



# Session 4 Forward look SHE Management Conference 2022 presentations



29-30 June 2022 Brighton

Hosted by



The Safety, Health and Environment Management Conference is an ENA event



# A perspective on ESG & innovation

Andrew Hunt | Director of ESG & Innovation  
ENA Conference | 30<sup>th</sup> June 2022

# M Group Services – quick introduction

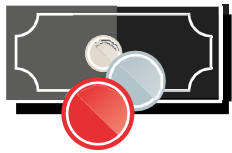


M Group Services delivers a range of essential infrastructure services within the water, energy, transport and telecommunications sectors in the UK & Ireland

- We have built and maintained relationships with our clients over a number of years and have a strong culture that continuously focuses on safety, operational delivery, efficiency and customer service

- We are committed to profitable growth both organically and through acquisitions

- M Group Services, a trusted employer to in excess of 10,100 skilled specialists working from 240 locations, operates a divisional structure aligned with its end markets



**c. £1.7bn**

TURNOVER



**240**

LOCATIONS



IN EXCESS OF  
**10,100**

PEOPLE



**c. £6bn**

ORDER BOOK

M Group Services Turnover 20/21 – by end market



Note: Financial year ends March 31. Source: Company and public information.

## Overview

The Energy Division focuses on two key markets, retail covering data collection, aggregation and processing is central for energy and water retailers to ensure correct customer billing and regulatory compliance, and infrastructure covering essential infrastructure services through long-term framework agreements to utilities in the electricity and gas sectors in the UK and Ireland.



**c. £360m**  
TURNOVER



**c. £830m**  
ORDER BOOK



**3,700+**  
PEOPLE



**c. 22%**  
ENERGY RETAIL  
MARKET SHARE



**c. 15%**  
ENERGY INFRA  
MARKET SHARE

## Services



### METER READING, DATA MANAGEMENT, GAS, ELECTRICITY & GREEN ENERGY

- Data Management Services
- Data Retrieval
- Energy Market Registration & Market Flow Systems
- Smart Metering Support Services
- Revenue Protection & Assurance Services
- Security & Property
- Gas & Electricity Transmission
- Transmission Networks (EHV Overhead Lines)
- Gas & Electricity Distribution
- Net-Zero Solutions
- District Heating
- Repair & Maintenance
- Refurbishment
- Specialist Engineering Services
- Renewables & Connections

## Selected Clients

## Years' Service

National Grid Gas/Cadent Gas	28
British Gas	24
UK Power Networks	21
Scottish Power	19
SGN	18
National Grid Metering	15
EDF Energy	15
SSE	14
National Grid Electricity	14
South East Water	13
Total Gas & Power	13
npower	12
Business Stream	12
E.ON	12
Haven Power	10
Western Power Distribution	7
Bulb	5
Thames Water	4
Affinity Water	3

## Part 1. A new era of sustainable business..?

- **ESG: a language for sustainable business**
- **What do we mean by ESG?**
- **Why does a good ESG rating matter?**
- **How do we measure ESG?**
- **One of the 'BIG' topics - Carbon**

## Part 2. A role for innovation....

- **Global to local drivers of innovation what it means to us..**
- **Alignment to United Nations Sustainable Development Goals (UNSDGs)**
- **UNSDG's & Innovation some examples**

# ESG as a new language for sustainable business



**patagonia**

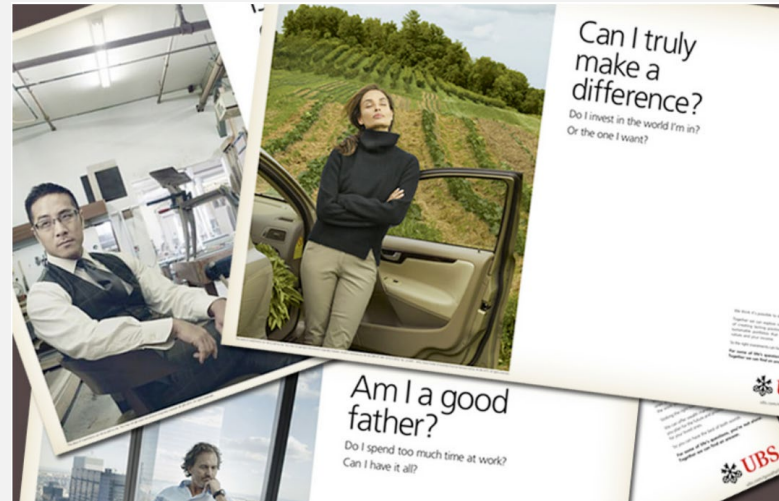
**REDUCE**  
WE make useful gear that lasts a long time  
YOU don't buy what you don't need

**REPAIR**  
WE help you repair your Patagonia gear  
YOU pledge to fix what's broken

**REUSE**  
WE help find a home for Patagonia gear  
you no longer need  
YOU sell or pass it on\*



**RECYCLE**  
WE will take back your Patagonia gear that  
"is worn out"  
YOU pledge to keep your stuff out of the  
landfill and incinerator

**REIMAGINE**  
TOGETHER we reimagine a world where we  
take only what nature can replace

**Can I truly make a difference?**  
Do I invest in the world I'm in?  
Or the one I want?

**Am I a good father?**  
Do I spend too much time at work?  
Can I have it all?


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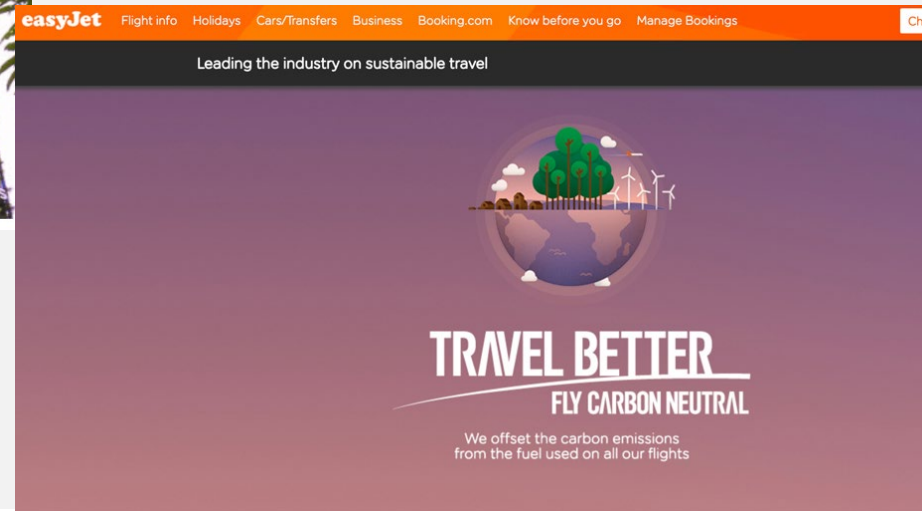
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# ESG as a new language for sustainable business



*ESG from whose perspective...*

# ESG as a new language for sustainable business



**Client  
viewpoint**

**It is becoming a key differentiator and 'must have' for our clients across all our service sectors**

**People  
viewpoint**

**It has the potential to help define business purpose and what we're all part of**

**Investor  
viewpoint**

**It is becoming increasingly valuable to investors and lenders**

**Governance  
viewpoint**

**It is becoming a corporate discipline requiring new risk controls and mandatory reporting**

***So what is 'it'...***



# What do we mean by ESG & Innovation..?

E

## Environmental:

While no two companies are identical in their approach, accelerating carbon net-zero, protecting the environment and biodiversity is both a client and investor priority. **Good businesses minimise or remove the toll their activities take on the local and global environment**

S

## Social:

**Encapsulates being a safe and equitable employer**, enhancing human capital, protecting the supply chain and delivering positive societal contributions

G

## Governance:

What are the **risk reporting, monitoring and control environments** within the business? Are they keeping pace with changing disclosure requirements and adapting?

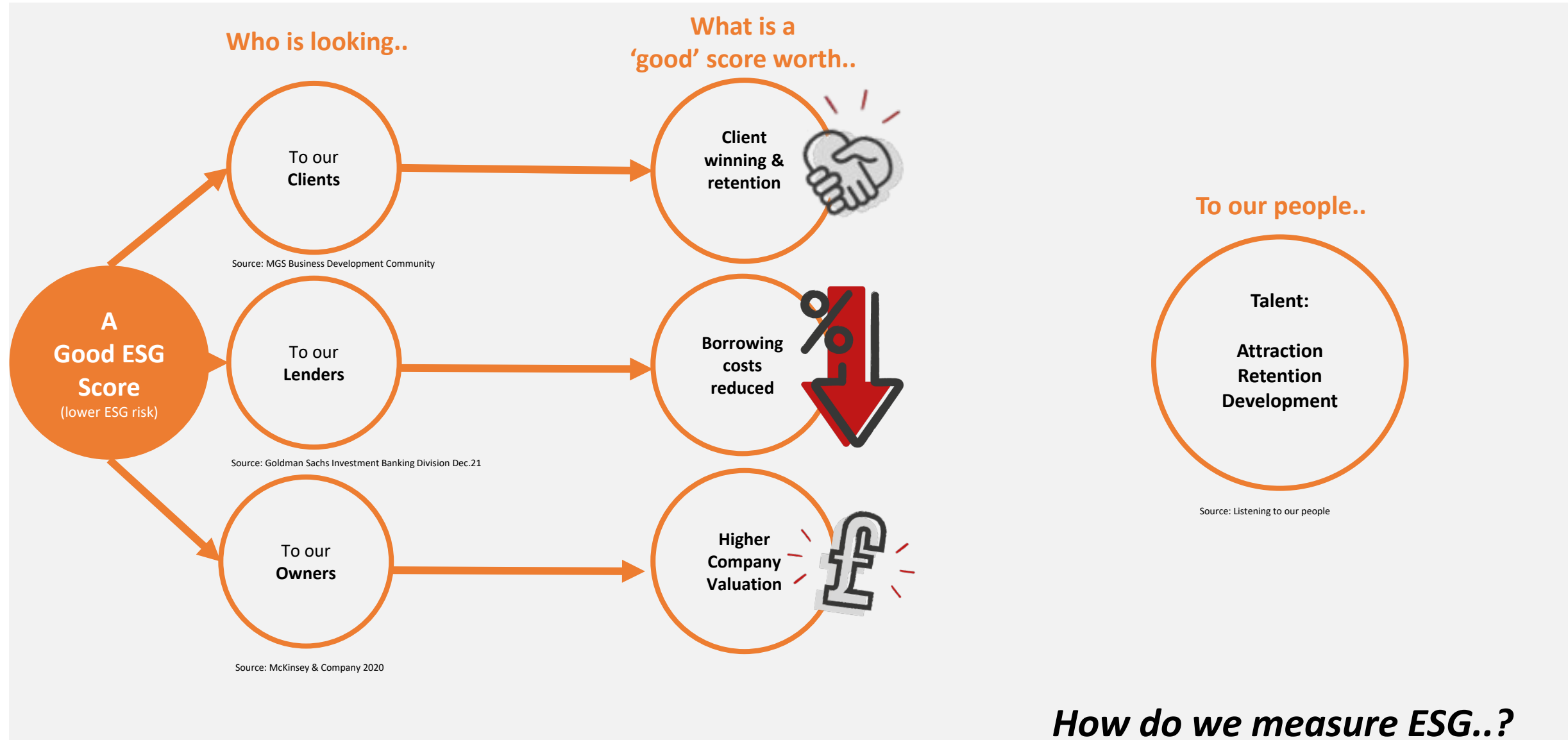
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## Innovation:

The means by which a company retains and develops its **competitive advantage** relative to the competition in the sectors it operates within

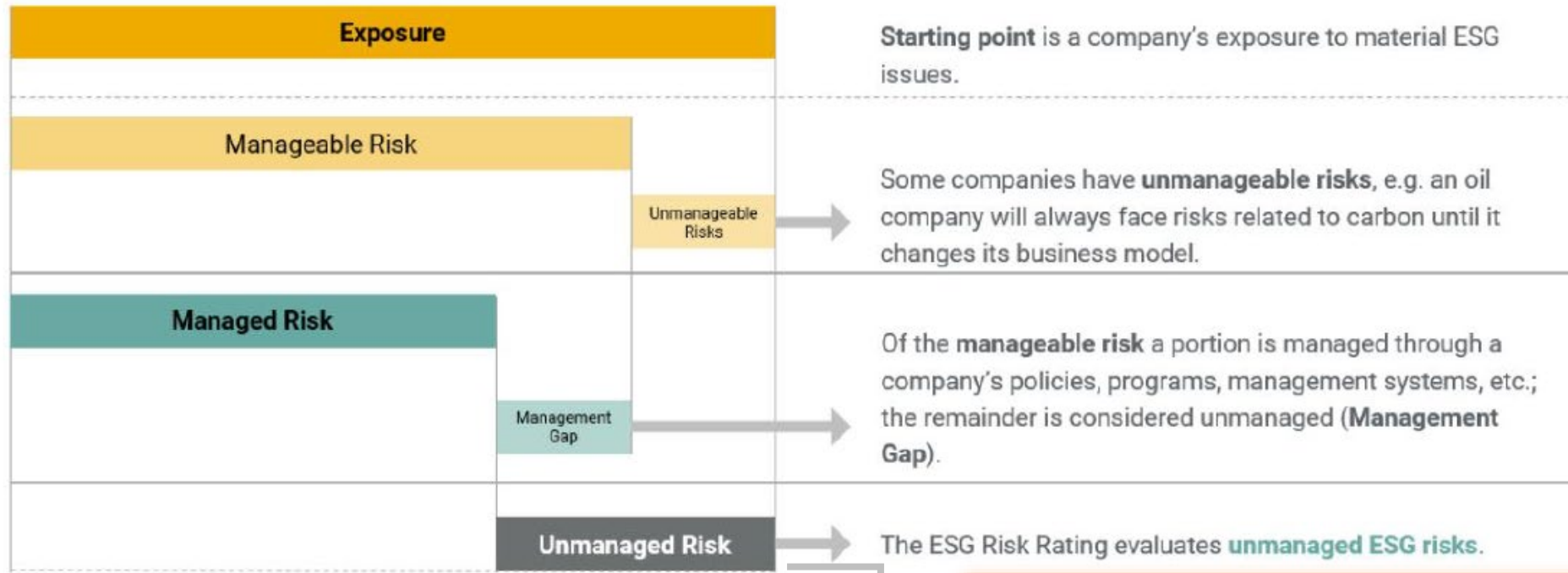
***Why does a good ESG rating matter...?***

# Why does a good ESG rating matter?

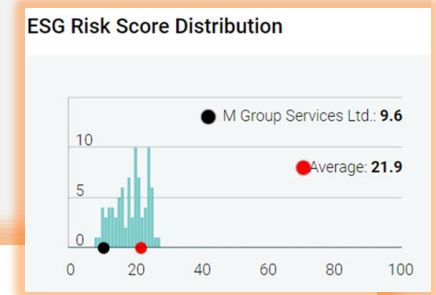


*How do we measure ESG..?*

# What does the measurement mean?



Source: Sustainalytics ESG Rating Methodology 2021



**M Group Services Ltd.**  
Business Support Services United Kingdom

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**ESG Risk Rating** 9.6 Not available Negligible Risk

Updated Dec 8, 2021 Momentum

NEGL

0-10

LOW

10-20

MED

20-30

HIGH

30-40

SEVERE

40+

What gets measured..?

# What does M Group Services get measured against?



**There are 18 individual Environment indicator categories covering:**

- Environmental Management Policies, Systems, Certifications
- Green House Gas management & reduction policies, and forward programmes
- Carbon intensity management and measurement



**There are 26 individual Social indicator categories covering:**

- Social disclosure – gender pay for example
- Social preparedness – working hours, diversity, discrimination, development
- Health & Safety – management, performance, certifications
- IT – data privacy, security, compliance



**There are 11 individual Governance indicator categories covering:**

- Governance preparedness – Bribery & corruption, whistleblowing
- Risk – identification and management
- ESG reporting standards and verification
- Political involvement, lobbying, tax disclosure

*What areas are we focusing on....*

# Our focus.. an example of a big ESG topic that impacts us all

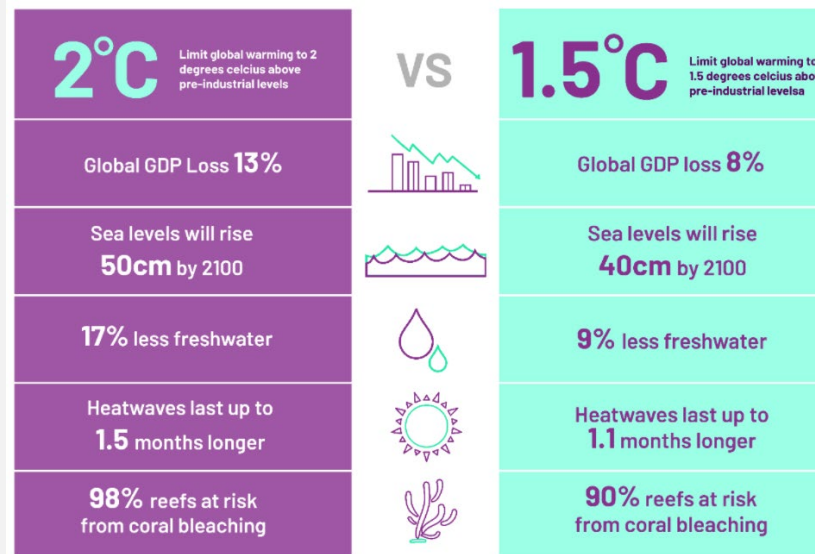
## Example 'E' Indicator – Carbon Reduction

**What is SBTI?** An internationally recognised framework to measure and disclose carbon reduction plans. We SBTI targets will underpin nearly 40% of our ESG indicators



## Why does this matter..?

Of the 55 indicators the 'E' indicators linked to SBTI are arguably the most far reaching and **significant to everyone on the planet..**



**What does this mean in practice....**

# What will our SBTI pathway look like, what can we do next..?

**Joining SBTI.. a key step in forming our carbon reduction plans..**

**We will follow a formal process.**

**MGS joined the Science Based Targets Initiative in March this year**

March 2022

## SET A TARGET

Join over 1,000 business leaders taking ambitious climate action. Follow this process to set science-based targets, cut your company's greenhouse gas emissions and future-proof your business today.



## Start..

- **Carbon & Climate Change Team appointed**
- Deepen our understanding of **supply chain** (Scope 3) carbon and GHGs
- Develop Divisional and Group reduction targets and execution plans to underpin our **client's ambitions**

## Stop..

- Thinking that the issues don't impact us, and are too big to solve
- Thinking that carbon reduction always leads to increased costs

## Carry on..

- Measuring our carbon
- Looking for innovative ways to reduce our Carbon Footprint and support our clients further
- Driving our Green Fleet plans
  - incl. EV100 & HVO fuel role out
- Improving our 'carbon literacy' and understanding of the topic

**EV 100**  
by THE CLIMATE GROUP

## Part 1. Key ESG takeaways..



We have high ambitions  
and so do our clients

Is a new language of  
sustainable business

High performing ESG  
companies are better

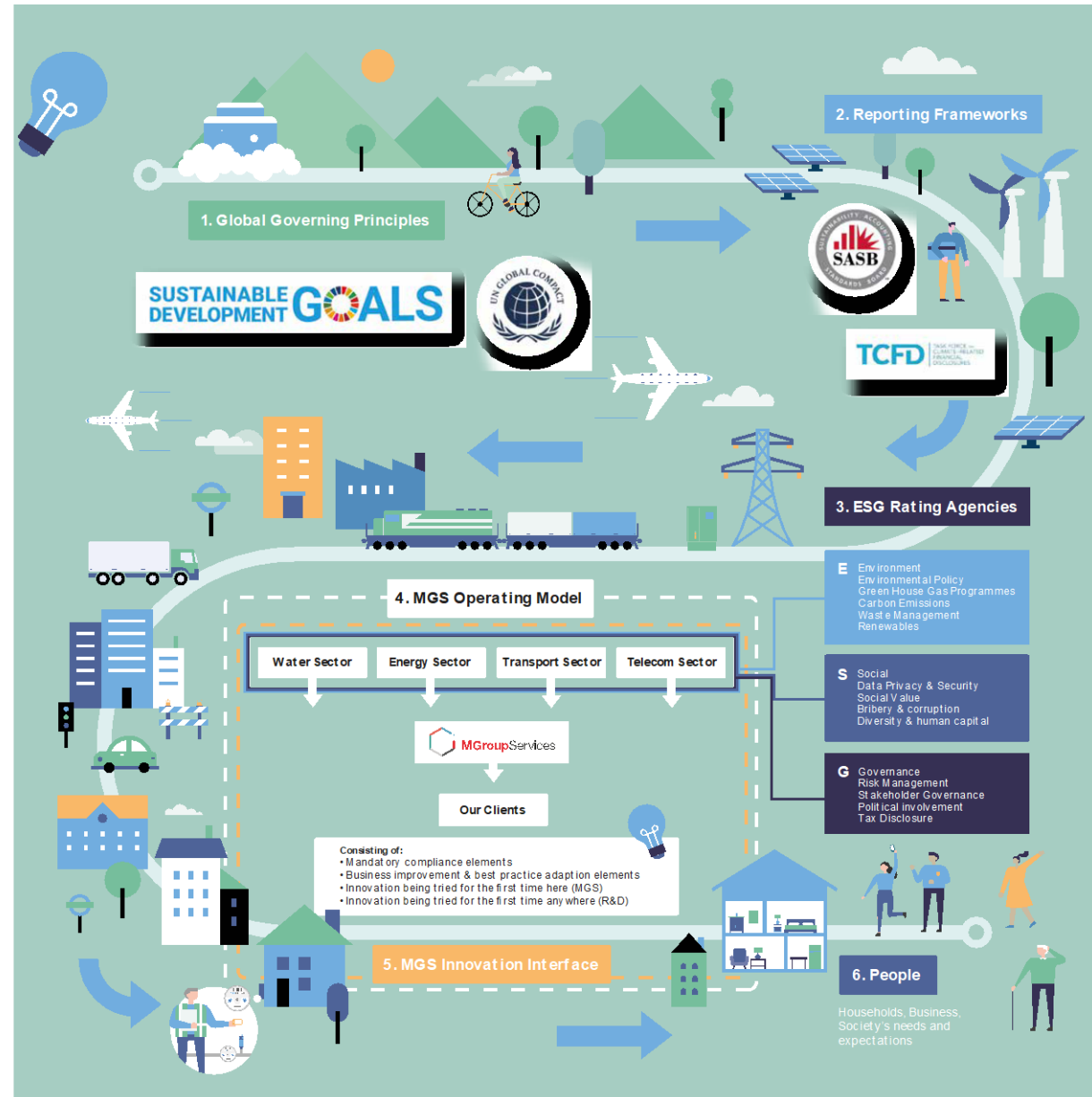
ESG indicators cover  
many different but  
linked topics

Doesn't measure what  
we do, it measures how  
we do it

Innovation will  
play a key part in  
our ESG  
development>>

Part 2. The role of Innovation..

# Part 2. The innovation ecosystem | a planet to people perspective



## ESG & Innovation Ecosystem Planet to People

Our innovation ecosystem will be working to make the connections from Planet to Personal:

- 1** Global governing principles such as those set out in the United Nations Sustainable Development Goals (UNSDGs)
- 2** The structure of reporting frameworks such as The Sustainability Accounting Standards Board (SASB)
- 3** The role of ratings agencies such as Sustainalytics to independently assess ESG performance relevant to our sector and help direct our development
- 4** The MGS sector operating model – designed specifically to collaboratively face into our client's sector (Water, Energy, Telecoms, Transport) needs
- 5** The innovation interface – where issues that are common and those that appear to be isolated interact, and are shared (recorded in the innovation matrix, and shared through Best Practice Forums)
- 6** People – the businesses homes and individuals that are enabled through our work



# The innovation ecosystem | influence directly where we can



MGroupServices

**Main message:** We see that much of our approach to innovation already aligns most directly to at least seven of the United Nations Sustainable Development Goals..

.. this position is kept under constant review

Source: ESG Report 2020-21  
MGS External Website



# The innovation ecosystem | differentiating for our clients



**Main message:** We are harnessing a rich and growing pool of innovation and best practice and see direct links to the UNSDGs and ESG

## Knowledge transfer mechanisms:

- Long term client partnerships
- Working with our supply chain
- Best Practice Forums
  - SHEQT
  - Streetworks
- **Innovation Matrix (Extract)**  
Aligned with UN Sustainable Development Goals
- Weekly ESG&I bulletins
- Collaboration with the Supply Chain Sustainability School

M Group Services ESG															
Division	Business	Innovation	Year	Month	Detail	Contact	Benefits	Our People	Customer/Client	Delivery	Innovation	ESG	Plant & Fleet	UN Sustainable Development Goals	
Water	MWS	AVUS	2021	June	Underground services mapped in 2D and 3D augmented reality.	Intelligent Solutions (Andy Carter, Maxine Corney, Mike Scott Paul)	Carbon Reduction, Health & Safety, Cost, Time								3, 9, 11, 12, 13
MGSPFS	Group-wide	Solar Pods	2020	December	Solar power for tools/depots/offices	Andy Rich	Carbon Reduction, Cost								7, 9, 11, 12, 13
Transport	Dyer & Butler	Demobot	2021	August	Remote control breaker for safe excavation	Niels Jellema	Cost, Time, Safety								3, 8, 9, 12
Water	MWS	Holobuilder	2021	April	360° camera to show site progress, reduces need for site visits	Intelligent Solutions (Andy Carter, Maxine Corney, Mike Scott Paul)	Cost, Time, Environment								9, 11, 12, 13
Energy	MES	Virtual Trial Hole Assistant	2020	October	Software for identifying third-party underground services	James Hatt	Cost, Time, Carbon Reduction, Safety								3, 9, 11, 12, 13
Water	PMP Utilities	IBCs	2021	January	Utilises filtered rain water for site toilets, jet washing vehicles	Maria Reed	Cost, Environmental,								12, 13
Water	IWJS	Spinning Laser	2020	December	CCTV HD camera to measure pipe displacement, disfigurement, wear and deformities etc.	Peter Maasz	Cost, Environmental, Time, Safety								3, 6, 9, 12, 13
Energy	MES	AppyWay	2021	August	Parking app for meter readers	Intelligent Solutions (Andy Carter, Maxine Corney, Mike Scott Paul)	Cost, Time, Environment, Customer Satisfaction								9, 12, 13
Water	MWS	Virtual Community Hub App	2021	October	Virtual lobby for local residents to learn about works going on in their area	Intelligent Solutions (Andy Carter, Maxine Corney, Mike Scott Paul) & Gareth Nairn (MWS)	Cost, Time, Environment, Customer Satisfaction								8, 12, 13
Water	MWS	Digital Twin (VariSim Delta)	2021	January	Digital version of a client's network	Intelligent Solutions (Andy Carter, Maxine Corney, Mike Scott Paul)	Cost, Time, Environment,								6, 9, 11, 12, 13
Water	PMP Utilities	AMEX-10 Seals			No-dig solution to pipe repair - now can be used in potable water	Maria Reed	Cost, Time, Environment, Safety								3, 6, 9, 12, 13
Water	PMP Utilities	V33 Adaptors			Adaptors for pipe lining	Maria Reed	Time, Environment								
Water	MWS	Impulse Cleaning	2021	August	Pipe cleaning technique using computer controlled pulses of medical grade air and water	Intelligent Solutions (Andy Carter, Maxine Corney, Mike Scott Paul)	Environment, time, cost								6, 11, 12, 13
Water	MWS	Ice Pigging	2021	August	Cleaning technique using a thick ice slurry	Intelligent Solutions (Andy Carter, Maxine Corney, Mike Scott Paul)	Environment, cost, efficiency								
Water	MWS	Blicker			Intelligent meter readout assistant - digitises meter readings from customer photos	Kerry Duke	Efficiency, customer satisfaction								
Transport	Milestone	Dragonpatcher			Reinstatement tool	Ed Godsiffe	Efficiency, Accuracy								9, 12

**>90**  
examples & growing

**Five examples...**

# Example Innovation (1) Micheldever Recycling Centre



Provides the means to reprocess and recycle material gathered from road repairs for re-use in road maintenance.



## Key Benefits:

- Reduced carbon emissions
- Cost of disposal and purchase of new material
- Travel time, improving productivity and enhancing cost and carbon efficiencies
- Cost saving anticipated to be up to £320,000 per year
- Meets Environment Agency requirements. A new, sealed drainage system was built to fulfil their criteria and the system is capable of holding all the water of a one in 100-year storm event, with an additional 40% capacity to cope with future climate change impacts



# Example Innovation (2) Digital Twin – Varisim Delta

**MWS is the exclusive supplier of the world's largest deployment of a digital twin, working with our partner, the Hydraulic Analysis Group.**

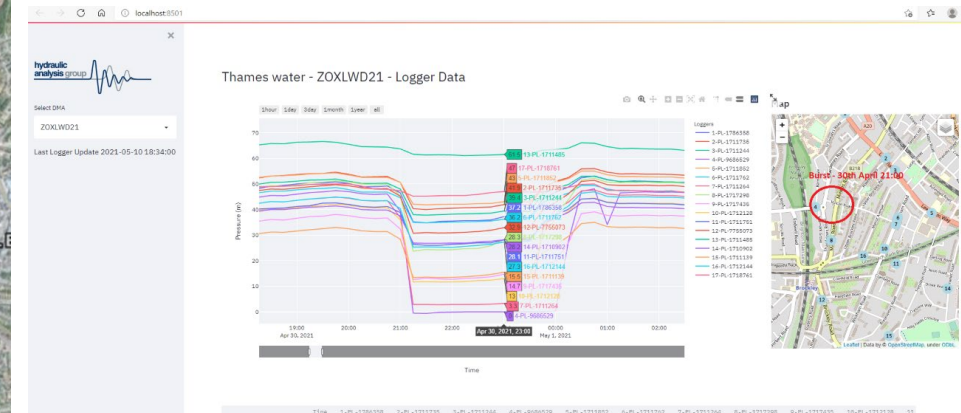
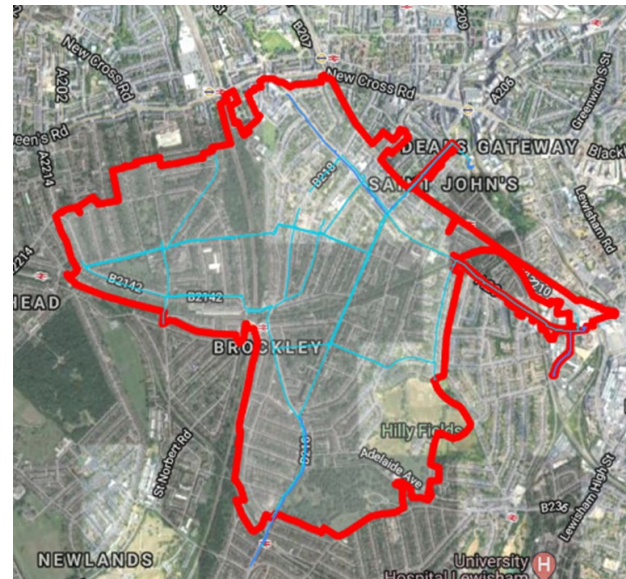
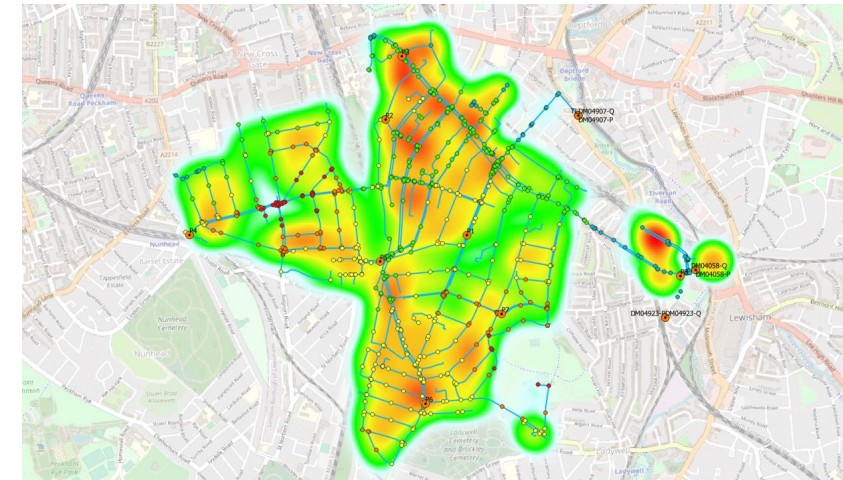
VariSim Delta is a software system which can create a live, real-time hydraulic model of a pipe network. The system creates a digital replica of physical assets and processes.

Capable of completing millions of calculations per second with its own unique pressure transient engine, VariSim Delta helps identify:

- Customer behaviour
- Network anomalies
- Potential bursts
- The condition of assets and pipes

In turn, this improves:

- Asset health
- Water balance & quality
- Reductions in leakage
- Network design & resilience



## Example Innovation (3) Hydrotreated Vegetable Oil (HVO)

HVO is a low-carbon alternative to traditional diesel and gas oils for plant equipment and fleet vehicles and has been successfully utilised by Milestone Infrastructure.

### Key Benefits:

- HVO is renewable, sustainable and 100% biodegradable
- Reduces the carbon associated with fuel usage by 90%
- On Milestone's A40 Oxford North Scheme, this is forecasted to save 875 tonnes of carbon per year, based on the current fuel usage of the scheme – equivalent to planting 40,000 trees and 1,073 direct flights from London to New York



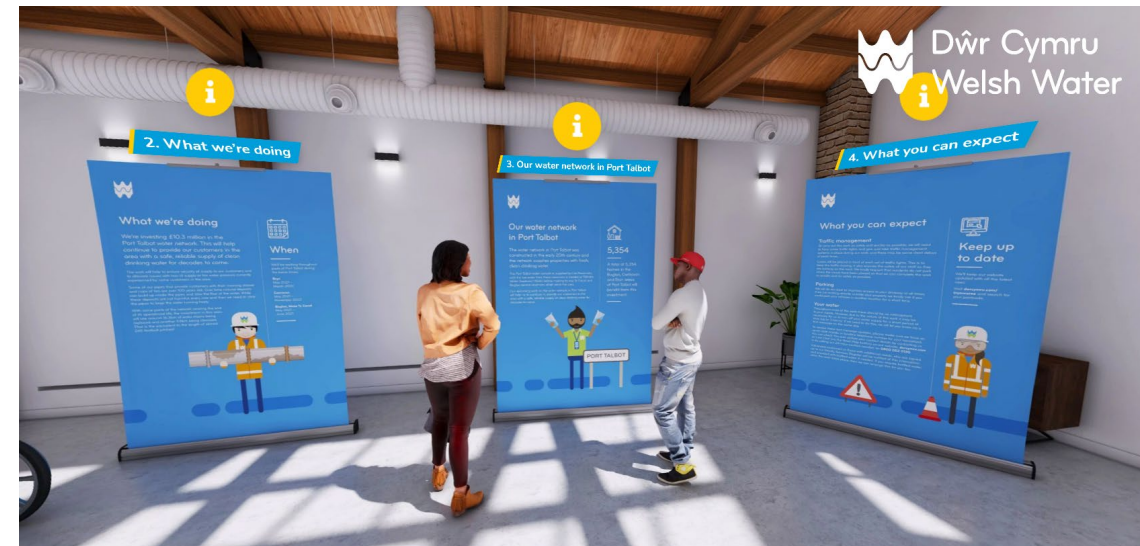
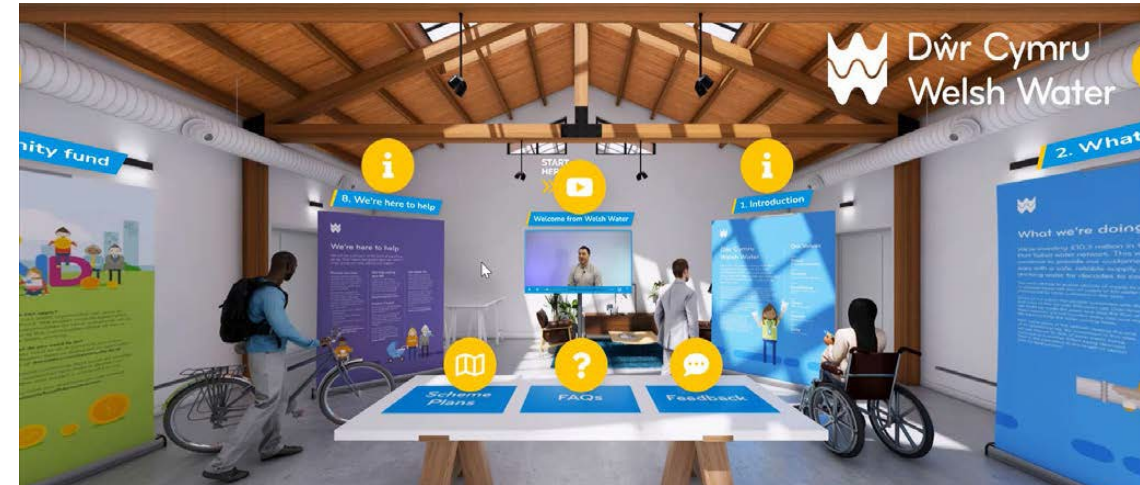
# Innovation example (4) Virtual Community Hub App



The Virtual Community Hub App is a 360° virtual meeting room, in which digital information boards can be selected to provide a wealth of information about projects or schemes in that particular town, village or city.

## Key Benefits:

- Improved customer experience through the straightforward interface
- Cost and time efficiencies as users can access it on their mobile devices
- Carbon savings from removal of the need to travel to town halls or community centres for physical meetings

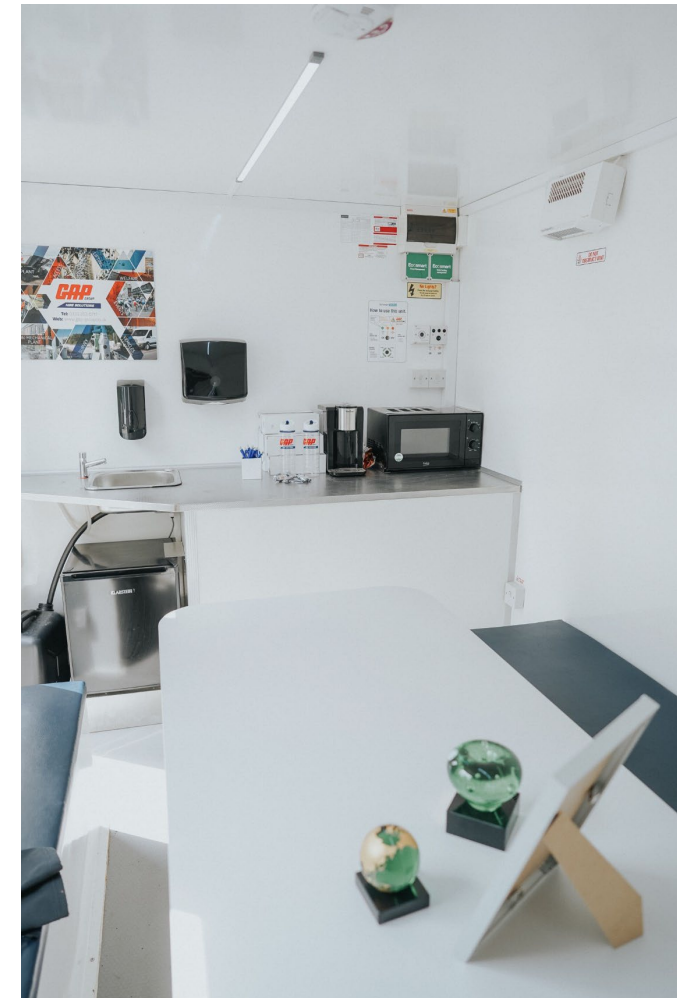


# Example Innovation (5) Solar & Hydrogen Welfare Units

Solar & Hydrogen welfare units are site welfare facilities that operate using the power generated from a hydrogen fuel cell and solar panels.

## Key Benefits:

- Zero CO<sub>2</sub> output (only waste is water)
- Reduction in noise pollution, providing a more positive customer experience
- Highly popular with our field teams
- Renewable and sustainable energy solution



## Example Innovation (6) Cured-in-Place-Pipe (CIPP)

Morrison Energy Services, PMP Utilities and IWJS completed the first CIPP installation on a live gas network. CIPP

### Key Benefits:

- A cost and time effective solution
- CIPP has a smaller carbon footprint
- Reduces expenditure and time delays for customers, as lining avoids the need to excavate and replace the pipe using conventional methods







# MGroupServices

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**Water Services**

A part of **MGroupServices**



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# Thank you

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