ARCUS

Sustainability Impact Report 2020/2021

Executive Summary

This is the first sustainability impact report that has been published by Arcus. The scope of this report largely focuses on the boundaries and KPIs that fall under the Arcus Health, Safety, Quality and Environment Team. Several Global Reporting Initiative (GRI) standards, and parts of their content, have been selected and referenced when compiling this report to disclose specific HSQE related information, however a full report has not been prepared in accordance with all GRI standards. The reporting period is from 1st April 2020 – 31st March 2021, which is in line with the Arcus 2020/21 financial year. In the future, the aim is to extend the scope of the report to cover the full suite of GRI economic, environmental, and social topics and associated key performance indicators that are material to Arcus.

The purpose of this report is to disclose the impacts Arcus has on key elements of the environment and society, and hence its contribution – positive and negative – towards the goal of sustainable development.

As detailed within the report, Arcus is playing its part in the UN 2030 Agenda for Sustainable Development by acting on seven Sustainable Development Goals (SDGs) that Arcus has assessed as most material to its operations. Impacts associated with the following SDGs are in scope of this report:

- SDG 3 – Good Health & Well-being (partial inclusion via occupational health & safety).
- SDG 4 – Quality Education (partial inclusion via occupational health & safety training).
- SDG 7 – Affordable & Clean Energy
- SDG 12 – Responsible Consumption & Production
- SDG 13 – Climate Action

Impacts in relation to energy, water, emissions, waste, environmental compliance, supplier environmental assessment, occupational health and safety, and socioeconomic compliance have all been disclosed throughout the report, alongside general disclosures including an organisational profile and a statement from our Chief Executive Officer detailing his commitment to sustainability.

Arcus is striving to become a sustainability leader in the FM industry and is committed to ensuring an equal focus is placed on all elements of sustainability covering the natural environment, society, and business governance. This commitment, which is outlined in the recently published Sustainability Policy, will continue to be a strong focus for Arcus as our sustainability journey continues.

Arcus looks forward to sharing next year's Sustainability Impact Report to demonstrate the further advancements that have been made in relation to both embedding sustainability into the management and operation of the business, and to our disclosure process.

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Introduction

Through our activities and relationships, Arcus makes positive and negative contributions towards the goal of sustainable development. Arcus therefore has a key role to play in achieving the goal of sustainable development.

The purpose of this report is to disclose the impacts Arcus has on key elements of the environment and society, and hence its contribution – positive and negative – towards the goal of sustainable development.

Arcus' Commitment to Sustainability:

We pride ourselves on being a responsible organisation and want to act in a way that positively impacts our colleagues, our planet, and the communities we work in, investing responsibly for sustainable growth. As an Industry leader, we have embraced the UN SDGs, we encourage colleagues to be engaged and aligned with our business goals and drive innovation that makes them feel empowered and supported. We are on a sustainability journey as a member of the Sustainable FM Index (SFMI) and are committed to becoming a net-zero emissions business.

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In the future, the aim is to extend the scope of the report to cover the full suite of GRI economic, environmental, and social topics and associated key performance indicators that are material to Arcus.

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This report references:

- GRI 102 General Disclosures 2016
- GRI 103 Management Approach 2016
- GRI 302 Energy 2016
- GRI 303 Water and Effluents 2018
- GRI 305 Emissions 2016
- GRI 306 Waste 2020
- GRI 307 Environmental Compliance 2016
- GRI 308 Supplier Environmental Assessment 2016
- GRI 403 Occupational Health and Safety 2018
- GRI 419 Socioeconomic Compliance 2016
    - The specific content/sections from each Standard listed above which has been applied is detailed throughout the report.

Acting on the UN Sustainable Development Goals (SDGs)

Arcus is playing its part in the UN 2030 Agenda for Sustainable Development. Arcus has completed a materiality and impact assessment for the UN SDGs and has identified that the following seven SDGs outlined in the table below fall most significantly within our scope of influence. Although the information covered in this report will also support several other UN SDGs.

SDG	Arcus' Commitment(s) in relation to SDG	Summary of Activities at Arcus in relation to SDG	SDG Impact in Scope of this Report?
SDG 1 – No Poverty **1 NO POVERTY** **End poverty in all its forms everywhere.**	We care passionately about our colleagues but also those in our community, so we've identified key partners to support our work with young adults particularly from disadvantaged backgrounds (e.g., care leavers), those recently or soon to be released from prison, and ex-services personnel. Arcus is also committed to understanding Arcus' potential modern slavery risks related to its business and putting in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business and its supply chains.	Social Value is one of the five Arcus pillars. Clear strategy on Social Value. Colleague volunteering. Modern Slavery statement and controls.	No
SDG 3 – Good Health & Well-being. **3 GOOD HEALTH AND WELL-BEING** **Ensure healthy lives and promote well-being for all at all ages.**	Our colleagues' safety, health and wellbeing is the highest priority and we do everything possible to ensure our processes protect this and that the right support is provided.	Getting Everyone Home Safely is one of the Arcus 9 Enablers. ISO 45001:2018 Certified Health & Safety Management System supported by a dedicated HSQE Team. Mental Health First Aiders. Employee Assistance Programme (EAP) Range of safety, health and wellbeing learning	Partially in scope (Occupational Health and Safety KPI)

		resources on our Learning platform.	
SDG 4 – Quality Education **4 QUALITY EDUCATION** **Ensure inclusive and quality education for all and promote lifelong learning.**	At Arcus we are passionate about our people and their development. We recognise that every colleague performing at their best every day is key to our continued success. We understand that continuing to invest in our people in the right ways will keep us agile and flexible. This helps us deliver a winning service. Arcus is committed to improving sustainability awareness and integrating a responsible business culture as part of our employee development training and programmes.	Training is one of the five Arcus pillars. Dedicated Learning & Development Team. Award-winning digital learning platform, The Learning Space. External Qualification via course Sponsorship Programmes. HSQE ROSPA Approved Training. Technical Training & Career Progression Pathways. Technical & Non-Technical Apprenticeships. Leadership Development Programmes.	Partially in scope (HSQE training)
SDG 5 – Gender Equality **5 GENDER EQUALITY** **Achieve gender equality and empower all women and girls.**	Arcus is striving to create an inclusive workplace where diversity is valued, respected, and celebrated. We are all about people – our colleagues, our clients, customers they serve and the services that we deliver. We hope to create a more inclusive and diverse environment which brings even more success for our colleagues and the wider business.	Flexible Ways of Working Policy. Enhanced maternity and paternity pay. Talent Programmes to widen and promote opportunity for development. Sponsorship Programmes, open to all colleagues wishing to apply for funding for additional qualifications or training to support their career development.	No
SDG 7 – Affordable & Clean Energy	Arcus is committed to: • Reducing our energy consumption and our greenhouse gas emissions in accordance	ISO 14001:2015 Certified Environmental Management System supported by a dedicated HSQE Team.	Yes

7 AFFORDABLE AND CLEAN ENERGY **Ensuring access to affordable, reliable, sustainable, and modern energy for all.**	with our formal carbon reduction target, as well as aligning ourselves with the UK Government net zero by 2050 target and the goals made under the UNFCCC Paris Agreement. The use of technology and innovation to support clients on their own net zero and sustainability journeys is also integral to what Arcus delivers.	Internal energy and carbon monitoring and reporting process. External energy and carbon verification audits and certification. Internal carbon reduction target and supporting initiatives. SMaRT Hub delivering energy monitoring and reduction services for clients. Annual sustainability audits where 'energy' is part of the criteria.	
SDG 12 – Responsible Consumption & Production **12 RESPONSIBLE CONSUMPTION AND PRODUCTION** **Ensure sustainable consumption and production patterns.**	Arcus is committed to: • Sustainable consumption and production and supporting the transition away from a linear economy by improving resource efficiency to reduce waste, and encouraging circular economy thinking throughout our value chain. • Promoting recycled, reclaimed quality goods with long term value.	Certified Environmental Management System supported by a dedicated HSQE Team. Waste management, monitoring, and reporting processes. Duty of care processes. Supply chain on-boarding and annual review process. Annual sustainability audits where 'circular economy' is part of the criteria.	Yes
SDG 13 – Climate Action **13 CLIMATE ACTION** **Take urgent action to combat climate change and its impacts.**	Alongside the commitments outlined for SDG 7, Arcus is committed to: • The transition from a predominantly diesel fleet to zero emission vehicles. The transition to zero emission vehicles will be at a pace that supports Arcus' own carbon reduction and net zero commitments as well as the UK Government net zero by	Certified Environmental Management System supported by a dedicated HSQE Team. Electric van trial & Electric Car Benefit Scheme. Increasing scope of carbon reporting to include scope 3 emissions. Climate change risk management.	Yes

	2050 target. We must be mindful that progress in this space is heavily dependent on electric vehicle technology and the charging infrastructure developments.	These are in addition to the activities outlined for SDG 7.	

GRI 102: General Disclosures

Organisational Profile

GRI 102-1: Name of the organisation

Arcus Solutions (Holdings) Limited – including Arcus FM Limited and Arcus Managed Services Limited.

GRI 102-2: Activities, Brands, & Services

Arcus is a facilities management (FM) company which has been created on the principle of delivering a total FM solution, with a vision to grow a great FM business, the envy of others. Our services include mechanical, electrical, HVAC, refrigeration, drainage, soft services, distribution centres, and building and fabric.

Arcus has the following 3 values:
- Do It Simply - Minimising complexity so that we deliver efficient and effective processes to our clients.
- Do It Well - Caring about Arcus, our colleagues, clients, and communities.
- Do It with Passion - Focusing on safety, service, the environment, and our results.

GRI 102-3: Location of Headquarters

The Arcus registered office address is at Enterprise House, 168-170 Upminster Road, Upminster, Essex, RM14 2RB.

GRI 102-4: Location of Operations

Arcus is incorporated and operating solely in the United Kingdom. Services are provided on a national scale.

GRI 102-5: Ownership and Legal Form

Arcus is a private limited company (Ltd).

GRI 102-6: Markets Served

The primary sectors / types of customers served are:

- Retail
- Distribution / Logistics

102-7: Scale of the organisation

The scope of this report relates to:

- Arcus FM Limited
- Arcus Managed Services Limited

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- Arcus Solutions (Holdings) Limited – group company

Please refer to the relevant annual reports and financial statements for further information.

102-10: Significant Changes to the Organisation

The business continues to grow at a rapid rate. At the start of 2020, the headcount was 3832. The latest headcount figure is 4413. This is due largely to the growth of our Multi-Client arm of the business and the securing of new contracts with several large clients. During the reporting period Arcus also acquired BEMS, a building and energy management controls specialist company which saw 11 colleagues join the business.

102-11: Precautionary Principles or Approach

Arcus is committed to strengthening, applying and implementing sensible risk management principles across all areas of business management and operation.

There is a Corporate Risk Management Policy and an Evaluation of Corporate Risk Management Meeting in place which incorporate risk identification, risk assessment, risk mitigation, as well as suitable and sufficient monitoring, the latter of which is conducted on a periodic basis and will be at an agreed and determined frequency which is consummate to the level of risk posed.

Effective corporate risk management within Arcus includes, but is not limited to:

- Promoting a company-wide approach by integrating risk management processes with:
  - business strategy; project management; process and decision making.
  - audit, insurance, support/transversal functions, and specialist risk functions; and
  - compliance and general governance/risk functions.
- Promoting consistency and transparency in methodology, assessment, and management processes.
- Promoting proactive recognition of external factors and anticipate uncertainties that may affect the achievement of strategy.
- Protecting the interests of Arcus shareholders.
- Providing assurance to counterparts, customers, employees, and the community.
- Providing appropriate, consistent, and transparent ownership and accountability around risk mitigation.
- Enabling the design and implementation of controls that:
  - are structured to promote effective realisation of objectives.
  - provide appropriate assurance; and
  - are cost effective
- Recognising that timely and accurate monitoring, review, communication and reporting of risk is critical to:
  - providing early warning mechanisms for the effective management of risk occurrences and consequences.
  - providing assurance to management, the Board, and internal/external Stakeholders; and
  - providing a solid platform for growth.

102-12: External Initiatives

Arcus is a member of the following external initiative:

Sustainable FM Index (SFMI)	
The only assessment which rigorously benchmarks and validates FM companies on their demonstrable	SFMI Silver Award 2020

commitment to sustainability across environmental, social and governance criteria.	

102-13: Membership of Associations

The below lists the main memberships of industry or other associations that Arcus are a part of:

Membership / Certification / Registration	
BSI ISO 14001:2015	
BSI ISO 9001:2015	
BSI ISO 45001:2018	
Safe Contractor	
CHAS	
Cyber Essentials	
Railway Industry Supplier Qualification Scheme (RISQS)	
British Approvals for Fire Equipment (BAFE) SP203-4 Maintenance of Emergency Lighting Systems	
British Approvals for Fire Equipment (BAFE) SP205 for Life Safety Fire Risk Assessment	

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REFCOM F-Gas Certification	
BPCA (British Pest Control Association)	
Gas Safe	
SSIP (Safety Schemes in Procurement)	
SEDEX (Supplier ethical data exchange)	
FETA – (Federation of Environmental Trade Associations)	
OFTEC (Oil and Renewable Heating Technologies)	
Institute of Workplace and Facilities Management (IWFM)	

Strategy

102-14: Statement from Senior Decision-Maker

Chris Green, CEO Message:

I am delighted to introduce the Arcus Sustainability Annual Impact Report 2020/21.

I am passionate about promoting a strong sustainability culture which stems far beyond legal compliance. Arcus is committed to sustainable development and is working to fully embed sustainability principles into the operation and management of Arcus.

Arcus is striving to become a sustainability leader in the FM industry and is committed to ensuring an equal focus is placed on all elements of sustainability covering the natural

environment, society, and business governance, as well as helping to achieve the UN SDGs. We are increasingly taking actions that result in improved, and where possible positive, social, economic, and environmental impacts because society expects this and because there are business benefits to doing so.

We recognise that for Arcus to continue to grow and to be successful as a trusted partner, we need to regularly monitor and disclose the impacts that we are having as a business, both positive and negative, and to continuously improve our sustainability performance.

I am proud to say that Arcus recently published its first ever Sustainability Policy which provides us with the framework to create a sustainable organisation. It focuses on our planet, our people, the community, our business governance and growth, our supply chain, and our clients. To help us achieve our goals, we need the commitment of everyone in Arcus to understand what we are trying to achieve, to work together and be open to change.

I look forward to continuing to expand the scope of our impact reporting as Arcus continues its sustainability journey.

GRI 300: Environmental

GRI 302: Energy

Management Approach Disclosure

103-1 Explanation of the material topic and its Boundary (this section also applies to GRI 305: Emissions)
Energy and emissions (particularly greenhouse gas emissions and emissions contributing to poor local air quality) are material topics for Arcus because the use of fossil fuels and non-renewable energy was previously identified as a key environmental impact due to the current climate emergency, air pollution crisis, and the strengthening regulatory stance in this area. The biggest direct impact in relation to energy consumption and emissions is a result of the fuel consumption associated with the use of transport. Arcus operates a diesel van fleet of over 800 vehicles (scope 1 greenhouse gas emissions), and in addition to this there is a grey fleet operation involving over 400 colleagues who use their own vehicles for business use (scope 3 greenhouse gas emissions). Electricity and natural gas consumption at our Arcus Estate sites do contribute to our energy consumption and emissions figures however as we only operate 2 offices and 2 training centres, and occupy a small area of the entire office in 3 additional buildings, energy consumption from building use is relatively minimal. There is also a minimal impact resulting from diesel used for emergency generators at two of our offices and one forklift truck, as well as fugitive emissions from air conditioning units at our offices and training centres.

The current reliance on diesel and petrol vehicles exposes Arcus to potential price volatilities, supply and production uncertainties, and ever-increasing regulatory controls related to net zero.

The current limitation of this topic boundary is that for the financial year 2019/20, Arcus had not yet developed monitoring and reporting processes for energy consumption and scope 3 greenhouse gas emissions associated with the majority of the Supply Chain.

103-2 The management approach and its components (part b) of this section also applies to GRI 305: Emissions)

    a) At Arcus overall energy consumption from fuel, electricity, and heating are calculated and reported on an annual basis. Data is collated from fuel cards, travel expense systems, utility provider online portals/invoice records, and landlords.

Monitoring is also carried out on a monthly basis which allows for the identification of trends, spikes and improvement opportunities. This is to ensure both regulatory compliance and to drive reductions that extend beyond compliance.

In relation to energy, Arcus is subject to the following regulations and policies:

- The Energy Savings Opportunity Scheme (ESOS) Regulations
- The Streamlined Energy and Carbon Reporting (SECR) requirements.
- TM44 Air Conditioning Inspections – ensuring compliance with Energy Performance of Buildings Directive.

b) The following statements, which are outlined in the Arcus Sustainability Policy published 22nd April 2021 and approved by the Arcus HSQE Committee, commit Arcus to:

- Reducing our energy consumption and our greenhouse gas emissions in accordance with our formal carbon reduction target, as well as aligning ourselves with the UK Government net zero by 2050 target and the goals made under the UNFCCC Paris Agreement.
- The transition from a predominantly diesel fleet to zero emission vehicles. The transition to zero emission vehicles will be at a pace that supports Arcus' own carbon reduction and net zero commitments as well as the UK Government net zero by 2050 target. We must be mindful that progress in this space is heavily dependent on electric vehicle technology and the charging infrastructure developments.
- Using technology and innovation to support clients on their own net zero and sustainability journeys.

The formal, voluntary carbon reduction target being referred to above commits Arcus "**To reduce scope 1, scope 2, & business travel greenhouse gas emissions by 40%, normalised by revenue, by 2025 from a 2019/20 financial base year**". The HSQE team are responsible for the monitoring and reporting of this topic, however the achievement of the target is the responsibility of every Arcus colleague, driven by the Board and relevant department Director's.

Apart from its own operations, Arcus also contributes to the reduction of energy consumption and emissions through its service delivery, by providing energy monitoring and reduction and other sustainable solutions to our clients, i.e. improving the energy efficiency of buildings and client use of renewable energy. Energy is a material issue for all Arcus clients, particularly in the retail sector.

103-3 Evaluation of the management approach
Arcus evaluates the management approach through:

- External environmental management system audits: which review compliance with ISO 14001:2015. As part of the environmental management system processes, we undertake impact assessments, target setting, and management system reviews.
- External verification: Audit undertaken to verify Arcus' energy use and carbon footprint assessment and supporting evidence to a level of limited assurance.
- Benchmarking & FM Sustainability Assessment: Via the SFMI, of which 'energy' and 'transport' are part of the assessment criteria, which allows for benchmarking comparisons to be made with other FM companies.
- Monitoring and reporting of performance against target.

302-1 Energy consumption within the organisation

In the reporting year, Arcus consumed 81,675 gigajoules (GJ) of energy within the organization:

- 98.8% (80,681 GJ) from non-renewable fuel.
- 0.02% (18GJ) was from renewable fuel.
- 1.2% (976 GJ) was from purchased electricity.

The fuel types used are natural gas, diesel, petrol, and LPG where diesel represents 98.3% of total fuel used. The diesel is mainly used for the van fleet.

302-2 Energy consumption outside of the organisation

Arcus used 3,728 (GJ) for business travel. Fuel is used in grey fleet and hire cars.

Fuel used for grey fleet and hire car business travel was the only energy consumption calculated outside of the organisation for this reporting period.

302-3 Energy intensity

Arcus intensity ratio for energy consumed within the organization is 460 gigajoules per million of total revenue (460GJ/£m revenue). This includes all types of fuels used in the organisation.

For the energy used outside of the organisation the intensity metric is 21 gigajoules per million of total revenue (21GJ/£m revenue).

302-4 Reduction of energy consumption

The total energy consumption, based on the intensity ratio figures, for the reporting year (including energy consumed within and outside of the organisation) has decreased by 13% compared to previous base year 2019/20.

The 2019/20 financial reporting year was chosen as the base year due to this being the first year that our energy and carbon data was externally verified.

The following initiatives to reduce energy consumption contributed to the intensity ratio reduction.

Arcus Carbon Reduction Target: This demonstrates leadership commitment towards sustainability and energy and carbon reduction and has helped introduce a culture of energy reduction. The target applies to energy used in fuel, electricity and heating.

Van Fleet: In the period covered by the report, Arcus introduced 107 more efficient vans into the fleet; with a van fleet made up of 848 vans at the end of this period, the more efficient replacement vans constituted 13% of the overall van fleet. The average CO_2 (g/km) of the vans that were removed from our fleet was 170 g/km, whereas the average CO_2 (g/km) of the vans that were added into the fleet was 158 g/km. The overall average CO_2 (g/km) of our entire van fleet at the end of the reporting period was 166 g/km. This improved the fuel efficiency of our fleet.

Electric Car Benefit Scheme - In the period covered by the report a voluntary salary sacrifice scheme was implemented to allow Arcus employees, who receive a company car cash allowance, to lease an electric vehicle at a lower cost when compared to a conventional internal combustion engine private lease. This initiative helped to reduce the energy consumption and carbon emissions resulting from our Scope 3 business travel undertaken in private vehicles.

Grey Fleet Mileage Reduction – Arcus supported colleagues throughout the Covid-19 pandemic by investing in Microsoft Teams to enable effective home working. This resulted in a 57% reduction in grey fleet business miles travelled and therefore a significant reduction in fuel consumed. This is a trend and culture that Arcus aims to continue into the next financial year via our 'Drive Down CO2 by Dialling in' which was launched in May 2021 to support in the delivery of our million (business) mile reduction target.

Training and awareness program: A Carbon Awareness and
Reduction 'Toolbox Talk' was delivered throughout October 2020 to all Arcus colleagues. The aim of which was to raise awareness of climate change and to provide tips on how colleagues can help Arcus deliver energy and carbon reduction and meet the carbon reduction target.

302-5 Reductions in energy requirements of products and services

For the reporting year the reduction in energy consumption for services provided was 99,883 GJ comparing with previous year.

This figure is based on energy efficiency operational interventions and projects that are tracked, and the resulting reductions verified, by the Arcus Energy Team.

Arcus utilises several strategies for calculating energy savings following operational/maintenance interventions in client's facilities. Where there is consistent or near constant data, baselines to measure step changes in consumption are used. Where metering is unavailable, or data is poor Arcus have developed rule of thumb calculations using facilities with good historical data sets.
Weather data correlations are also use as a methodology to estimate savings.

GRI 303: Water

Management Approach Disclosure

103-1 Explanation of the material topic and its Boundary
Although water use is deemed as a less material topic for Arcus directly, the topic is material for our clients. This report, however, will solely report on the water used directly at our Arcus Estate sites as this is the data that we have available to us. Water used on client sites cannot be distinguished from water used by the client, therefore this information is included in any water monitoring and reporting carried out by our clients.

There are no water discharge related impacts, water withdrawal figures, or water discharge figures to report on over this reporting period.

103-2 The management approach and its components
In relation to water use on Arcus Estate sites, usage data is collated on a quarterly basis and reported annually by the HSQE team. Water use is identified as an environmental impact under the Arcus environmental management system and suitable risk based controls are implemented. Colleagues are trained on the impacts of water use, and how to reduce them, via relevant training materials.

103-3 Evaluation of the management approach
Arcus evaluates the management approach through:

- External environmental management system audits: which review compliance with ISO 14001:2015.
- Benchmarking & FM Sustainability Assessment: Via the SFMI, of which 'water' is part of the criteria, which allows for benchmarking comparisons to be made with other FM companies.

303-1 Interactions with water as a shared resource

The impact of Arcus operation on water is mainly due to the use of the resource in our Estate buildings (i.e. offices and training centres) for sanitary and kitchen facilities, as well as during our landscaping, cleaning and general maintanance service provision for our clients. Water use depletes limited potable water resources. Potable water has to been cleaned, treated and pumped from reservoirs, rivers and aquifers. The majority of UK water that we consume is repeatedly treated to remove everyday pollutants. The purification of drinking water is energy and resource intensive.

Prevention of water pollution via suitable storage practices and spill management practices is also controlled via the Arcus environmental management system.

On the odd occasion, Arcus has to apply for trade effluent discharge consents, as required by the Waster Industry Act 1999, when effluent is being released into the sewage system, however this is not covered in this report due to their being no trade effluent discharge consent requirement from April 2020 – March 2021.

303-5 Water consumption

The water consumption figures below reflect the four facilities for which Arcus solely occupy and pay for consumption of actual usage. Two of the facilities fall within areas with water stress.

Water Consumption	Megalitre (ML)
Total water consumption	0.835
Total water consumption from all areas with water stress	0.365

Areas with water stress have been identified using the Water Stress indicator of the World Resources Institute Aqueduct Water Risk Atlas. Areas with a water stress rating of 'High (40-80%)' or above were included in the calculation.

GRI 305: Emissions

Management Approach Disclosure

103-1 Explanation of the material topic and its Boundary - please see GRI 302: Energy section.

103-2 The management approach and its components

At Arcus emissions are calculated and reported on an annual basis. Arcus' Corporate Accounting and Reporting Methodology uses 'ISO 14064-1:2018 - Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals' as a guideline, and the SECR guidance in the 'DEFRA Environmental Reporting Guidelines March 2019'.

In relation to emissions, Arcus is subject to the following regulations and policies:

- The Energy Savings Opportunity Scheme (ESOS) Regulations
- The Streamlined Energy and Carbon Reporting (SECR) requirements.
- Fluorinated Greenhouse Gases Regulations.

Please also see part b) of GRI 302: Energy section for further information that is applicable to this section.

103-3 Evaluation of the management approach - please see GRI 302: Energy section.

CO_2e Emissions
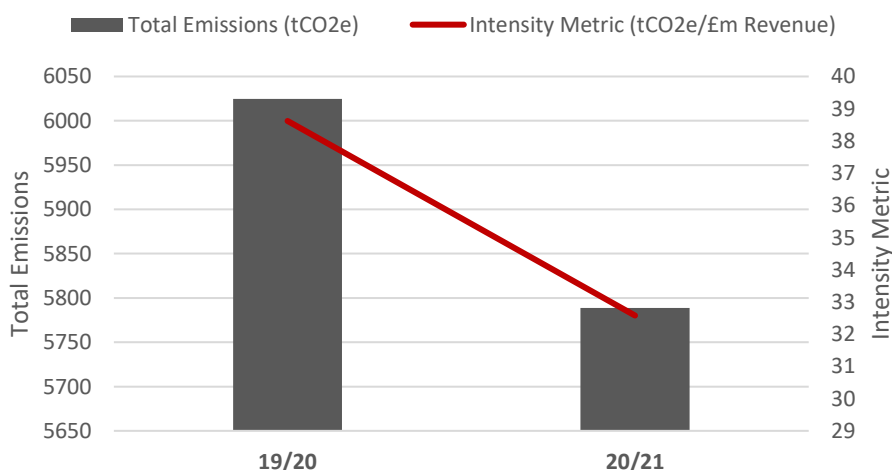
305-1 Direct (Scope 1) Greenhouse Gas (GHG) emissions

Arcus direct GHG emissions for the reporting year are 5,376 tCO_2e (previous year 2019/20: 5,191 tCO_2e). The GHG's accounted are based on direct measurement of activity data and conversion to CO_2e.

305-2 Energy indirect (Scope 2) GHG emissions

Scope 2 emissions are generated from purchased electricity consumed in Arcus offices and training centres. The emissions were calculated based on GHG Protocol Scope 2 Guidance for a location-based and marked-based method. The location-based emissions are 63 tCO_2e (previous year 2019/20: 93 $tCO2e$) and the marked-based emissions are 30 tCO_2e (previous year 2019/20: 35 tCO_2e).

305-3 Other indirect (Scope 3) GHG emissions

Arcus also evaluates the carbon emissions from business travel in private cars and hired cars, water consumed, water treatment, and emissions due to electricity transmission & distribution through the grid. These emissions sources are responsible for 349 tCO_2e (previous year: 741 tCO_2e which were only related to business travel in private and hire cars. Emissions from water consumed, water treatment, and emissions due to electricity transmission & distribution through the grid were not calculated in the previous year 2019/20).

Total calculated emissions (scope 1, 2 and 3) in 2020/21 equalled 5,789 tCO_2e (previous year: 6,025 tCO_2e).

305-4 GHG emissions intensity

The CO_2e emissions have decreased 16% from 39 tCO_2e per million of revenue (39 tCO_2e/£m revenue) in 2019/20 to 33 tCO_2e per million of revenue (33 tCO_2e/£m revenue).

305-5 Reduction of GHG emissions

Reduction of the intensity metric is related to the initiatives presented on chapter 302-4 Reduction of energy consumption.

Added to these initiatives Arcus also renewed the electricity and natural gas contracts for the two main office buildings. The electricity is 100% from renewable sources backed by Guarantee of Origin certificates. The natural gas supply is now provided with 10% biomethane backed by Gas Guarantee of Origin certificates and 90% backed by carbon credits.

Reduction of GHG emissions was 3.9% (236 tCO_2e) for the reporting period comparing with base year 19/20. For Scope 1 emissions there was an increase of 4% due to the increase on the van fleet. Scope 2 emissions were reduced by 32% and Scope 3 by 53%.

For Scope 1 emissions the offset from carbon credits for the natural gas represents 0.15% (8 tCO_2e).

305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions

Arcus main source of air pollutants is the van fleet, followed by our grey fleet (business travel in personal and hire cars) and a minor contribution from natural gas combustion in boilers for heating.

Emission Type	Quantity (kg)
NOx	21,094 kg
SOx	1.6 kg
Particulate Matter (PM10)	258 kg
Particulate Matter (PM2.5)	258 kg

Volatile Organic Compounds (VOC)	677 kg

The transport figures were calculated based on published emission factors from the National Atmospheric Emissions Inventory for road transport. The boiler emission factors were from the DEFRA/European Environment Agency.

GRI 306: Waste

Management Approach Disclosure

103-1 Explanation of the material topic and its Boundary
As an FM service provider, the majority of the waste generated originates from our client sites. Nontheless waste is a material topic included in this report because in the majority of instances Arcus is the waste producer due to the waste resulting from work completed by our colleagues (i.e. produced by our field colleagues who undertake their tasks on client sites). In addition to this, we have Arcus occupied office sites and training centres that also produce waste.

The figures presented below include waste from client contracts and Arcus occupied office sites where Arcus are directly responsible for the management of waste. There are a few client contracts whereby the agreement is that waste produced by Arcus colleagues is mixed with waste produced by client colleagues (e.g. depot maintenance contracts, and soft services cleaning contracts). In these instances, waste production would be reported by our clients and not by Arcus because it is not reasonably practical to segregate the waste to be able to report per producer. During the reporting year, Arcus wholly occupied 4 office sites/training centres, and partially occupied 3 office sites (i.e. shared the office building with other businesses). Arcus is responsible for managing waste for the 4 wholly occupied sites therefore this data has been included below, however the landlord is responsible for managing waste in the partially occupied sites therefore data for these sites has been excluded.

Considering the type of services provided, the waste is a mix of both hazardous and non-hazardous, as well as a hugely varied mix of waste streams.

It is also worth noting that, due to the wide range of services that Arcus provides and the wide range of waste streams that are produced as a result, there are currently over 40 third-party suppliers that manage Arcus produced waste. The information below presents currently available data from our key suppliers who deal with a large majority of our waste. However we are still working with several waste management suppliers to enable us to report on our waste generation, divertion, and disposal in its entirety.

103-2 The management approach and its components
At Arcus waste generation is monitored on a monthly basis and will continue to be reported on an annual basis as part of the Arcus Annual Impact Report.

Monitoring on a monthly basis allows for the identification of trends, spikes and improvement opportunities. Going forward this data will be used to drive waste reductions and the exploration of circular economy implementation opportunities.

In relation to waste, Arcus is subject to numerous regulations and policies. The most notable ones being:

- Environmental Protection Act 1990, Part II
- Supporting waste and hazardous waste/special waste regulations for England and Wales, Scotland, and Northern Ireland.
- The European Waste Catalogue (EWC)
- Waste duty of care: code of practice.

The following statements, which are outlined in the Arcus Sustainability Policy published 22nd April 2021 and approved by the Arcus HSQE Committee, commit Arcus to:

- Sustainable consumption and production and supporting the transition away from a linear economy by improving resource efficiency to reduce waste, and encouraging circular economy thinking throughout our value chain
- Promoting recycled, reclaimed quality goods with long term value.

103-3 Evaluation of the management approach

Arcus evaluates the management approach through:

- External environmental management system audits: which review compliance with ISO 14001:2015. As part of the environmental management system processes, we undertake impact assessments, and management system reviews.
- Internal audit programmes with the inclusion of waste processes across all business functions.
- Benchmarking & FM Sustainability Assessment: Via the SFMI, of which 'energy' and 'transport' are part of the criteria, which allows for benchmarking comparisons to be made with other FM companies.

306-1 Waste generation and significant waste-related impacts

As a service provider, the inputs and outputs that lead or could lead to significant actual and potential waste-related impacts are limited than when compared to an organisation who, for example, manufactures products or undertakes industrial processes.

	Factors that lead or could lead to waste generation and waste-related impacts.	Do impacts relate to waste generated in own activities or upstream or downstream in value chain.
Inputs	- Materials purchasing and use - Chemicals purchasing and use - Tools and equipment purchasing and use	Upstream in value chain.
Activities	All of Arcus' service activities including: - Maintenance - Cleaning - Landscaping - Project services.	Own activities
Outputs	Waste produced as a result of our service delivery.	Own activities

306-2 Management of significant waste-related impacts

To ensure our third-party waste management suppliers manage the waste in line with contractual and legislative obligations we have a duty of care process in place which ensures annual checks are completed. Evidence of environmental management practices and waste compliance, including environmental policies, environmental management system certificates/details, waste carriers registration, permits, and insurance documentation is requested from suppliers, reviewed, and kept on record.

The processes that are currently in place to collect waste-related data from our key waste suppliers largely consist of receipt of monthly reports issued directly by the supplier and waste supplier online portal access.

306-3 Waste generated; 306-4 Waste diverted from disposal; 306-5 Waste directed to disposal

Table 1. Waste by composition, in metric tons (t)

	Waste generated	Waste diverted from disposal*	Waste diverted from landfill**	Waste directed to disposal***
Total	**881.07**	**333.17**	**452.69**	**95.21**
Non-hazardous waste: • **Aqueous waste** • **Cardboard / Paper** • **Plastic** • **Biodegradable (Garden Waste)** • **Timber** • **Metals** • **Plasterboard** • **Mixed Industrial/Commercial & Mixed Municipal Waste** • **Dry Mixed Recycling**	831.55	290.14	446.29	95.11
Hazardous waste & WEEE: • **Acids** • **Aerosols** • **Alkalis** • **Batteries** • **Contaminated Solid** • **Cylinders** • **Electronics / WEEE** • **Lamps** • **Oil** • **Solvent for fuel** • **Other Hazardous Solid**	49.5	43.03	6.40	0.10

* Only waste that we are certain has been recovered or recycled is included in these figures.

** Unable to specify whether this waste falls into the 'other recovery operations' in 'diverted from disposal' or if it has been incinerated under the 'directed to disposal' category. To avoid double counting this excludes waste that has been prepared for reuse or recycled.

*** Only waste that we are certain has been landfilled or incinerated is included in these figures.

ARCUS

Table 2. Waste diverted from disposal by recovery operation, in metric tons (t)

	Onsite	Offsite	Total
Hazardous waste & WEEE			
Preparation for reuse	0	0.08	0.08
Recycling	22.29	20.67	42.95
Other recovery operations	0	0	0
Total	**22.29**	**20.74**	**43.03**
Non-hazardous waste			
Preparation for reuse	0	0	0
Recycling	8.36	281.78	290.14
Other recovery operations	0	0	0
Total	**8.36**	**281.78**	**290.14**

Table 2 summarises data for which the third-party waste management supplier has confirmed diversion from disposal and the recovery operation involved.

Table 3. Waste diverted from landfill, in metric tons (t)

	Total
Hazardous waste & WEEE	6.40
Non-hazardous waste	446.29
Total	**452.69**

Table 3 summarises data for which the third-party waste management supplier has confirmed diversion from landfill but has not specified the recovery or disposal operation involved.

Table 4. Waste directed to disposal by disposal operation, in metric tons (t)

	Onsite	Offsite	Total
Hazardous waste & WEEE			
Incineration (with energy recovery)	0	0	0
Incineration (without energy recovery)	0	0	0
Landfilling	0	0.10	0.10
Other disposal operations	0	0	0
Total	0	0.10	0.10

ARCUS

Non-hazardous waste			
Incineration (with energy recovery)	0	2.63	2.63
Incineration (without energy recovery)	0	0	0
Landfilling	0	92.49	92.49
Other disposal operations	0	0	0
Total	0	95.11	95.11

Table 4 summarises data for which the third-party waste management supplier has confirmed direction to disposal and the disposal operation involved.

GRI 307: Environmental Compliance

Management Approach Disclosure

103-1 Explanation of the material topic and its Boundary
Environmental compliance is a material topic for Arcus because quite simply compliance with all regulatory requirements is the minimum standard which is expected from all internal and external stakeholders at Arcus. This commitment is demonstrated in the HSQE Strategy 2021-2024 where 'Demonstrating effective legal compliance' is outlined as one of the nine HSQE strategic objectives.

103-2 The management approach and its components
Arcus maintains an environmental management system in accordance with ISO 14001:2015, which includes identification of compliance obligations, implementing operational planning and control, evaluation of compliance processes, internal auditing, and external review and certification.

103-3 Evaluation of the management approach
Arcus evaluates the management approach through:

- External environmental management system audits: which review compliance with ISO 14001:2015 and therefore legal compliance.
- Internal audit programmes with the inclusion of environmental processes across all business functions.
- Benchmarking & FM Sustainability Assessment: Via the SFMI, of which 'compliance' is part of the criteria, which allows for benchmarking comparisons to be made with other FM companies.
- Evaluation of Compliance Obligations programme which is regularly reviewed and is subject to audit both internally and externally on a regular basis.
- The Arcus HSQE Committee and the Arcus Sustainability Committee.

307-1 Non-compliance with environmental laws and regulations

Arcus has not identified any non-compliance with environmental laws and/or regulations.

GRI 308: Supplier Environmental Assessment

Management Approach Disclosure

103-1 Explanation of the material topic and its Boundary

Environmental risk management is a material topic for Arcus in our supply chain because we are heavily reliant on our supply chain to deliver our service effectively. We therefore want to ensure that our supply chain are operating in line with environmental legislation and good practice.

In the context of this report, we will focus on the HSQE screening of suppliers who are engaged to deliver sub-contracting activities on the behalf of Arcus.

103-2 The management approach and its components
Arcus ensures that every sub-contractor utilised is screened in accordance with strict and relevant HSQE criteria.

The Arcus Supply Chain team are responsible for ensuring that all sub-contractors that we intend to on-board meet specific baseline criteria before undergoing the full on-boarding process. This includes but is not limited to required insurances and any industry-specific or required competencies/qualifications/certifications e.g. REFCOM F-gas certification scheme.

We have adopted a flexible, two-fold approach for HSQE elements, that enables us to effectively screen the sub-contractors who deliver on our behalf whilst allowing for a diverse range of sub-contractors to be utilised; ranging from small to large organisations, this is structured as follows:

1. **Arcus are partnered with Alcumus Safe Contractor** who offer a Contractor Management System which enables us to anchor sub-contractors on-boarded by Arcus against a client portal which gives us the required HSQE assurances, and an informed position of the environmental management and compliance adhered to by our sub-contractors on an annual basis.

These audits include but are not limited to:

- Who is responsible for environmental management for your business?
- Do you hold ISO 14001 certificate?
- Do you check, review and where necessary improve your environmental management performance?
- Do you have arrangements for ensuring that your own supplier apply environmental protection measures that are appropriate for the work for which they are being engaged?

2. **Arcus On-Boarding HSQE Questionnaire -** used for sub-contractors who are of a smaller and more niche market and do not hold Safe Contractor certification.

For these instances we use an in-house Arcus HSQE pack. These due diligence HSQE packs are initiated by our supply chain team and are then reviewed by our qualified HSQE colleagues to ensure they meet Arcus requirements.

103-3 Evaluation of the management approach
Arcus evaluates the management approach through:

- External environmental management system audits: which review compliance with ISO 14001:2015 and therefore legal compliance.
- Evaluation of Compliance Obligations programme which is regularly reviewed and is subject to audit both internally and externally on a regular basis.
- Benchmarking & FM Sustainability Assessment: Via the SFMI, of which 'supply chain' is part of the criteria, which allows for benchmarking comparisons to be made with other FM companies.

308-1 New suppliers that were screened using environmental criteria

Month/Year Sub-Contractor On-Boarded	Number of Sub-Contractors On-Boarded ('Full' On-Boarding)	Number of Sub-Contractors On-Boarded ('One-Off Use'* On-Boarding)	Total Number of Sub-Contractors On-Boarded (All Types)	Percentage of On-Boarding Types where Environmental due diligence/review criteria was included
April 2020	2	2	4	100%
May 2020	10	0	10	100%
June 2020	7	2	9	100%
July 2020	3	0	3	100%
August 2020	5	2	7	100%
September 2020	6	0	6	100%
October 2020	5	1	6	100%
November 2020	9	0	9	100%
December 2020	5	2	7	100%
January 2021	3	0	3	100%
February 2021	1	1	2	100%
March 2021	1	0	1	100%

*One-Off Use: Sub-Contractor typically used for 1 job/project; then removed/made dormant

Supporting Note: The table above only includes sub-contractors and <u>does not</u> extend to include Suppliers who provide materials/equipment and are identified as 'supply only' from a supply chain on-boarding perspective.

GRI 400: Social

GRI 403: Occupational Health & Safety

Management Approach Disclosure

103-1 Explanation of the material topic and its Boundary

Occupational Health and Safety (in particular those areas covered under section 403) are material topics for Arcus because of our obligations and our desire to keep our colleagues and anyone that might be affected by our business activities safe and not expose them to hazards that might affect their health. Due to the variety of environments we work in and the nature of our work activities not only could our own colleagues be impacted but those of our Clients, other contractors, and members of the public. We therefore are committed to ensuring we identify hazards and risk associated with our activities relating to safety and health and have measures in place to control them to prevent as far as practicable any injures from accidents or work-related ill health. This applies across the whole of our business but is limited to that of our business activities. Our commitment to this is reflected in 'Getting Everyone Home Safely' being one of the businesses enablers which supports our values.

103-2 The management approach and its components

We manage this by having a structured occupational health and safety management system in place that encompasses health and safety policies, processes and supporting documentation such as guidance and training materials. This is further supported by a HSQE Functional Strategy that sets out our approach, what we want to achieve and actions that can be taken by all colleagues. There is a dedicated HSQE team whose role is to advise, lead, guide and support the operational and support functions in taking responsibility and ownership of theirs and others health and safety. In addition, we have HSQE Champions that represent all areas of the business that contribute to HSQE Focus Groups and further help to aid communication strategies and engagement at all levels. Performance is monitored and reported into senior teams through the HSQE Committee, Risk Management Meetings and Board. The purpose of this approach is to encourage ownership and leadership at all levels so that we develop an interdependent culture where colleagues demonstrate safe behaviours because they want to and because it is important to them to do so. We use trend analysis from accidents, near misses, hazard spots and audit results to provide a focus of where additional support and actions may be needed and actively carry out campaigns and initiatives to focus on continual improvement.

103-3 Evaluation of the management approach

Arcus evaluates the management approach through:

- External integrated management system audits: which review compliance with ISO 45001:2018.
- Internal audit programmes with the inclusion of health and safety processes across all business functions.
- Benchmarking & FM Sustainability Assessment:
  - o Via a FM related group to compare performance with similar functioned businesses.
  - o Via the SFMI, of which 'occupational health and safety' is part of the criteria, which allows for benchmarking comparisons to be made with other FM companies.
- Monitoring and reporting of performance against target(s).
- The Arcus HSQE Committee.

Results from evaluation are used to determine any additional actions needed to focus on continuous improvement and are reported at senior level within the business.

403-1 Occupational health and safety management system

a. Arcus has implemented a certified occupational health and safety system based on both recognised risk management and in line with ISO45001:2018 OHAS Management Systems.
b. Under our occupational health and safety management system, our scope is registered as:

(i) Arcus FM - The provision of facilities managing agent, technical maintenance and maintenance services to retail and static locations delivered via field operations, central operations and at Arcus occupied offices. As a registered member of the Safety Schemes in Procurement Forum, the organisation has demonstrated its compliance with the core criteria for organisational capability as specified in Appendix 1 of SSIP's rules and bylaws for all relevant duties as detailed within the scope above.

(ii) Arcus Solutions (Holdings) Ltd - The provision of facilities managing agent, maintenance services, technical maintenance services and training services. As a registered member of the Safety Schemes in Procurement Forum, the organisation has demonstrated its compliance with the core criteria for organisational capability as specified in Appendix 1 of SSIP's terms of reference for all relevant duties as detailed within the scope above.

403-2 Hazard identification, risk assessment, and incident investigation

Arcus has a compliance obligations register which lists all relevant legal and other requirements pertaining to our business which aids in identifying specific and associated hazards. We also have a robust risk assessment

process where all scopes of work/delivery, activities and environments are considered to ensure hazards are identified, assessed and that a hierarchy of controls is applied. Risk Assessments are completed in conjunction with operational teams to ensure those that complete the activities are involved and where appropriate alongside technical specialists within the business. This is facilitated by HSQE professionals to ensure any legal requirements are adhered to and any guidance considered. This ensures they are completed by those that have the knowledge and experience to do so. To support the identification of hazards further we have a Dynamic Risk Assessment process in place so that a point of work assessment can be completed to consider hazards, risks and appropriate controls prior to commencement of works. Risk assessments are regularly reviewed and specifically reviewed during accident and near miss investigations. We use trend analysis from accidents, near misses and hazard spotting to consider hazards across our business and review any particular focus required accordingly to drive continuous improvement. Arcus has a robust hazard spotting process in place to further aid in identification of hazards and risks, empowering colleagues to action the hazards they spot.

We have an accident/incident policy in place with initial investigations completed by Line Mangers, a resource has been provided to Line Managers to help them through this process as well as an online form that leads them through investigation. This will be supported by the HSQE team who will review and request further details where required. Any RIDDOR or formal investigations required will be led by the HSQE team. Other stakeholders across the business will be included in the process where required, such as technical specialist with expert knowledge. As part of the investigation process causes are considered to identify any immediate actions required as well as actions relating to wider implications and opportunities for learnings and improvements to our controls and processes in place.

Colleagues are encouraged to stop work if they consider it is not safe to continue, this is an ethos that is supported across the whole business and again is regularly communicated and supported in various business wide communications. To support this, we have functionality on work order management systems to pause works for health and safety reasons. These processes are also communicated to new starters as part of our induction process.

403-3 Occupational health services

Arcus has developed a wellbeing strategy which sets out our vision, aims and objectives and responsibilities. Our colleague's wellbeing is integrated into day-to-day practices and activities as set out in our strategy. Arcus utilises a SEQOHS accredited occupational health (OH) provider who provide a comprehensive service designed to help colleagues stay in work, or to transition back into work following physical or mental ill-health, including any reasonable adjustments that will support the colleague. Arcus liaises as appropriate with our OH providers and other medical professionals to support colleagues to maintain good physical and mental health and wellbeing. The Arcus HR team provide anonymised management information relating to the reasons for ill-health and absence to inform our actions plans.

403-4 Worker participation, consultation, and communication on occupational health and safety

As a Facilities Management business, most of Arcus activities are undertaken within Client controlled environments.

Amongst the various HSQE techniques utilised to maximise consultation, participation, and communication (including regular localised HSQE updates and consultations), Arcus completed Quarterly Focus Groups throughout 2020/21, which involved 7 separate cross-functional Zones and a spread of nominated HSQE Champions from various disciplines and levels throughout the business. All Champions are engaged and encouraged to provide input and feedback from their respective business areas. The standard agenda is risk focused and includes items such as general HSQE updates, accidents / incidents / trend-analysis, items raised by the Group etc, which incorporates and encourages individuals input and feedback on Management System evaluation, increasing engagement and involvement that penetrates all business streams and steers the Plan Do Check Act cycle for successful continual improvement. To maximise fluency and suitability of actions, the

outputs of the Focus Groups are then fed into the overarching Quarterly Board Level HSQE Committee meeting, which reaches the highest level of authority and decision-making throughout Arcus.

Technology is embedded as one of the core Arcus pillars and electronic access and equipment is available to all Technical & Support Service employees. This utilises (but is not limited to) Yammer forums reflecting individual business streams, dedicated HSQE groups, weekly Arcus Essentials email Communications / Newsletters, monthly Toolbox Talks etc. The provision of such technology provides immediate access to fresh HSQE related communications and relevant information.

403-5 Worker training on occupational health and safety

In addition to Technology, Training (including occupational H&S training) is also key and of paramount importance to the business. Technical and Support Service employees are required to complete several Safety e-learning awareness courses via our learning platform, The Learning Space, the majority of which are RoSPA Approved. All colleagues receive 7 basic awareness safety courses (Risk Assessment, Manual Handling, DSE etc), with those in more technical roles (engineers etc) receiving a further 5 courses, (Asbestos, Legionella, Working at Height etc). They include a pre-quiz and post quiz to demonstrate that the learning is effective and to enable identification of common trends to support with course review/updates. A resource section is also available so colleagues can provide feedback on their learnings which Managers can review, and action as required. This training must be completed within specific timeframes (with reminders managed in the system) and are automatically renewed every 2 years from completion. Line Management also have direct access to their teams training records and overall compliance data is provided to all business units monthly.

External safety training is also provided, based on several factors and criteria such as job role, scope, as well as client and statutory requirements. Examples of training provided are UKPIA SPA, IPAF, PASMA, Rooftop Safety etc, with further specialist training provided if the role requires it, such as BAFE. Training is renewed at an interval dictated by the provider or accredited body. Specific training initiatives addressing any areas of increased or recurrent risk exposure are also identified through regular Risk Assessments and engagement activities.

403-6 Promotion of worker health

Arcus provides a free 24/7 confidential support service to all colleagues though a third-party healthcare provider. This is accessible online or over the phone. Qualified counsellors and practitioners offer a confidential and impartial service covering home or work issues, challenging situations such as stress and bereavement, medical concerns including dealing with diagnosis and child health and a management consultancy where support and guidance can be sought over issues such as coping with change.

Arcus also offers a Corporate Health Cash Plan to all colleagues, as well as well as a Healthcare Insurance plan to eligible colleagues.

Arcus provides learning pathways for both managers and colleagues to support wellbeing including topics such as positive psychology and wellbeing. Arcus also have in place a team of trained mental health first aiders who support colleagues on a confidential basis and share general wellbeing information across the organisation.

403-8 Workers covered by an occupational health and safety management system

Arcus has an integrated management system (IMS). Arcus' Occupational Health and Safety management system forms part of the IMS. Arcus are certified to ISO 45001:2018 Occupational Health & Safety management system.

Arcus' Soft Services division 2657 employees are currently not included in the scope of the company's certification, but internally are treated as though that area of the business is within scope. The organisation is looking to extend the scope to ensure there is consistent quality. Certification is not a client pre-requisite for this contract.

All areas of the organisation are internally audited by the HSQE Team.

All workers are employed by Arcus.

Total employees included by the occupational health and safety management system: 1756 (Approximately 25% managers; 25% support staff; 50% field operatives.)

403-9 Work-related injuries

Arcus acknowledges, complies, and records serious & significant incidents in line with the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR). Categories under RIDDOR are death, specified injuries, over-seven-day incapacitation of a worker, over-three-day incapacitation, non-fatal accidents to non-workers (e.g. members of the public), occupational diseases, dangerous occurrences, and gas incidents.

The information provided within this report relates to work related injuries or ill-health of all Arcus FM employees, with no exclusions. Others affected by the work of Arcus employees or those working within a workplace / or where work is controlled by Arcus (i.e. members of the public, Visitors, Arcus contractors etc.) are excluded.

Travelling for work, including commuting; and working from home injuries or ill-health are included within the scope of the GRI 403 standard; however, Arcus do not currently record such incidents within the current reporting process. Incidents within these criteria will be explored to understand existing awareness amongst employees of reporting such incidents, how currently reported & recorded to decipher if process a change is required to include data in future.

Accidents are recorded based on the HSE definition that an accident is an 'event that results in injury or ill health'. An incident/near miss is an event not causing harm but has the potential to cause injury or ill health, including dangerous occurrences. Accidents which do not fall within the RIDDOR category have not been included within this report.

Statistics and accident rates are reported using the Accident Frequency Rate (AFR) and RIDDOR Frequency Rate (RFR). Calculation is based on hours carried out by colleagues.

There have been no work-related fatalities to Arcus colleagues.

RIDDOR Statistics and Information
- 14 RIDDORs reported in the financial year 2020-2021.
- 10 relating to over-seven-day incapacitation of a worker and 4 relating to Specified Injuries (broken bones). The other 10 injuries were - 4 relating to cuts, 3 sprains and 3 back injuries.
- Manual Handling & Slips, Trips, Falls were the key causations of the incidents, followed by Plant/Equipment and Tools.
- February 2021 saw the most RIDDORS with 5 incidents.
- RIDDORs occurred most on a Wednesday, followed jointly by Sunday and Monday. Saturday was the next highest with 2.

Work Related Hazards – Posing Risk of High-Consequence Injury
Through the proactive approach of risk assessing all Arcus work activities and work environments, combined with the reactive approach of analysis of accident and incident data, it has been identified that significant business risks are; COSHH, Legionella, Fire, Lone working, Working at Height, Electrical, DSE, Tools, Equipment & Plant, Contractors, Slips, trips & falls and Asbestos.

The below demonstrates key hazards identified in accidents & incident reports for 2020-2021. The data identifies that behaviours, physical and ergonomic hazards have contributed to RIDDORs and injury accidents; therefore, they are highlighted as the current highest risk areas within Arcus work activities in this timeframe.

	Slips, Trips, Falls	Manual Handling	Plant /Tools/ Equipment	Behaviour	General Access	Sharps /Needles	Electrical	Roof Access	Premises Condition	Fire
RIDDOR	1st	2nd	3rd	4th – Of Individual	5th					
Accidents	1st	4th	3rd	2nd		5th				
Near Misses (above 5)			2nd	3rd – Of Contractors			1st			
Hazard Spots (above 50)	4th	8th		6th - Of Other	3rd		5th	1st	2nd	7th

403-10 Work-related ill health

Ill health' indicates damage to health and includes diseases, illnesses, and disorders, including mental health, and refer to conditions with specific symptoms and diagnoses. This section will outline any negative impacts on health recorded from exposure to hazards at work.

The Arcus Human Resource team (HR) manage the ill-health process. HSQE will be informed where necessary to provide relevant support or investigation. Following the review of the data from the defined period, it has been highlighted that it would be beneficial to review current reporting, recording & investigation processes for ill-health to ensure that the criteria as outlined within Disclosure 403-10 can be included for future reports.

The data provided within this report relates to referrals to the Arcus Occupational Health provider for Arcus employees only. Due to General Data Protection Regulation (GDPR) restraints, specific details of the referrals have not been disclosed, only the category for referral.

It has also been highlighted that any review and analysis of referrals and ill-health do not include the HSQE team, this is an opportunity for continual improvement. Collaboration between HR and HSQE to highlight any trends, areas for improvement or attention should be explored for future reporting. An opportunity for more beneficial analysis would be to consider if numbers reported are significantly higher for certain types of ill health, business divisions, or workers' demographics (e.g., sex, gender, migrant status, age, or worker type).

None of the RIDDORs referred to within this report are related to ill-health and there was no occupational disease reported (as outlined within the RIDDOR regulations).

The work-related hazards associated with Arcus work activities or environment, which pose a risk of ill health, are closely linked to those included within the work-related injury section. This section also details how Arcus determine any injury or ill-health risks and the detail given regarding significant risks will also be linked to those which may be the cause of ill-health.

In addition to those significant hazards identified, Arcus are also cautious that additional ill health hazards do exist, as highlighted within our risk assessments. However, these are not classed as significant hazards due to our work activities/environments and controls in place. Examples of these include, loud noise (physical), Asbestos, ergonomic (e.g., improperly adjusted workstations and chairs, awkward movements, vibration), chemical, biological (e.g., exposure to blood and bodily fluids, fungi, bacteria, viruses, or insect bites), pests, psychosocial (e.g., verbal abuse, harassment, bullying), related to work-organisation (e.g., excessive workload demands, shift work, long hours, night work, workplace violence).

All these hazards are identified within applicable risk assessments, there are also e-learning packages provided to employees (i.e. asbestos, manual handling, DSE etc.). Arcus has a stringent Line Manager training process also to ensure that employees are managed effectively and suitably, and that any work organisation associated hazards can be identified and managed.

A total of 212 management referrals occurred in 2020-2021, however many cases were not work related, with only 45 relating to work, and 1 to a workplace accident. Work attributed issues is low at 2.8% of all referrals. Work aggravated issues however account for 16% of referrals.

	Respiratory	Back Pain	Lower Limb Disorder	Upper Limb Disorder	Arthritis	Other	Stress	Anxiety	Depression
Primarily work related							3		1
Work Aggravated	1	8	6	3	1	2	2	7	4
Work Attributed	1	2		2			1		
Work Accident								1	

The table above highlights that back and joint issues account for 10% of the overall, and mental health issues (stress, anxiety, depression) account for 9% of all work-related issues.

Actions being taken to support employees who are affected by such hazards, eliminate the hazards and any ill-health to colleagues include actively and thoroughly reviewing the recommendations from the individual occupational health report and adopting where felt required and appropriate. The main consideration is whether the recommended adjustments are considered by the Company to be reasonable, based on our operational requirements, resources, etc. Recommendations may often include phased return to work following absence, light duties for a time to aid recovery, etc.

For back / joint issues we consider such areas, tool bag on wheels, restrictions re. climbing, avoid heavy lifting for a time, 2-person working on certain jobs, additional breaks, etc. This would be supported by a HSQE individual risk assessment.

For mental health issues, actions could include support and counselling from our Employee Assistance Programme, stress risk assessment to identify causes of stress and action plans to alleviate, time off for appointments, support from mental health first aiders, signposting to GP and mental health organisations (Samaritans, Mind, etc) and online resources, open conversations, etc.

The Arcus occupational health provider gives support and guidance to ensure that line managers are aware of the most effective methods of supporting colleagues.

GRI 419: Socioeconomic Compliance

Management Approach Disclosure

103-1 Explanation of the material topic and its Boundary
Socioeconomic compliance is a material topic for Arcus because as previously outlined for section 307-1 compliance with all regulatory requirements is the minimum standard which is expected from all internal and external stakeholders at Arcus. This commitment is demonstrated in the HSQE Strategy 2021-2024 where 'Demonstrating effective legal compliance' is outlined as one of the nine HSQE strategic objectives.

103-2 The management approach and its components
Arcus maintains an integrated management system in accordance with ISO 14001:2015, ISO 9001:2015 and ISO 45001:2018 which includes identification of compliance obligations, implementing operational planning and control, evaluation of compliance processes, internal auditing, and external review and certification.

103-3 Evaluation of the management approach
Arcus evaluates the management approach through:

- External environmental management system audits.
- Internal audit programmes.
- Benchmarking & FM Sustainability Assessment: Via the SFMI, of which 'compliance' is part of the criteria, which allows for benchmarking comparisons to be made with other FM companies.

- Evaluation of Compliance Obligations programme which is regularly reviewed and is subject to audit both internally and externally on a regular basis.
- The Arcus HSQE Committee and Corporate Risk Management Meeting.

419-1 Non-compliance with laws and regulations in the social and economic area

Arcus has not had any non-compliance with laws and/or regulations identified in the social and economic area.

Conclusion

The purpose of this report is to disclose the impacts Arcus has on key elements of the environment and society, and hence its contribution – positive and negative – towards the goal of sustainable development. As detailed within the report, Arcus is playing its part in the UN 2030 Agenda for Sustainable Development by acting on seven SDGs that Arcus has assessed as most material to its operations.

Arcus is striving to become a sustainability leader in the FM industry and is committed to sustainable development. The commitments to our planet, our people, and to the wider community are enshrined in the recently published Sustainability Policy, which will only strengthen as our sustainability journey continues. Substantial progress has already been made in areas such as climate action, social value, and health and wellbeing, for example, however Arcus has ambitious plans to ensure we continue to make significant advancements in these areas (e.g. creating a net zero plan) alongside areas where Arcus identify that more focus is required. Arcus looks forward to disclosing a wider array of material topics and impacts in the 2021/22 Sustainability Impact Report.

Finally, the Arcus vision to grow a great FM business cannot be realised without embedding sustainability principles into the operation and management of Arcus. Arcus is keen to collaborate and to ensure shared learnings are used to quicken the pace of change across the whole industry. We are amid a climate and ecological emergency alongside a COVID-19 global pandemic so the time to act and deliver a green recovery is now.

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