

SUSTAINABILITY AT TELENT
QEHS Annual Report FY21



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1. ENVIRONMENTAL AND SUSTAINABILITY STATEMENT

Telent is committed to providing sustainable and effective solutions for our customers. In doing so we will minimise our impact on the environment, work to reduce carbon emissions and continually improve and enhance our environmental performance.

To deliver this, we aim to:

- Meet all environmental compliance obligations, including customer requirements.
- Promote economic security, social betterment, and environmental stewardship.
- Minimise disposal of waste through effective reduction, reuse, recovery, and recycling activity.
- Minimise energy consumption and reduce carbon emissions.
- Use of natural resources efficiently through a life cycle approach from design to decommissioning.
- Ensure responsible, sustainable, and ethical procurement of all goods and services.

1.1 Our Objectives for FY22

Ongoing implementation of our strategy to support the UK Government 'Net Zero' Carbon target of 2050:

- Extending the mapping of emissions associated with our value chain.
- Engaging key suppliers in partnerships to support climate change action
- Setting Science Based Carbon Targets by end FY22.
- Implementing practical solutions to enable 100% diversion from landfill by 2030
- Increasing awareness to deliver further reductions in waste production across Telent
- Fleet optimisation, greater employee choice in ULEV vehicle options and improved grey fleet policies to lower carbon emissions generated by our fleet and business travel.
- Ongoing improvement in environmental and sustainability related data capture and performance monitoring

1.2 Our Strategy

Sustainability forms part of our CSR Strategy. Our CSR strategy is managed through four key categories:

1. Environment and Sustainability.
2. Community and Charity.
3. Skills Development and Employability.
4. Human Rights and Ethics.

Objectives and Targets are set for Category 1 and 2, we will integrate 3 and 4 through our work with Sustainable Development Goals (SDGs).

Objective and Target setting is achieved through our annual objective and target setting processes and are based on the company risk profile and our company business strategy. To prevent unintended segregation of CSR from normal business practices, CSR is embedded into existing Policies and Procedures within Telent Management Systems. CSR and Sustainable requirements are included in the annual review of policies. A Responsible Procurement Policy and Procedure enables appropriate sustainability and CSR management in the Supply Chain.

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The CSR steering group is responsible for ensuring means to measure spend and benefits are established for any CSR projects and activities. A Terms of Reference for the Steering Group is maintained, and the Steering Group advises on Policy change or revision.

1.3 Our Statement of Intent

Commitment

At Telent, CSR is about managing our overall impact on society and the environment. This includes the direct and indirect impact of operations and the wider impacts of the business on the value chain, from suppliers to customers and consumers.

CSR embodies our work and support for the communities we are part of and the voluntary contributions we make. Telent is committed to practices that promote social betterment and environmental stewardship and striving for continual improvement of performance in these areas. We are committed to supporting the local communities in which we operate.

For our business

- Provide value to clients in addressing their CSR and sustainability requirements, by building these into our solutions and the way we deliver projects.
- Realise sustainable procurement of the goods and services used in our operations; and
- Achieve performance that supports the Company's economic success, the welfare and development of employees, the preservation of the environment and the betterment of the local communities we operate within.

For our people

- Ensure education and training materials are available to all staff on CSR and Sustainability issues relevant to the business; and
- Provide support for innovative approaches to implementation of CSR strategies on projects.

For our environment

- Prevent and minimise pollution within the scope of our activities.
- Use resources efficiently and minimise waste, usage of water, energy, and other consumables.
- Maintain an ongoing objective to reduce carbon emissions in our operations; and
- Actively review and address our climate change opportunities and risks.

For our relationships

- Develop and nurture partnerships that enable the exchange of ideas and the promotion of CSR leadership.
- Develop and maintain supporting relationships with educational organisations and schools.
- Maintain and develop our corporate charity arrangements and relationships with local charitable and community operations; and
- Support relevant community projects.

2. ENVIRONMENTAL AND SUSTAINABILITY PERFORMANCE FY21

Telent has aligned key environmental and sustainability reporting requirements including ESOS, SECR and CDP to the financial year reporting period 1st April – 31st March. This alignment of reporting allows Telent to ensure effective comparisons for performance monitoring and tracking. The environmental and sustainability performance described below therefore covers the FY21 period (01.04.20 – 31.03.21) rather than a calendar year period.

2.1 Energy Usage (Buildings)

Telent continues to monitor the energy usage across the site portfolio in liaison with our energy provider and landlords. In FY21 we have continued to maintain REGO backed renewable electricity tariffs (where Telent is responsible for energy contracts), which ensures our electricity and gas is sourced from 100% renewable sources.

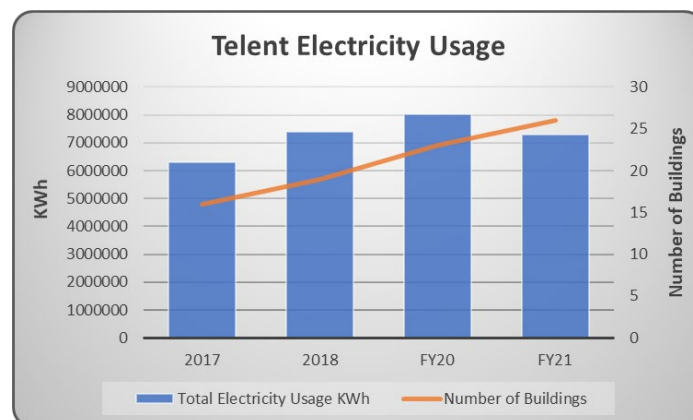
Practical measures completed during FY21

During FY21, the property maintenance and refurbishment program has continued with further energy efficiency investments being made where they are cost effective. We have continued to replace lighting with energy efficient LED fittings as part of our fit-outs and maintenance activities.

The Covid-19 Pandemic resulted in the temporary closure of some office sites and the reduced occupancy and use of other offices. Telent delivers essential services and therefore, many logistics and service centre sites remained fully operational under Covid-Secure Workplace arrangements.

The lessons learnt from the Pandemic have allowed Telent to move to a hybrid / agile working policy which will support the ongoing reduction in commuter miles and using technology, enable teams to collaborate remotely, supporting the reduction in business miles.

The building rationalisation exercise commenced in FY20 continued although the overall savings in electricity cannot be fully estimated due to the additional exceptional changes created by the civil emergency measures introduced by the UK Governments to address Covid-19.



Although, the graph above shows that Telent's electricity usage has increased, this is solely due to business expansion and an increase in the number of buildings that Telent occupies (rising to 26 at end FY21). Energy efficiency measures implemented by Telent have undoubtedly reduced the overall electricity usage that would otherwise be expected with such expansion and our green energy procurement policy supports carbon emission management.

Practical Steps for FY22:

- Continued buildings rationalisation as a result of both Telent’s ambition to continue to reduce our energy demand as well as to address changing working arrangements in line with our business development and people strategies.
- Improving our access to and monitoring of energy data for leased buildings where Telent is not responsible for the building’s energy supply contracts through new lease agreements and close liaison with landlords.
- Continued improvements to buildings energy efficiency performance where economic to do so
- Awareness and behavioural promotion campaigns as our people return to office locations.

2.2 Energy Usage (Vehicles)

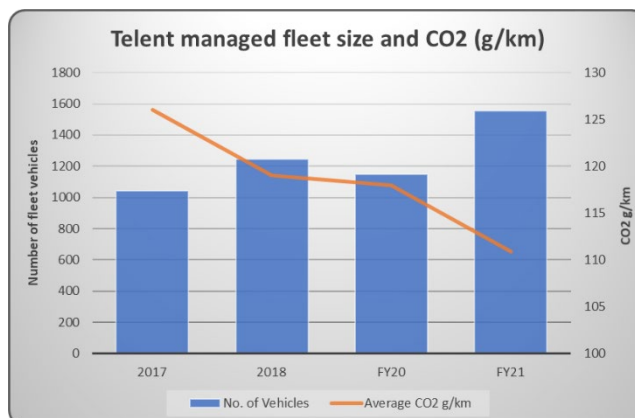
The use of vehicles remains Telent’s biggest source of energy usage and associated carbon emissions. Our vehicles comprise of a commercial fleet, company cars, hire cars and employees’ private vehicles used for business purposes. Telent acts proactively to reduce the energy and carbon footprint of its vehicle fleet, which includes:

- working closely with our fleet provider Lex Autolease to select the best vehicles for the task
- including fuel efficiency and carbon emission requirements in purchase decisions
- providing cost effective options for vehicle selection to encourage a greater uptake of low emission vehicles (<75g/km)
- developing grey fleet and expenses policies to encourage more carbon efficient decisions by employees for essential business travel and workplace commuting

This proactive approach has seen the average Fleet CO₂ steadily reduce from 127 g/km to 119g/km.

During FY20 we replaced 10 diesel vans with 10 equivalent sized zero emission electric vehicles and installed charging points at our Pirin Court depot in London.

Telent’s longer term strategy for a low carbon fleet includes the progressive transfer to low carbon emission options as vehicles need to be replaced and during FY21, the number of electric and hybrid vehicles increased to 143 which includes 37 full electric vehicles.



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To further accelerate this progression, Telent has also shortened the lease period for new diesel commercial vehicles which will enable a quicker transition to hybrid and EV in line with anticipated improvements to technology and vehicle range.

Practical Steps for FY22:

- Continued adoption of electric and hybrid vehicles where practicable to further extend the proportion of these vehicles within our essential and commercial fleets. Telent's current order book includes a further 7 electric vehicles and 18 hybrids which will be replacing older vehicles reaching the end of their lease period;
- Continued roll out of electric vans to support specific projects and locations, including provision of charging infrastructure;
- Roll out of a 5-year fleet strategy - a road map to a low carbon fleet;
- Explore ways that Telent can further educate, influence, and encourage vehicle selection by our employees, to further improve the profile of our "Grey Fleet";
- Continue to encourage the use of technology to avoid journeys and alternatives to car travel for essential journeys, where practical.

2.3 Carbon

Telent measures its CO₂ emissions and reports performance through the Carbon Disclosure Project (CDP) annually and in line with UK Government requirements, the SECR financial report submission. Telent's carbon performance is benchmarked against similar businesses through the Carbon Disclosure Project. Scores are received for governance, strategy and for emissions management in business operations. Telent performs well in this benchmarking and further information can be provided on request.

Our total Carbon emissions in FY21 were calculated as 6985.4 tonnes. This figure covers Scope 1 sources; primarily vehicle emissions but also emissions from gas boilers and diesel generators; and Scope 2 sources which are emissions associated with our electricity supply.

Where a building is supplied with electricity and gas through a Telent sourced REGO/RGGO backed tariff, we apply a zero-carbon rating for the electricity and gas supplied. Where a landlord controls the energy supply through a standard tariff (non REGO), we have applied a national UK carbon factor.

In 2016, Telent set a 2020 objective to maintain a zero increase in our carbon footprint measures despite corporate growth (in line with our business strategy) against a 2015 benchmark of our Scope 1 and 2 emissions. In 2020 the business achieved an 31% overall reduction in Scope 1 and 2 emissions (against the 2015 baseline) of 2,461 tCo_{2e}. We have also significantly improved our monitoring and reporting of Scope 3 emissions in that time frame.

Profile for our Carbon Disclosure Measures

Measure	2015	2016	2017	2018	FY20	FY21
Tonnes of CO_{2e} per million pounds turnover	23	18.2	20.1	13.9	17.7	14.8
Tonnes of CO_{2e} per head per year	4.9	3.7	3.8	4.0	4.4	2.9

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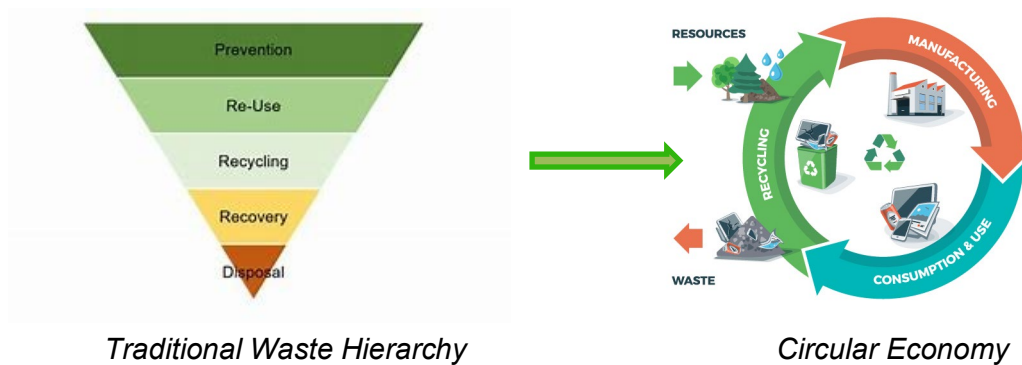
Practical Steps for FY22:

- Publication of Carbon Reduction Plan (with subsequent annual updates)
- Public submission of annual CDP report
- Publish our commitment to the SBCT initiative
- Fully define our Scope 3 carbon
- Establish Science Based Carbon Targets
- Develop specific strategies for further reducing carbon emissions in operations

2.4 Waste Management

Telent’s waste management and compliance approach is built on adherence with the waste minimisation hierarchy.

Telent applies a focussed approach in viewing waste foremost as a resource and keeping resources in use for as long as possible. This promotes a circular economy approach.



Telent contracts with responsible waste management contractors to support our waste management and minimisation requirements across the UK and Ireland.

Specific relationships exist with our key waste management service partners support our diversion from landfill and recycling objectives:

- Reconomy;
- N2S and Plexstar (electronic equipment + battery recovery and revenue);
- Comtek;
- Thorntons (ROI).

Recycling – Recycling is a process that converts the waste into a form in which it can be used in place of a virgin material

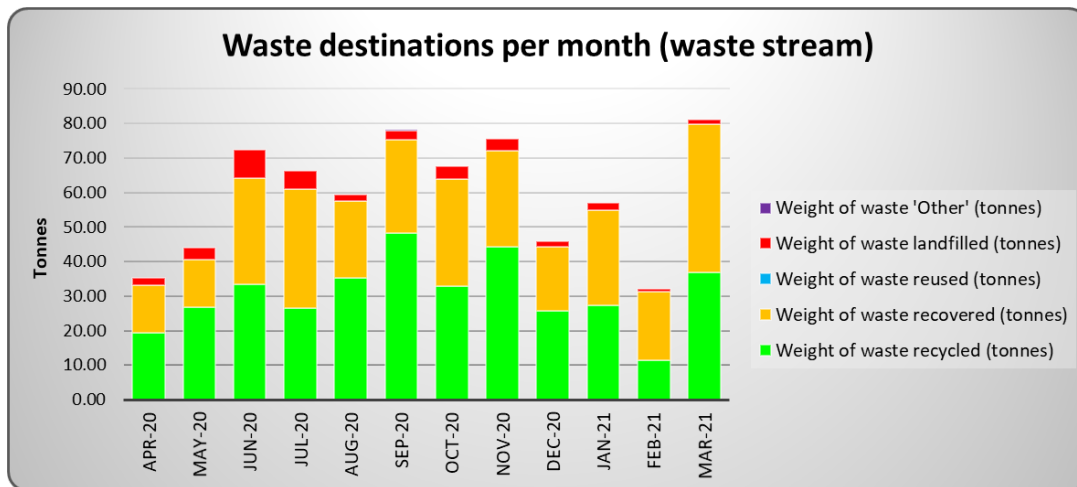
Recovery – Waste recovery is about using waste to replace other non-waste materials. The clearest indicator of waste recovery is when it can be shown that the waste used is a suitable replacement for non-waste materials that would otherwise have to be used.

Data from the management information provided by these suppliers indicate that, overall, Telent recycled 52% and recovered (e.g. waste to energy) 43% of waste generated because of our operations. Only 5% of waste arising was disposed to landfill during FY21.

Recycle	52
Waste Recovered	43
Disposal	5

In addition, Telent saw a significant reduction in the total quantity of waste produced in FY21 at 714 tonnes, which represents a reduction of 116 tonnes or 14% compared against FY20 performance.

The graphs below show further details of our waste profile for FY21:



Practical Steps for FY22:

- Identify further opportunities to eliminate and reduce waste;
- Work with our waste service providers to continue to increase diversion from landfill towards our target of 100% by 2025;
- Begin to assess carbon emissions associated with the management of Telent waste streams.

2.5 Responsible Procurement

Telent recognises that responsible procurement and ethical sourcing practices are of significant global importance and play a critical role in our competitiveness and profitability. It is also essential in providing sustainable and effective solutions for our customers.

Our strategy is to achieve maximum value on a whole-life basis throughout our supply chain

- Economic**
Securing economic value not only for telent, but for all our stakeholders and communities
- Social**
Add community benefit through our supply chain, while ensuring regulation for human rights, labour and diversity is adhered to and that our ethical standards are upheld
- Environmental**
Working with suppliers to minimise any environmental impact of the goods, services and utilities that we purchase

Through our Supply Chain Social Value Strategy, our Procurement team can meet our needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis. This is by generating benefits not only for our organisation, but also society and the economy, whilst minimising damage to the environment.

At its core, our strategy aims to:

- Provide a rationalised approach to Procurement that aligns us with and delivers against all relevant legislation, frameworks and initiatives;
- Ensure our supply partners are aligned with our high-level corporate sustainability policies and strategies;
- Build the capacity of small and medium sized enterprises (SME's) in our supply chain to deliver innovation and non-financial value;
- Integrate sustainable principles into processes and consider the whole-life cycle when making procurement decisions;
- Use a range of targets and KPI's to ensure our efforts deliver meaningful and measurable results on a long-term basis.

Practical measures completed during FY21

Throughout the year, the Procurement team have continued to increase, social, economic and environmental value throughout our supply chain. Through the application of the strategy, we have made several sustainable procurement commitments in successful customer tenders, which will be mobilised in the new financial year. The leverage this provides will give us many opportunities to incentivise our supply chain and work collaboratively on projects to:

- Improve the environment (air quality, CO²e)
- Provide greater employment, skills and business building opportunities
- Support skills development initiatives and encourage talent into our sectors
- Promote Equality, Diversity and Inclusion (EDI)

After significant investment, we launched our new digital supplier management system. This aims to greatly simplify compliance for SME's, provide even greater flexibility and enhance transparency. The supplier relationship management, reporting and score-carding capabilities will provide us with improved insight into supplier performance which can be used to set benchmarks and future targets.

For the first time, our tendering and contracting process is now completely digital. Whilst not only is a paperless process more efficient, but also more environmentally sustainable. Our eSignature provider "DocuSign" estimate that signing just one contract digitally saves 3kg of wood and 60l of water.

Resources preserved
per digital signature



Following our official commitment to setting Science Based Targets, we began the first phase of screening our indirect Scope 3 emissions, which allows us to determine the estimated size of each GHG emissions category and prioritise data collection for the most

material impacts. We anticipate that Purchased Goods & Services (Category 1) will account for the largest source of indirect emissions within our value chain.

KPI Performance

Despite the challenges of Coronavirus, we have successfully met our sustainability KPI's for the year. This was important, as the targets are very much focused communicating our strategy and setting expectations with our supply chain, in order to build-on in future as we begin to issue more specific and measurable targets both internally and externally.

This remains vitally important following updates the Social Value Act, which will require our core customers to place an even greater focus on delivering social, economic and environmental value.

Our Economic Values: Securing economic value not only for Telent, but all our stakeholders and communities		
Targets	Completion	Results
Report our MSME engagement by supplier share	100%	<ul style="list-style-type: none"> £142m spent with MSME's, who account for 65% of suppliers and 50% of expenditure SME payment terms were prompt - ranging from immediate to 60 days and 87% were contracted to 30-day EOM terms or less Committed to signing the Prompt Payment Code (PPC)
Publish our SME engagement KPI's on our company website	100%	<ul style="list-style-type: none"> MSME case study and strategy published at Telent.com
Hold at least 1 meet the buyer event per year	100%	<ul style="list-style-type: none"> 1 virtual Meet the Buyer Day held

Our Social Values: Add community benefit through our supply chain, while ensuring regulation for human rights, labour and diversity is adhered to and that our ethical standards are upheld		
Targets	Completion	Results
Provide a minimum of 100 hours of social value action/volunteering activities with our supply chain including Meet the Buyer days, career/STEM days, training sessions and community outreach	100%	<p>We offered a total of 101 hours of business support to SME's and Voluntary, Community and Social Enterprises (VCSE's), including:</p> <ul style="list-style-type: none"> Capacity building – virtual training sessions and resources for: STEM, EDI, Modern Slavery, Sustainability, Planning, Materials Management, GDPR, Quality Management Provision of expert business advice (e.g., financial, legal, HR, HSE advice) and procurement, legal and financial workshops – as a general discussion forum Free use of Telent facilities for meeting and events

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Provide ongoing training to our Procurement team on ethical compliance issues	100%	<p>Training sessions have been held with our Procurement team, which covered:</p> <ul style="list-style-type: none"> • The Social Value Act • Supplier Environmental Performance Management • Anti-bribery and corruption • UK GDPR
Develop and re-issue our supplier handbook as a charter and detail our sustainability strategy	100%	<ul style="list-style-type: none"> • Phase 1 complete
<p>Our Environmental Values: Working with suppliers to minimise any environmental impact of the goods, services and utilities that we purchase</p>		
Targets	Completion	Results
Communicate our commitment to 99% landfill diversion by 2025 and request acknowledgement	100%	<ul style="list-style-type: none"> • Complete
Complete the first phase of Scope 3 emissions reporting for purchased goods and services – define methodology, reference year, scope/products, set baseline and formally commit	100%	<ul style="list-style-type: none"> • Reference year, methodology and scope defined • Procurement data collated for Categories 1, 2, 11 and 12

In November 2020, we were awarded an EcoVadis Silver Medal in recognition of our sustainability achievements to date. Our score was in the 92nd percentile, meaning it was higher than 92% of other companies that have completed it, and among the top-scoring assessed



Practical Steps for FY22

- Complete the analysis of our Scope 3 emissions to enable Science Based Carbon Target setting
- Continue to deliver our sustainability objectives and extend the range of medium-term targets
- Sign the Prompt Payment Code (PPC) to ensure that all MSMEs are paid within 30 days

3. CORPORATE AND SOCIAL RESPONSIBILITY (CSR)

At Telent our work in the communities we share is important to us. To fulfil our social responsibilities, we continue to engage with local communities, develop our Graduates and Apprenticeship programmes and support the work our STEM Ambassadors do with local schools. Telent also supports a single corporate charity and actively supports other individual employee fund-raising activities.

Corporate Charity Alzheimer's Society

In December 2018, Telent employees voted for the Alzheimer's Society to be Telent's charity partner for the next 3 years. Alzheimer's Society is transforming the landscape of dementia. Until a cure can be found, Alzheimer's Society will create a society where those affected by dementia are supported and accepted, able to live in their community without fear of prejudice.

Telent also continues to support a variety of other local charities and individual employee efforts and, where the opportunity arises in relation to our contracts, relevant community projects.

The global Covid-19 crisis has changed some of the ways that fundraising events needed to take place for FY21. For FY21, Telent has continued to sponsor, support and publicise employee fundraising efforts and held innovative "remote" corporate fundraising challenges instead to continue to support the Alzheimer's Society. Overall corporate fund raising was lower at £13,000, due to the restrictions with a number of events postponed until FY22.

Corporate Partnerships

Telent partners with London Transport Museum as a Corporate member and supported the Enjoyment to Employment programme in FY21.

Encouraging and Supporting Staff Contribution

Supporting staff in community contributions is a core Telent value and staff are encouraged to share and promote their personal fundraising efforts through the Telent employee communications platform PULSE.

Telent's Graduates and Apprentices are supported to engage with community projects each year and for FY22 a group of graduates have launched a volunteering programme 'Keeping the Elderly Connected'.

Telent also sponsors Onside Youth Zones local to our Chorley (last 3 years) and Basildon (addition in FY20/FY21) sites.

These are a collection of centres designed to give young people aged 8–19 years old (25 for those with a disability) a safe place to socialise and learn new skills. Each facility is individually named with its own identity, and the centres are run by the young people with guidance and support from Onside Youth Zones.

Practical Steps for FY22

- Implementing routine assessment of our social value contribution in line with the National TOMs (Themes, Objectives and Measures)
- Establishing core National Framework metrics for all Telent contracts
- Education of Project Managers in the identification and adoption of Social Value opportunities
- Employee selection of new Corporate Charity for 2022.
- Promote Telent's Corporate Social Responsibility Initiatives both internally and externally