

## Sustainability Statement (2022)

**Sustainability can be defined as providing for the present needs without compromising the needs of future generations.**

### Purpose

As part of our overarching Environmental, Society and Governance (ESG) Strategy and Plan, the Citation Group (the Company) recognises the importance of publicly sharing our commitment to **creating a sustainable business today, for a better world tomorrow**. As employer of over 2,000 colleagues and a trusted provider of services to over 100,000 clients, we recognise not just our internal responsibilities, but the impact we have on wider society too.

### Scope

Environmental, social and governance policies and plans are weaved into our business and reporting models, and our policies, procedures and values. **We believe that actions speak louder than words**, so this statement summarises our commitment to sustainability by demonstrating our progress against key goals and impact metrics.

### Mission

We will do good and outperform others, sustainably and consistently

### Commitment

Our plans go far beyond minimum legal and compliance requirements. Our goal is to be recognised as a leading business with continuous year on year improvements across ESG matters. And we will not just do this for ourselves. We will use our expertise and understanding of SMEs to continue to offer and develop new products and services that help them understand and master ESG.

### Our Guiding Beliefs

- **Planet:** Businesses that borrow from tomorrow, will not have a business in the future.
- **People:** It is a fact that workers who are safe, treated fairly and invested in, perform better. Businesses with engaged workers, sustainably and consistently, outperform comparators across all key metrics, from customer satisfaction to profitability.

## Progress against key goals and impact metrics during 2022

| ESG Objectives                     | Goal   | Status   | Summary of performance/progress  | Next Steps   |
|------------------------------------|--|--|--|--|
| <b>Management &amp; Governance</b> | Maturity and impact assessments                          | <b>Classed as 'Leading' Score of 9 in 2023</b>   | <ul style="list-style-type: none"> <li>Maturity assessments and impact metrics conducted independently by investors across E, S and G. Classed as 'Leading' versus benchmark. Score of 8.8 in 2022</li> </ul>  | Await Maturity Assessment results in Q1 2023, prepare action plan                                      |
|                                    | Action plan to address core ESG topics and opportunities |  | <ul style="list-style-type: none"> <li>ESG action plan signed off by Board (focus on talent, DEI, climate, cyber) quarterly progress review and continuous improvement approach. Aligned to UN SDGs</li> </ul>   | 5-year plan to define and agree our short- and long-term objectives from 2023 - 2028                   |
|                                    | Board and C-level accountability                         |  | <ul style="list-style-type: none"> <li>ESG formalised as Board accountability and included in quarterly Board agenda. Execution (incl. incidents reporting) to be monitored. C-level ownership for ESG/Impact defined (Chief People Officer).</li> </ul>   | Board report to be updated in Q1 2023 in line with above action plan and below tracking                |
|                                    | Tracking/reporting                                       |  | <ul style="list-style-type: none"> <li>In place, further metrics to be determined and set out in our 3-year strategy and plan</li> </ul>   | Drafted measures to be update in Q1 2023   |
|                                    | ISO 27001  |  | <ul style="list-style-type: none"> <li>Achieved in 2022</li> </ul>   | Identify acquired businesses to undertake  |
| <b>Climate</b>                     | Carbon impacts and opportunities/risks                   | <b>Net Zero by 2035</b>                          | <ul style="list-style-type: none"> <li>Scope 1 and 2 assessment complete (scope 3 estimated); Net Zero 2035 plan developed. Emissions reduced by 4% over a 3-year period, despite the size of what we are measuring, more than doubling</li> </ul>   | Baseline scope 3 and verified SBTi's   |
|                                    | Decarbonization plan                                     |  | <ul style="list-style-type: none"> <li>Net Zero by 2035; signed up to SBTi and carbon foot printing undertaken. Detailed decarbonisation plan drafted with actions taken in to reduce emissions</li> </ul>   | Set colleague comms cadence  |
| <b>Colleagues</b>                  | Meaningful work and progression                          | <b>Leading colleague engagement Top Employer</b> | <ul style="list-style-type: none"> <li>~40% of workforce have formally progressed (achieved or undertaking formalised progression/apprenticeships/CPD/qualification and/or received a promotion). Commitment to paying above the National Living and Minimum Wage</li> </ul>   | Define plan to increase to 50% in 2023   |
|                                    | Employee engagement and talent                           |  | <ul style="list-style-type: none"> <li>Annual Gallup survey in place (last cycle: Feb-2022) - top quartile UK performance maintained. Engagement and culture remains a foundation of the business strategy (considered a competitive advantage as confirmed by top employee engagement scores, customer satisfaction scores and year on year business growth.</li> </ul> | Continuous maintenance/improvement of top quartile engagement. Enter verified engagement awards        |
|                                    | Safe, inclusive culture                                  |  | <ul style="list-style-type: none"> <li>Physical and psychological health and safety are considered as part of the ongoing plan to improve/maintain. Values updated in line with new brand proposition</li> </ul>   | Embed refreshed values across EVP. Mental Health First Aid qualification offered to 40 more colleagues |
|                                    | Diversity, Equity and Inclusion                          |  | <ul style="list-style-type: none"> <li>52% female and 48% male. Age range:18-67 yrs. Updating ethnicity (Atlas) in line with UK census. Multiple awareness &amp; education campaigns launched. Established a DEI forum. Selection tool on trial to eliminate unconscious bias</li> </ul>   | Widening of attraction and dev strategies to attract/grow/retain a diverse colleague base              |
| <b>Data</b>                        | Accountability   | <b>Safe &amp; Secure</b>                         | <ul style="list-style-type: none"> <li>Defined accountability, appointed roles and assigned responsibilities. Rolling campaign in place to train and educate colleagues</li> </ul>   | Baseline scope 3 and verified SBTi's   |
|                                    | Data & Cyber Assessment                                  |  | <ul style="list-style-type: none"> <li>Actions across core business and newly acquired to achieved benchmark score of 7 in annual assessment</li> </ul>  | Set colleague comms cadence  |








| ESG Objectives   | Goal  | Status  | Summary of performance/progress   | Next Steps   |
|--|---|---|---|--|
|  <p>Client Impact</p> | <p>Safety</p> <p>Employment Law and Employee Relations and</p> <p>ESG governance, awareness &amp; training</p> <p>New products and services</p> | <p>Enable SMEs to do good and outperform others</p> | <ul style="list-style-type: none"> <li>● A Citation Health &amp; Safety client is 25% less likely to have an accident at work (v UK norm). Zero fatalities</li> <hr/> <li>● A Citation HR client is 3 times less likely to have a tribunal claim (v UK norm) - evidenced as a key indicator of good employee relations, wellbeing and productivity (ACAS)</li> <li>● HR and H&amp;S clients have access to best practice policies, systems, tools and training to keep their business and people safe and compliant</li> <li>● 5 million Citation Group e-learning modules were successfully completed by UK workers. These trainings go far beyond compliance and governance, raising awareness and understanding of societal issues (e.g., from Modern Slavery to Female Gender Mutilation) and soft skills training (e.g., Leadership skills, Building effective relationships at work)</li> <hr/> <li>● X 3 new services ~ ISO 45003 (Wellbeing), Cyber Security, Compliance course to protect people from fire, explosives and dangerous substances</li> <li>● Client feedback survey to inform new product development road map for 2023</li> </ul> | <p>Offer a valuable and affordable bundle ESG offer for clients, that enables them to easily develop, progress and evidence their sustainability goals</p> |

**Diversity, Equity and Inclusion (DEI) note on above tracking**

We have and will continue to promote a diverse and inclusive workforce. Our culture, approach and processes enable all colleagues, regardless of seen, hidden or perceived differences, to be at their best and happy at work (across but not limited to background, education, social differences, neuro diversity, age, gender, ethnicity, or beliefs). We all have differences but what binds us together are our values. We will never rest on our laurels and commit to a continuous improvement approach across D&I

## Alignment to the Sustainable Development Goals (SDG)

- There are 17 SDG's, developed by the UN as the blueprint to achieve a better and more sustainable world by 2030.
- The Company supports the SDG's and recognises that it has a positive direct impact on the below SDG's:

|  |  |   |  |   |  |  |
|--|--|---|--|---|--|--|
|   |   |    |   |   |   |   |
| <p>Job creation – targeting areas of Multi-Deprivation</p> <p>Paying above the National Living Wage</p> <p>Meritocracy</p> <p>Development paths for those without qualifications</p> | <p>Health – support and preventative measures across both physical and mental health (inc. trained Mental Health First Aiders)</p> <p>Wellbeing – education, tools, support and benefits</p> | <p>Work based development programs and funded recognised qualifications (inc. apprenticeships, work placements, early and change of career programs).</p> <p>Continuous learning for all regardless of and beyond vocation.</p> | <p>Practices that promote gender equality and balance (inc. recruitment, promotion, pay, flexible hours and term time working)</p> | <p>We follow best practice employment policies and champion employee engagement to provide fulfilling work.</p> <p>We promote safe and secure working environments</p> <p>We offer employees qualifications and progression</p> <p>We promote and protect labour rights</p> | <p>We adopt legislative and ethical business practices and standards.</p> <p>We promote these across many of our client offerings and via suppliers and partners (e.g., Modern Slavery and Anti-Bribery)</p> | <p>SBTI sign up</p> <p>Commitment to Net Zero by 2035</p> <p>Educating and empowering colleagues (and clients) to take action through communication, training, expertise and product offerings that enable them (as individuals and businesses) and us to reduce emissions in line with science-based targets</p> <p>Launch of electric car scheme to colleagues</p> |

- Additionally, the products and services we offer to our client have a direct impact on these SDG's:

|   |   |   |
|---|---|---|
|    |                                    |    |
| <p>3.9</p> <p>Safety – our services can reduce the number of deaths, accidents and illnesses from hazardous chemicals</p> <p>Wellbeing – education, tools, support and benefits</p> | <p>8.8</p> <p>Our services protect labor rights and promote safe and secure working environments for all workers,</p> | <p>16.3</p> <p>Our services promote the rule of law at the national and international levels and ensure equal access to justice for all</p> |

## Review

We will publish an update to this statement and progress against annually

## Responsibility

- The Group board has overall responsibility for this statement and our commitments
- Our executive and leadership team have responsibility for ensuring compliance with, progress against and communication of our obligations and commitments
- Colleagues have a responsibility to ensure they comply with our policies, procedures, and client service frameworks.
- Crucially, in line with our values, all colleagues will take responsibility (without being asked or told) for the role they play in creating a sustainable business and supporting our clients to deliver their sustainability ambitions.

## Our Values



## Regards



**Chris Morris**  
**Citation Group CEO**

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