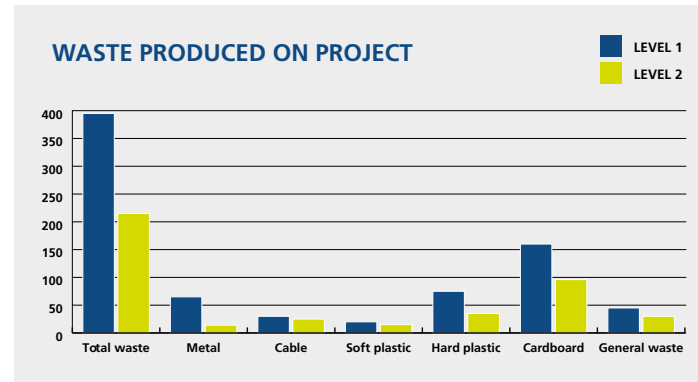
At the start of the project, we measured waste produced on Level 1 – general waste, cardboard, hard plastic, soft plastic, cable and metal. We then implemented actions and initiatives to reduce waste and packaging on Level 5 and compared the difference.

As a result of this success, we implemented waste reduction measures across all 45 levels of the project.

INITIATIVES IMPLEMENTED

Across the New Victoria site, we implemented:

- | Training for the onsite team
- | Letters of support to suppliers and manufacturers
- | Monthly stock checks
- | Accurate measuring of materials to reduce off-cuts
- | Crocodile box swap between suppliers and site to reduce packaging
- | QR codes to reduce instruction leaflets



THE IMPACT
 Findings indicate that an estimated 8.5 tonnes of M&E waste was prevented from being produced. Overall, this was a net zero to landfill project.



LEADING THE WAY

Following the New Victoria project, we produced a report, Prevention Before Production, which is the first M&E waste case study.

This will be added to the Supply Chain Sustainability School's Resource Library, so that we can share our sustainability findings with other organisations.

02 WASTE & RESOURCE EFFICIENCY



Our focus for 2022/23



Developing a second case study. This will allow us to compare the waste produced on a project with increased use of Modern Methods of Construction (MMC), compared to the traditional construction route used at New Victoria, Manchester.



Understanding disposal routes better, by continuing to work closely with our clients' waste contractors.



Extending our focus to office waste (included in our target of zero waste to landfill by 2023).



Reducing our use of single-use plastics further by understanding where our hotspots are and introducing initiatives in order to achieve our target of eliminating single-use plastics by 2025.



03

Air quality & wellbeing

We aspire to be the trusted partner to improve indoor air quality and occupier wellbeing

OBJECTIVES AND TARGETS:

- To improve the **indoor air quality in our own buildings** and monitor the impact on wellbeing
- To develop our capability to **deliver buildings that meet standards** such as WELL, BREEAM, LEED and SKA
- To develop **innovative solutions and technologies** that improve indoor air quality, such as through passive technologies or biophilic design
- To improve the **outdoor air quality** during the delivery of work by phasing out diesel engines from our fleet and non-road mobile machinery by 2030



03 AIR QUALITY & WELLBEING



What did we do in 2021/22?

OUR MAIN GOAL FOR THE YEAR...



To further develop our knowledge and understanding of indoor air quality at HE Simm Group offices and sites, gathering accurate, in-depth data that we can use to bring about future improvements.

Everything we do in this area is driven by our understanding of the relationship between air quality and wellbeing.

WHAT DID WE DO?

We focused on the analysis of **three key types of air pollution** in our offices and indoor sites:



RADON – tiny radioactive particles that damage lung tissue and, over time, may cause lung cancer



CARBON DIOXIDE (CO₂) – exposure to this can result in a range of issues, including headaches, dizziness, difficulty breathing, tiredness and raised blood pressure



PM_{2.5} – fine particles that are able to travel through the lungs, into the bloodstream, and into your organs, causing illnesses like asthma, COPD, coronary heart disease, stroke and lung cancer

We **partnered with Airthings** – a global tech company led by scientists, engineers, developers and visionaries – to improve the accuracy and efficiency of our air quality monitoring.

We introduced **air quality monitoring devices:**

- | in our Liverpool, Warrington and London offices
- | at our Pinnacle Offsite factory
- | on site in London



We **analysed air quality data** collected through the monitors, drawing out patterns and comparing the pollutant levels with good practice guidance.

We also collected and **analysed data about wellbeing**, which we will use to monitor the impact of improvements we make to air quality on our people.

03 AIR QUALITY & WELLBEING



Our focus for 2022/23



Surveying the existing ventilation system, to better understand reasons underlying the air quality findings in our offices and other indoor spaces.



Recommissioning the ventilation system, following an investigation of design capabilities.



Continuing to collect data on wellbeing, in order to draw comparisons as we make improvements.



Inputting key air quality data into our business-wide sustainability performance management tool.



Rolling out the air quality monitors to more locations.



Starting to analyse data from on site.



Rolling out air quality monitors to customers, providing them with supplementary insights and knowledge that we've gathered.



04 People

Through a culture of striving 'to be the best', we will enable all colleagues and supply chain members to be the best they can be

OBJECTIVES AND TARGETS:

To commit to the industry's **People Matter Charter** and fulfil its eight commitments

To baseline our current performance against the eight commitments and deliver **year-on-year improvements** against the maturity matrix

To achieve and maintain a Gold membership of the **Supply Chain Sustainability School**

To ensure that all appropriate members of our workforce are **trained on relevant sustainability topics**

To work with our top **suppliers** to develop their sustainability capabilities



04 PEOPLE



What did we do in 2021/22?



We renewed our signatory status to the People Matter Charter for 2022



We launched new UKG HR management software, which will help us to baseline our diversity performance



We improved our data gathering in relation to sustainability



We maintained our ongoing partnership with the Supply Chain Sustainability School and provided training to our colleagues



We achieved Gold Level with the Supply Chain Sustainability School

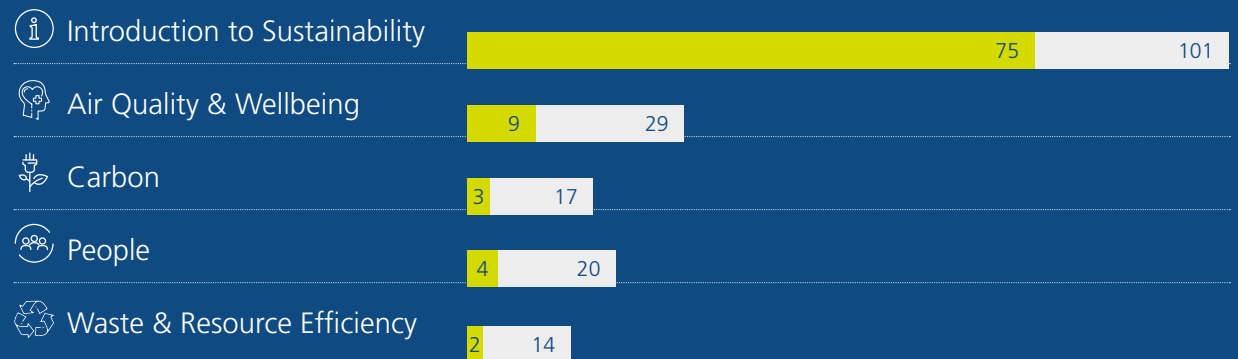
WE FOCUSED ON TRAINING...

We developed a suite of learning pathways related to sustainability and have embarked on intensive training of our people.

LEARNING PATHWAY

HE Simm Group colleagues enrolled on the course

Colleagues who have already completed the training



In our employee engagement survey in early 2022, 88% of colleagues agreed that:

“ This job supports my own personal growth ”

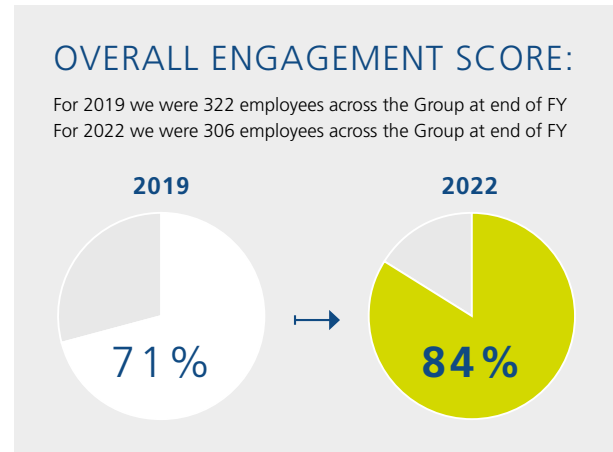
We helped ten of our key suppliers to heatmap their priorities and demonstrate where they can support us with our sustainability strategy

04 PEOPLE



What do our people think?

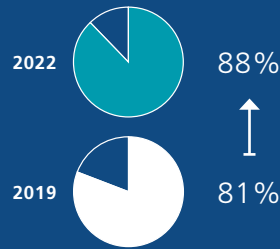
An employee engagement survey conducted in early 2022 showed outstanding levels of engagement among colleagues across the HE Simm Group, with impressive improvements since 2019.



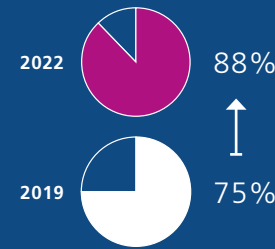
The average employee engagement score in the UK is 50%

Based on The Sunday Times Eight Factors of Engagement:

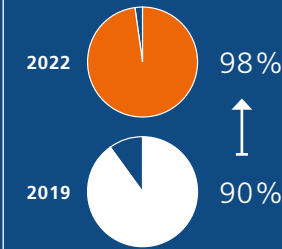
MY MANAGER
AVERAGE SCORE:



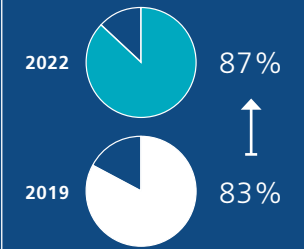
LEADERSHIP
AVERAGE SCORE:



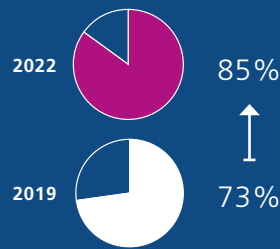
MY COMPANY
AVERAGE SCORE:



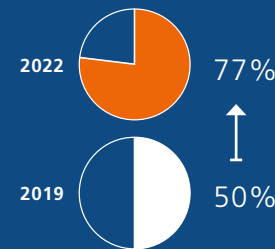
MY TEAM
AVERAGE SCORE:



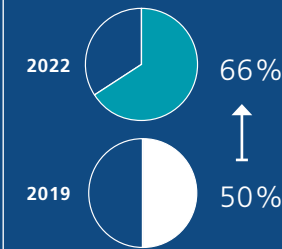
PERSONAL GROWTH
AVERAGE SCORE:



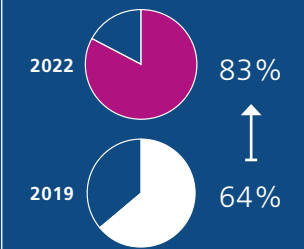
WELLBEING
AVERAGE SCORE:



FAIR DEAL
AVERAGE SCORE:



GIVING SOMETHING
BACK AVERAGE SCORE:



04 PEOPLE



Our focus for 2022/23



Finalising our company-wide training matrix for sustainability upskilling.



Completing our second annual workforce culture survey. We will use the results, alongside our diversity data, to inform our next actions and initiatives.



Allocating specific learning pathways to certain job roles.



Developing our sustainable procurement knowledge, so that we can work with our top suppliers most effectively while supporting them to upskill.



Providing full support for colleagues to attend training sessions and complete learning pathways.



Remaining a Gold partner of the Supply Chain Sustainability School – demonstrating year-on-year improvements.



Fully integrating our UKG HR system into our processes, enabling us to capture more diversity data.



Remaining a signatory of the People Matter Charter – again demonstrating year-on-year improvement



Capturing subcontractor diversity data.

05 Community

We will leave a lasting positive impact for the communities in which we operate

OBJECTIVES AND TARGETS:

To develop and deliver a **social value framework** across the business and all projects by 2022

To collaborate with **Tier 1 contractors and clients** in order to deliver a social value plan for all new relevant project designs by 2025

Where appropriate, to **engage** with small to medium enterprises (SMEs); voluntary, community and social enterprise organisations; businesses owned by people from diverse communities; and those adversely impacted by the Covid-19 pandemic



05 COMMUNITY



What did we do in 2021/22?

We achieved our first major target in this area...

To **develop** and **deliver a social value framework** across the business and all projects

WHAT DOES THE FRAMEWORK FOCUS ON?

Our framework focuses on six key areas:



Supplier diversity



Training



Apprentices



Work placements



Employment



Community activities

WHAT HAVE WE ALREADY ACHIEVED?

We integrate our community requirements into all relevant projects, engaging with the supply chain.

Using Indices of Multiple Deprivation datasets, we research projects and charities close to our projects, ensuring that we're supporting them with impactful activities that will help to build long-term, lasting relationships.

We have trained and set up both our onsite teams and our contractors to report directly into our performance management tool, helping us to collect more accurate, frequent data.

We have trained departments throughout the business on social value and community.

ACROSS THE 12 PROJECTS WE'VE WORKED ON THIS YEAR, WE HAVE...

... had 14 apprentices working across HE Simm Group



... had 2 graduate recruits and 98 apprentices working across our subcontractors



... achieved 87% spend with small to medium enterprises (SMEs)



... achieved 35% spend with local organisations



... advertised roles through councils and colleagues



... hired apprentices through the K-10 scheme



05 COMMUNITY



Community and charity engagement

HE Simm Group colleagues engaged with numerous community and charity events and activities throughout the year. Here's just a snapshot below!

We raised £13k for community projects

We raised £33k for charities, including Maggie's, our charity of the year

In our employee engagement survey, 99% of colleagues agreed that:

“ My organisation encourages charitable activities ”



05 COMMUNITY



Our focus for 2022/23



Using the social value framework for all new projects.



Continuing to set community-specific targets for each project.



Engaging and involving the supply chain.



Determining which of our priority suppliers can support us with our goals (with the support of our procurement team).



Establishing how best to engage with other suppliers, such as SMEs, voluntary and social enterprise organisations.



THE ROAD AHEAD

This annual report marks a major step forward in our journey towards creating a more sustainable future for our colleagues, supply chain, customers and communities.

Our purpose at the HE Simm Group is clear:

Together, we can create a **sustainable business** that has a **reputation for being the best**, for the **benefit of future generations**.

As the roadmap on the right shows, we have set ourselves direct, ambitious targets for sustainability and, in the year to come, we will be stepping up the pace of change and action in relation to these. If we are to achieve our 2030 goals, we need to make sustainability business as usual, embedding it within all processes, projects and decisions.

In the meantime, there is a real sense of excitement across the HE Simm Group for what lies ahead on our journey to a better future. I look forward to sharing our progress with you in next year's sustainability report.



Marcus Wallis | Managing Director (South) Engineering

