

Feature interview questions

Questions to the business leader:

- ❖ Why is making progress on Net Zero important to your business?

As a responsible business that embraces the UN's Sustainable Development Goals, we seek to unlock social value that creates positive economic, environmental, and social impacts. This bold ambition ensures that we play our part in delivering the exceptional, every day for our customers, our people, the communities we support and the world in which we live. We believe that the climate emergency is a problem that we all need to take responsibility for. If we have any chance of solving it, then businesses need to take bold action now. **Plan Zero** is our ambitious 2025 commitment, to lead the way, not just within our own industry but across wider UK business too. We're putting the expertise within our business into action. We're stepping up the roll out of our electric fleet, powering our buildings with renewables and championing the circular economy. **Plan Zero** is our promise to protect the planet and leave it in a better condition than we found it. Over the next five years, and beyond, this will simply become how Mitie does business and we hope many more companies will join us on this journey.

The high profile ESG ratings agency, CDP, awarded Mitie an A- Climate Change score in 2020, an improvement from the C awarded in 2019. This score makes Mitie one of only 65 UK businesses to be rated in the 'Leadership' category. In January 2021, Mitie's accreditation from the leading ESG ratings agency, Sustainalytics, improved to 9.8 'Negligible Risk' - the lowest risk category. This places Mitie among the top 2% of the most sustainable businesses in the world, with the number one global ranking in the business support services industry. Mitie has achieved a Gold award from the Sustainable Facilities Management Index, which was an improvement on the Silver awarded in 2020. Mitie is a member of the invitation-only Aldersgate Group, one of the UK's leading sustainability organisations, which drives policy and debate regarding environmental issues in the UK. Mitie was also named as one of Europe's Climate Leaders, 2021, by The Financial Times.

- ❖ Which of the 9 priorities are more relevant to your business and clients and why?

Mitie has an industry-leading 'Plan Zero' commitment, pledging that we will reach net zero carbon emissions by 2025. Mitie is one of only eight companies globally to sign up to all three Climate Group initiatives. Plan Zero is focused around three key pillars, encompassing the key areas of environmental impact for our business, with specific targets to:

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

More detail on our measurable commitments against each target is below:

Eliminate carbon emissions from power and transport – we will:

- Convert our fleet to zero emission and power our Mitie EV charge points with green energy
- Decarbonise our heating systems and use 100% renewable energy for our sites via a subsidy-free Power Purchase Agreement
- Increase our use of technology to reduce work travel to a minimum. Where travel is necessary, we will choose low carbon methods

Eradicate non-sustainable waste – we will:

- Eliminate single-use materials by embracing the circular economy, such as through a closed-loop paper recycling system
- Reduce our use of natural resources, with only items which fit our circular economy approach allowed on site
- Use natural, non-toxic and biodegradable cleaning products, and champion the use of new innovations wherever possible, such as microfibre and surface coatings

Enhance inefficient buildings to meet the highest environmental standards – we will:

- Always choose new offices with at least an 'Excellent' BREEAM rating and only re-sign leases on offices with an A EPC rating
- Enhance energy optimisation and use our smart building technology to achieve maximum energy efficiency at all our sites
- Improve biodiversity at all of our sites using initiatives that help ecosystems flourish, such as choosing plants which attract wildlife or establishing bug hotels

- ❖ What are doing to make progress against the relevant priorities (of the 9) in the short and long-term? (Could include targets or milestones)

Eliminate carbon emissions from power and transport

Mitie's emissions have been reduced by an amazing 36% (market-based) compared to the baseline year, which has been achieved mainly by Mitie's EV transition, and decarbonising its heating systems.

- We have transitioned to 100% renewable energy
- We are doubling energy productivity over the next 25 years, which we are on track to achieve by 2025 as part of Plan Zero.
- We recently reached our target of transitioning to 20% EV cars and small vans by the end of 2020 three months early. We now have 1234 EVs on the road.

Eradicate non-sustainable waste

Mitie's pledge to reduce waste to landfill to 350 tonnes by the end of FY20/21 has been exceeded: we achieved 148 tonnes, which is 58% lower in volume than the target. Many initiatives played a part in achieving the reduction, including diverting 228 tonnes of office waste from landfill and using it to create energy instead. Work is in progress to further reduce Mitie's waste to landfill, utilising alternative means of disposal.

Enhance inefficient buildings to meet the highest environmental standards

Mitie operates a four-phase procedure to decarbonise heating systems and enhance building energy efficiency.

Phase one: Desktop-based carbon efficiency analysis of Mitie estate, *completed in July 2020*.

Phase two: Surveys and reports detailing carbon saving opportunities across Mitie's 15 most significant sites and their subsequent implementation – *completed*

Phase three: The same process as phase two rolled out to all 34 remaining sites. *Due to be completed by the end of June 2021.*

Phase four: Analysis of savings achieved, plus plans to start the process again.

As part of phase three of Mitie decarbonising its heating systems, all remaining 22 sites have now been surveyed, and reports complete. Through the initiatives highlighted in these surveys and reports, Mitie has identified annual carbon emission savings of 475,328kg, which is 44% of our FY18/19 emissions baseline figure. Optimisations are now to be completed, and quotes for capital expenditure are being collated. All new buildings are being selected in line with the Mitie Carbon Conscious Building Selection Guide and any action required to get the buildings up to standard whether fabric related, energy/heating related or EV infrastructure related are being built into building mobilisation plans to ensure that when the building 'goes live' it is at the standard Mitie expects.

As the first company to introduce end-user power purchase agreements to the market in 2008, Mitie Energy assists UK energy intensive organisations in purchasing green power. Our experience working with every part of the electricity supply chain has enabled market leading exposure, experience and understanding. Mitie's diverse project team includes researchers, allowing us to provide energy policy expertise. Mitie continues to support large organisations in buying power from independent generators through power purchase agreements.

❖ How have you helped your supply chain understand what is required against the 9 priorities?

Mitie is certified through the Procurement Excellence Programme by the Chartered Institute of Procurement & Supply (CIPS). The accreditation demonstrates Mitie's commitment to maintaining an ethical, sustainable and professionally managed supply chain, Mitie has also pledged to increase spend with SMEs as part of its recent procurement transformation programme. Mitie has introduced a Supplier Management Framework (SMF) for its top 50 suppliers, requiring vendors to demonstrate that they meet specific standards. Suppliers must also prove that their practices align with Mitie's Supplier Code of Conduct. As part of Mitie's Plan Zero commitment, suppliers that are taking efforts to minimise their environmental impact and with net zero commitments will also score higher marks in the selection process and during SMF assessments. Suppliers on the SMF undergo monthly reviews to support them to meet Mitie's standards.

❖ As a business leader what do you think the biggest challenge is and how are you working to overcome it?

Our research shows that nearly half (47%) of businesses working towards net zero don't have a plan in place that will see them reach their target by their estimated date. For businesses without a net zero carbon strategy, when asked why not, it's clear that many need a helping hand. A fifth (18%) say they don't have the time or resources to create a net zero plan, while one in six (15%) don't have the expertise in-house. Surprisingly, around one in five (21%) simply hadn't thought about it yet. Therefore, our evidence shows that many organisations have yet to design a plan.

Mitie has developed Plan Zero 5 step playbook to support clients in the development of their own decarbonisation strategies. Plan Zero combines Mitie's detailed property and project knowledge, with our extensive carbon and energy reduction capabilities to design bespoke carbon reduction

strategies. Our Sustainability Consultants utilise our market leading data analysis tools to identify opportunities to optimise, reduce and eradicate carbon & cost.

- ❖ In your view what is the one innovation or change that is going to have the biggest impact on carbon or progress in our industry?

As an industry we need to invest training and skills and supply chain to deliver on decarbonisation promises. There needs to be a rapid ramp up of capability across the whole construction value chain.

Questions to the emerging leader:

- ❖ *What do your peers and wider employees within your company think about the businesses' approach to Net Zero?*

Mitie has extremely ambitious net-zero carbon commitments and is truly a market leader in providing net-zero solutions to our clients. Mitie has a unique position in the market in managing the estates of some of the companies across the UK with the largest footprints. This allows us to positively impact these businesses and provide net-zero solutions to their buildings, fleets, and within their construction activities.

The CO2nstruct 9 priorities can be aligned with Mitie's own Plan zero initiative through the following measures within each sector:

Across our business, our employees are extremely proud to be the only FM company that has signed up for The Climate Group initiatives such as EV100, EP100, and RE100. Last year we also saved our clients through net zero initiatives over £19m and 353,000 tonnes of carbon. We were also awarded Green fleet of the year for 2020. As employees of this business, it is great to be part of a forward-thinking company that is looking to make a tangible impact on the UK's carbon commitments of reducing emissions by 78% by 2035.

- ❖ *How are the younger generation within your business engaged in this?*

The younger generation across Mite are highly engaged with our Plan zero and sustainability approach. Engaging with our colleagues on issues within climate change the younger generation appears more anxious about the future, and open to ideas to tackle this. A fantastic initiative is a sustainability café that has been launched as a bi-weekly virtual meeting. The format of this call is that each session has a speaker from a different sector of the business on how sustainability issues impact not only their business sector but their clients. And how as a business we are driving change by offering sustainable solutions to our clients. The engagement on this call is significant and has driven some extremely passionate responses especially from our younger generation colleagues who are more open to change and can identify with the issues raised. Young people are both the custodians and the inheritors of the natural world and proud to prioritise awareness and action on environmental conversation and climate change. We have young leaders all over the business that are proud to be playing an integral role in supporting Mitie and our clients to act and push their environmental and net-zero goals forward before it's too late.

- ❖ *What more do you think your business could be doing against the 9 priorities?*

Transport

Over the past year, there has been a real shift due to the global pandemic in how businesses operate, with most meetings being able to be completed virtually rather than in person. Mitie has been great at championing the use of this technology to save unnecessary travel. Having also been awarded Green fleet of the year for 2020, when we do travel as a business it is shifting towards using EV's and we have made a commitment that the rest of the fleet will have switched to zero-emission vehicles by 2025. Of course, there is more that we can do. Flying is still highly utilised by some of our employees where a train or coach would be up to 90% more carbon-efficient. We could also do more to increase awareness of emissions by our employees and our clients. We need to support our clients in following our lead and share our experience with running an EV fleet. A recent study found that 90 percent of individuals agreed that companies have a responsibility to take care of the planet and its people. There are easy steps every company can take to educate and encourage stakeholders to act sustainability. Creating a green team internally might be a great place to start. This group of passionate employees will help identify opportunities to improve environmental initiatives, as well as spread the message across our business.

Buildings

We must do more to reduce our use of natural resources, with only items which fit our circular economy approach being allowed on site. We also need to choose new offices with at least an 'Excellent' BREEAM rating and only re-sign leases on offices with an A EPC rating. Within our sites, we also must improve biodiversity at all our sites using initiatives that help ecosystems flourish, such as choosing plants that attract wildlife or establishing bug hotels.

Focusing on energy reduction can result in big wins and must be a priority, both in terms of cost savings and sustainability. Businesses can start doing this by updating their energy systems to LED lighting, optimising heating and cooling systems, as well as purchasing Energy Star certified products. By focusing on energy reduction, buildings could significantly cut their greenhouse gas emissions, and make a difference while contributing to the fight against climate change.

Making smarter procurement choices and working with sustainable suppliers ensures sustainability remains a priority throughout our entire supply chain. Our supply chain is now offering more sustainable products and services. By opting to work with environmentally conscious suppliers, businesses can contribute to protecting the environment while also saving money by using products that use less energy, produce less waste, as well as lasting longer. Suppliers are also in an ideal position to benefit their business by focusing on sustainability. The best part is, according to a Nielsen study, 55% of consumers would pay more for products and services provided by companies that are committed to positive social and environmental impact.

Construction Activity

At Mitie we use BIM modelling within our MEP teams to provide more sustainable designs to our clients. Buildings are responsible for almost 40% of energy consumption so by considering lifecycle, construction, design, management, and maintenance – BIM allows us to reduce a building's environmental impact. We need to ensure that BIM is utilised in 100% of our MEP bits to design our carbon from the buildings of tomorrow. We also need to utilise our position in the market to provide consultative feedback to our clients on developing buildings with innovative low-carbon materials such as concrete and steel. The distribution sector is also accountable for a massive 15% of all emissions. Boasting significant clients in this sector we are well placed to do more and advise these clients on the shift to carbon zero and zero-emission fleets which will impact hugely on the U.K emissions targets. Through Mitie energy we can measure and verify

energy consumption and carbon savings. To meet ambitious net-zero carbon commitments every business must ensure carbon reduction is at the centre of their plans to help fuel a green, clean recovery in the UK. While many business leaders may think prioritising carbon will be expensive, it doesn't need to cost the earth. By working with the right partner organisations can identify proven and effective solutions which save both energy and cost, meaning these investments pay for themselves, essentially achieving zero carbon goals for zero cost.

❖ *A Youth Voice COP climate is being organised in Milan to bring together young people globally- what would be your key issue to raise?*

Food threat is one of the single largest problems associated with climate change. The window to address this is rapidly closing and soil is being lost between 10 and 100 times faster than it is forming. Through more extreme weather systems that climate change brings, the threats to our food supply are becoming more significant as floods, drought, and storms disrupt and shrink the global food supply. 10% of the world's population are undernourished and climate change threatens a food crisis across several continents at once. This will all impact grossly on human security as migration increases causing potential future conflicts.

Proposals exist to increase production via productivity of land, less food wastage, and a shift towards a meat-free diet. How can we ensure stable food production, with availability, access, quality, and stability for all, not just those in richer countries?

❖ *What do you do in your daily life/job that makes a difference?*

Within daily life, we have made a conscious effort to do our bit and contribute towards reducing Global Warming. We have committed at home to have two meat-free days per week, and where possible we have also reduced our dairy intake, such as using a nut milk alternative within our Coffee. Meal planning has additionally enabled us to significantly reduce our consumption and waste, as well as cleaning with eco-friendly and biodegradable products. Where possible we have also tried to reduce single-use plastics and embraced the circular economy.

Additionally, we are lucky enough to have fantastic public transport routes right on our doorstep so where possible we opt to use the train. If we do need to drive, Mitie has provided an Electric Vehicle for a company car, so all of the personal and business miles are carbon-free. On top of this, we have also switched our utilities to a green energy supplier to ensure all our electricity comes from zero-carbon sources. Additionally, we have implemented smart heating and lighting devices such as Tado and Philips Hue to eliminate any wasted energy and to reduce our bills.

To add to this, working as the Head of Business Development for Mitie Projects I hold a unique role in providing solutions to our clients that remove carbon from their estates. By providing new LED or HVAC solutions that are significantly more energy-efficient allows me to feel like a real impact across the estates of some of our largest clients. As such I am used to working with return-on-investment models and highlighting to clients the significant energy and carbon savings they are making, whilst directly being able to influence their decision-making process by providing consultative advice. An additional simple work habit is to aid paper reduction I have moved to a paper free environment and do not use a printer. As such I always work on items electronically using available software to reduce deforestation and paper wastage.