

# MITIE Group PLC

Business Support Services United Kingdom LON:MTO

## ESG Risk Rating

# 12.5

Updated Nov 16, 2021

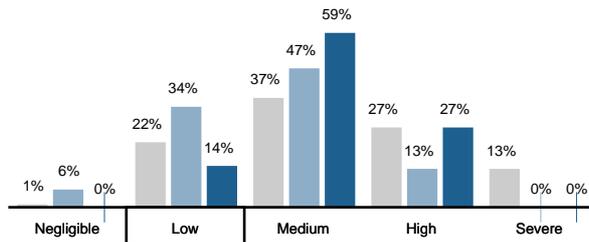
# -6.2

Momentum

## Low Risk



## ESG Risk Rating Distribution



## ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 <sup>st</sup> = lowest risk)	(1 <sup>st</sup> = lowest risk)
Global Universe	541/14654	5th
Commercial Services INDUSTRY	63/423	16th
Business Support Services SUBINDUSTRY	2/158	2nd

## Peers Table

Peers (Market cap \$1.2 - \$1.4bn)

	Exposure	Management	ESG Risk Rating
1. MITIE Group PLC	35.4 Medium	67.8 Strong	12.5 Low
2. Bilfinger SE	32.7 Low	48.1 Average	17.7 Low
3. Duskin Co., Ltd.	34.0 Low	46.0 Average	19.0 Low
4. Healthcare Services Group Inc	33.0 Low	32.6 Average	22.7 Medium
5. Prometheus Biosciences, Inc	33.0 Low	21.3 Weak	26.2 Medium

# MITIE Group PLC

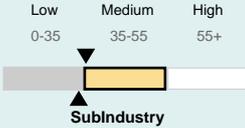
Business Support Services United Kingdom LON:MTO

## ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

### ESG Risk Exposure

**35.4** **-3.6**  
**Medium** Momentum  
Beta = 1.07



Mitie has to ensure a high quality of service across its entire portfolio of businesses. Poor facilities maintenance or engineering projects may pose safety risks for tenants, exposing Mitie to liability lawsuits, compensation costs and loss of customers. Furthermore, Mitie provides a wide variety of services all of which carry different ESG-related risks. For example, as the public sector is Mitie's largest core sector, the company relies on securing government contracts for the continuous success of its business. Any attempts to achieve this through bribery or corruption could result in investigations, fines and indictment of involved employees. Additionally, Mitie's facilities maintenance and cleaning services, as well as its waste management offering, expose the company to fines and regulatory scrutiny prompted by potential non-compliance with environmental regulations.

The company's overall exposure is medium and is moderately above subindustry average. Emissions, Effluents and Waste, Bribery and Corruption and Product Governance are notable material ESG issues.

Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

### ESG Risk Management

**67.8** **+13.7**  
**Strong** Momentum



Mitie's overall ESG-related disclosure is not in accordance with GRI reporting standards, lagging behind best practice. The company's ESG-related issues are overseen by the board-level Social Value and Responsible Business Committee, suggesting that these are integrated in core business strategy.

The company's overall management of material ESG issues is strong.

# MITIE Group PLC

Business Support Services United Kingdom LON:MTO

## Material ESG Issues

These are the Material ESG Issues driving the ESG Risk Rating.

Issue Name	ESG Risk Exposure Score   Category	ESG Risk Management Score   Category	ESG Risk Rating Score   Category	Contribution to ESG Risk Rating
Corporate Governance	9.0 High	61.2 Strong	3.5 Low	27.9%
Emissions, Effluents and Waste	4.4 Medium	48.3 Average	2.5 Low	19.9%
Product Governance	5.5 Medium	65.3 Strong	1.9 Negligible	15.3%
Human Capital	3.3 Low	45.1 Average	1.9 Negligible	15.1%
Bribery and Corruption	4.4 Medium	75.0 Strong	1.3 Negligible	10.1%
Data Privacy and Security	3.3 Low	92.5 Strong	0.9 Negligible	6.9%
Occupational Health and Safety	3.5 Low	87.4 Strong	0.6 Negligible	4.7%
Carbon -Own Operations	2.0 Low	98.8 Strong	0.0 Negligible	0.2%
<b>Overall</b>	<b>35.4 Medium</b>	<b>67.8 Strong</b>	<b>12.5 Low</b>	<b>100.0%</b>

## Events Overview

Identify events that may negatively impact stakeholders, the environment, or the company's operations.

### Category (Events)

**5 Severe (0)**

**4 High (0)**

**3 Significant (0)**

**2 Moderate (1)**

Quality and Safety

**1 Low (2)**

Labour Relations

Occupational Health and Safety

# MITIE Group PLC

Business Support Services United Kingdom LON:MTO

## Events Overview

Identify events that may negatively impact stakeholders, the environment, or the company's operations.

## Category (Events)

**None (6)**

Bribery and Corruption

Data Privacy and Security

Emissions, Effluents and Waste

Energy Use and GHG Emissions

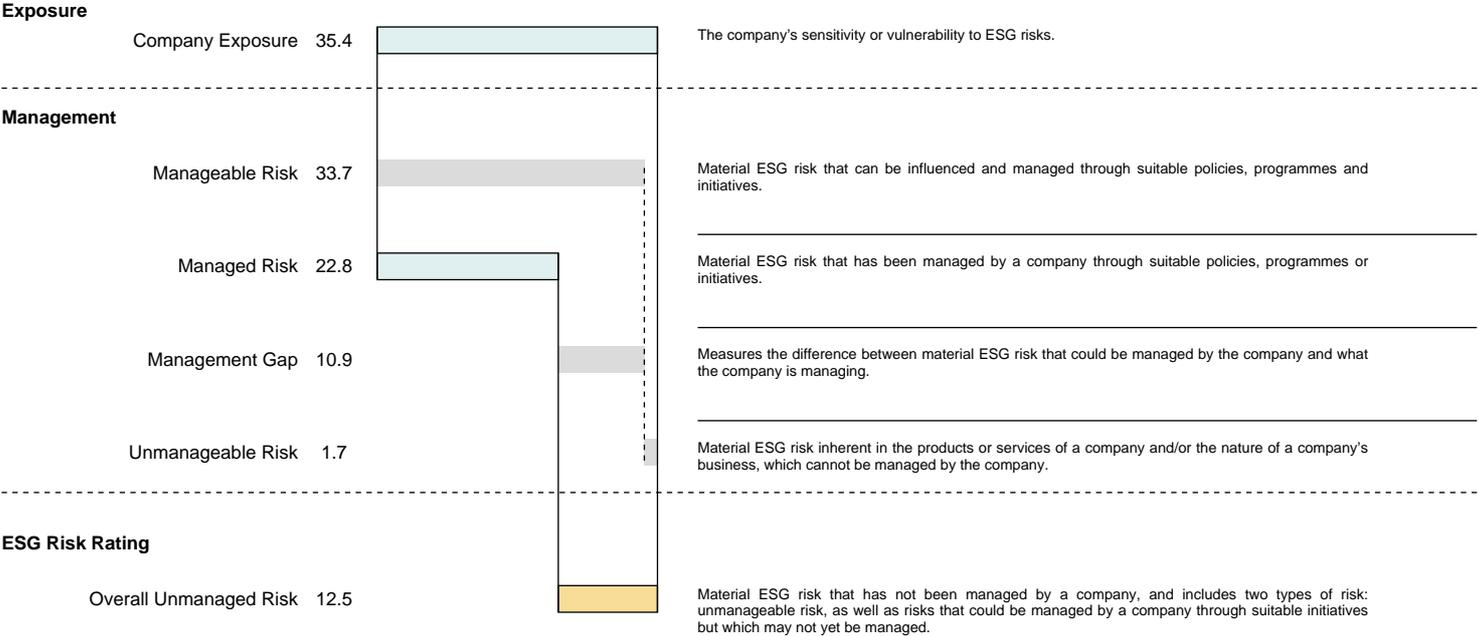
Lobbying and Public Policy

Marketing Practices

# MITIE Group PLC

Business Support Services United Kingdom LON:MTO

## Risk Decomposition



## Momentum Details



# MITIE Group PLC

Business Support Services United Kingdom LON:MTO

## Issue

Contribution 27.9 %



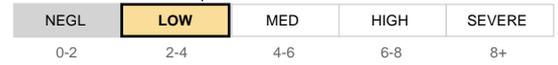
## Corporate Governance

Corporate Governance represents foundational structures for the management of ESG risks.

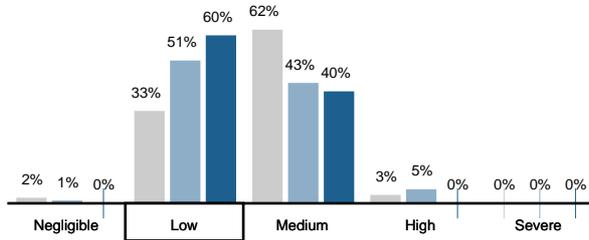
## ESG Risk Rating

# 3.5

# Low Risk



## ESG Risk Rating Distribution



## ESG Risk Rating Ranking

UNIVERSE	RANK (1 <sup>st</sup> = lowest risk)	PERCENTILE (1 <sup>st</sup> = lowest risk)
Global Universe	722/4675	16th
Commercial Services INDUSTRY	19/83	23rd
Business Support SUBINDUSTRY	4/20	17th

## Peers Table

Peers (Market cap \$0.5 - \$2.4bn)

Peers (Market cap \$0.5 - \$2.4bn)	Exposure	Management	ESG Risk Rating
1. Origin Enterprises PLC	9.0 High	63.5 Strong	3.3 Low
2. MITIE Group PLC	9.0 High	61.2 Strong	3.5 Low
3. Caverion Oyj	9.0 High	55.9 Strong	4.0 Low
4. Bilfinger SE	9.0 High	51.1 Average	4.4 Medium
5. Park24 Co., Ltd.	9.0 High	36.0 Weak	5.8 Medium

# MITIE Group PLC

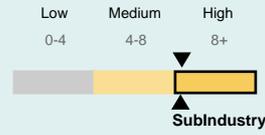
Business Support Services United Kingdom LON:MTO

## ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

### ESG Risk Exposure

**9.0**  
High



The quality and integrity of the company's board and management and its remuneration systems are identified as the highest weighted governance areas of focus. The company is publicly traded, which leads to heightened scrutiny of its governance practices and increases the importance of governance structures, practices and behaviour. This translates into high exposure to baseline Corporate Governance risk.

Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

### ESG Risk Management

**61.2**  
Strong



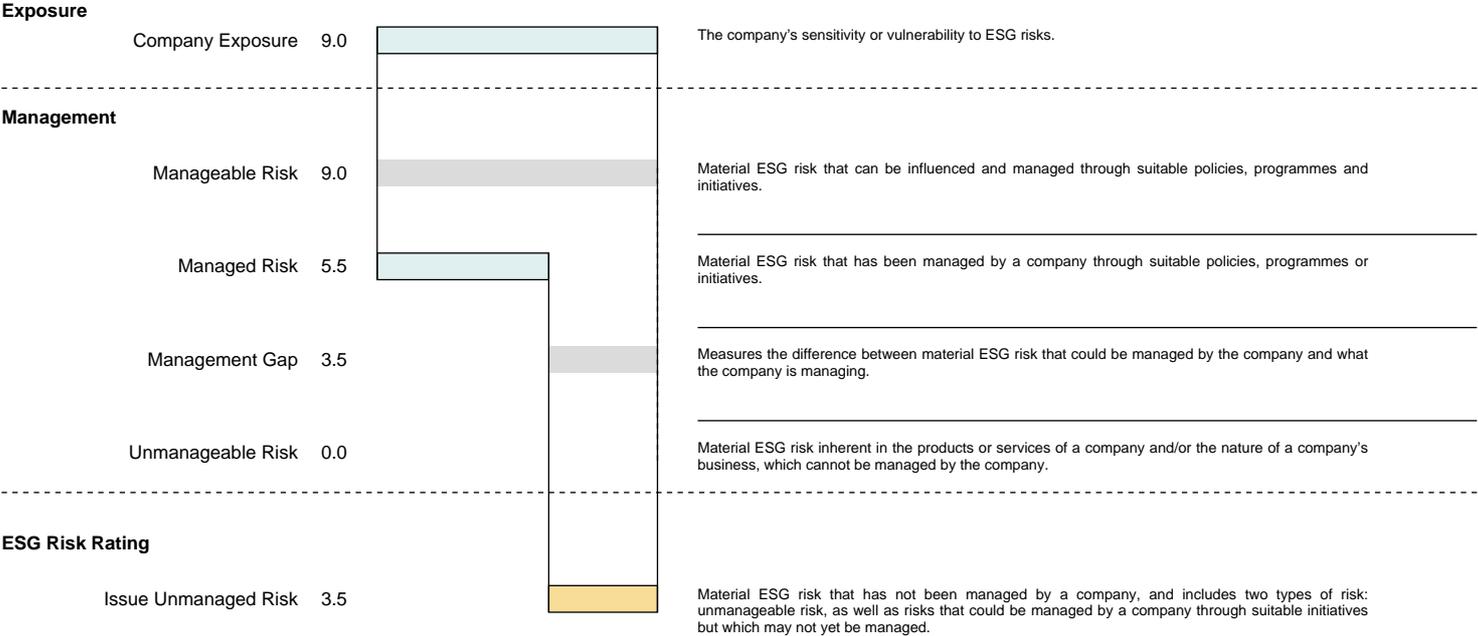
The company is noted for showing particular strength in its board structure, its ownership structure/shareholder rights, its audit and financial performance systems and its stakeholder governance. It has average management of its 2 other governance pillars. Overall, we rate the company's corporate governance management as strong.

Corporate Governance Pillars	Raw Score	Weight	Weighted Score
Board/Management Quality & Integrity	53	25.0%	13.3
Board Structure	88	17.0%	15.0
Ownership & Shareholder Rights	64	15.0%	9.6
Remuneration	45	25.0%	11.3
Audit & Financial Reporting	77	8.0%	6.2
Stakeholder Governance	60	10.0%	6.0
<b>Totals</b>		<b>100.0%</b>	<b>61.2</b>

# MITIE Group PLC

Business Support Services United Kingdom LON:MTO

## Risk Decomposition



# MITIE Group PLC

Business Support Services United Kingdom LON:MTO

## Issue

Contribution 19.9 %



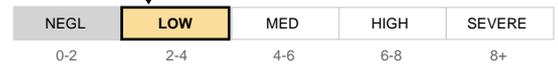
## Emissions, Effluents and Waste

Emissions, Effluents and Waste focuses on the management of emissions and releases from a company's own operations to air, water and land, excluding GHG emissions.

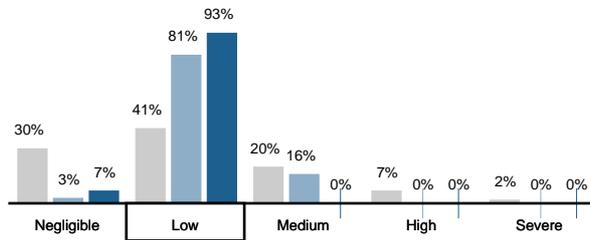
## ESG Risk Rating

# 2.5

## Low Risk



## ESG Risk Rating Distribution



## ESG Risk Rating Ranking

UNIVERSE	RANK (1 <sup>st</sup> = lowest risk)	PERCENTILE (1 <sup>st</sup> = lowest risk)
Global Universe	708/1657	43rd
Commercial Services INDUSTRY	3/31	8th
Business Support SUBINDUSTRY	3/14	16th

## Peers Table

Peers (Market cap \$1.1 - \$1.4bn)

	Exposure	Management	ESG Risk Rating
1. MITIE Group PLC	4.4 Medium	48.3 Average	2.5 Low
2. Caverion Oyj	4.2 Medium	35.0 Average	2.9 Low
3. Bilfinger SE	3.8 Low	21.5 Weak	3.1 Low

# MITIE Group PLC

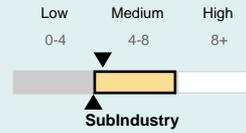
Business Support Services United Kingdom LON:MTO

## ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

## ESG Risk Exposure

**4.4**  
Medium



Mitie engages in facilities maintenance and cleaning and provides waste reduction and treatment solutions for a variety of wastes. UK waste regulations are becoming more stringent and mismanagement of effluents and waste resulting from its operations may lead to regulatory fines and remediation costs for Mitie. Repeated failure to comply with extensive environmental laws and regulations governing every phase of waste treatment and recycling may also endanger the company's contracts with customers.

The company's exposure to Emissions, Effluents and Waste issues is medium and moderately above the subindustry exposure.

### Exposure Analysis

Subindustry Issue Exposure	4.0
Issue Beta	x <b>1.10</b>
Company Issue Exposure	4.4

### Beta Indicators

### Beta Signal

Emissions, Effluents and Waste	0.00
Operating Performance	0.02
Solvency	0.03
Financial Flexibility	0.03
Asset Performance	0.02
Headquarters Location	-0.02
Assets Location	0.00
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
<b>Total Beta Signal</b>	<b>0.10</b>
Baseline	+1.00
<b>Overall Beta</b>	<b>1.10</b>

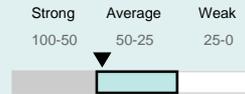
# MITIE Group PLC

Business Support Services United Kingdom LON:MTO

Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

## ESG Risk Management

**48.3**  
Average



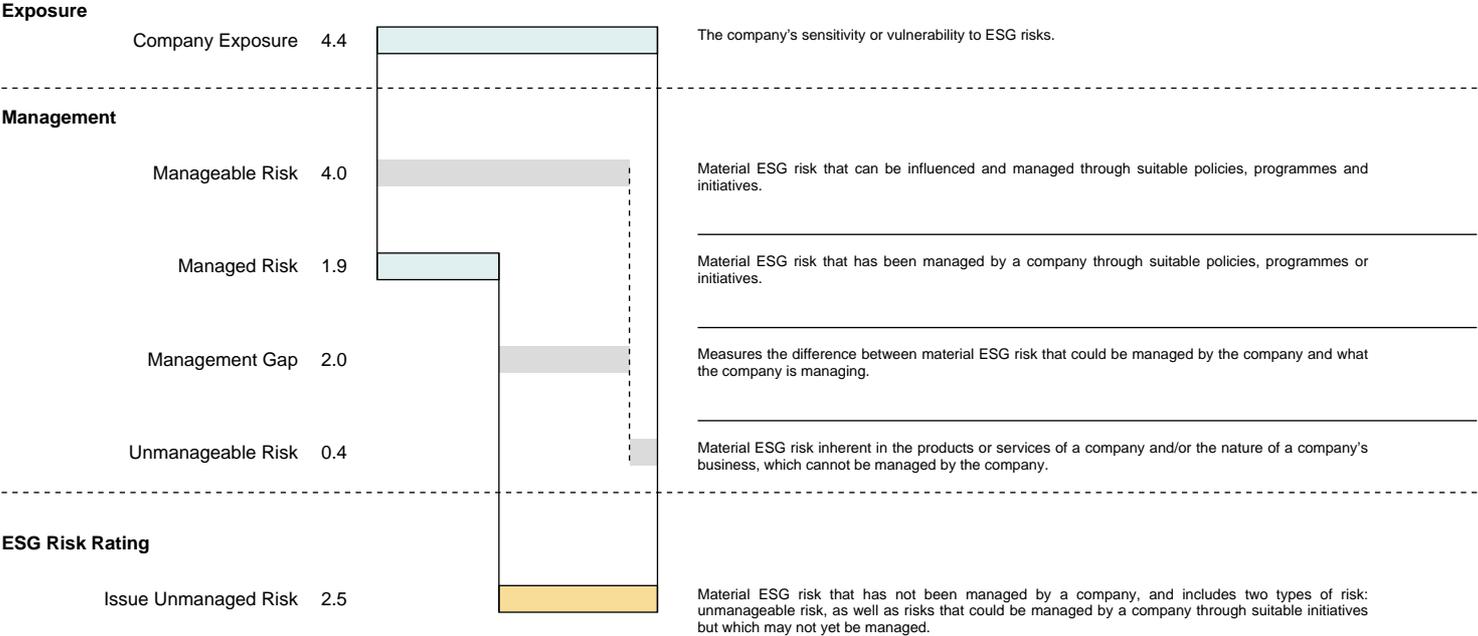
The company has a very strong environmental policy that includes most elements of best practice, such as a commitment to both reducing environmental emissions, releases and waste as well as monitoring and reporting regularly on environmental issues. Additionally, the company adopts a very strong environmental management system that is ISO14001-certified. Top-managerial responsibility has been assigned for environmental issues, this being joined by training and awareness programmes for employees. While Mitie discloses an adequate programme for the management of its solid waste, it lacks similar initiatives to reduce effluents or hazardous waste. This stands as an area of further improvement for the company. In our view, the company's management of the issue is average.

Management Indicators	Raw Score	Weight	Weighted Score
EMS Certification	100	5.0%	5.0
Environmental Management System	100	10.0%	10.0
Environmental Policy	100	5.0%	5.0
Emergency Response Programme	75	10.0%	7.5
Solid Waste Management	50	20.0%	10.0
Effluent Management	33	17.5%	5.8
Non-GHG Air Emissions Programmes	25	20.0%	5.0
Hazardous Waste Management	0	12.5%	0.0
 Emissions, Effluents and Waste	<b>Category 0</b>	0%	0.0
<b>Weighted Sum</b>			<b>48.3</b>

# MITIE Group PLC

Business Support Services United Kingdom LON:MTO

## Risk Decomposition



# MITIE Group PLC

Business Support Services United Kingdom LON:MTO

## Issue

Contribution 15.3 %



## Product Governance

Product Governance focuses on how companies manage responsibilities to their clients. Emphasis is put on quality management systems, marketing practices, fair billing and post-sales responsibility.

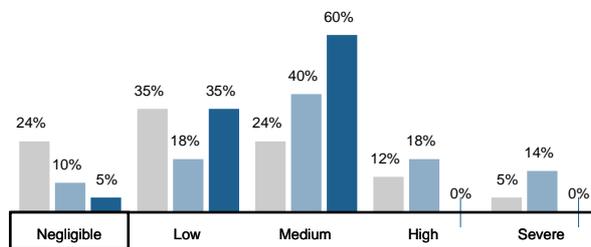
## ESG Risk Rating

# 1.9

## Negligible Risk



## ESG Risk Rating Distribution



## ESG Risk Rating Ranking

UNIVERSE	RANK (1 <sup>st</sup> = lowest risk)	PERCENTILE (1 <sup>st</sup> = lowest risk)
Global Universe	824/3752	23rd
Commercial Services INDUSTRY	5/50	9th
Business Support SUBINDUSTRY	1/20	1st

## Peers Table

Peers (Market cap \$0.5 - \$2.4bn)

	Exposure	Management	ESG Risk Rating
1. MITIE Group PLC	5.5 Medium	65.3 Strong	1.9 Negligible
2. Caverion Oyj	5.3 Medium	45.0 Average	2.9 Low
3. Bilfinger SE	5.0 Medium	25.7 Average	3.7 Low
4. Origin Enterprises PLC	5.0 Medium	13.8 Weak	4.3 Medium
5. Park24 Co., Ltd.	5.0 Medium	0.0 Weak	5.0 Medium

# MITIE Group PLC

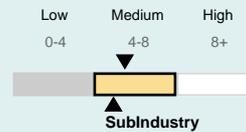
Business Support Services United Kingdom LON:MTO

## ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

## ESG Risk Exposure

**5.5**  
Medium



Mitie has a diverse offering that includes a variety of services ranging from 'soft services' such as security, cleaning and document management to security services such as manned guard and engineering projects or facilities maintenance. Failure to ensure a high quality of service across all its business lines may negatively impact the wellbeing of people in its care and custody or might reduce customer satisfaction. Mismanagement in this area may trigger complaints, liability lawsuits and brand damages.

The company's exposure to Product Governance issues is medium and moderately above the subindustry exposure.

### Exposure Analysis

Subindustry Issue Exposure	5.0
Issue Beta	x <b>1.10</b>
Company Issue Exposure	5.5

### Beta Indicators

### Beta Signal

Marketing Practices	0.00
Quality and Safety	0.02
Operating Performance	0.02
Solvency	0.03
Financial Flexibility	0.03
Asset Performance	0.02
Headquarters Location	-0.02
Sales Location	0.00
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
<b>Total Beta Signal</b>	<b>0.10</b>
Baseline	+1.00
<b>Overall Beta</b>	<b>1.10</b>

# MITIE Group PLC

Business Support Services United Kingdom LON:MTO

Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

## ESG Risk Management

**65.3**  
Strong



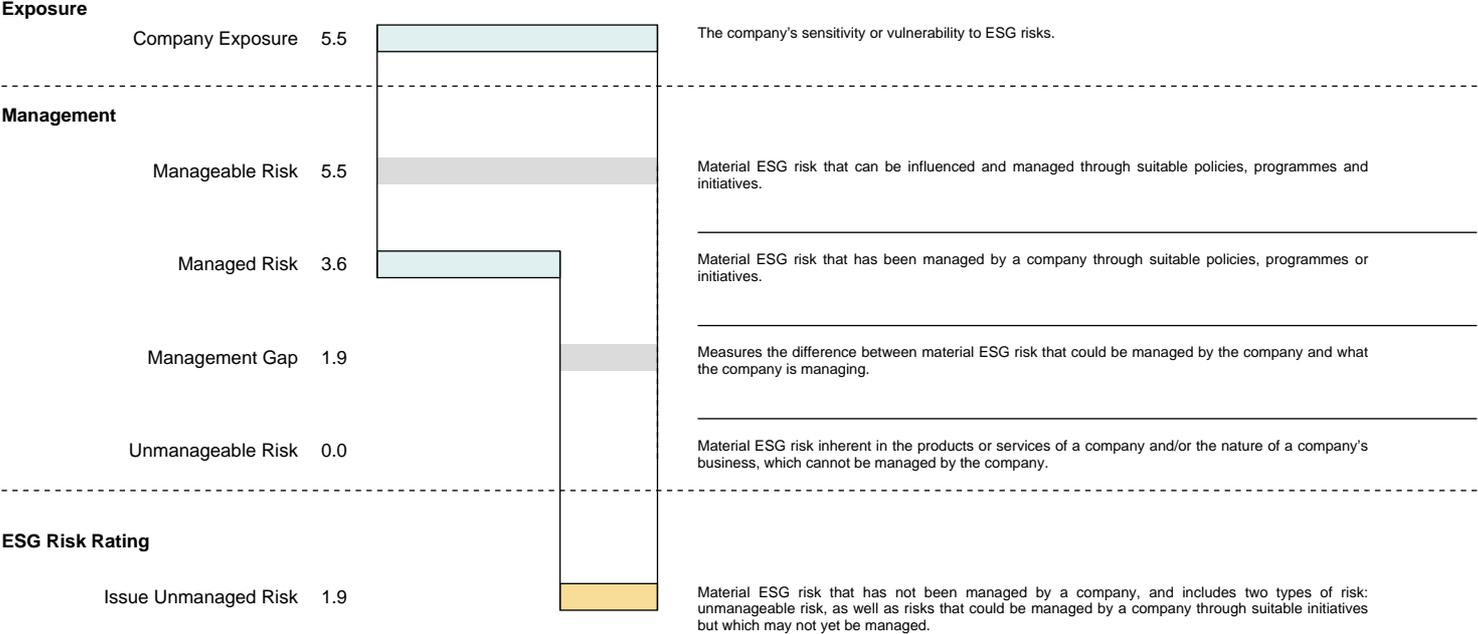
In line with best practice in the industry, all of the company's facilities have received external certification to a reputable international standard, such as ISO9001. Furthermore, Mitie has established an adequate programme to manage product and service safety risks. The company has assigned managerial level responsibility for product and service safety and performs periodic risk assessments. The company has above average preparedness measures to address Product Governance issues and has been implicated in minor controversies related to the issue. In our view, the company's management of the issue is above average.

Management Indicators	Raw Score	Weight	Weighted Score
QMS Certifications	100	40.5%	40.5
Product and Service Safety	50	49.5%	24.8
 Quality and Safety	Category 2	10%	0.0
 Marketing Practices	Category 0	0%	0.0
<b>Weighted Sum</b>			<b>65.3</b>

# MITIE Group PLC

Business Support Services United Kingdom LON:MTO

## Risk Decomposition



# MITIE Group PLC

Business Support Services United Kingdom LON:MTO

## Issue

Contribution 15.1 %



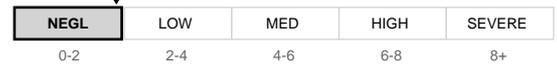
## Human Capital

Human Capital focuses on the management of risks related to scarcity of skilled labour as well as labour relations, such as non-discrimination, working hours and minimum wages.

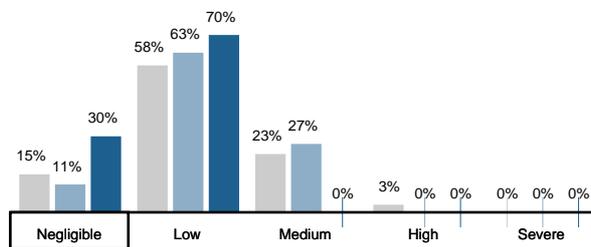
## ESG Risk Rating

# 1.9

## Negligible Risk



## ESG Risk Rating Distribution



## ESG Risk Rating Ranking

UNIVERSE	RANK (1 <sup>st</sup> = lowest risk)	PERCENTILE (1 <sup>st</sup> = lowest risk)
Global Universe	522/4404	13th
Commercial Services INDUSTRY	4/64	6th
Business Support SUBINDUSTRY	3/20	11th

## Peers Table

Peers (Market cap \$0.5 - \$2.4bn)

Peers (Market cap \$0.5 - \$2.4bn)	Exposure	Management	ESG Risk Rating
1. MITIE Group PLC	3.3 Low	45.1 Average	1.9 Negligible
2. Park24 Co., Ltd.	2.9 Low	30.6 Average	2.0 Low
3. Caverion Oyj	3.3 Low	39.4 Average	2.1 Low
4. Bilfinger SE	3.0 Low	30.9 Average	2.1 Low
5. Origin Enterprises PLC	3.0 Low	30.6 Average	2.1 Low

# MITIE Group PLC

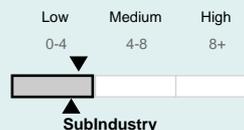
Business Support Services United Kingdom LON:MTO

## ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

## ESG Risk Exposure

**3.3**  
Low



Business Support Services companies employ a wide variety of personnel. For manufacturing operations, companies employ skilled employees such as equipment operators and assemblers. Some companies also rely on specialized professionals, such as researchers, engineers and IT staff, to develop cutting-edge technologies. As some industries are experiencing skills shortages, attracting and retaining the talent able to develop these business lines is key to maintaining market share. Additionally, some subindustry companies may experience labour conflicts, which can result in operational disruptions. In addition, depending on location of operations, companies may have trouble attracting highly skilled employees due to labour shortages, which may impact R&D efficiency. Companies that tailor their programmes to the long-term needs of their employees may be better positioned to retain key expertise. Furthermore, some subindustry companies are facing increasing scrutiny on diversity issues regarding the underrepresentation of women, minorities and workers over 40. Lawsuits from former employees alleging gender, racial or age discrimination may indicate the need for stronger Human Capital management. Best practice includes strong programmes for employee recruitment, retention and development, as well as diversity programmes.

The company's exposure to Human Capital issues is low and moderately above the subindustry exposure.

### Exposure Analysis

Subindustry Issue Exposure	3.0
Issue Beta	x <b>1.10</b>
Company Issue Exposure	3.3

### Beta Indicators

### Beta Signal

Labour Relations	0.01
Operating Performance	0.02
Solvency	0.03
Financial Flexibility	0.03
Asset Performance	0.02
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
Total Beta Signal	0.10
Baseline	+1.00
Overall Beta	<b>1.10</b>

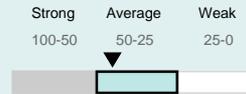
# MITIE Group PLC

Business Support Services United Kingdom LON:MTO

Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

## ESG Risk Management

**45.1**  
Average



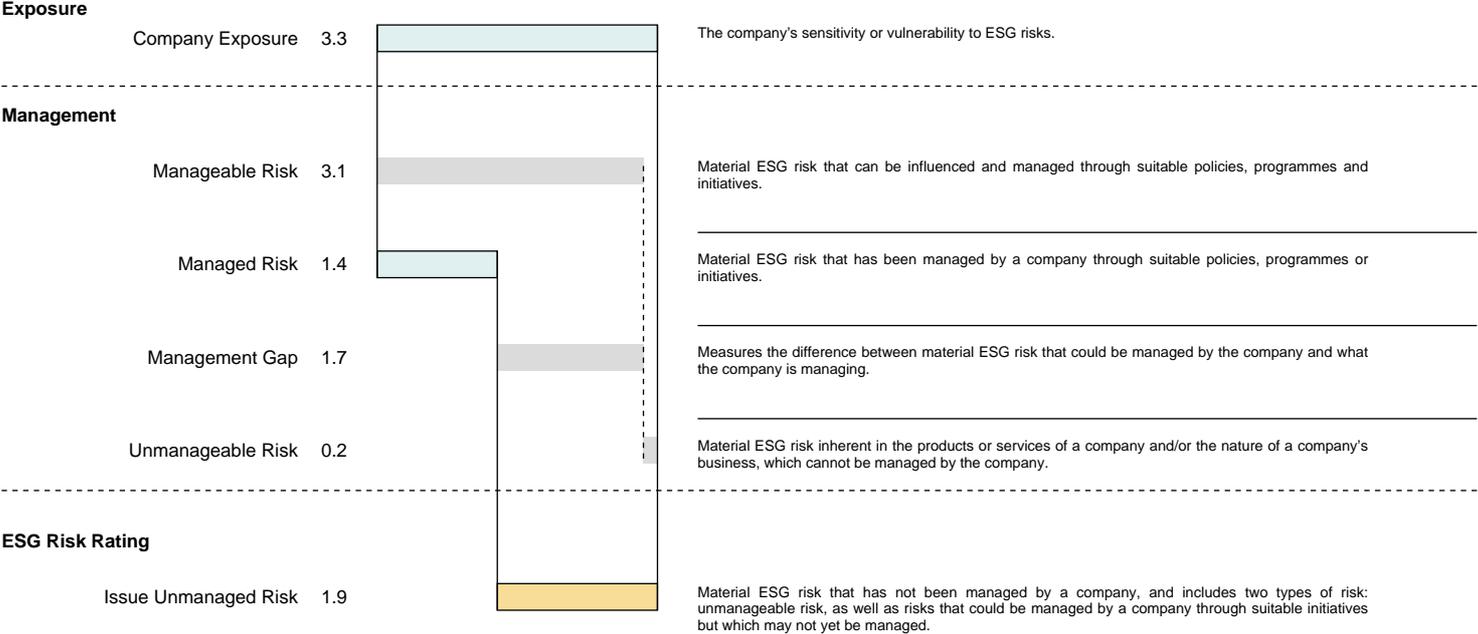
The company has average preparedness measures to address Human Capital issues and has been implicated in minor controversies related to the issue. In our view, the company's management of the issue is average.

Management Indicators	Raw Score	Weight	Weighted Score
Human Capital Development	100	23.8%	23.8
Freedom of Association Policy	75	4.8%	3.6
Diversity Programmes	50	11.9%	5.9
Gender Pay Disclosure	50	4.8%	2.4
Gender Pay Equality Programme	50	7.1%	3.6
Discrimination Policy	25	7.1%	1.8
Working Hours Policy	25	7.1%	1.8
Employee Training	20	11.9%	2.4
Collective Bargaining Agreements	0	4.8%	0.0
Employee Turnover Rate	0	11.9%	0.0
 Labour Relations	Category 1	5%	0.0
<b>Weighted Sum</b>			<b>45.1</b>

# MITIE Group PLC

Business Support Services United Kingdom LON:MTO

## Risk Decomposition



# MITIE Group PLC

Business Support Services United Kingdom LON:MTO

## Issue

Contribution 10.1 %



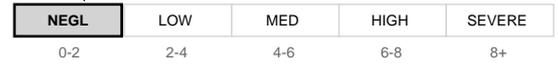
## Bribery and Corruption

Bribery and Corruption focuses on the management of risks related to illicit payments, such as kickbacks or bribes to government officials or business partners, and the receipt of those payments.

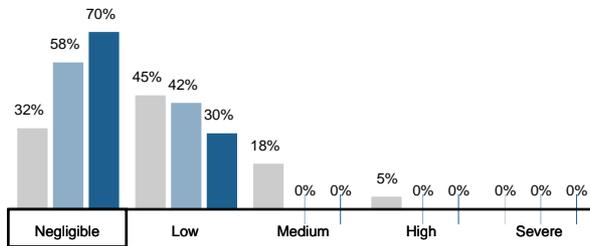
## ESG Risk Rating

# 1.3

## Negligible Risk



## ESG Risk Rating Distribution



## ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 <sup>st</sup> = lowest risk)	(1 <sup>st</sup> = lowest risk)
Global Universe	108/755	15th
Commercial Services INDUSTRY	9/31	27th
Business Support SUBINDUSTRY	8/20	37th

## Peers Table

Peers (Market cap \$0.5 - \$2.4bn)

	Exposure	Management	ESG Risk Rating
1. Bilfinger SE	4.0 Medium	87.2 Strong	0.7 Negligible
2. Origin Enterprises PLC	4.0 Medium	77.5 Strong	1.1 Negligible
3. Caverion Oyj	4.4 Medium	79.4 Strong	1.1 Negligible
4. MITIE Group PLC	4.4 Medium	75.0 Strong	1.3 Negligible
5. Park24 Co., Ltd.	3.8 Low	28.8 Average	2.8 Low

# MITIE Group PLC

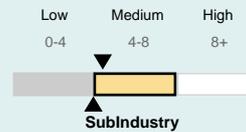
Business Support Services United Kingdom LON:MTO

## ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

## ESG Risk Exposure

**4.4**  
Medium



Mitie provides services for a wide range of public sector and government organizations, reporting that in FY2021, was one of the largest of its core sectors. Due to its close interaction with government officials and reliance on public contracts, Mitie is exposed to risks such as bribery and corruption or bid rigging. Apart from investigations and fines, a track record of fraudulent activities may also erode the company's relationship with public customers, which may limit future revenue-generating opportunities.

The company's exposure to Bribery and Corruption issues is medium and moderately above the subindustry exposure.

### Exposure Analysis

Subindustry Issue Exposure	4.0
Issue Beta	x <b>1.10</b>
Company Issue Exposure	4.4

### Beta Indicators

### Beta Signal

Bribery and Corruption	0.00
Lobbying and Public Policy	0.00
Operating Performance	0.02
Solvency	0.03
Financial Flexibility	0.03
Asset Performance	0.02
Regional Corruption	0.00
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
Total Beta Signal	0.10
Baseline	+1.00
Overall Beta	<b>1.10</b>

# MITIE Group PLC

Business Support Services United Kingdom LON:MTO

Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

## ESG Risk Management

**75.0**  
**Strong**



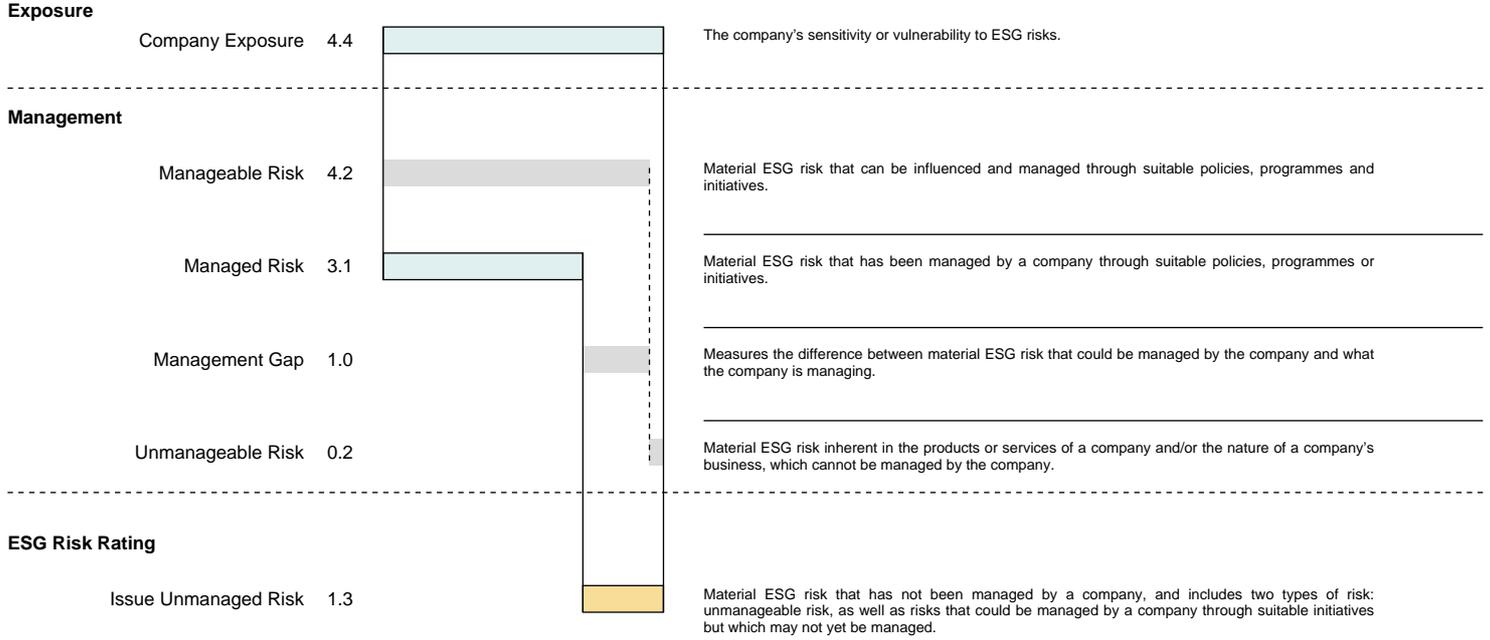
In order to ensure it has effective governance and oversight of its compliance with applicable laws and regulations, Mitie provides employees and other stakeholders with the possibility to submit anonymous reports via an independent service provider's website. Moreover, the company prohibits retaliation against whistleblowers. Mitie has a strong policy against political involvement and available evidence suggests it does not make political contributions. Additionally, the company discloses a very strong policy against bribery and corruption but could further improve its performance in this area by supporting this policy with an equally strong bribery and corruption programme. In our view, the company's management of the issue is above average.

Management Indicators	Raw Score	Weight	Weighted Score
Bribery & Corruption Policy	100	20.0%	20.0
Lobbying and Political Expenses	100	17.5%	17.5
Political Involvement Policy	100	12.5%	12.5
Whistleblower Programmes	75	25.0%	18.8
Bribery & Corruption Programmes	25	25.0%	6.3
 Bribery and Corruption	<b>Category 0</b>	0%	0.0
 Lobbying and Public Policy	<b>Category 0</b>	0%	0.0
<b>Weighted Sum</b>			<b>75.0</b>

# MITIE Group PLC

Business Support Services United Kingdom LON:MTO

## Risk Decomposition



# MITIE Group PLC

Business Support Services United Kingdom LON:MTO

## Issue

Contribution 6.9 %



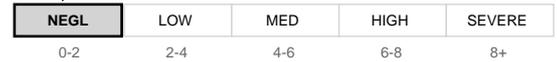
## Data Privacy and Security

Data Privacy and Security focuses on data governance practices, including how companies collect, use, manage and protect data.

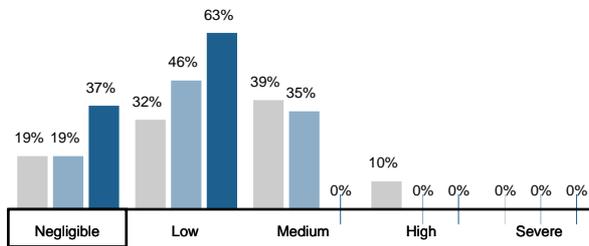
## ESG Risk Rating

# 0.9

## Negligible Risk



## ESG Risk Rating Distribution



## ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 <sup>st</sup> = lowest risk)	(1 <sup>st</sup> = lowest risk)
Global Universe	10/1881	1 <sup>st</sup>
Commercial Services INDUSTRY	2/54	3 <sup>rd</sup>
Business Support SUBINDUSTRY	1/19	1 <sup>st</sup>

## Peers Table

Peers (Market cap \$0.5 - \$2.4bn)

	Exposure	Management	ESG Risk Rating
1. MITIE Group PLC	3.3 Low	92.5 Strong	<b>0.9 Negligible</b>
2. Caverion Oyj	3.2 Low	75.0 Strong	<b>1.3 Negligible</b>
3. Bilfinger SE	2.9 Low	52.9 Strong	<b>1.6 Negligible</b>
4. Origin Enterprises PLC	3.0 Low	50.0 Strong	<b>1.8 Negligible</b>
5. Park24 Co., Ltd.	3.0 Low	14.4 Weak	<b>2.7 Low</b>

# MITIE Group PLC

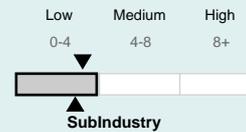
Business Support Services United Kingdom LON:MTO

## ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

## ESG Risk Exposure

**3.3**  
Low



Business Support Services companies that provide IT services to clients receive, store and process large volumes of personally identifiable information and other sensitive data. Traditionally, different jurisdictions have maintained distinct legal requirements for data privacy. However, there is increasing coordination on data privacy among regulators. In July 2016, the US and EU agreed to adopt the Privacy Shield principles, which mandate that EU resident data stored in the US must meet or exceed EU data protection standards. In addition, the EU General Data Protection Regulation (GDPR) of 2016 applies to all global companies that handle EU data. The GDPR can lead to fines of up to EUR 20 million, or 4% of annual global turnover, for non-compliance. As a result, companies face issues related to adhering with evolving privacy laws and meet consumer privacy expectations. In Asia, national regulation and a voluntary data privacy initiative, the APEC Privacy Framework, are also addressing data privacy issues. Research has demonstrated that the market reacts very negatively to data breaches, typically through share price declines. Furthermore, the total cost of a data breach for companies has increased year on year, demonstrating the increasing urgency of the issue. Best practice includes developing data privacy and security policies and programmes that are designed to address both existing and emerging threats. These plans should be regularly tested as part of security and privacy risk assessments and updated as technology infrastructure evolves. Proactive companies commit to implementing leading security safeguards.

The company's exposure to Data Privacy and Security issues is low and moderately above the subindustry exposure.

### Exposure Analysis

Subindustry Issue Exposure	3.0
Issue Beta	x <b>1.10</b>
Company Issue Exposure	3.3

### Beta Indicators

### Beta Signal

Data Privacy and Security	0.00
Operating Performance	0.02
Solvency	0.03
Financial Flexibility	0.03
Asset Performance	0.02
Headquarters Location	-0.02
Sales Location	0.00
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
<b>Total Beta Signal</b>	<b>0.10</b>
Baseline	+1.00
<b>Overall Beta</b>	<b>1.10</b>

# MITIE Group PLC

Business Support Services United Kingdom LON:MTO

Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

## ESG Risk Management

**92.5**  
**Strong**



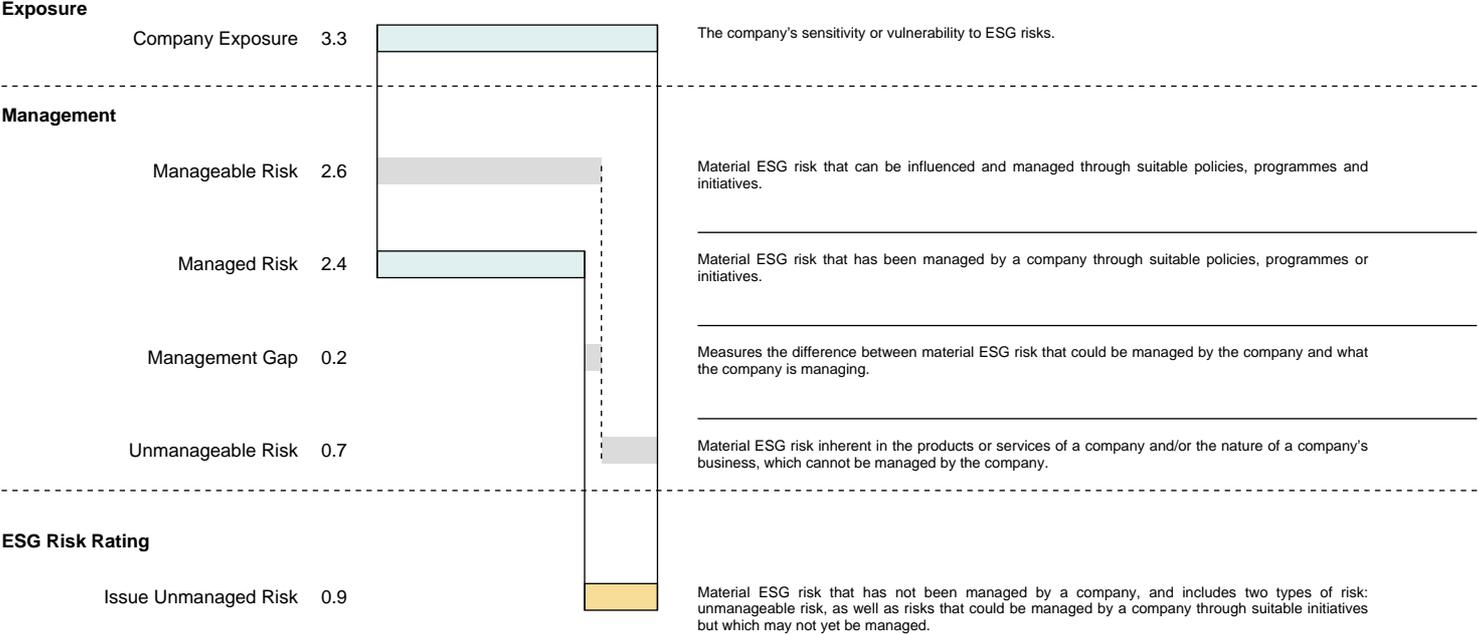
In our view, the company's management of the issue is above average.

Management Indicators	Raw Score	Weight	Weighted Score
Cybersecurity Programme	100	42.5%	42.5
Data Privacy Programme	100	42.5%	42.5
Data Privacy & Security Policy	50	15.0%	7.5
 Data Privacy and Security	Category 0	0%	0.0
<b>Weighted Sum</b>			<b>92.5</b>

# MITIE Group PLC

Business Support Services United Kingdom LON:MTO

## Risk Decomposition



# MITIE Group PLC

Business Support Services United Kingdom LON:MTO

## Issue

Contribution 4.7 %



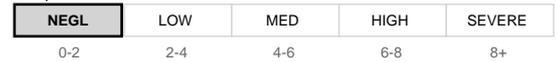
## Occupational Health and Safety

Occupational Health and Safety focuses on the management of workplace hazards affecting a company's own employees and on-site contractors. Where relevant, it may also include HIV/AIDS programmes.

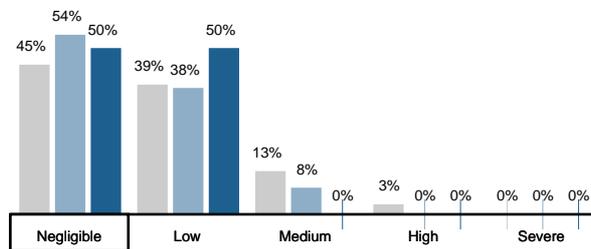
## ESG Risk Rating

# 0.6

## Negligible Risk



## ESG Risk Rating Distribution



## ESG Risk Rating Ranking

UNIVERSE	RANK (1 <sup>st</sup> = lowest risk)	PERCENTILE (1 <sup>st</sup> = lowest risk)
Global Universe	83/2080	5th
Commercial Services INDUSTRY	4/50	7th
Business Support SUBINDUSTRY	4/20	17th

## Peers Table

Peers (Market cap \$0.5 - \$2.4bn)

	Exposure	Management	ESG Risk Rating
1. Caverion Oyj	3.3 Low	97.5 Strong	0.2 Negligible
2. Bilfinger SE	3.0 Low	91.0 Strong	0.4 Negligible
3. MITIE Group PLC	3.5 Low	87.4 Strong	0.6 Negligible
4. Origin Enterprises PLC	3.2 Low	46.3 Average	1.8 Negligible
5. Park24 Co., Ltd.	2.9 Low	17.6 Weak	2.4 Low

# MITIE Group PLC

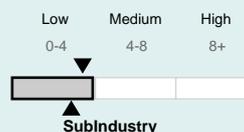
Business Support Services United Kingdom LON:MTO

## ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

## ESG Risk Exposure

**3.5**  
Low



Business Support Services companies are involved in providing services to a wide range of businesses, including high-hazard industries such as heavy machinery production, construction, chemicals and mining. Company employees have experienced injuries from slips, falls, moving machinery or exposure to asbestos or hazardous chemicals. Although fines from health and safety incidents are generally low, companies can face suspension of operations and production disruptions while accidents are investigated, or may incur costs related to the remediation of health and safety conditions. Additionally, companies may have to bear the costs of hiring and training additional staff while injured staff are off work, compensation to injured workers or their families, and rising insurance premiums. Companies that operate in developed markets, such as the US, are subject to strict regulations. The Occupational Safety and Health Administration (OSHA) is making it mandatory for employers in high-hazard industries, such as construction and industrial machinery, to disclose injury and fatality data, which they can post on the agency's website starting July 2017. Best practice includes implementing an OHSAS 18001 certified health and safety management system and programmes for minimizing hazards in high-hazard operations.

The company's exposure to Occupational Health and Safety issues is low and moderately above the subindustry exposure.

### Exposure Analysis

Subindustry Issue Exposure	3.0
Issue Beta	x <b>1.15</b>
Company Issue Exposure	3.5

### Beta Indicators

### Beta Signal

Occupational Health and Safety	0.01
Operating Performance	0.02
Solvency	0.03
Financial Flexibility	0.03
Asset Performance	0.02
Headquarters Location	-0.02
Assets Location	0.00
Qualitative Overlay	0.00
Subindustry Correction Factor	0.05
Exceptional Event Adjustment	0.00
Total Beta Signal	0.15
Baseline	+1.00
Overall Beta	<b>1.15</b>

# MITIE Group PLC

Business Support Services United Kingdom LON:MTO

Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

## ESG Risk Management

**87.4**  
Strong



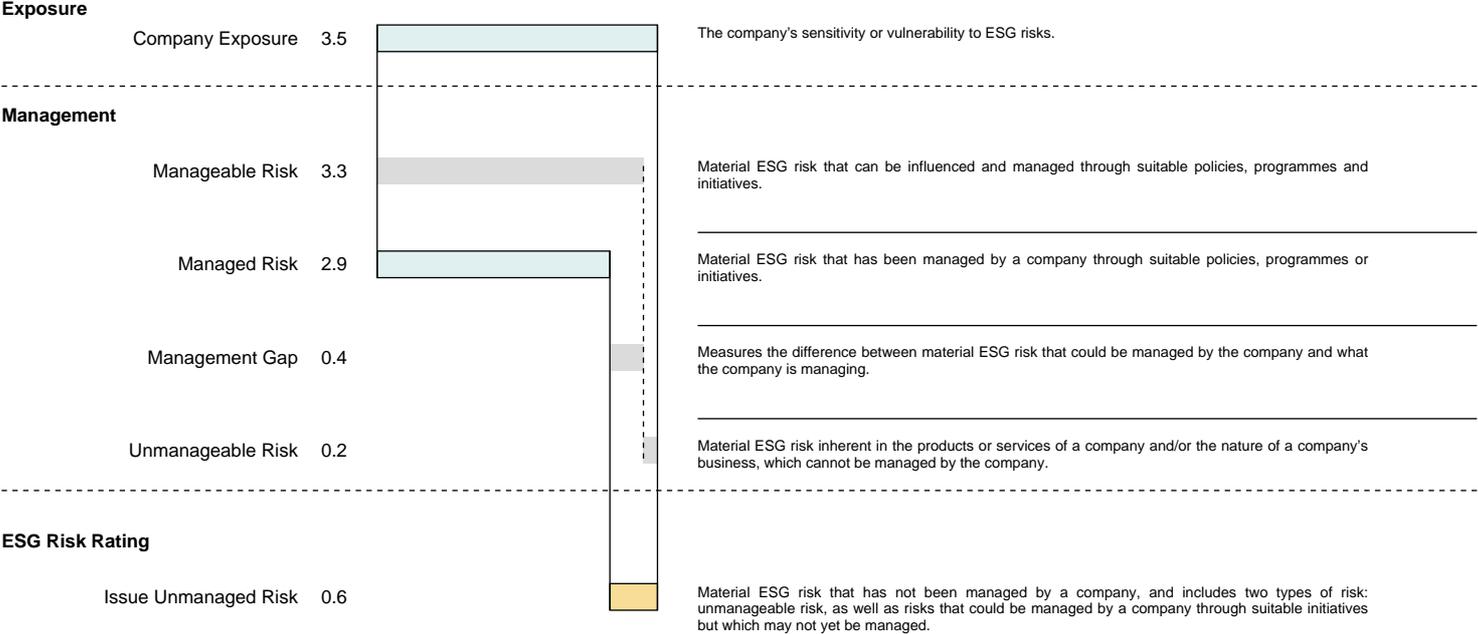
The company has above average preparedness measures to address Occupational Health and Safety issues and has been implicated in minor controversies related to the issue. In our view, the company's management of the issue is above average.

Management Indicators	Raw Score	Weight	Weighted Score
Health & Safety Certifications	100	19.0%	19.0
Health and Safety Management	100	30.9%	30.9
LTIR Trend	100	35.6%	35.6
Employee Fatality Rate	20	9.5%	1.9
 Occupational Health and Safety	Category 1	5%	0.0
<b>Weighted Sum</b>			<b>87.4</b>

# MITIE Group PLC

Business Support Services United Kingdom LON:MTO

## Risk Decomposition



# MITIE Group PLC

Business Support Services United Kingdom LON:MTO

**Issue**  **Carbon - Own Operations**

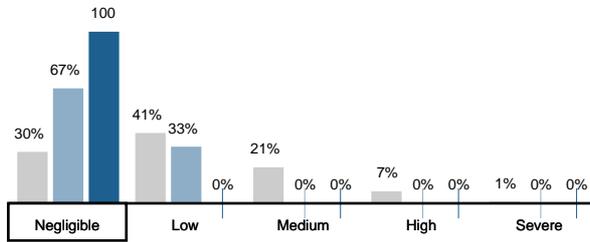
Contribution 0.2 %

Carbon - Own Operations refers to a company's management of risks related to its own operational energy use and GHG emissions (scope 1 and 2). It also includes parts of Scope 3 emissions.

**ESG Risk Rating** 0.0 **Negligible Risk**

NEGL	LOW	MED	HIGH	SEVERE
0-2	2-4	4-6	6-8	8+

## ESG Risk Rating Distribution



## ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 <sup>st</sup> = lowest risk)	(1 <sup>st</sup> = lowest risk)
Global Universe	2/2562	1 <sup>st</sup>
Commercial Services INDUSTRY	1/49	1 <sup>st</sup>
Business Support SUBINDUSTRY	1/20	1 <sup>st</sup>

## Peers Table

Peers (Market cap \$0.5 - \$2.4bn)	Exposure	Management	ESG Risk Rating
1. MITIE Group PLC	2.0 Low	98.8 Strong	0.0 Negligible
2. Caverion Oyj	2.0 Low	63.3 Strong	0.7 Negligible
3. Origin Enterprises PLC	1.8 Low	46.7 Average	1.0 Negligible
4. Park24 Co., Ltd.	1.9 Low	23.0 Weak	1.5 Negligible
5. Bilfinger SE	2.0 Low	19.4 Weak	1.6 Negligible

# MITIE Group PLC

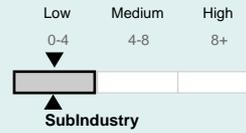
Business Support Services United Kingdom LON:MTO

## ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

## ESG Risk Exposure

**2.0**  
Low



Business Support Services companies that are involved in manufacturing businesses use large amounts of energy mainly for manufacturing operations, which include processing, producing or assembling products. In addition, extensive facilities have electricity requirements for lighting, heating and air conditioning. Companies that rely on large fleets for transporting goods or providing on-site services also generate considerable GHG emissions through fuel use. Good energy management is necessary for companies in the industry in order to mitigate risks from energy price volatility and carbon regulations. In October 2016, the threshold for the Paris Agreement to enter into force was achieved, and the agreement entered into force in November 2016. Energy management can lead to significant operational efficiencies and annual cost savings. Best practice in the industry includes group-wide implementation of energy efficiency measures, such as retrofitting or upgrading equipment and streamlining processes; fleet optimization; adoption of environmental and energy management systems certified to ISO 14001 and ISO 50001; and collection, monitoring and public reporting of emissions data.

The company's exposure to Carbon -Own Operations issues is low and similar to the subindustry exposure.

### Exposure Analysis

Subindustry Issue Exposure	2.0
Issue Beta	x <b>1.00</b>
Company Issue Exposure	2.0

### Beta Indicators

### Beta Signal

Energy Use and GHG Emissions	0.00
Operating Performance	0.02
Solvency	0.03
Financial Flexibility	0.03
Asset Performance	0.02
Carbon Emissions	-0.10
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
Total Beta Signal	0.00
Baseline	+1.00
Overall Beta	<b>1.00</b>

# MITIE Group PLC

Business Support Services United Kingdom LON:MTO

Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

## ESG Risk Management

**98.8**  
**Strong**



In our view, the company's management of the issue is above average.

Management Indicators	Raw Score	Weight	Weighted Score
Carbon Intensity	100	15.0%	15.0
Carbon Intensity Trend	100	15.0%	15.0
EMS Certification	100	2.5%	2.5
Environmental Management System	100	10.0%	10.0
Environmental Policy	100	5.0%	5.0
GHG Reduction Programme	100	20.0%	20.0
Green Logistics Programmes	100	7.5%	7.5
Renewable Energy Programmes	100	5.0%	5.0
Renewable Energy Use	100	10.0%	10.0
Scope of GHG Reporting	100	5.0%	5.0
GHG Risk Management	75	5.0%	3.8
 Energy Use and GHG Emissions	<b>Category 0</b>	0%	0.0
<b>Weighted Sum</b>			<b>98.8</b>

# MITIE Group PLC

Business Support Services United Kingdom LON:MTO

## Risk Decomposition

<b>Exposure</b>			
Company Exposure	2.0		The company's sensitivity or vulnerability to ESG risks.
<hr/>			
<b>Management</b>			
Manageable Risk	2.0		Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.
Managed Risk	2.0		Material ESG risk that has been managed by a company through suitable policies, programmes or initiatives.
Management Gap	0.0		Measures the difference between material ESG risk that could be managed by the company and what the company is managing.
Unmanageable Risk	0.0		Material ESG risk inherent in the products or services of a company and/or the nature of a company's business, which cannot be managed by the company.
<hr/>			
<b>ESG Risk Rating</b>			
Issue Unmanaged Risk	0.0		Material ESG risk that has not been managed by a company, and includes two types of risk: unmanageable risk, as well as risks that could be managed by a company through suitable initiatives but which may not yet be managed.

# Appendix



## Management Details



### Corporate Governance

#### Board/Management Quality & Integrity

**53** Average Performer

Raw Score



Our analysis of the quality and integrity of the company's board and management indicates the following key areas of focus for MITIE Group PLC:

- Zero non-executive directors have relevant industry experience as a public or private company executive however one or more non-executive directors have relevant industry experience as a public company outside director.
  - RPTs are approved by disinterested/independent directors or committee members only and the company discloses material related party transactions in the most recent annual reporting.
  - The company has received significant (>30%) votes against company recommendations/ nominees in the two most recent AGMs and the company discloses a shareholder engagement policy.
- Overall, MITIE Group PLC positions itself as an Average Performer with regard to its Board/Management Quality & Integrity compared to peers.

Indicators	Score
Board Experience	30
Governance Controversies	50
Shareholder Engagement and Responsiveness	50
Director Track Record	80
Board Capture	70
Related Party Transactions	50
Director Stock Ownership	60
Executive/Board Misconduct	50
Business Practices Controversies	50

#### Board Structure

**88** Leader

Raw Score



In reviewing the company's structural board features, we note the following for MITIE Group PLC:

- There is a separate board committee in charge of oversight of industry-specific risks and the company identifies and assesses the main risks faced by the business.
  - The company has a majority standard for election of directors and the company has a resignation policy for directors failing to receive a majority of votes.
  - The nominating committee is entirely independent and the chairman of the board is on the nominating committee.
- Overall, MITIE Group PLC positions itself as a Leader with regard to its Board Structure compared to peers.

Indicators	Score
Board Leadership	60
Board Tenure	80
Board Independence	70
Nominating Committee Effectiveness	90
Director Disclosure	80
Voting Structures	100
Directors not Elected by Shareholders	60
Risk Oversight	100
Board Diversity	90

#### Ownership & Shareholder Rights

**64** Leader

Raw Score



MITIE Group PLC's Ownership & Shareholder rights regime includes the following key areas of focus:

- There is no shareholder rights or "poison pill" plan in effect and the market for control is subject to regulation that minimizes the likelihood of abusive takeover offers.
  - The board of directors is elected annually and the board can change its size without shareholder approval only within the limits set in the charter or bylaws.
  - Substantially all common stockholders have identical voting rights.
- Overall, MITIE Group PLC positions itself as a Leader with regard to its Ownership & Shareholder Rights compared to peers.

Indicators	Score
Director Appointment & Removal	70
Proportionality - One Share/One Vote	60
Ownership Structure	50
Capital Issuance Risks	60
Shareholder Action	60
Poison Pill & Takeover Defences	80
Supermajority Provisions	50

# Appendix



## Management Details

### Remuneration

45 Average Performer

Raw Score



Our analysis of executive compensation practices at MITIE Group PLC points to the following:

- CEO remuneration is more than 2x the median of companies of similar size in this market and CEO remuneration is more than 2x the median of industry peers in similar markets.
- There is insufficient disclosure to calculate internal pay equity and the highest-paid executive's remuneration is more than 2.5 times the next-highest paid executive.
- There are moderate remuneration concerns or controversies.

Overall, MITIE Group PLC positions itself as an Average Performer with regard to its Remuneration compared to peers.

Indicators	Score
Remuneration Disclosure	100
CEO Termination Scenarios	30
Internal Pay Equity	10
Clawback Policy	70
Remuneration Committee Effectiveness	60
Say on Pay	70
Pay Controversies	20
STI Performance Metrics	70
LTI Performance Metrics	70
Pay Magnitude	0
Pay for Performance	60
Pay for Failure	60

### Audit & Financial Reporting

77 Leader

Raw Score



In reviewing the company's Audit & Financial reporting features, we note the following for MITIE Group PLC:

- Non-audit fees paid to the auditor are de minimis relative to audit and audit-related fees.
- The audit committee met 6 or more times during the year and there is at least one independent member of the audit committee with financial expertise.
- The audit committee is entirely independent and audit committee independence meets market standards.

Overall, MITIE Group PLC positions itself as a Leader with regard to its Audit & Financial Reporting compared to peers.

Indicators	Score
Audit Committee Structure	70
Audit Committee Effectiveness	90
Auditor Fees	100
Audit Rotation Policy	70
Auditor Change	50
Reporting Irregularities	50

### Stakeholder Governance

60 Outperformer

Raw Score



In reviewing the company's practices regarding ESG stakeholder governance, points of attention for MITIE Group PLC are: ESG Governance, Bribery & Corruption Policy and GHG Reduction Programme.

- ESG Governance: A management committee is responsible for overseeing ESG issues
- Bribery & Corruption Policy: The company has a very strong policy
- GHG Reduction Programme: The company has a strong programme

Indicators	Score
ESG Governance	100
Environmental Policy	100
Whistleblower Programmes	75
Tax Disclosure	0
Discrimination Policy	25
Scope of Social Supplier Standards	50
GHG Reduction Programme	100
Green Procurement Policy	100
ESG Reporting Standards	25
Verification of ESG Reporting	25
Global Compact Signatory	0
ESG Performance Targets	0
Political Involvement Policy	100
Lobbying and Political Expenses	100
Bribery & Corruption Policy	100

# Appendix



## Exposure Details



### Emissions, Effluents and Waste

#### EA.E.14 - Emissions, Effluents and Waste

0.00

Beta Signal

The company is not involved in any controversies of this type.

#### EA.F.1 - Operating Performance

0.02

Beta Signal

The company has a weak net income margin.

Average Net Income Margin (Trailing 3 Years): 1.28%  
Subindustry Median (Trailing 3 Years): 6.77%  
Source: Morningstar, December 2020. All Rights Reserved.,  
FactSet, December 2020. All Rights Reserved.

#### EA.F.2 - Solvency

0.03

Beta Signal

The company has a very weak debt-equity ratio.

Average Debt to Equity Ratio (3 Period Exponentially Weighted Average as of August 2021): 1.84  
Subindustry Median (3 Period Exponentially Weighted Average as of August 2021): 0.64  
Source: Morningstar, August 2021. All Rights Reserved.,  
FactSet, August 2021. All Rights Reserved.

#### EA.F.3 - Financial Flexibility

0.03

Beta Signal

The company has a very weak cash flow ratio.

Average Free Cash Flow Ratio (Trailing 3 Years): 0.1%  
Subindustry Median (Trailing 3 Years): 5.95%  
Source: Morningstar, December 2020. All Rights Reserved.,  
FactSet, December 2020. All Rights Reserved.

#### EA.F.4 - Asset Performance

0.02

Beta Signal

The company has a weak return on assets.

Average Return on Assets (Trailing 3 Years): 3.16%  
Subindustry Median (Trailing 3 Years): 4.63%  
Source: Morningstar, December 2020. All Rights Reserved.,  
FactSet, December 2020. All Rights Reserved.

#### EA.G.1 - Headquarters Location

- 0.02

Beta Signal

The location of the company's headquarters indicates slightly lower exposure to this issue.

United Kingdom: Slightly lower exposure  
Source: Sustainalytics Country Risk Rating, December 2020.

# Appendix

## Exposure Details

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### EA.G.2 - Assets Location

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0.00  
Beta Signal

---

The location of the company's assets is unknown.

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### EA.S.1 - Qualitative Overlay

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0.00  
Beta Signal

---

The analyst did not apply a qualitative overlay.

---

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### EA.S.2 - Subindustry Correction Factor

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0.00  
Beta Signal

---

### EA.S.3 - Exceptional Event Adjustment

---

0.00  
Beta Signal

---

# Appendix



## Management Details

### E.1.1 - Environmental Policy

100	5.00%	5.0
Raw Score	Weight	Weighted Score

The company has a very strong policy

**Criteria**

- Commitment to environmental protection
- Commitment to report regularly on environmental issues
- Approved by senior management or the board of directors
- Commitment to use natural resources or energy more efficiently
- Commitment to consult with stakeholders on environmental issues
- Commitment to reduce emissions, releases and waste
- Commitment to create environmental awareness
- Commitment to implement an environmental management system
- Commitment to monitor the company's environmental performance

**Sources**

Mitie Sustainability Policy, updated 01 April 2021

### E.1.2 - Environmental Management System

100	10.00%	10.0
Raw Score	Weight	Weighted Score

The company has a very strong EMS

**Criteria**

- Managerial or board level responsibility for environmental issues
- Internal and external communications on environmental management issues
- Corrective actions to stimulate continual improvement
- Environmental performance records
- Environmental programmes
- Compliance with environmental regulation
- Monitoring and measurement
- Assigned roles and responsibilities
- Identification of products, activities and services that have significant impacts on the environment
- External environmental audits
- Objectives, targets and deadlines
- Training and awareness programmes for employees
- Internal environmental audits

**Sources**

Company Feedback provided on 1 April 2020  
 Mitie Group PLC Annual Report 2021 (FY2021)

### E.1.2.6.1 - Solid Waste Management

50	20.00%	10.0
Raw Score	Weight	Weighted Score

The company has an adequate programme

**Criteria**

- Policy commitment to manage waste responsibly or reduce solid waste
- Reporting on solid waste issues
- Initiatives to reuse solid waste
- Objectives or targets related to solid waste management
- Initiatives to recycle solid waste
- Solid waste monitoring and measurement
- Initiatives to reduce solid waste
- Initiatives to ensure proper disposal of hazardous waste

**Sources**

Mitie Corporate Social Responsibility Report 2021 (FY2021)  
 Mitie Group PLC Annual Report 2021 (FY2021)  
 The company provided feedback on 02 October 2020

### E.1.2.6.3 - Effluent Management

33	17.50%	5.8
Raw Score	Weight	Weighted Score

The company has a weak programme

**Criteria**

- Policy commitment to manage or reduce effluents
- Incident investigation and corrective action
- Monitoring and measurement of effluent and effluent management
- Reporting on effluent issues
- Initiatives to reduce, reuse or recycle effluents
- Objectives or targets related to effluent management

**Sources**

The company provided feedback on 02 October 2020

# Appendix



## Management Details

### E.1.3 - EMS Certification

100	5.00%	5.0
Raw Score	Weight	Weighted Score

90% or more of the company's activities have received external certification

#### Sources

Company Feedback provided on 1 April 2020  
Mitie Group PLC Annual Report 2021 (FY2021)

### E.1.3.1 - Emergency Response Programme

75	10.00%	7.5
Raw Score	Weight	Weighted Score

The company has a strong programme

#### Criteria

- Policy commitment to prepare for and respond to emergencies
- Regional, site or unit level emergency response teams in place
- Identification of potential risks requiring emergency response
- Mechanisms for stakeholders to report emergencies
- Protocols for communicating with external stakeholders
- Managerial responsibility for emergency preparedness, response and investigation
- Company-wide guidelines on how to prepare for and respond to emergencies
- Emergency training for employees or communities, including regular testing of the emergency response plans

#### Sources

Mitie Group PLC Annual Report 2021 (FY2021)

### E.1.3.2 - Hazardous Waste Management

0	12.50%	0.0
Raw Score	Weight	Weighted Score

Based on available evidence, the company does not have a programme

#### Criteria

- Commitment to reduce hazardous waste
- Targets and deadlines
- Initiatives to reduce hazardous waste
- Monitoring and measurement

### E.1.3.3 - Non-GHG Air Emissions Programmes

25	20.00%	5.0
Raw Score	Weight	Weighted Score

The company has a weak programme

#### Criteria

- Commitment to reduce non-GHG air emissions
- Deadlines to reduce non-GHG air emissions
- Initiatives to reduce non-GHG air emissions
- Non-GHG air emission monitoring
- Identification of relevant non-GHG air emissions
- Targets to reduce non-GHG air emissions

#### Sources

The company provided feedback on 02 October 2020  
The company provided feedback on 03 November 2021

# Appendix



## Exposure Details



## Product Governance

### EA.E.24 - Marketing Practices

0.00

Beta Signal

The company is not involved in any controversies of this type.

### EA.E.28 - Quality and Safety

0.02

Beta Signal

The company is involved in moderate-level controversies of this type, signaling higher exposure to this issue.

### EA.F.1 - Operating Performance

0.02

Beta Signal

The company has a weak net income margin.

Average Net Income Margin (Trailing 3 Years): 1.28%  
Subindustry Median (Trailing 3 Years): 6.77%  
Source: Morningstar, December 2020. All Rights Reserved.,  
FactSet, December 2020. All Rights Reserved.

### EA.F.2 - Solvency

0.03

Beta Signal

The company has a very weak debt-equity ratio.

Average Debt to Equity Ratio (3 Period Exponentially Weighted Average as of August 2021): 1.84  
Subindustry Median (3 Period Exponentially Weighted Average as of August 2021): 0.64  
Source: Morningstar, August 2021. All Rights Reserved.,  
FactSet, August 2021. All Rights Reserved.

### EA.F.3 - Financial Flexibility

0.03

Beta Signal

The company has a very weak cash flow ratio.

Average Free Cash Flow Ratio (Trailing 3 Years): 0.1%  
Subindustry Median (Trailing 3 Years): 5.95%  
Source: Morningstar, December 2020. All Rights Reserved.,  
FactSet, December 2020. All Rights Reserved.

### EA.F.4 - Asset Performance

0.02

Beta Signal

The company has a weak return on assets.

Average Return on Assets (Trailing 3 Years): 3.16%  
Subindustry Median (Trailing 3 Years): 4.63%  
Source: Morningstar, December 2020. All Rights Reserved.,  
FactSet, December 2020. All Rights Reserved.

# Appendix



## Exposure Details

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### EA.G.1 - Headquarters Location

- 0.02  
Beta Signal

The location of the company's headquarters indicates slightly lower exposure to this issue.

United Kingdom: Slightly lower exposure  
Source: Sustainalytics Country Risk Rating, December 2020.

### EA.G.3 - Sales Location

0.00  
Beta Signal

The location of the company's sales is unknown.

### EA.S.1 - Qualitative Overlay

0.00  
Beta Signal

The analyst did not apply a qualitative overlay.

### EA.S.2 - Subindustry Correction Factor

0.00  
Beta Signal

### EA.S.3 - Exceptional Event Adjustment

0.00  
Beta Signal

# Appendix



## Management Details

### S.3.1.9.1 - Product and Service Safety Programme

50	49.50%	24.8
Raw Score	Weight	Weighted Score

The company has an adequate programme

#### Criteria

- Public reporting on product/service safety issues
- Monitoring of product/service safety performance
- Policy commitment to ensure product/service safety
- Regularly tested emergency response procedures to ensure product/service safety
- Managerial responsibility for product/service safety
- Incident investigation and corrective action
- Product/service safety risk assessment
- Regular external product/service safety audits
- Regular employee training on product/service safety
- Product/service objectives or targets

#### Sources

Mitie Quality Policy, released 12 February 2020  
 The company provided feedback on 02 October 2020

### S.3.2.1 - QMS Certifications

100	40.50%	40.5
Raw Score	Weight	Weighted Score

90% or more of the company's sites has received external certification

#### Sources

Company Feedback provided on 1 April 2020  
 Mitie Group PLC Annual Report 2021 (FY2021)

# Appendix



## Management Details

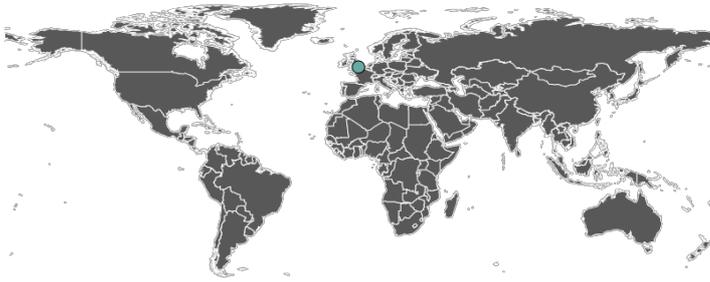
---

### Quality and Safety Events



Category 2 Event - Moderate

### Incident History



**Locations:** Slough, UK, London, UK

**Tags:** Services Quality and Safety

**Company feedback over child sex offenders supervision at Colnbrook**  
Company feedback - 29 October 2021

**Update: UK watchdog finds lack of child sex offenders supervision at**  
The Guardian - 16 April 2019

**Company feedback over immigrant's suicide at Harmondsworth center**  
Company feedback - 29 October 2021

**Update: Suicide at Harmondsworth Immigration Removal Centres**  
Inquest - 12 June 2019

# Appendix

## Exposure Details

### Human Capital

#### EA.E.22 - Labour Relations

0.01  
Beta Signal

The company is involved in low-level controversies of this type, signaling higher exposure to this issue.

#### EA.F.1 - Operating Performance

0.02  
Beta Signal

The company has a weak net income margin.

Average Net Income Margin (Trailing 3 Years): 1.28%  
Subindustry Median (Trailing 3 Years): 6.77%  
Source: Morningstar, December 2020. All Rights Reserved.,  
FactSet, December 2020. All Rights Reserved.

#### EA.F.2 - Solvency

0.03  
Beta Signal

The company has a very weak debt-equity ratio.

Average Debt to Equity Ratio (3 Period Exponentially Weighted Average as of August 2021): 1.84  
Subindustry Median (3 Period Exponentially Weighted Average as of August 2021): 0.64  
Source: Morningstar, August 2021. All Rights Reserved.,  
FactSet, August 2021. All Rights Reserved.

#### EA.F.3 - Financial Flexibility

0.03  
Beta Signal

The company has a very weak cash flow ratio.

Average Free Cash Flow Ratio (Trailing 3 Years): 0.1%  
Subindustry Median (Trailing 3 Years): 5.95%  
Source: Morningstar, December 2020. All Rights Reserved.,  
FactSet, December 2020. All Rights Reserved.

#### EA.F.4 - Asset Performance

0.02  
Beta Signal

The company has a weak return on assets.

Average Return on Assets (Trailing 3 Years): 3.16%  
Subindustry Median (Trailing 3 Years): 4.63%  
Source: Morningstar, December 2020. All Rights Reserved.,  
FactSet, December 2020. All Rights Reserved.

#### EA.S.1 - Qualitative Overlay

0.00  
Beta Signal

The analyst did not apply a qualitative overlay.

# Appendix



## Exposure Details

---

### EA.S.2 - Subindustry Correction Factor

---

0.00  
Beta Signal

### EA.S.3 - Exceptional Event Adjustment

---

0.00  
Beta Signal

---

# Appendix



## Management Details

### S.1.1 - Freedom of Association Policy

75	4.75%	3.6
Raw Score	Weight	Weighted Score

The company has an adequate policy on freedom of association

#### Sources

Prior to research start date, the company sent feedback on 01 October 2021

### S.1.1.1 - Working Hours Policy

25	7.13%	1.8
Raw Score	Weight	Weighted Score

The company has a weak policy on working hours

#### Sources

Prior to research start date, the company sent feedback on 01 October 2021

### S.1.2 - Discrimination Policy

25	7.13%	1.8
Raw Score	Weight	Weighted Score

The company has a weak policy

#### Criteria

- List of the types of discrimination the company is committed to eliminate
- Reference to the ILO conventions
- Commitment to ensure equal opportunity

#### Sources

Prior to research start date, the company sent feedback on 01 October 2021

### S.1.3 - Diversity Programmes

50	11.88%	5.9
Raw Score	Weight	Weighted Score

The company has an adequate programme

#### Criteria

- Managerial or board level responsibility for diversity initiatives
- Diversity monitoring or audits
- Employee affinity groups, diversity councils, or networking groups
- Training and guidance regarding diversity
- Mentorship programmes
- Initiatives supporting a diverse workforce

#### Sources

Mitie Corporate Social Responsibility Report 2021 (FY2021)  
Mitie Group PLC Annual Report 2021 (FY2021)

### S.1.3.1 - Gender Pay Equality Programme

50	7.13%	3.6
Raw Score	Weight	Weighted Score

The company has an adequate programme

#### Criteria

- Quantitative targets and deadlines
- Global gender pay gap audit or compensation review
- Initiatives to close the gender pay gap
- Commitment to gender pay equality
- Monitoring and measurement

#### Sources

Mitie UK Gender Pay Report 2020, accessed 11 October 2021  
The company provided feedback on 11 December 2020

### S.1.3.2 - Gender Pay Disclosure

50	4.75%	2.4
Raw Score	Weight	Weighted Score

The company has adequate disclosure

#### Criteria

- Disclosure of the company's global median raw gender pay gap
- Disclosure of ratio of basic salary and remuneration of women to men for specific employment categories (level or function)
- Disclosure of the company's global mean (average) raw gender pay gap

#### Sources

Mitie UK Gender Pay Report 2020, accessed 11 October 2021  
The company provided feedback on 11 December 2020

# Appendix



## Management Details

### S.1.4 - Collective Bargaining Agreements

0	4.75%	0.0
Raw Score	Weight	Weighted Score

Based on available evidence, the company's employees are not covered by collective bargaining agreements

**Sources**

The company provided feedback on 11 December 2020

### S.1.5 - Employee Turnover Rate

0	11.88%	0.0
Raw Score	Weight	Weighted Score

The company's employee turnover rate is high

**Sources**

Mitie Group PLC Annual Report 2021 (FY2021)

### S.1.5.2 - Human Capital Development

100	23.75%	23.8
Raw Score	Weight	Weighted Score

The company has a very strong programme

**Criteria**

- Initiatives for talent development
- Formal mechanisms to promote an open feedback culture
- Initiatives for talent retention
- Regular formal performance reviews for all permanent employees aligned with career development
- Reporting on human capital development metrics
- Quantitative targets related to human capital development
- Reporting on human capital risk assessment
- Initiatives for talent recruitment

**Sources**

Mitie Corporate Social Responsibility Report 2021 (FY2021)

Mitie Group PLC Annual Report 2021 (FY2021)

The company provided feedback on 11 December 2020

### S.1.6.1 - Employee Training

20	11.88%	2.4
Raw Score	Weight	Weighted Score

The company does not disclose the number of training days that employees receive

# Appendix



## Management Details

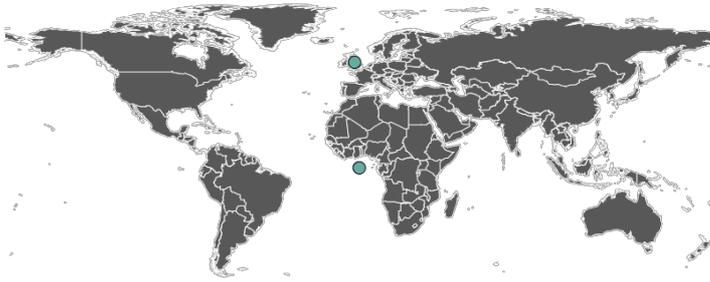
---

### Labour Relations Events



Category 1 Event - Low

### Incident History



**Locations:** United Kingdom, London, UK, Cumbria, UK, Southampton, UK, Southampton, UK

**Tags:** Labour Relations, Freedom of Association

**Company failed to provide sick pay to West Hertfordshire Hospitals**  
The Independent - 10 March 2021

**Employees complaints over wages at Heathrow Airport**  
Unite the Union - 04 September 2020

**Labour union accepts pay increase**  
World Socialist Web Site - 27 July 2019

**Update: Company accused of threatening workers ahead of Sellafield plant**  
Socialist Worker - 16 April 2019

**Company reaches agreement with security staff at English hospital**  
BBC - 06 June 2019

**Update: Strike over safety concerns and pay at English hospital**  
World Socialist Web Site - 19 April 2019

# Appendix



## Exposure Details



### Bribery and Corruption

#### EA.E.6 - Bribery and Corruption

0.00

Beta Signal

The company is not involved in any controversies of this type.

#### EA.E.23 - Lobbying and Public Policy

0.00

Beta Signal

The company is not involved in any controversies of this type.

#### EA.F.1 - Operating Performance

0.02

Beta Signal

The company has a weak net income margin.

Average Net Income Margin (Trailing 3 Years): 1.28%  
Subindustry Median (Trailing 3 Years): 6.77%  
Source: Morningstar, December 2020. All Rights Reserved.,  
FactSet, December 2020. All Rights Reserved.

#### EA.F.2 - Solvency

0.03

Beta Signal

The company has a very weak debt-equity ratio.

Average Debt to Equity Ratio (3 Period Exponentially Weighted Average as of August 2021): 1.84  
Subindustry Median (3 Period Exponentially Weighted Average as of August 2021): 0.64  
Source: Morningstar, August 2021. All Rights Reserved.,  
FactSet, August 2021. All Rights Reserved.

#### EA.F.3 - Financial Flexibility

0.03

Beta Signal

The company has a very weak cash flow ratio.

Average Free Cash Flow Ratio (Trailing 3 Years): 0.1%  
Subindustry Median (Trailing 3 Years): 5.95%  
Source: Morningstar, December 2020. All Rights Reserved.,  
FactSet, December 2020. All Rights Reserved.

#### EA.F.4 - Asset Performance

0.02

Beta Signal

The company has a weak return on assets.

Average Return on Assets (Trailing 3 Years): 3.16%  
Subindustry Median (Trailing 3 Years): 4.63%  
Source: Morningstar, December 2020. All Rights Reserved.,  
FactSet, December 2020. All Rights Reserved.

# Appendix



## Exposure Details

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### EA.G.4 - Regional Corruption

---

0.00  
Beta Signal

---

Information is insufficient to determine the location of the company's operations.

---

### EA.S.1 - Qualitative Overlay

---

0.00  
Beta Signal

---

The analyst did not apply a qualitative overlay.

---

### EA.S.2 - Subindustry Correction Factor

---

0.00  
Beta Signal

---

### EA.S.3 - Exceptional Event Adjustment

---

0.00  
Beta Signal

---

# Appendix



## Management Details

### G.1.1 - Bribery & Corruption Policy

100	20.00%	20.0
Raw Score	Weight	Weighted Score

The company has a very strong policy

**Criteria**

- Prohibition of bribery
- Guidelines of what is considered acceptable behaviour
- There is no evidence of a formal policy but the company has a general statement addressing the issue
- Definition of conflicts of interest and commitment to minimize these
- Definition of bribery or corruption
- Definition and prohibition of facilitation payments

**Sources**

Company Feedback provided on 1 April 2020  
 Company Feedback provided on 27 March 2020  
 On Thursday, September 17, 2020, Sustainalytics sent MITIE Group Plc the Sustainalytics ESG Feedback Report  
 On Wednesday, October 13, 2021, Sustainalytics sent MITIE Group PLC the Sustainalytics ESG Feedback Report  
 Prior to research start date, the company sent feedback on 01 October 2021  
 The company provided feedback on 02 October 2020  
 The company provided feedback on 03 November 2021  
 The company provided feedback on 05 November 2021  
 The company provided feedback on 09 November 2021  
 The company provided feedback on 11 December 2020

### G.1.1.1 - Bribery & Corruption Programmes

25	25.00%	6.3
Raw Score	Weight	Weighted Score

The company has a weak programme

**Criteria**

- Managerial responsibility for bribery and corruption
- Regular training on bribery and corruption
- Operating guidelines addressing record keeping, approval procedures and appropriate behaviour
- Internal monitoring system to detect corruption
- Regular bribery and corruption risk assessments
- Annual signoff of the policy on bribery and corruption by employees
- Mechanisms for employees to consult on ethical issues

**Sources**

Mitie Group PLC Annual Report 2021 (FY2021)

### G.1.2 - Whistleblower Programmes

75	25.00%	18.8
Raw Score	Weight	Weighted Score

The company has a strong programme

**Criteria**

- Proactively communicated to employees
- Available in local languages
- Non-retaliation policy
- An independent, reporting hotline available 24/7
- Structures in place to process whistleblower reports
- Available to suppliers, customers and other third parties
- Possibility for anonymous reporting and reports are treated confidentially
- Disclosure on the number of reports received, the types of misconduct and measures taken

**Sources**

Mitie Group PLC Annual Report 2021 (FY2021)  
 Prior to research start date, the company sent feedback on 01 October 2021

### G.3.1 - Political Involvement Policy

100	12.50%	12.5
Raw Score	Weight	Weighted Score

The company has a strong policy

**Criteria**

- Prohibits political involvement of any kind on the company's behalf
- Approved by senior management
- Partially prohibits political involvement
- Commits the company to disclose political donations and/or lobbying expenditures

**Sources**

Prior to research start date, the company sent feedback on 01 October 2021

# Appendix



## Management Details

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### G.3.2 - Lobbying and Political Expenses

Raw Score	Weight	Weighted Score
100	17.50%	17.5

Based on available evidence, the company does not make political contributions and is not involved in lobbying activities

#### Sources

LobbyFacts, [www.lobbyfacts.eu](http://www.lobbyfacts.eu), accessed 11 October 2021

# Appendix



## Exposure Details



## Data Privacy and Security

### EA.E.27 - Data Privacy and Security

0.00

Beta Signal

The company is not involved in any controversies of this type.

### EA.F.1 - Operating Performance

0.02

Beta Signal

The company has a weak net income margin.

Average Net Income Margin (Trailing 3 Years): 1.28%  
Subindustry Median (Trailing 3 Years): 6.77%  
Source: Morningstar, December 2020. All Rights Reserved.,  
FactSet, December 2020. All Rights Reserved.

### EA.F.2 - Solvency

0.03

Beta Signal

The company has a very weak debt-equity ratio.

Average Debt to Equity Ratio (3 Period Exponentially Weighted Average as of August 2021): 1.84  
Subindustry Median (3 Period Exponentially Weighted Average as of August 2021): 0.64  
Source: Morningstar, August 2021. All Rights Reserved.,  
FactSet, August 2021. All Rights Reserved.

### EA.F.3 - Financial Flexibility

0.03

Beta Signal

The company has a very weak cash flow ratio.

Average Free Cash Flow Ratio (Trailing 3 Years): 0.1%  
Subindustry Median (Trailing 3 Years): 5.95%  
Source: Morningstar, December 2020. All Rights Reserved.,  
FactSet, December 2020. All Rights Reserved.

### EA.F.4 - Asset Performance

0.02

Beta Signal

The company has a weak return on assets.

Average Return on Assets (Trailing 3 Years): 3.16%  
Subindustry Median (Trailing 3 Years): 4.63%  
Source: Morningstar, December 2020. All Rights Reserved.,  
FactSet, December 2020. All Rights Reserved.

### EA.G.1 - Headquarters Location

- 0.02

Beta Signal

The location of the company's headquarters indicates slightly lower exposure to this issue.

United Kingdom: Slightly lower exposure  
Source: Sustainalytics Country Risk Rating, December 2020.

# Appendix



## Exposure Details

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### EA.G.3 - Sales Location

---

0.00  
Beta Signal

---

The location of the company's sales is unknown.

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### EA.S.1 - Qualitative Overlay

---

0.00  
Beta Signal

---

The analyst did not apply a qualitative overlay.

---

---

### EA.S.2 - Subindustry Correction Factor

---

0.00  
Beta Signal

---

### EA.S.3 - Exceptional Event Adjustment

---

0.00  
Beta Signal

---

# Appendix



## Management Details

### S.3.1.3 - Data Privacy & Security Policy

50	15.00%	7.5
Raw Score	Weight	Weighted Score

The company has an adequate policy

**Criteria**

- Commitment to require third parties with whom the data is shared to comply with the company's policy
- There is a statement addressing the issue but it does not qualify as a policy as per Sustainalytics guidelines
- Commitment to implement leading data protection standards
- Commitment to obtain user data through lawful and transparent means, with explicit consent of the data subject where required
- Clear terms involving the collection, use, sharing and retention of user data including data transferred to third parties
- Commitment to notify data subjects in a timely manner in case of policy changes or data breach
- The company has a formal policy but it applies to less than 50% of the operations
- Commitment to collect and process user data that is limited to the stated purpose

**Sources**

Mitie Privacy Notice, updated January 2020  
 Prior to research start date, the company sent feedback on 01 October 2021  
 The company provided feedback on 03 November 2021

### S.3.1.3.1 - Data Privacy Programme

100	42.50%	42.5
Raw Score	Weight	Weighted Score

The company has a very strong programme

**Criteria**

- Regular employee training on data privacy management
- Clear and accessible mechanisms for data subjects to raise concerns about data privacy
- Data subjects can access their accounts to erase, rectify, complete or amend personal information
- Regular privacy risk assessments or audits on the company's technologies and practices affecting user data
- Governance structures in place for privacy management

**Sources**

Mitie Privacy Notice, updated January 2020  
 Prior to research start date, the company sent feedback on 01 October 2021  
 The company provided feedback on 03 November 2021

### S.3.1.3.3 - Cybersecurity Programme

100	42.50%	42.5
Raw Score	Weight	Weighted Score

The company has a very strong programme

**Criteria**

- Regular internal security audits or vulnerability assessments or penetration testing of the company's systems, products and practices affecting user data
- Management system certified to ISO 27001 standards
- Governance structures in place for cybersecurity management
- Regular external security audits or vulnerability assessments of the company's systems, products and practices affecting user data
- Regular employee training on cybersecurity issues
- Operational measures to monitor and respond to data breaches and cyberattacks

**Sources**

Mitie Group PLC Annual Report 2021 (FY2021)  
 The company provided feedback on 02 October 2020

# Appendix



## Exposure Details



### Occupational Health and Safety

#### EA.E.20 - Occupational Health and Safety

0.01

Beta Signal

The company is involved in low-level controversies of this type, signaling higher exposure to this issue.

#### EA.F.1 - Operating Performance

0.02

Beta Signal

The company has a weak net income margin.

Average Net Income Margin (Trailing 3 Years): 1.28%  
Subindustry Median (Trailing 3 Years): 6.77%  
Source: Morningstar, December 2020. All Rights Reserved.,  
FactSet, December 2020. All Rights Reserved.

#### EA.F.2 - Solvency

0.03

Beta Signal

The company has a very weak debt-equity ratio.

Average Debt to Equity Ratio (3 Period Exponentially Weighted Average as of August 2021): 1.84  
Subindustry Median (3 Period Exponentially Weighted Average as of August 2021): 0.64  
Source: Morningstar, August 2021. All Rights Reserved.,  
FactSet, August 2021. All Rights Reserved.

#### EA.F.3 - Financial Flexibility

0.03

Beta Signal

The company has a very weak cash flow ratio.

Average Free Cash Flow Ratio (Trailing 3 Years): 0.1%  
Subindustry Median (Trailing 3 Years): 5.95%  
Source: Morningstar, December 2020. All Rights Reserved.,  
FactSet, December 2020. All Rights Reserved.

#### EA.F.4 - Asset Performance

0.02

Beta Signal

The company has a weak return on assets.

Average Return on Assets (Trailing 3 Years): 3.16%  
Subindustry Median (Trailing 3 Years): 4.63%  
Source: Morningstar, December 2020. All Rights Reserved.,  
FactSet, December 2020. All Rights Reserved.

#### EA.G.1 - Headquarters Location

- 0.02

Beta Signal

The location of the company's headquarters indicates slightly lower exposure to this issue.

United Kingdom: Slightly lower exposure  
Source: Sustainalytics Country Risk Rating, December 2020.

# Appendix

## Exposure Details

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### EA.G.2 - Assets Location

---

0.00  
Beta Signal

---

The location of the company's assets is unknown.

---

---

### EA.S.1 - Qualitative Overlay

---

0.00  
Beta Signal

---

The analyst did not apply a qualitative overlay.

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---

### EA.S.2 - Subindustry Correction Factor

---

0.05  
Beta Signal

---

### EA.S.3 - Exceptional Event Adjustment

---

0.00  
Beta Signal

---

# Appendix



## Management Details

### S.1.6.2.1 - Health and Safety Management System

100	30.88%	30.9
Raw Score	Weight	Weighted Score

The company has a very strong management system

**Criteria**

- Managerial responsibility for health and safety issues
- Emergency preparedness procedures
- Procedures for hazard identification and risk assessment
- Operating guidelines or procedures that are relevant for the industry
- Regular health and safety training programmes for employees
- Reporting on health and safety programmes and performance
- Performance monitoring and measurement
- Targets to reduce health and safety incidents
- Internal or external health and safety audits conducted at least every three years
- Formal health and safety policy commitment

**Sources**

Mitie Group PLC Annual Report 2021 (FY2021)

### S.1.6.4 - Health & Safety Certifications

100	19.00%	19.0
Raw Score	Weight	Weighted Score

90% or more of the company's facilities have received external certification

**Sources**

Mitie Group PLC Annual Report 2021 (FY2021)  
 The company provided feedback in 12 April 2018

### S.1.6.5 - LTIR Trend

100	35.63%	35.6
Raw Score	Weight	Weighted Score

The company's lost-time incident rate has declined

**Sources**

Mitie Group PLC Annual Report 2021 (FY2021)

### S.1.6.6 - Employee Fatality Rate

20	9.50%	1.9
Raw Score	Weight	Weighted Score

Disclosure on fatalities is insufficient to determine the company's performance

# Appendix



## Management Details

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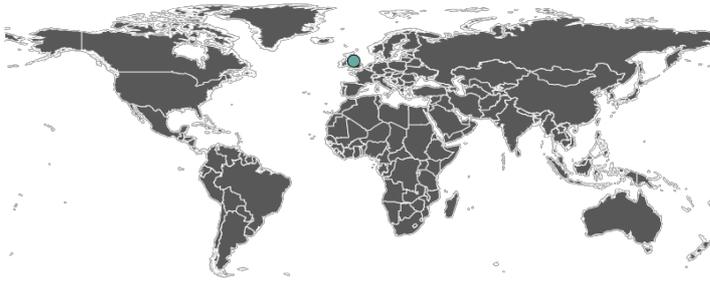
### Occupational Health and Safety Events



Category 1 Event - Low

---

### Incident History



**Union complains over employees exposure to COVID-19 at Sellafield plant**  
BBC - 31 March 2020

**Locations:** Cumbria, UK

**Tags:** Health and Safety

# Appendix



## Exposure Details



### Carbon - Own Operations

#### EA.E.15 - Energy Use and GHG Emissions

0.00

Beta Signal

The company is not involved in any controversies of this type.

#### EA.F.1 - Operating Performance

0.02

Beta Signal

The company has a weak net income margin.

Average Net Income Margin (Trailing 3 Years): 1.28%  
Subindustry Median (Trailing 3 Years): 6.77%  
Source: Morningstar, December 2020. All Rights Reserved.,  
FactSet, December 2020. All Rights Reserved.

#### EA.F.2 - Solvency

0.03

Beta Signal

The company has a very weak debt-equity ratio.

Average Debt to Equity Ratio (3 Period Exponentially Weighted Average as of August 2021): 1.84  
Subindustry Median (3 Period Exponentially Weighted Average as of August 2021): 0.64  
Source: Morningstar, August 2021. All Rights Reserved.,  
FactSet, August 2021. All Rights Reserved.

#### EA.F.3 - Financial Flexibility

0.03

Beta Signal

The company has a very weak cash flow ratio.

Average Free Cash Flow Ratio (Trailing 3 Years): 0.1%  
Subindustry Median (Trailing 3 Years): 5.95%  
Source: Morningstar, December 2020. All Rights Reserved.,  
FactSet, December 2020. All Rights Reserved.

#### EA.F.4 - Asset Performance

0.02

Beta Signal

The company has a weak return on assets.

Average Return on Assets (Trailing 3 Years): 3.16%  
Subindustry Median (Trailing 3 Years): 4.63%  
Source: Morningstar, December 2020. All Rights Reserved.,  
FactSet, December 2020. All Rights Reserved.

#### EA.P.1 - Carbon Emissions

- 0.10

Beta Signal

The company's carbon emissions intensity indicates moderately lower exposure to this issue

# Appendix



## Exposure Details

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### EA.S.1 - Qualitative Overlay

---

0.00  
Beta Signal

---

The analyst did not apply a qualitative overlay.

---

### EA.S.2 - Subindustry Correction Factor

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0.00  
Beta Signal

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### EA.S.3 - Exceptional Event Adjustment

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0.00  
Beta Signal

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# Appendix



## Management Details

### E.1.1 - Environmental Policy

100	5.00%	5.0
Raw Score	Weight	Weighted Score

The company has a very strong policy

#### Criteria

- Commitment to environmental protection
- Commitment to report regularly on environmental issues
- Approved by senior management or the board of directors
- Commitment to use natural resources or energy more efficiently
- Commitment to consult with stakeholders on environmental issues
- Commitment to reduce emissions, releases and waste
- Commitment to create environmental awareness
- Commitment to implement an environmental management system
- Commitment to monitor the company's environmental performance

#### Sources

Mitie Sustainability Policy, updated 01 April 2021

### E.1.2 - Environmental Management System

100	10.00%	10.0
Raw Score	Weight	Weighted Score

The company has a very strong EMS

#### Criteria

- Managerial or board level responsibility for environmental issues
- Internal and external communications on environmental management issues
- Corrective actions to stimulate continual improvement
- Environmental performance records
- Environmental programmes
- Compliance with environmental regulation
- Monitoring and measurement
- Assigned roles and responsibilities
- Identification of products, activities and services that have significant impacts on the environment
- External environmental audits
- Objectives, targets and deadlines
- Training and awareness programmes for employees
- Internal environmental audits

#### Sources

Company Feedback provided on 1 April 2020  
Mitie Group PLC Annual Report 2021 (FY2021)

### E.1.3 - EMS Certification

100	2.50%	2.5
Raw Score	Weight	Weighted Score

90% or more of the company's activities have received external certification

#### Sources

Company Feedback provided on 1 April 2020  
Mitie Group PLC Annual Report 2021 (FY2021)

### E.1.6 - Scope of GHG Reporting

100	5.00%	5.0
Raw Score	Weight	Weighted Score

The company discloses emissions data in full

Mitie Group PLC Annual Report 2020(FY2019/2020)

### E.1.6.1 - GHG Risk Management

75	5.00%	3.8
Raw Score	Weight	Weighted Score

The company has a strong risk management programme

#### Sources

Mitie Group PLC Annual Report 2021 (FY2021)  
Prior to research start date, the company sent feedback on 01 October 2021  
Prior to research start, the company sent documents on 03 September 2020

### E.1.7.0 - GHG Reduction Programme

100	20.00%	20.0
Raw Score	Weight	Weighted Score

The company has a very strong programme

#### Criteria

- GHG emissions monitoring and measurement
- Regular GHG audits or verification

#### Sources

Mitie Carbon Reduction Plan, accessed 11 October 2021  
Mitie Corporate Social Responsibility Report 2021 (FY2021)  
Mitie Environmental Emissions Dashboard, accessed 11 October 2021

# Appendix



## Management Details

Mitie GHG Verification Statement 2021, accessed 11 October 2021  
 Mitie Group PLC Annual Report 2021 (FY2021)  
 Mitie Sustainability Policy, updated 01 April 2021

### E.1.7.1 - Green Logistics Programmes

100	7.50%	7.5
Raw Score	Weight	Weighted Score

The company has a strong and detailed programme to improve the environmental performance of its logistics and its fleet management

**Sources**

Mitie Corporate Social Responsibility Report 2021 (FY2021)

### E.1.8 - Renewable Energy Programmes

100	5.00%	5.0
Raw Score	Weight	Weighted Score

The company has a strong programme

**Sources**

Prior to research start date, the company sent feedback on 01 October 2021  
 Prior to research start, the company sent documents on 03 September 2020  
 The company provided feedback on 02 October 2020

### E.1.9 - Carbon Intensity

100	15.00%	15.0
Raw Score	Weight	Weighted Score

The company's carbon emissions intensity is well below the industry median

MITIE Group PLC Annual Report 2020(FY2019/2020)

	2019
Carbon Intensity (t/million USD)	10.2
Industry Median	19.4

### E.1.10 - Carbon Intensity Trend

100	15.00%	15.0
Raw Score	Weight	Weighted Score

The company's carbon intensity trend shows a decline of 25% or more over the last 3 years

MITIE Group PLC Annual Report 2020(FY2019/2020)

	2019
Carbon Intensity Trend (%)	-28.3

### E.1.11 - Renewable Energy Use

100	10.00%	10.0
Raw Score	Weight	Weighted Score

More than 50% of the company's primary energy use comes from renewable energy sources

**Sources**

Prior to research start date, the company sent feedback on 01 October 2021  
 The company provided feedback on 02 October 2020

# MITIE Group PLC

Business Support Services United Kingdom LON:MTO

## GLOSSARY OF TERMS

### Beta (Beta, $\beta$ )

A factor that assesses the degree to which a company's exposure deviates from its **subindustry's** exposure on a **material ESG issue**. It is used to derive a company-specific issue exposure score for a material ESG issue. It ranges from 0 to 10, with 0 indicating no exposure, 1 indicating the subindustry average, and 10 indicating exposure that is ten times the subindustry average.

### Corporate Governance Pillar

A pillar provides a signal about a company's management of a specific Corporate Governance issue.

### ESG Risk Category

Companies' **ESG Risk Rating scores** are assigned to five ESG risk categories in the **ESG Risk Rating**:

-  **Negligible risk:** enterprise value is considered to have a negligible risk of material financial impacts driven by ESG factors
-  **Low risk:** enterprise value is considered to have a low risk of material financial impacts driven by ESG factors
-  **Medium risk:** enterprise value is considered to have a medium risk of material financial impacts driven by ESG factors
-  **High risk:** enterprise value is considered to have a high risk of material financial impacts driven by ESG factors
-  **Severe risk:** enterprise value is considered to have a severe risk of material financial impacts driven by ESG factors

Note that because ESG risks materialize at an unknown time in the future and depend on a variety of unpredictable conditions, no predictions on financial or share price impacts, or on the time horizon of such impacts, are intended or implied by these risk categories.

### ESG Risk Rating Score (Unmanaged Risk Score)

The company's final score in the **ESG Risk Rating**; it applies the concept of **risk decomposition** to derive the level of **unmanaged risk** for a company.

### Event Category

Sustainalytics categorizes events that have resulted in negative ESG impacts into five event categories: Category 1 (low impact); Category 2 (moderate impact); Category 3 (significant impact); Category 4 (high impact); and Category 5 (severe impact).

### Event Indicator

An indicator that provides a signal about a potential failure of management through involvement in controversies.

### Excess Exposure

The difference between the company's **exposure** and its **subindustry** exposure.

### Exposure

A company or **subindustry's** sensitivity or vulnerability to ESG risks.

### Idiosyncratic Issue

An issue that was not deemed material at the **subindustry** level during the **consultation process** but becomes a **material ESG issue** for a company based on the occurrence of a Category 4 or 5 event.

### Manageable Risk

Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.

### Managed Risk

Material ESG Risk that has been managed by a company through suitable policies, programmes and initiatives.

### Management

A company's handling of ESG risks.

### Management Gap

Refers to the difference between what a company has managed and what a company could possibly manage. It indicates how far the company's performance is from best practice.

### Management Indicator

An indicator that provides a signal about a company's management of an ESG issue through policies, programmes or quantitative performance.

### Material ESG Issue

A core building block of the **ESG Risk Rating**. An ESG issue is considered to be material within the rating if it is likely to have a significant effect on the enterprise value of a typical company within a given **subindustry**.

### Subindustry

Subindustries are defined as part of Sustainalytics' own classification system.

### Unmanageable Risk

Material ESG Risk inherent from the intrinsic nature of the products or services of a company and/or the nature of a company's business, which cannot be managed by the company if the company continues to offer the same type of products or services and remains in the same line of business.

### Unmanaged Risk

Material ESG risk that has not been managed by a company, and includes two types of risk: **unmanageable risk**, as well as risks that could be managed by a company through suitable initiatives, but which may not yet be managed (**management gap**).

# MITIE Group PLC

Business Support Services United Kingdom LON:MTO

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