

Sustainability Report 2021/2



At Churchill we are dedicated to a sustainable future, and our actions are underpinned by the Churchill Group core values – Always do right, Always seek better and Always put people first.

Doing the right thing starts with our core belief and purpose to do right by our people, communities and our planet.

Our ethos brings together our continual effort to be sustainable in all we do for ourselves and our clients.

This incorporates our strategies around the environment, our social impact and the wellbeing of people.



This report aligns with the Group financial year and covers the reporting period July 1st, 2021, to June 30th, 2022. This report applies to the Churchill Group subsidiaries, our offices, and our fleet.

The UN Sustainable Development Goals (SDGs)

At Churchill, we align ourselves with the United Nations Sustainable Development Goals (SDGs). For each section of this sustainability report, we highlight how our objectives and targets relate to the UN SDGs.



2021/2 highlights

57 metric tonnes
of plastic
waste saved

by using our cleaning
sachet range in
biodegradable packaging.
This is a 50% increase in
savings from 20/21.



Validated and
re-baselined our
GHG inventory,
which now includes
all relevant
emissions scopes
1 - 3



Silver
The SFMI Awards 2022

Awarded Gold
by EcoVadis

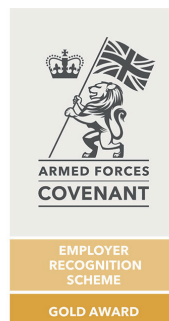


Awarded
Silver by the
Sustainable
Facilities
Management
Index (SFMI)



Founding
member of
Neurodiversity
in Business

Armed forces
Covenant Gold
Award



Disability
confident
employer



The Churchill Sustainability Charter

Our Sustainability Charter was implemented in 2019 and underpins the Group Sustainability strategy. With this Charter, Churchill has committed to continuously reduce our environmental impacts, to improve the wellbeing of our employees, to benefit the communities we work and live in, and to be at the forefront of innovation.

The Charter contains four key focus areas:

- Social
- Environmental
- Governance
- Innovation

This report focuses on the 'environmental' and 'social' pillars of our Charter and highlights Churchill Group's sustainability performance and initiatives that were carried out in 2021/22.

All our actions are underpinned by Churchill's core values: 'Always do right', 'Always seek better' and 'Always put people first'.

Our Management Systems

We have an integrated management system (IMS) that combines different processes and systems into one framework. Our integrated management system is certified to:

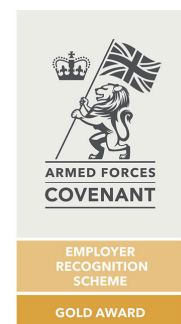
- ISO 14001 (Environmental Management)
- ISO 45001 (Occupational Health and Safety)
- ISO 9001 (Quality)

In addition to our IMS, we have an energy management system (EnMS) certified to ISO 50001 (Energy), and an information security management system certified to ISO 27001 (Information Security). As part of our certifications, we are committed to working towards continual improvement in our environmental management.

Certifications and awards



Silver
The SFMI Awards 2022



Safeguarding our environment

Our environment

Safeguarding our environment for future generations

- Being a transparent, credible, sustainably managed business
- Clear environmental targets
- Reducing direct environmental impacts from operational activities
- Working with our supply chain to reduce indirect impacts of our activities



Energy and carbon



Waste



Procurement



Water



Biodiversity and environmental initiatives



Training and education

Today...

Our organisational carbon footprint now includes all relevant scope 1, 2 and 3 emissions, in line Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3) Standard



60%
reduction of waste going in to landfill

Awarded Sustainable Facilities Management Index (SFMI) Silver Award in 2022



Ecovadis Gold Award

57 metric tonnes

single-use plastics saved through sustainably led innovations and product development in 21/22



Introduced first company closed-loop recycling scheme for plastic containers

Tomorrow...



Churchill is committed to achieving net zero carbon emissions by 2040

We are committed to submitting science-based targets for validation by June 2023



Increase proportion of electric vehicles in the fleet



Work towards achieving SFMI Gold and EcoVadis Platinum



Continue to drive down waste generation and water use per employee, and increase overall recycling rates



Work with our supply chain to further embed circularity and sustainability into our service offerings

Net Zero Targets

Churchill is committed to a net zero future, and to setting reduction targets in line with the latest climate science in order to prevent the worst impacts of climate change.

Churchill's overall environmental target remains to achieve net zero carbon emissions by 2040, against a 2021/22 financial base year.

At present, this is predicted to be achieved by:



Net zero carbon emissions by 2040

30%

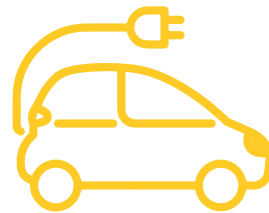
reduction of CO₂e emissions by 2027 by moving to 30% electric vehicles by 2027

45%

reduction of CO₂e emissions by 2030 by moving to 50% electric vehicles by 2030

65%

reduction of CO₂e emissions (scope 1+2) by 2035 by moving to 70% electric vehicles by 2035



Electric vehicles currently occupy 2.5% of the overall fleet. Increasing the uptake of electric vehicles across the organisation in order to decarbonise operational transport is a priority.

We are currently developing science-based reduction targets and aim to submit these to the SBTi for validation by June 2023. As a result, we aim to update the targets that form our roadmap to net zero during the next financial year.





Our commitment

Reduce our carbon footprint and move towards net zero carbon.

Reduce our energy consumption and move towards renewable energy sources.

Improve the efficiency of our fleet and work on implementing low carbon technologies.

2021/22 progress

Energy

Overall energy consumption during the 21/22 financial year was 10,159.49 MWh, this is detailed in Table 1 in the Data Appendix. This figure includes energy consumed in our offices (gas and electricity), in our fleet (including grey fleet), and in operational equipment. Of the energy that we consumed, 74% was from renewable sources. While overall energy consumption increased compared to the previous financial year, the energy consumption per employee decreased by 10%.

Carbon

The Churchill carbon footprint is detailed in Table 2 in the Data Appendix. The scope of our carbon footprint includes all relevant Scope 1, 2 and 3 emissions in line with the GHG Protocol.

In 2022 we partnered with a specialist carbon consultancy to review and update our carbon footprint. This was done to enable verification of emissions, and to include all relevant Scope 3 sources for the first time. During this process a decision was made to update the baseline year to the 21/22 financial year (1st July – 30th June) for the following reasons:

1. The previous baseline included significant COVID-19 impacts to our operations
2. The new baseline aligns with the financial year
3. Updating to the most recent year is a Science Based Targets initiative recommendation.
4. In 2022 Churchill acquired JV Price, which is a substantial organisational change, and significantly impacts our carbon baseline.

As a result of updating our carbon footprint to include all relevant scope 3 sources, our carbon footprint has increased significantly against that reported in 2020/21. Our carbon footprint now indicates that 82% of our emissions are Scope 3, of which emissions are predominantly from purchased goods and services. Scope 1 emissions, mostly from company vehicles, account for 18%, and scope 2 emissions, from electricity consumed on site, account for less than 1% of total emissions. When normalised for revenue, scope 1 and 2 emissions have decreased by 10% since 2020/21.

The updated carbon baseline of 2021/22 is currently being used as the basis on which to set science-based reduction targets.



Waste and recycling



Our commitment

Reduce waste both in our offices and throughout our operations, driving reduction and recycling initiatives, decreasing the waste going to landfill.

2021/22 progress

Our total office waste decreased in comparison to last year by 1.1 tonnes. This equates to a reduction in total waste per M&A employee of 21.83 tonnes. The amount of waste diverted from landfill increased by 22% to 9.7 tonnes.

Late in 2021 we mobilised new contracts with preferred waste contractors Veolia and First Mile. Switching to these contractors who place great emphasis on sustainable waste management has been instrumental in increasing our diversion from landfill. Through these waste partners we have been able to increase the waste diverted from landfill to 60% in 2021/22 from 38% last financial year. This has been achieved through greater focus on recycling provision and ensuring that waste which isn't recycled is diverted from landfill to create energy from waste.

Churchill is also proud to work in partnership with PHS to convert sanitary waste to energy. In 21/22 we converted 135 tonnes of sanitary waste, generating 80,711 kWh of energy, which is a 54% increase on last year.

Water



Our commitment

Reduce our water consumption through innovative solutions and efficient equipment.

2021/22 progress

Our annual water consumption increased slightly in 2021/22 when compared to 2020/21. This is likely as a result of the gradual return to normality, following a period of reduced office use due to COVID restrictions.

Despite the overall increase in water consumption, water consumed per M&A employee decreased by 1.6%.



Our commitment

Minimise our reliance on single use plastic, reduce the use of virgin plastics and increase the amount of recycled content in procurement.

Build strong, long-lasting relationships with our suppliers, making sure that products are ethically and responsibly sourced, and are of the highest environmental performance.

Reduce our material use and enhance traceability across our supply chain, working towards a circular economy.

2021/22 progress

Churchill is proud to work with a supply chain that shares our passion for sustainability.

In 21/22 we continued to work with our main consumables supplier Bunzl, to provide a sustainable service. Through the use of water-soluble cleaning sachets and reusable tigger sprays, we have saved 57 tonnes of single-use plastics. That is equivalent to 1.3 million empty 2L plastic bottles and is a 50% increase in savings on the previous financial year. We have also continued to work with Bunzl to optimise the uptake of gold and silver rated products across our client sites. Products rated either Gold or Silver for sustainability take into consideration the packaging,

manufacturing, and the composition for sustainability credentials. In 21/22 59% of products used on client sites were rated as either Bunzl Gold or Bunzl Silver status.

Through working closely with our supply chain, Churchill has also been able to reduce the carbon intensity of deliveries. Through reducing the frequency of deliveries to sites in 20/21, we were able to save 43 tonnes of CO₂e.

We also launched an improved Vendor Assurance process in 2021 that has enabled us to enhance the management of our supply chain. By utilising better software, the process improvement has made the management of vendors slicker and more efficient. We have reduced admin time, meaning we can now focus on proactively managing our vendor base and ensuring they are compliant and meeting our standards. The new system also enables us to communicate quickly and clearly to vendors, which proves useful if we want to share updates or request data. The process has given key stakeholders clear visibility on their part of the process, which has given them ownership and in turn a process that is thorough and accountable. This has really proven successful as it has given us the confidence in key of compliance areas such as Modern slavery.

Promoting social value
and employee wellbeing

Social value and wellbeing

Enabling sustainable development in
communities in which we work



Promote local



Local skills and
employment



Growth of responsible
regional business, developing
a local supply chain

Creating life chances
and opportunity



Social health,
community safety
and resilience



Environmental
enhancement

Today...



Develop a calendar of
wellbeing events, initiatives,
and monthly topic themes



Armed Forces
Covenant
Gold Award

Signed up to Hen picked
Menopause friendly
workplace accreditation

Grew our Mental
Health First Aid
Team from 26 - 37



Tomorrow...



Creation of
Colleague
Wellbeing
Charter



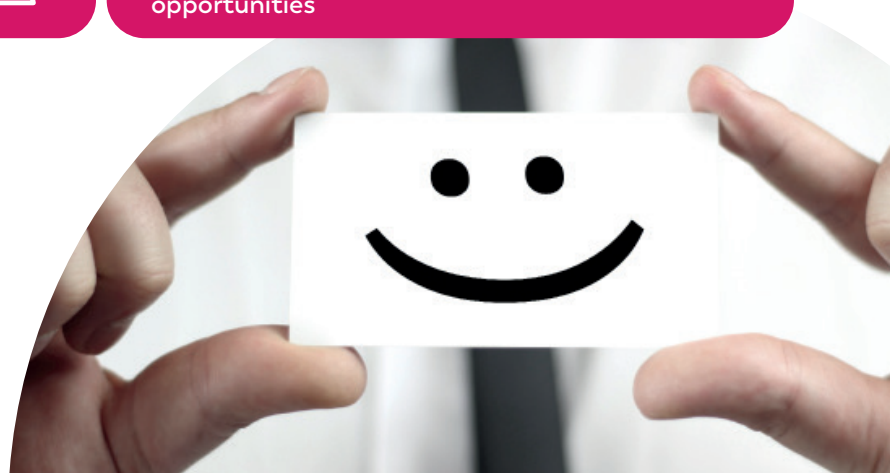
Have an in-
house Mental
Health First
Aid instructor



Signing of
the Employer
Domestic
Abuse
Covenant

Support refugees with sustainable employment
opportunities

Improve accessibility for employee volunteering
opportunities



Health and Wellbeing, Diversity and Inclusion



Our commitment

Creating a truly inclusive and supportive culture where all colleagues feel they can bring their whole selves to work and flourish.

Enabling colleagues to define their own wellbeing in a way that is sustainable to them, supporting the needs of our multigenerational diverse workforce.

2021/22 progress

The health and wellbeing of our colleagues and the communities that we operate in is always at the forefront of our thinking here at Churchill. We understand the importance of supporting our people to thrive and be the best versions of themselves, however they define it.

We are passionate to ensure we take our commitments and continuously review and grow, with this in mind we are proud of the following progress in 21/22:

- Increased our network of mental health first aiders, which grew to by 42% to 37 in 2022. We also have a team of mosaic champions, who support and lead the DE&I work within the business
- Launched the veterans landing page within our website to support veterans to transition into Churchill
- We provide ESOL training for colleagues who want to enhance their English
- We have a team of MOSAIC Champions that lead the way around D&I across our operations and within the communities in which we operate



Newly qualified mental health first aiders



Some of our Mosaic champions



Our commitment

With the support of our colleagues clients and partnerships, we will create opportunities within the environments in which we work to deliver on our commitments, knowing we can achieve more together.

Our vision is to create sustainable opportunities to thrive, and support people in our local communities.

2021/22 progress

From mentoring young people to support them into the world of work, litter picks and beach cleans there have been 70 social initiatives for our colleagues to support and get involved in.

We were excited to meet British long-distance runner and double Olympic champion Sir Mo Farah when we sponsored Oasis Community Learning's (OCL) annual fundraising night – An Oasis Audience with Sir Mo Farah in October of 2022. OCL has 21 school sites across London and we have been providing a range of services for them since April 21. We were delighted to be the main sponsor of their fundraising

event, as such support dovetails perfectly with the objectives of our Diversity, Inclusion and Wellbeing strategy, which is always to give back to and enhance the local communities across the UK in which we work.

We are thrilled that in Churchill Group was recognised with the Gold award from the Employer Recognition Scheme (ERS) for 2022. We were previously a recipient of the Silver award in 2020. The ERS Gold Award is designed to recognise employers who proactively demonstrate their forces-friendly credentials. Our managing director of operations, Louisa Clarke, is one of many Churchill employees who has an ex-service background. After joining the Royal Air Force at 18, Louisa served for over a decade as a Movements Controller.

Churchill is an organisation that helps veterans transition to working in a civilian capacity. One of our current programmes is the buddying system, which allows any interested ex-service personnel to speak to others in Churchill that have a military background before applying for any specific roles.

Social Value



EMPLOYER RECOGNITION SCHEME

GOLD AWARD 2022

Proudly supporting those who serve

Data Appendix



Table 1: Churchill Energy Consumption

Financial Year	2021/22	2020/21	Change
Overall Energy consumption (MWh)	10,159.49	10,553.64	-4%
Total electricity consumption (MWh)	362.40	333.85	8%
Renewable energy consumption as a percentage of total electricity use	74%	75.00%	-1%
Energy consumption per employee (kWh)	753.00	831.52	-10%

Table 2 Churchill's carbon footprint. Churchill's organisational carbon footprint has been calculated in line with the GHG Protocol Corporate Accounting and Reporting Standard, the Corporate Value Chain (Scope 3) Standard, and the UK Government GHG Conversion Factors for company reporting. The Scope 1 and Scope 2 emissions have been verified to limited assurance according to ISAE 3410.

Scope	Category	2021/2022		2020/2021		% Change
		Total Emissions (tCO ₂ e)	% of Total Emissions	Total Emissions (tCO ₂ e)	% of Total Emissions	
Scope 1 Direct emissions from sources that are owned or controlled by Churchill Group.	Total Scope 1	2,506	18%	2299	88%	8%
	Natural gas	11	0.10%	13	0%	-18%
	Plant/Machinery Fuel	7	0.00%	8	0%	-20%
	Refrigerants	2	0.00%	N/C	N/C	N/C
	Company Vehicles	2,486	17.50%	2276	87.5%	8%
Scope 2 Indirect emissions from purchased electricity.	Total Scope 2	90	1%	69	2.7%	23%
	Electricity (Location based)	90	0.60%	69	2.7%	23%
	Electricity (Market based)	45		15.7		65%
Scope 3 Optional reporting on emissions from sources not owned or controlled by Churchill Group but associated with our activities and supply chain.	Total Scope 3	11,601	82%	232.7	8.9%	98%
	Purchased Goods & Services	7,624	53.70%	N/C	N/C	-
	Capital Goods	1,109	7.80%	N/C	N/C	-
	Fuel & Energy Related Activities	577	4.10%	N/C	N/C	-
	Upstream Transportation and Distribution	125	0.90%	N/C	N/C	-
	Waste generated in operations	9	0.10%	N/C	N/C	-
	Waste managed at client sites	8	0.10%	N/C	N/C	-
	Business travel	348	2.40%	232.7	8.9%	33%
	Employee commuting and remote working	1,786	12.60%	N/C	N/C	-
	End of life treatment of sold products	16	0.10%	N/C	N/C	
	ALL	14,196.60	100%	2601	100.0%	82%

Data Appendix



Table 3: Carbon footprint intensity metrics

Financial Year		2021/22	2020/21	% Change
Intensity ratio - Scopes 1, 2 and 3	tCO ₂ e/£m revenue	50	11	78%
Intensity ratio - Scopes 1 & 2	tCO ₂ e/£m revenue	9	10	-10%
Intensity ratio - Scope 3	tCO ₂ e/£m revenue	41	1	98%

Table 4: Churchill Waste Data

Financial Year	2021/22	2020/21 July 1 - June 30	Change
Total overall waste (t)	16.2	17.3	-1.1
Total hazardous waste (t)	0	0	0
Waste diverted from landfill (t)	9.7	6.5	3.2
Waste converted to energy (t)	5.4	1.9	3.5
Waste recycled (t)	4.3	4.6	-0.3
Waste diverted from landfill (%)	60%	38%	22%
Recycling rates (%)	27%	26%	1%
Total waste per M&A employee (kg)	95.86	117.69	-21.83
Total waste diverted from landfill per M&A employee (kg)	57.40	44.22	13.18
Amount of each M&A employee's waste diverted from landfill (%)	60%	38%	22%

Table 5: Churchill Water Data

Financial Year	2021/22	2020/21 July 1 - June 30	Change
Annual consumption (m3)	2174	2053	5.6%
Water used per M&A employee (m3)	12.86	13.09	-1.6%