

Staffline

Group PLC



ESG Report
2021

Developing our approach towards ESG

At Staffline, we place great importance on the role we play in helping to support local communities and the environment surrounding us.

We understand the importance of integrating our business values and operations to meet the expectations of our stakeholders. These include clients, employees, flexible workers, regulators, investors, suppliers, the community and the environment. We recognise that our social, economic and environmental responsibilities to these stakeholders are integral to our business. We aim to demonstrate these responsibilities through our actions and within our corporate policies.

Our Approach

At Staffline, we believe that having an effective ESG strategy enhances our reputation and productivity.

We believe that embedding ESG principles is not only the right thing to do but the smart thing to do, and we recognise that ESG focused organisations deliver a greater impact and better bottom-line results.

We continue to challenge ourselves to improve our ESG performance for the benefit of our colleagues, stakeholders and the communities in which we operate.

Our Focus

Our focus is to make a positive difference to people's lives and deliver social value to the communities in which we operate.

Our committed teams work across the UK to deliver a range of private and public services to find and support people into employment, skills development, self-employment support, independent living, and prison education.

We offer our employees clear and fair terms of employment and provide opportunities to enable their continual development and progression.

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Our Values

We have a clear set of values that drive everything we do. They influence the way we interact with staff, clients and candidates on a daily basis and can be measured in the strong results that we consistently achieve.

Teamwork: Working together across the business to achieve more for our customers.

Creativity: Solving problems and suggesting new ideas and insights.

Reliability: Fulfilling all our customer requirements, getting the job done.

Commitment: Demonstrating a relentless and driven ambition to exceed expectations.

Respect: Taking time to understand, trust and support each other to achieve shared success.

Integrity: Doing things the right way, for the right reason, ethically, honestly, every time.

We operate an equal opportunities policy for all employees and flexible workers, and ensure employees are treated with respect, without sexual, physical or mental harassment.

We provide, and strive to maintain, a clean, healthy and safe working environment, and ensure our flexible workers are not subject to exploitation and modern slavery.

We uphold the values of honesty, integrity, transparency and fairness in our relationships with stakeholders.

We strive to improve our environmental performance by fostering and encouraging initiatives that reduce waste, energy use and emissions.



Our ESG Objectives

Area	Progress in 2021	Focus for 2022
Environmental	<ul style="list-style-type: none"> • GHG emissions • SECR • Taskforce on Climate related Financial Disclosures (TCFD) • Carbon offsetting 	Environmental commitments for landlords/agents Waste management and recycling Alternative travel to work and carbon off-set schemes Energy-efficient asset deployment
Social	<ul style="list-style-type: none"> • Social recruitment • Community-based activity • Modern slavery • DEI and equal opportunities • Gender pay gap • Health and safety 	Launch #GetBritainWorking initiative Social value framework Charity partnerships Sustainable workforce DEI and gender pay gap Colleague engagement and wellbeing
Governance	<ul style="list-style-type: none"> • Corporate governance and policies • ESG governance and structure 	ESG roadmap Stakeholder consultation Climate change modelling and impact assessment Further ESG strategy development

ESG and Business Strategy

At Staffline, we believe that ESG should not be a standalone compliance exercise.

We recognise the importance of ensuring our ESG objectives are aligned to our corporate and governance strategies.

Our ESG Committee representatives have deep knowledge of the Group and the three businesses within it to ensure our ESG strategy is linked to our wider business strategy and remains industry-relevant.

ESG in action

Our Social Recruitment Framework (“SRF”) helps employers realise their impact on society through social recruitment.

Social Recruitment is critical to tackling generational inequality in the labour market. We recognise that by using our employability and skills expertise and partnering with government employers and local organisations we can make a real difference to individual lives, communities, and wider society as we build back from the shock of Covid-19 on the economy.

Our community support services enable thousands of people to live independently across England and Wales each year. These trusted services and our dedicated teams empower people – at whatever stages of their lives – to live more independent, happier lives.

We deliver skills and training to ensure people can access the right employment and enhance their career prospects. We supported c.15,000 learners in 2021 with a 90% success rate.

Our #FeedtheNation campaign helped 25,000 people move into employment within three months of the start of the Covid-19 pandemic. And now our new #GetBritainWorking campaign in partnership with Staffline is closely supporting the Government’s Way to Work initiative.

Our PeoplePlus business is the largest independent provider of prison education services in the UK. We transform the lives of offenders through our education services and unique in-cell technology.

We deliver the Restart Scheme in Wales, Kent and the North East. In 2021, during the first six months of the Scheme, we saw over 6,500 people sign up with us on the Programme and 1,100 people start work.

In Scotland we are the largest employability provider delivering the FairStart Scotland contract, employability programmes and apprenticeships. Over 10,000 people have joined us on the FairStart Scotland service and 3,350 have started work since 2017.

Since 2015, we have helped over 50,000 unemployed people achieve their dream of self-employment with an 80% sustainment rate.

Developing our responsible approach to doing business

Social

At Staffline, we are committed to making a positive difference to society by delivering real social value in our local communities and ensuring our practices are socially responsible. Staffline's purpose is to build and develop the most reliable integrated workforce in the country and be the leading creator of opportunities, jobs and new ideas in the employability, skills and justice sectors. One of the most tangible indicators of our commitment to enacting social value is demonstrated in the PeoplePlus side of our business, which brings hope, opportunity and targeted interventions to those in our communities seeking access to work, skills, support and other opportunities.

To support our social value agenda, we have established strong partnerships and strategic sponsorship links to help promote better social cohesion and community integration. We regularly collaborate and contribute to community-based forums and steering groups and share local intelligence with stakeholders, including the set-up of a Social Recruitment Advocacy Group with employers, chaired by the Rt Hon Anne Milton to advocate social recruitment practices.

In October 2021 and in collaboration with Cambridge University, we released our 'Building Back Better: How Social Recruitment can drive a stronger economy and fairer society' report, which looks at what the country needs to do to rebuild back 'better' after the pandemic and ensure that people who already face a disadvantage in the labour market do not fall further to the back of the queue.

At Staffline, we recognise the need to adopt a demand-led approach in response to the concerning levels of unemployment – particularly for the long-term unemployed – and a re-shaped labour market to tackle persistent skills shortages and long-standing labour market inequalities, which the impact of Covid-19 has exacerbated.

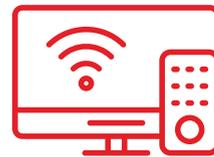
In response to the concerns and opportunities highlighted in the 'Building Back Better' report and building on the success of our Social Recruitment practices and #FeedtheNation campaign, launched at the start of the Covid-19 pandemic, we are delighted to announce the launch of our #GetBritainWorking initiative. Our vision for this initiative is to address the UK's labour market challenge by establishing an employment 'bridge' between the country's unemployed and its unfilled frontline vacancies: creating economic and social value at a national level; securing futures at an individual level. Building on Staffline's effective interview booking technology and connecting this with our Social Recruitment service, we will provide quick, easy and efficient support to prepare people for work and connect those looking for work with employer vacancies to provide guaranteed interviews as and when individuals are ready.

Our PeoplePlus business is the largest independent provider of prison education services in the UK. We deliver education to c.20,000 learner starts across 22 establishments each year (with an achievement rate of 93%). We also provide a range of in-cell learning, employment support or careers information, advice and guidance across an additional 54 prisons. We are committed to transforming the lives of offenders through our education services, unique in-cell technology and content, and our community partnership relationships.

Our community support services enable thousands of people to live independently across England and Wales each year. These trusted services and our dedicated teams empower people – at whatever stages of their lives – to live more independent, happier lives. Working with 26 Local Authorities we support in excess of 10,000 people a year with direct payments.

We run the Carers' Hub which is a free support service for unpaid carers in Gloucestershire. In 2021 we generated 2,500 carer registrations.

In support of our local communities, our employees delivered 2,480 volunteer hours to local charities, schools and community-based organisations. We also raised £85,000 over the last four years for the Prince's Trust and supported 490 service users with our YouCan wellbeing programme to build confidence and connections, reduce isolation, and improve wellbeing resilience.



54

Our in-cell learning Way-Out TV is shown in over 54 prisons.

Social continued



#GetBritainWorking

Area	Progress in 2021	Aims for 2022
Social Recruitment	<ul style="list-style-type: none"> • 82% of candidates who are offered jobs commence employment. • 68% of candidates who attended interviews have been offered employment. • 74% of candidates who attended courses were offered interviews. • Set up Social Recruitment Advocacy Group, chaired by Rt Hon Anne Milton, with employers to advocate social recruitment practices. 	<p>Launch #GetBritainWorking initiative.</p> <p>Build resilience and target social issues which create barriers to work for people.</p> <p>Drive inclusive growth and engage hard to reach groups within communities.</p>
Community-Based Activity	<ul style="list-style-type: none"> • 2,480 voluntary hours delivered to support community cohesion with local charities, schools and community organisations. • Raised £85k over the last four years for the Prince's Trust. 	<p>Increase local charity partnerships to expand our ability to support community activity and fundraising.</p> <p>Launch Social Value Framework.</p>
Community Wellbeing	<ul style="list-style-type: none"> • YouCan wellbeing programme aimed at building confidence, reducing isolation and offering practical advice and guidance delivered to 490 service users. 	<p>Expansion of wellbeing programme.</p> <p>Promote and make good health practices a priority within local communities.</p>

At Staffline, we understand the importance of integrating our business values and operations to meet the expectations of our stakeholders, including our clients, employees, government departments, flexible workers, regulators, investors and suppliers.

We recognise that our social and economic responsibilities to our local communities and stakeholders are integral to our business. We aim to demonstrate these responsibilities in our corporate policies and our commitments.

The Group regularly reviews talent and succession planning at all levels to support our business agility, enable further growth and be an employer of choice.

As a commercially-focused business, we drive a high-performance culture. We also regularly review our headcount to ensure that our lean operating model is fit for purpose.

Developing our people is key, and our ethos aims to nurture talent at all levels and encourage self-development and internal promotion, which in turn aids succession planning and supports the strategic growth of the Group.

Learning and Development

At Staffline, we believe in a culture of continuous learning. The development of our people remains a key strategic priority, evidenced through our learning and development schemes.

- Our Learner Experience Platform provides accessible, targeted and tailored learning for all. In 2022, we will evolve our learning content further to include a new sales academy for permanent white-collar business professionals, supporting our 'beyond blue' strategic priority.
- A wide range of apprenticeships and specialist programmes enable our people to focus on their professional development.

- Our leadership development programme aims to create a business fit for the future, increase leader accountability and strengthen our employment proposition.
- Talent and succession planning across our business allow the creation of developmental opportunities and to track and action plan talent throughout all levels of the organisation.
- Mental health and wellbeing training is available for leaders to ensure they have the right skills, capability and confidence to enable our people to speak out and support their teams.

The inclusivity of our culture and the mental health and wellbeing of our employees remains a top priority. In 2021, and in support of our social commitments and DEI agenda, we ran bimonthly campaigns with a specific focus on diversity, inclusion and wellbeing. We continue to share information on relevant topics, articles and videos via weekly communications.

Social continued



77%

Colleagues say they would recommend Staffline as a great place to work.

Employees

We communicate and engage with our people via various channels, including in-person, virtual and electronic communication.

The key objective of our communication strategy is to enable and embed the delivery of the Group's overall strategic performance, underpinned by a people-centred, inclusive and collaborative culture.

We continue to ensure the voice of our people is heard. Across all areas of the Group, we regularly survey our employees, acting on feedback via robust action plans. On average, 77% of employees say they would recommend Staffline as a great place to work.

In 2021, our Group employee turnover was 49.05%. This figure includes all employee attrition, redundancy, dismissals and TUPE out. Our Group average sickness absence rate, including long-term sick, was 1.78%.

The Board is committed to being a responsible employer and creating a working environment where employees are engaged, informed and involved.

Employee Wellbeing During Covid-19

At Staffline, we provide our employees with the relevant tools and advice to support their overall wellbeing. In line with government advice, we implemented robust response protocols to ensure our people and customers remained safe throughout the pandemic.

Business Conduct and Relationships

The Board recognises the importance of a strong corporate culture that considers the best interests of its employees, business partners and shareholders, and its responsibilities to other external stakeholders. Our strong customer, business and community relationships are vital to our success.

In 2021, Staffline worked closely with clients and employees to develop effective solutions to ensure the business could continue during the pandemic, including:

- Work from home accessible and available for all our office-based employees;
- Site-specific risk assessments;
- Stringent application of social distancing and hygiene practices for on-site staff;
- Appropriate PPE provided to necessary staff and customers;
- Investment in plastic screens and desk shields in appropriate locations; and
- Protocols for self-isolation and contact tracing, among many others.

Diversity, Equity and Inclusion

At Staffline, we recognise the link between successful teams, culture and an inclusive, diverse and equal workforce.

The Group is committed to providing a work environment free from harassment and discrimination. We focus on building an inclusive environment where everyone can participate and achieve their potential.

We endeavour to treat everyone fairly in relation to job applications, training, promotion and career development. All roles have objective and transparent criteria.

The Board regularly reviews our progress against diversity and inclusion objectives and approves relevant policies annually. Our policies are freely and easily accessible to all our employees.

We regularly engage with our colleagues and listen to their feedback to ensure we can continue improving their working environment, strengthening our ethos, and being a great place to work.

Social continued



33

We assisted 33 Modern Slavery investigations with the authorities.

Modern Slavery

At Staffline, we are committed to protecting our workers from labour exploitation and modern slavery. We ensure basic employee rights are promoted and that all individuals feel connected to our organisation.

Staffline has a zero-tolerance approach to slavery and human trafficking. One of our highest priorities is to prevent Modern Slavery from happening. We recognise it is a complex, evolving crime, and through vigilance, caring, and the proactive approach of our employees and our supply chain, we strive to stamp it out.

We ensure we educate all permanent staff on how to 'spot the signs', including training via our new e-learning platform. We analyse and monitor key data to identify areas of risk and work closely with our sites, which are integral to quickly identifying possible victims.

In 2021, we assisted 33 Modern Slavery investigations with the authorities, which led to the identification of 54 potential victims. In addition, we helped the Police/Gangmasters and Labour Abuse Authority (GLAA) in their enquiries with a further 17 actual victims.

We work continuously to prevent unlicensed gangmasters from infiltrating our business and exploiting our workers and regularly engage with authorities and charities to tackle Modern Slavery, including Migrant Help, Hope for Justice, Spring Housing, The Jericho Foundation, The Sophie Hayes Foundation & City Hearts and the Police force. In addition, we collaborate with the Stronger Together initiative, using the Responsible Recruitment Toolkit to keep Modern Slavery high on ethical agendas.

Our Scottish business Brightwork founded the movement Scotland Against Modern Slavery ("SAMS") in conjunction with the Scottish Government and Police Scotland. Over 35 businesses have now joined as members. The two core objectives of SAMS is to raise awareness of human trafficking and exploitation with the business community and support victims into permanent jobs through the Brightwork membership.

Staffline is committed to leading this group which reports to Action Area 3 of the Scottish Government's Human Trafficking and Exploitation Strategy. We have helped several victims to become survivors by supporting them in work. To ensure the initiative's implementation and success, Staffline donated all of the funding and infrastructure.

➔ Read our full **Modern Slavery Statement** on our [website](#).

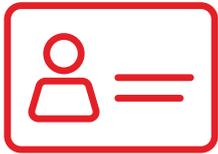
Equal Opportunities

Our policy is to provide employment equality to all and abide by equality laws. We promote a fair and harmonious recruitment process and will not discriminate or harass any person on the grounds of:

- Gender (including gender reassignment)
- Marital or family status
- Religious belief or political opinion
- Disability
- Race or ethnic origin
- Nationality
- Sexual orientation
- Age
- Pregnancy or maternity

We are committed to:

- Preventing any form of direct or indirect discrimination or victimisation;
- Promoting equal opportunities for all;
- Securing fair participation irrespective of religious or community background;
- Promoting equal opportunities for people with disabilities;
- Promoting equal opportunities for ethnic minorities;
- Promoting a harmonious working environment where men and women are treated with respect and dignity and in which no form of intimidation or harassment will be tolerated;
- Fulfilling all legal obligations under the relevant legislation and associated codes of practice; and
- Taking any necessary positive/affirmative action, including setting goals and timetables.



35

Over 35 businesses have now joined as members of our Scotland Against Modern Slavery movement.

Social continued

As part of our Group-wide ESG agenda, and our Diversity, Equity and Inclusivity objectives, we intend to raise the awareness of all ten facets of the DEI agenda, including a specific focus on key areas and measures relevant to each area of the business. We encourage career progression for all of our employees, regardless of gender, and this remains at the heart of our leadership team's agenda.

All our employees are important to us. We remain committed to attracting and retaining the very best talent to the business and ensuring that gender is never a factor in decisions. Being a truly diverse and inclusive company is not only the right thing to do but is crucial to helping us grow, attract and retain talent, and strengthen our customer experience. We believe that having an inclusive workforce representing society is crucial to our long-term success.

Gender Pay Gap Reporting ("GPGR")

Details of our Group's gender pay gap reporting can be found on the Group's website at: www.stafflinegroupplc.co.uk/aboutus/gender-pay-gap-report/.

On 5 April 2021, the Group employed c. 2,000 monthly paid permanent employees and c. 33,300 weekly paid temporary workers. Overall, amalgamating all business areas and including the temporary workforce, the mean gender pay gap is 7.9% (2020: 8.2%). These results are affected by 94% (2020: 94%) of employees being temporary workers, of which 61% (2020: 66%) are male and 39% (2020: 34%)

female. On their own, the temporary workers' mean gender pay gap is 7.4% (2020: 7.7%). All are paid the same hourly rate for the same work, irrespective of gender. The gap derives from the mix of roles performed by the workers involved in the higher paid driving sector who are predominantly male. For the permanent employees, the mean gender pay gap is 16.4% (2020: 16.6%).

Health and Safety

Our employees' health, safety and welfare and those we support every day remain our highest priority. Each of our operating divisions introduced strong controls and reporting arrangements in 2020 so that the direct and indirect impacts of the pandemic are managed appropriately and in adherence with government guidelines.

The Covid-19 pandemic tested our business resilience, and continuity arrangements have become part of normal operating practices. Our support teams monitor updates to government guidance. They communicate across the business in real-time, and our Covid-19 Risk Assessments at all sites are considered 'living' documents. They are routinely updated to ensure that everyone's safety remains sharply in focus.

In 2021, a full review of the Group's property estate was completed to strengthen our maintenance, servicing and repairs arrangements. 2022 schedules are in place and agreed with our trusted partner organisations to ensure the timely completion of all planned works in the year ahead. A refresh and update of some offices during 2021 has helped us to continue

improving experiences in our working environments whilst keeping them secure and safe for everyone; this work will continue throughout 2022.

Due to an increased focus on the consistency and standard of reporting and support arrangements across all operating divisions, the total volume of reported matters has increased year-on-year. In 2021, the Group had a total of 232 reported incidents/accidents, 65 of which were reportable to the Health and Safety Executive (the "HSE") or equivalent.

Accident data is collated and reported by each operating division monthly, and the Group's Governance Director leads on assessing themes and learnings and reviews the data against national average comparators. Minor accidents (such as cuts and bruises) and near-miss incident reports make up nearly half of the total reported matters in 2021. 'Slips/Trips/Falls (same level)' is the second most common accident type, and 'Struck by moving/falling object' is ranked in third place. These reported matters are often from busy warehouse environments and can typically involve pallets and picking equipment/machinery incidents.

We're doing more to review and support our colleagues working remotely and ensuring that we have the appropriate Display Screen Equipment (DSE) and home-working assessments in place. This work will continue throughout 2022 as the roll-out of an innovative assessment and support platform is ongoing across Recruitment GB.



Social continued

People, culture and values

Area	Progress in 2021	Aims for 2022
Colleague Engagement	<ul style="list-style-type: none"> • Engagement surveys and action plans embedded. • On average, 77% employees recommend Staffline Group as a great place to work. 	Continue to maintain and improve positive engagement scores.
Sustainable Workforce	<ul style="list-style-type: none"> • Leadership Development. • Talent and Succession Planning. • Total employee turnover for 2021 was 49.05%. • Average sickness absence rate in 2021 including long-term sick across the Group was 1.78%. 	Through effective recruitment, reward and engagement strategy, continue to reduce levels of attrition and sickness absence.
Performance Management and Personal Development	<ul style="list-style-type: none"> • Performance and development plans in place for all leaders. • Employee-wide performance management framework launched. • Focus on growing our own talent and promoting from within wherever possible. 	<p>All employees continue to have regular performance reviews and personal development plans.</p> <p>Introduce regular talent review forums covering all management levels with clear succession plans in place.</p> <p>Deliver 'Beyond Blue' strategic priority.</p>
Diversity, Equity and Inclusion	<ul style="list-style-type: none"> • Gender split 62% Women and 38% Men. • Our business in Ireland was awarded the Diversity Mark NI bronze award. • Unconscious bias and Health and Wellbeing training and support made available to all employees. 	<p>Launch Group-wide DEI charter.</p> <p>Review gender split across all levels, including managers and leaders.</p> <p>Training for line managers on how to identify and support their people with mental health issues.</p>
Colleague Wellbeing	<ul style="list-style-type: none"> • All employees given access to Employee Assistance Programme. • Flexible working policies were updated to reflect the changing nature of the working environment. • Health and Safety reporting arrangements continued to be robust and arrangements and continuity adequately tested via Covid-19 response. 	<p>Employee benefits and support for financial, physical, mental and emotional wellbeing.</p> <p>Employee flexible working requests via hybrid working policy.</p> <p>Full reporting and monitoring of accidents and fatalities (#fatalities, Total-Recordable-Incident-Rate ("TRIR").</p> <p>Long-Term-Injury-Frequency-Rate ("LTIFR"), with appropriate welfare/response arrangements in place.</p>

Maintaining strong corporate governance and business ethics

Governance

Section 172 – Fulfilling our duty

Section 172 of the Companies Act 2006 requires the Directors to act in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long term;
- The interests of the Company's employees;
- The need to foster the Company's business relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and the environment;
- The desirability of the Company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the Company.

In the decisions taken during the year ended 31 December 2021, the Directors have acted in the way they consider to be in good faith, most likely to promote the success of the Company and its continuing reputation for high standards of business conduct, and for the benefit of its stakeholders, having regard to the stakeholders and matters set out in Section 172 of the UK Companies Act 2006.

Staffline is fully committed to ensuring we have a robust approach to corporate governance arrangements and matters. Further information about corporate governance in Staffline can be found on our website at: <https://www.stafflinegroupplc.co.uk/about-us/corporate-governance/>

In recognition of the importance of ESG, in 2021, the Board formed an ESG Committee made up of senior leaders from across the Group who together represent a wide range of functions relevant to the ESG agenda, including health, safety and environmental; people, social and community; risk and governance; and technology/systems.

The Committee's Terms of Reference include the following key responsibilities:

- To assist the Board in developing and regularly reviewing the Group's strategy relating to ESG matters and in setting relevant KPIs;
- To develop and regularly review the policies, programmes, practices, targets and initiatives of the Group relating to ESG matters ensuring they remain effective and up to date and consistent with good industry practice;
- To provide oversight of the Group's management of ESG matters and compliance with relevant legal and regulatory requirements, including applicable rules and principles of corporate governance, and applicable industry standards;
- To report on these matters to the Board and, where appropriate, make recommendations to the Board; and
- To report as required to the shareholders of the Company on the activities and remit of the Committee.

Area	Progress in 2021	Aims for 2022
ESG strategy development	<ul style="list-style-type: none"> Establishment of ESG Committee and setting of Terms of Reference. 	<p>Climate change scenario modelling and impact assessment.</p> <p>Development of roadmap, strategy and supporting governance infrastructure.</p>
ESG-related stakeholder engagement	<ul style="list-style-type: none"> Stakeholder mapping. 	Stakeholder consultation.
Taskforce on Climate related Financial Disclosure (TCFD) reporting	<ul style="list-style-type: none"> Initial impact assessments. 	Preparation and implementation.

Governance continued



Business Ethics and Culture

Strong and effective governance is clearly identified as one of Staffline Group's strategic priorities. The Group's governance arrangements saw significant changes during 2020 with, among other things, the appointment of a Head of Internal Audit and implementation of a Group-wide risk management process. Continued strengthening of the governance environment in 2021 saw the appointment of three new NEDs and an in-house Company Secretary and implementation of a suite of new Group-level policies to replace existing divisional policies. These policies comprise:

- Anti-Bribery Policy
- Anti-Fraud Policy
- Anti-Facilitation of Tax Evasion Policy
- Anti-Money Laundering Policy
- Conflicts of Interest Policy
- Competition Law Policy
- Whistle-blowing Policy

The above policies are all sponsored at Board level. They form part of mandatory training for new starters and annual refresher training for all employees or targeted groups of employees in relevant roles in the case of more specialist topics. Clearly defined procedures by which any employee can access relevant information about these policies and, if necessary, raise concerns are now in place, including an externally operated confidential reporting hotline.

All divisions maintain compliance functions that report outside the core operational management structure to provide independent monitoring of compliance with internal procedures and relevant regulations.

Ownership and accountability are key components of performance management and personal development processes. Certain operational management bonuses in Staffline Ireland are linked to compliance performance as measured by internal audit findings.

Professional Integrity and Regulatory/Legal Exposure

The Board has established a clear culture of high ethical standards and accountability, which is reflected in the policies referenced above and the establishment of reporting channels through which concerns can be raised.

Significant effort has been put into strengthening divisional control environments, particularly around accounting and finance during this period, and all senior finance staff are professionally qualified. The GB Recruitment business has an ongoing investment programme to develop operational management information, which will support the continuous improvement of data quality. Financial reports undergo multiple levels of review, including variance analysis as part of month-end processes and material balances, and external reporting and announcements of financial results are subject to external audit.

Legal and regulatory risk, including compliance with existing legislation and the potential impact of future developments, is a standing item on divisional and Group risk registers. The Group uses a panel of legal firms to provide advice when required, and membership of trade bodies enables participation in consultations regarding future legislation and regulation. Professional services firms provide regular updates on regulatory developments and are engaged to deliver specific pieces of work.

Data Security

The PeoplePlus division has held accreditations including ISO27001 and Cyber Essentials for some time, and these will be extended across the Group alongside working towards System and Organisation Controls (SOC2) certification. After merging technology practices across the Group during 2020, Staffline has positioned itself to expand the deployment of a portfolio of cyber and information security management solutions and controls across all divisions. These include:

- Appointing an experienced Data Protection Officer in each division;
- Maintaining a full suite of Information Security and associated policies that are a mandated component of new starter induction and are refreshed at least annually;
- Establishing divisional Information Security Working Groups to oversee data security planning and interactions with the Information Commissioner's Office;
- Maintaining a range of ongoing Information Security training solutions, including e-learning, phishing and social engineering campaigns; and
- Deploying a suite of systems based on market-leading technologies, including Microsoft Azure and Microsoft Sentinel, to safeguard the integrity of Staffline's systems and data.

Environment

Energy Consumption. Waste. Travel. Sustainable Materials.

At Staffline, we place great importance on the role we play in helping to support the environment surrounding us, and we recognise that our environmental responsibilities are integral to our business.

We aim to demonstrate these responsibilities through our actions and within our corporate policies.

During 2020-21, we significantly reduced emissions and energy usage across the business, with the Covid-19 pandemic being the catalyst behind this change. Our aim now is not simply to show year-on-year improvements in our business efficiency but also to ensure that we don't return to

pre-pandemic usage and emissions levels, thus helping us sustain as much of the short-term improvements into the medium and long term.

We have examples of strong practices within our operating divisions. Our strategy and supporting action plans will help us achieve greater cohesion and consistency in our approach across the Group during 2022 and beyond.

Type

Illustration of 2022 areas of focus



Property and Estates

- Environmental commitments for landlords/agents
- Waste management plans
- Recycling arrangements at all direct operational sites.



Business Travel and Accommodation

- Continued use of alternative travel to work schemes
- Broader policy considerations for hybrid/electric vehicles
- Introduction of carbon off-set schemes.



Technology and Assets

- Energy-efficient asset deployment with appropriate recycling arrangements
- Continued migration to Cloud infrastructure with accelerated reductions in energy usage.



Reporting and Evaluation

- Strengthening reporting arrangements across the divisions (underpinned with ISO certification) to improve communications and to measure our success against the usage targets in place.

Environment continued

Greenhouse gas emissions – Streamlined Energy and Carbon Reporting (“SECR”)

Disclosures are made in accordance with Streamlined Energy and Carbon Reporting guidelines. The data included covers the FY19, FY20 and FY21 financial years (with the latter having some usage assumptions applied for the final part of the year).

The reporting and monitoring arrangements in place for current emissions for the sources included in Scope 1 and 2 of the Greenhouse Gas Protocol (GHG) are embedded. Further work will continue in 2022 to allow regular usage reviews to occur.

Preparations will continue in 2022 in readiness for the 2023 implementation timeline to enable further reporting on a defined subset of Scope 3 emissions as the business prepares for Taskforce on Climate related Financial Disclosures (“TCFD”) and reporting more substantively on environmental matters, including any

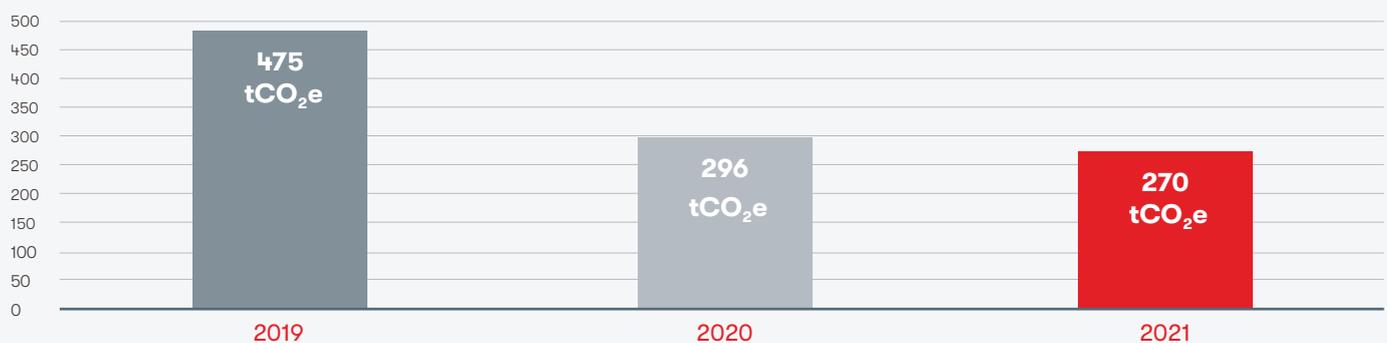
related initiatives such as carbon off-setting schemes within our direct operations, and how our network of trusted supply chain partners is supporting Staffline to achieve its environmental objectives in 2022 and beyond.

The data covers energy usage across all large UK entities in the Group. Energy usage from subsidiaries outside of the UK is outside the scope of this report and therefore excluded from the figures.

UK Energy Use

Consumption in metric tonnes CO ₂ e	2019	2020	2021
Gas (Scope 1)	123.47	48.36	82.02
Electricity (Scope 2)	351.37	246.98	187.42
Total consumption in metric tonnes CO ₂ e	474.84	295.34	269.44
Total energy use in kWh	2,046,247	1,322,350	1,330,350
Efficiency ratio:	–	–	–
Scope 1 & Scope 2 emissions in tonnes CO ₂ e per UK employee	0.19	0.14	0.12

Total tCO₂e



The methodology used to calculate our emissions is based on SECR requirements in accordance with the principles of ISO14064 and GHG Reporting Protocols. It has been calculated using the revised carbon conversion factors published by BEIS for each of the years noted.

Area	Progress in 2021	Aims for 2022
Emissions Reporting	<ul style="list-style-type: none"> Systems and processing in place for Scope 1 and Scope 2 reporting; planning for Scope 3 reporting completed. 	Scope 3 reporting arrangements introduced.
Carbon Offsetting	<ul style="list-style-type: none"> Research completed to better understand carbon offsetting initiatives and options for the business. 	Introduce a carbon offsetting scheme within the business to start measuring impact and return.

Staffline

Group PLC

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