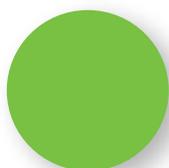
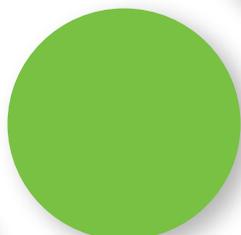
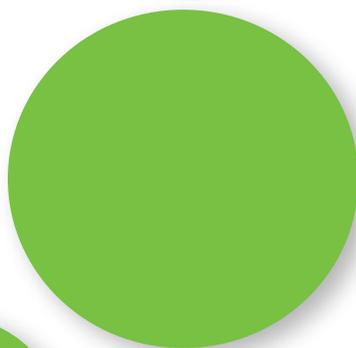




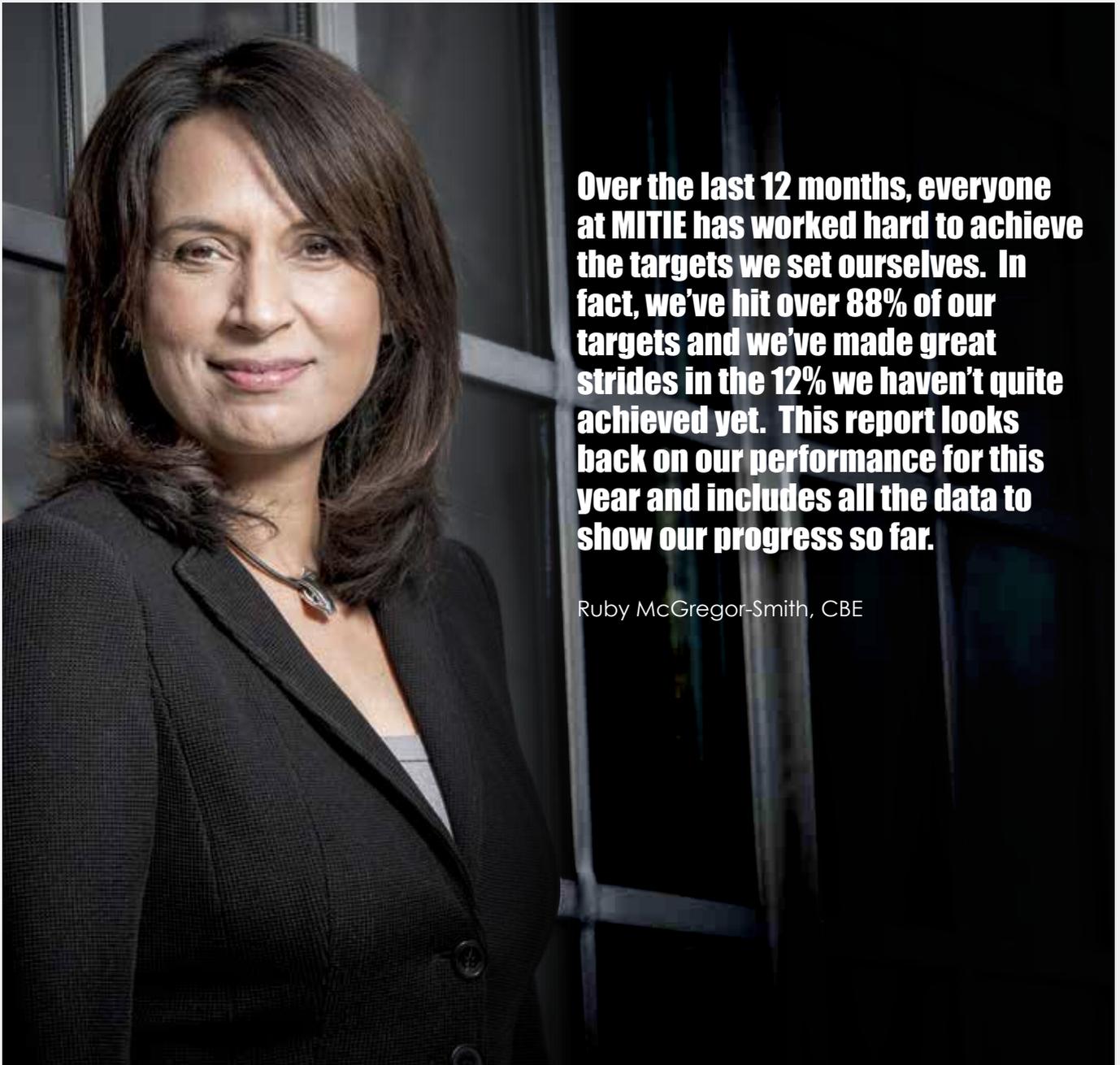
MITIE SUSTAINABILITY PERFORMANCE

2013



SUSTAINABILITY PERFORMANCE 2013

A NOTE FROM OUR CHIEF EXECUTIVE



Over the last 12 months, everyone at MITIE has worked hard to achieve the targets we set ourselves. In fact, we've hit over 88% of our targets and we've made great strides in the 12% we haven't quite achieved yet. This report looks back on our performance for this year and includes all the data to show our progress so far.

Ruby McGregor-Smith, CBE

CONTENTS

PERFORMANCE AGAINST 2012/2013 TARGETS	2
MITIE ENVIRONMENTAL REPORT 2013	5
EMPLOYEE PROFILE 31 MARCH 2013	11
COMMUNITY INVESTMENT KPIS TREND ANALYSIS	12

PERFORMANCE AGAINST 2012/2013 TARGETS

LOOKING AFTER OUR CLIENTS PROPERLY

Our commitments	Status	How we performed
Survey our top 50 clients, analyse the qualitative feedback and take action to bring our Net Promoter score above 20%; and make sure our client facing teams have all the information from the surveys to drive improvements.	80%	Following last year's survey, we published an internal report detailing the results and qualitative feedback from clients. On the back of this, we restructured our marketing teams to be more focused on key client engagement and relationship management. We also initiated a number of client retention initiatives across the business. From the results of this year's survey, our Net Promoter Score is 12%, meaning we haven't achieved the 20% target we set ourselves. However this represents an increase of 3% on last year.
Increase the number of organisations taking part in Real Apprentice employer days to ten per region	100%	We ran four Real Apprentice programmes across the country, offering 50 placements. In London, 15 employers came to meet our apprentices on the employer day. However in the three other regions, we only had a small number of apprentices and therefore made the decision to limit the numbers on the day.
Make sure our three FM Academies are open and benefitting our client and community relationships	100%	Because of changes in funding options, the FM Academies are no longer operating. We are however working with three major clients to develop FM apprenticeships. Our partnership with Essex City Council is the first example of this and we recruited 16 facilities apprentices this year.

NURTURING OUR PEOPLE'S TALENTS

Our commitments	Status	How we performed
Link performance management to other people processes, particularly talent and reward	100%	We've changed the way we identify talent in our business – and now clearly use performance ratings to inform the process. We're also reviewing all salaries and bonus settings based on the same performance ratings. And we're integrating all that information in our employee management system SAP.
Reinforce our leadership development programmes and extend them to more people via e-learning	100%	Our Cranfield programme was attended by another 50 senior operational managers and we delivered 7,053 e-learning hours to 2,845 people.
Extend the talent review process to capture all high potentials, regardless of career level	100%	We completed a talent review across the extended employee population which doubled the size of our talent pool and significantly increased diversity within it.
Launch an internal communications campaign and engagement toolkit to support managers in acting on the feedback received from our 2011/12 engagement survey	100%	We produced an employee engagement toolkit to help managers run workshops and act upon the results of the survey. We also launched our 'Guide to being a MITIE manager' which has been viewed by 2,500+ people (at April 2013)
Increase participation in volunteering projects to 1,000 days via a focus on internal communications and volunteering awards	100%	We delivered a total of 1,276 volunteering days, beating our target by 28%. Our internal volunteering month campaign was a great success, delivering 20% of our total.

ENABLING OUR PEOPLE TO WORK SAFE AND GO HOME SAFE

Our commitments	Status	How we performed
Continue to develop Airsweb, tailoring it further to our needs for more effective and more targeted risk management programmes	100%	Airsweb has been rolled out across new acquisitions. We have completed a review of design and outputs, identifying development areas.
Fully roll out our incident Root cause investigation programme, and train target population to ensure 100% of relevant incidents are appropriately investigated	70%	Root cause analysis is being undertaken on significant incidents. The incident management process has been refreshed in line with the Airsweb review.
Continue the evolution of the H&S leadership training programme across all managerial levels	100%	We rolled out the current programme to new acquisitions and identified requirements for training to the next level of management.
Our senior managers will conduct a formal health and safety audit process on certain site visits	100%	Directors across the group now undertake safety tours on a regular basis.
Roll out third phase of Work Safe Home Safe! (WSHS!) programme, reinforcing all messages and making sure the tools are being used	100%	The third phase of WSHS! has been rolled out across operations. We achieved 92% awareness rate which is the same as last year. Considering we have increased our employee population by 14%, we are proud of that result.
Develop innovative ways to communicate WSHS! messages to site based teams	100%	As part of the fourth phase of WSHS! we included a management workshop and guidance document giving tips for engaging the teams. We also involved everyone at MITIE by asking for budding actors to audition for the training videos – and received a fantastic response.

92% OF OUR PEOPLE ARE AWARE OF OUR WORK SAFE HOME SAFE! PROGRAMME

USING FEWER NATURAL RESOURCES

Our commitments	Status	How we performed
Transport: Achieve 10% fleet fuel reduction by 2013 against 2010 baseline	100%	We have reduced fleet fuel by 17%
Increase vehicle tracking ability to 70% of the fleet (reset from 60%)	100%	81% of our fleet is trackable
Utility: Decrease the quantity of estimated gas, electricity, water and waste data across our principal buildings by 50% and provide strategic qualitative information to increase employee engagement and to support delivery of 15% office energy reduction in 2013	100%	We've achieved 18% reduction in office energy consumption
Waste: Reach 80% recycling rate across our office estate by 2013	70%	Our recycling rate is currently 50%, which means that we have not achieved our stated target. We have however improved our recycling rate by 61% - and decreased our per employee waste creation by 30%

WE'VE ACHIEVED 18% REDUCTION IN OFFICE ENERGY CONSUMPTION

DOING MORE FOR OUR CLIENTS WITH LESS, WHEREVER THEY ARE IN THE WORLD

63% OF OUR
CLIENTS SEE MITIE
AS A SUSTAINABLE
'GREEN' SUPPLIER

Our commitments	Status	How we performed
Change the content of our main client publication, buzz, to reflect our sustainability strategy and measure client awareness on a regular basis	100%	As part of a communications review, we decided to stop publishing buzz as a magazine in favour of more localised, personal client communication via the relationship management teams and through our website and social media channels. We are now able to measure engagement very regularly via online activity reports.
Incorporate energy and environmental capabilities in all relevant client communications; giving our client facing teams the tools to do this	100%	With the acquisition of Utilyx and the restructure of our asset management business, we redefined our energy proposition with new capabilities in mind. Now that energy consultancy proposition is clear, we will be educating client facing teams in the new offering.
Measure perception shift with an annual sustainability survey as part of our top 50 client survey	100%	63% of our clients see MITIE as a sustainable 'green' supplier of energy and environmental services. This is the same as last year.
Produce a specific 'What can MITIE do when it comes to low carbon solutions' e-learning package and make it available to all our people with work email addresses	100%	In March, we produced a podcast and eLearning course on sustainable FM delivery – this has been watched and completed by 350+ people (at April 2013).
Measure perception shift with annual sustainability survey and publish the results on our intranet	100%	59% of our employees have a good understanding of MITIE's sustainability strategy, +3% on last year.

OPERATING CONTRACTS SMARTER

WE PRINTED
510,000 FEWER
SHEETS OF PAPER
PER MONTH

Our commitments	Status	How we performed
Encourage our people to implement Operation Exodus projects, improving operational efficiency across the business and for our clients	100%	We printed 510,000 fewer sheets of paper per month thanks to Operation Exodus last year. We have, however, decided to incorporate Exodus into our comprehensive 'Smart Working' initiative which looks at the full spectrum of operational efficiency projects.
Perform sustainability audit on 50+ suppliers, and simplify the process by bringing it online	100%	We audited 51 suppliers this year. Currently 96% meet or exceed our standards, and we're working with the other 4%.
Work with identified suppliers to improve carbon emissions and in turn help us and our clients improve our emissions	100%	As at April 2013 we have 700+ suppliers registered on energy and emissions data tracking web portal Ecodesk. The portal helps us understand our suppliers' emissions and therefore reduce them.

MITIE ENVIRONMENTAL REPORT 2013

MITIE Group PLC is a public limited company, incorporated in the UK. Registered address is 35 Duchess Road, Rutherglen, Glasgow, Scotland G73 1AU under company number SC19230.

The non-financial reporting period is 1 April 2012 – 31st March 2013 in line with the annual financial reporting.

CHANGE IN EMISSION MEASUREMENT

As per last year MITIE's emissions have been reported as CO₂e to allow for all 6 GHGs and broken down into scopes 1, 2 and 3 in accordance with the GHG protocol. This also provides ease-of comparison with our annual CDP reporting.

In accordance with Defra guidelines;

SCOPE 1

- The gas CO₂e figure for 2012 has been calculated using the latest gross CV basis and applied to 2011 only for comparison. Annex 1, Table 1c
- The transport CO₂e figure for 2012 has been calculated for petrol, diesel and LPG using the latest CO₂e and applied to 2011 for comparison. Annex 1 Table 1b

SCOPE 2

- The electricity CO₂e figure for 2012 has been calculated using the latest rolling five year grid average and applied to 2011 and 2010 and new 2009 to 2009 and new 2008 to 2008 electricity emissions for comparison. Annex 3, Table 3c

SCOPE 3

- The water CO₂e figure for 2012 has been calculated using the latest CO₂e figure and applied to 2011 and 2010 and new 2009 and new 2008 to 2009 and 2008 for comparison. Annex 9, Table 9a.

We have also used the indirect CO₂e scope 3 conversion factors for gas, electricity and transport fuel to add to the upstream scope 3 emissions in accordance with The GHG Protocol Initiative for Corporate Value Chain (Scope 3) Accounting and Reporting Standard in addition to our business car travel, water and waste assessments.

APPROACH TO MEASUREMENT

Our reporting approach follows the Defra guidance on how to measure and monitor your greenhouse gas emissions 2009. The guidance is based upon the GHG protocol for scopes 1, 2 and 3. Defra's 2012 Guidelines to DEFRA / DECC's GHG Conversion Factors for Company Reporting v 1.0 final update 28/05/2012 have been applied.

MITIE's emissions are not covered under the EU ETS, Climate Change Agreement nor are they covered by the Carbon Reduction Commitment Energy Efficiency Scheme.

ORGANISATIONAL BOUNDARY

In the calculation of emissions, the control approach and more specifically the financial control approach has been adopted – under which a company accounts for 100% of the GHG emissions from operations over which it has control. It does not account for GHG emissions from operations in which it owns an interest but has no control.

The financial control approach – *a company has financial control over an operation if the company has the ability to direct the financial and operating policies of the operation with a view to gaining economic benefits from its activities.*

This year again, our emissions reporting is confined to the UK where we have full financial control over our administration offices and stores. In this report the recent acquisitions of Enara and Creative Events have been excluded whilst we undertake to establish a baseline in line with the forthcoming mandatory reporting period. A small Norwegian office has also been similarly excluded from this report.

As last year we have continued to report a relatively small office in EIRE within our UK reporting using UK conversion factors.

SCOPE 1 EMISSIONS COMPRISE;

1. Gas consumed in MITIE's owned and leased administrative offices and stores through a MITIE managed energy contract
2. Transport emissions from MITIE's own fleet as monitored through our contracted All Star fuel card system for both commercial and domestic vehicles. *Our current data collation process includes the reporting of personal fuel and hence will artificially inflate our scope 1 emissions. This process will be reviewed for 2013-14 reporting.*

SCOPE 2 EMISSIONS COMPRISE;

3. Purchased electricity for MITIE's owned and leased administrative offices and stores through a MITIE managed energy contract

SCOPE 3 EMISSIONS COMPRISE;

4. Fuel emissions from expensed business fuel outside of the All Star fuel card controlled system. *It is recognised there is a small amount of fuel included in this category which are scope 1 emissions. This will be addressed in future reporting. The remaining emissions in this category are assumed to be total fuel spend but in reality may be a mixture of HMRC levied expensed items and fully expensed items. This may in effect slightly understate the real position. This is currently being reviewed.*
5. Utilities not under a MITIE managed energy contract i.e. through landlord serviced and invoiced arrangements.
6. Indirect emissions for scopes 1 and 2 for electricity, gas and transport fuel.
7. Water and water sewerage consumption in m³ from MITIE's own administrative offices and stores

OTHER DATA UNDER SCOPE 3 COMPRISES

8. Created waste in tonnes = general waste + recycled waste (tonnes) from MITIE's own administrative offices and stores (excluding client generated waste).

BASE YEAR

Our base year was previously a rolling base year comparing current with previous year back to data originating from 2006.

A baseline of 2010 was introduced comprising data measured, monitored and analysed using our bespoke impact data management system. Targets for energy, waste and transport fuel were set for three years i.e. 2010-13.

TARGETS

Our targets are:

- To reduce our energy consumption based on 2010 baseline by 15% by 2013;
- To reduce our transport fuel consumption based on 2010 baseline by 10% by 2013;
- To achieve 80% recycling by 2013.

The data to date remains a mixture of automated and manual reads plus an amount of estimated data; there will always be a percentage of estimated data as we acquire and dispose of premises.

In 2011 we published a desire to reduce the quantity of our estimated data for electricity, gas, waste and water as opposed to actual read data by 50%; this remains a challenge and will be revisited in 2013-14 alongside an estate review programme.

Our Sustainability Steering Group which is sponsored by an Executive Board Director and attended by our Head of Sustainability and representatives of functions including Property, Fleet Management, Enterprise Business Risk, QHSE, Diversity and individual business divisions; meets quarterly to discuss performance on matters regarding sustainability and feed back key recommendations to the MITIE Board.



CONSUMPTION TARGETS 2013

YEAR 3 ACHIEVEMENTS AGAINST BASELINE (2010)

	2010 Restated	2011	2012	2013	Achievements
Energy consumption incl. leased scope 3.	Target 15% reduction in energy consumption by 2013 compared to 2010 baseline				
Electricity Kwh	9,091,141	8,421,711	8,973,463	8,450,394	18.27% reduction
Gas Kwh	7,980,537	6,357,955	5,335,271	5,502,352	
Total Kwh	17,071,678	14,779,666	14,308,734	13,952,746	
Transport litres (Inc expensed scope 3)	Target 10% fuel reduction				
Transport litres	16,904,351 ¹	17,266,876 ¹	17,050,076	17,221,209	1.87% increase
Intensity (Litres per £ revenue)	9.83x10 ⁻³	9.13x10 ⁻³	8.51x10 ⁻³	8.12x10 ⁻³	17.4% reduction
Water consumption	No stated target				
Water m³	29,306	26,876	32,776	32,763	11.8% increase
Waste Management	Target 80% recycling 15% reduction in waste created compared to 2012				
Total created tonnes	1,436	994	1,336	1,204	10% reduction on 2012
Total recycled %	31	39	36	50	50% recycling
Total assumed landfilled tonnes	989	606	859	607	39% reduction to landfill
Notes	1. Updated transport fuel figure due to previous reported consumption error in 2012; intensity figure unaffected.				

ENERGY

The culmination of our three year targets have achieved a reduction in energy consumption of 18% compared to 2010 baseline consumption – exceeding our target by 3%. We've achieved this through a mix of better estate management including building disposals and acquisitions and improved behaviours supported by our Green Stars and our participation again in Earth Hour and Climate Week.

TRANSPORT

Our total fuel consumption continues to contribute almost 91% of our total scope 1 and 2 annual CO₂e emissions. Despite business growth which requires us to grow the size of our fleet, our average fuel consumption per litre as a measure against revenue has shown a decrease of more than 17%. In simple terms we use 17% less fuel to generate each GBP turnover. This has been helped in no small part by our fleet procurement policies, installation of telematic tracker systems across our commercial fleet and maintaining average passenger vehicle emissions below 130g CO₂/km.



WATER

Despite an increase in water consumption during the year it is worth noting that our average water consumption has risen slightly to just over 0.53m³ per average employee number and well below the greening Government best practice benchmark of 4m³ per FTE.

WASTE

Our waste management continues to be a challenge because of the large number of waste management contractors and our high proportion of landlord serviced properties. During 2013-14 MITIE will introduce a combined property and waste management programme across our entire office portfolio to drive down waste creation further and optimise avoidance from landfill. This year we have run a study of actual waste volumes versus estimates and found that despite using industry guidelines our estimated waste creation position is evidently overstated and will be subject to review this year. It has also negatively impacted upon our recycling achievements.

OPERATIONAL SCOPES

This year as previously, we have reported our scope 1, 2 and high level scope 3 emissions

EMISSIONS ANALYSIS

During this reporting period MITIE has continued to use its bespoke emissions management system to manage its energy, water and waste consumption across its office portfolio.

INTENSITY MEASUREMENT

Tonnes of CO₂e have been chosen since it is the most common business metric for energy, water and transport fuel consumption.

Waste remains calculated in metric tonnes i.e. 1000kg.

All data is represented as absolutes and some intensities are reported against average MITIE headcount for the year and revenue (£m).

ENVIRONMENTAL DATA FOR THE PERIOD (EMISSIONS AND TONNES):

1 April 2012 - 31 March 2013 (2012 conversion factors applied for comparison)
in line with financial accounting period

	Resource	Units	2009-10 full year^{1,2} restated (Baseline³)	2010-11	2011-12	2012-13	% change against baseline
Scope 1	Gas and Fleet transport fuel	Tonnes of CO ₂ e	42,779	42,5775	41,9815	42,764	-0.04
Scope 2	Electricity	Tonnes of CO ₂ e	3,870	3,587	3,765	3,479	-10.1
Scope 1+2	Intensity	Tonnes of CO ₂ e/ employee	0.87	0.795	0.73	0.71	-18.4
	Intensity	Tonnes CO ₂ e/ £m	27.13	24.45	22.82	21.81	-19.6
Scope 3 Upstream	energy and business car travel	Tonnes of CO ₂ e	13,425	13,1145	14,1835	14,031	4.5
	Water	Tonnes of CO ₂ e	10	9	11	11	10
	Intensity	Tonnes CO ₂ e / employee	0.0002	0.0002	0.0002	0.0002	0
	Created waste	Tonnes	1,436	994	1,336	1,204	-16.2
	Intensity Created waste per employee	Kg	27	17	21	19	-29.6
	General waste	Tonnes	989	606	859	607	-38.6
	Recycled waste	Tonnes	447	388	477	597	33.6
	% Recycled		31	39	36	50	61.3

Notes

1. Improved management information from impact data management system.
2. 2010 to include 12 months extrapolated Dalkia TFM and EPS data to aid 2011 comparison.
3. Baseline year is 2010 restated.
4. Our international based employees are not included in our average employee emission intensities as they are not UK or Ireland based to which our emissions refer.
5. Corrected figure as previous comparison for 2011 used 100% mineral instead of retail station biofuel blend for petrol and diesel.



CARBON OFFSETS

MITIE does not have a corporate policy for purchasing carbon credits to offset our emissions. Our preference is to establish a robust database of consumption and invest wherever viable to address untypically high impacts.

GREEN TARIFFS

MITIE purchases electricity through its energy contract '100% Renewable Energy' (i.e. Full Green Energy) and 'Good Quality, Combined Heat and Power from Scottish and Southern Energy'. The tariffs are not available for MITIE to offset its emissions. This accounts for 96.3% of our total electricity procurement, an increase from 90.1% in 2011-12. 3.7% is 'deemed' or 'out of contract' and will be incorporated into the renewable energy contract when contract conditions permit. All emissions under this contract can be assigned 0 tonnes of CO₂e leaving 129 tonnes for total contractual scope 2 electricity.

NOTES FROM DATA ANALYSIS

Gas meters have been assumed to be not present on sites where we have a contract for the electricity consumption but not for gas.

Sites which do not appear on the energy contract for gas and electricity have been estimated based on sqm. This has also been the approach taken for water estimation.

Sites which have not reported any waste data have been estimated on the basis of desk count and assumed that no recycling takes place in these facilities.

EMPLOYEE PROFILE AT 31 MARCH 2013

ETHNIC ORIGIN

Black AC	Bangladeshi	Chinese	Indian	Pakistani	White	Other	Not disclosed	total
5908	189	76	980	732	35754	3880	24905	72424
8.16%	0.26%	0.10%	1.35%	1.01%	49.37%	5.36%	34.39%	100%

LENGTH OF SERVICE

< 2 years	2 to 4 years	5 to 9 years	10 to 19 years	> 20 years	Not disclosed	total
34444	22028	10597	2897	326	2132	72424
47.56%	30.42%	14.63%	4.00%	0.45%	2.94%	100%

AGE RANGE

<20 years	20 to 29 years	30 to 39 years	40 to 49 years	50 to 59 years	60 to 69 years	> 70 years	Not disclosed	total
1749	14343	14277	17547	16099	6842	1150	417	72424
2.41%	19.80%	19.71%	24.23%	22.23%	9.45%	1.59%	0.58%	100%

GENDER PROFILE

male	female	Data incomplete	total
37892	34417	115	72424
52.32%	47.52%	0.16%	100%

SALARIED EMPLOYEE SENIORITY BASED ON SALARY BAND; GENDER / SALARY PROFILE

	< 20K	20K – 39K	40K – 59K	60K – 79K	80K – 99K	>100K
Male	19355	5410	882	262	105	82
Female	24216	1903	180	48	11	9

SALARIED EMPLOYEE SENIORITY BASED ON SALARY BAND; ETHNICITY / SALARY PROFILE

	< 20K	20K – 39K	40K – 59K	60K – 79K	80K – 99K	>100K
Black, Asian and Minority Ethnic	6100	425	25	1	2	2
Ethnicity not disclosed	8307	1887	327	114	37	27
Mixed Heritage	1888	164	8	3	0	0
White	27276	4837	702	192	77	62



COMMUNITY INVESTMENT

The overall community investment for FY2012-13 is up 34.6% to £728,773. This is mainly due to a 226% increase of expenses and leveraged funds. This is due to a £123,550 investment in our Apprenticeship scheme in partnership with Essex City Council which includes salaries for 16 apprentices as well as IT kit and travel allowances. Donations have reduced by 50% mainly due to match-funding being withdrawn.

We're also delighted to have increased our employee volunteering days by 34.9%.

COMMUNITY INVESTMENT KPIS TREND ANALYSIS%

Sustainability Summary FY2012-13 report KPI's	2011-12	2012-13	% difference
Donations to charities, community projects etc.	142,163.00	153,573.00	8.0%
Value of employee time volunteered	199,505.00	259,590.00	30.1%
Value of gifts in kind donations	10,465.00	5,220.00	-50.1%
Value of expenses and leveraged funds	55,356.00	180,509.00	226.1%
Community Affairs management costs	115,427.00	129,881.00	12.5%
Total Community Investment	541,401.00	£728,773.00	34.6%
Employee volunteering days (target=1,000 days)	946	1276	34.9%

It is MITIE's policy not to contribute donations to political causes.

MITIE Sustainability Performance 2013

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SE1 2Q

www.mitie.com/sustainability

Design: MITIE Creative

