

supporting
carbon zero 

 esg

Group Sustainability Plan

2026

This sustainability plan serves as a strategic blueprint designed to guide ESG operations, policies, and practices toward achieving long-term sustainability goals.



Contents

- **Introduction**
- **Key Drivers for Change**
- **Global Sustainable Development Goals**
- **Environmental Management System**
- **Carbon Emissions Monitoring**
- **Carbon Reduction Plan**
- **Social Value**
- **Commitment to Sustainability**



Winners of 'Contributor to Wider Supply Chain Improvement' award 2024

Introduction

Setting the standard for a new era of engineering.

ESG are a leader in the building services market, underpinned by our strong brand and long trading history.

ESG operates across a diverse range of construction markets such as high-spec residential, commercial offices, fit-out, data centre and life sciences delivery, offsite assembly and the fast-paced retail and specialist fit-out sectors.

Headquartered in Essex, the business has offices in Romford, Shoreditch and Southend to support group operations and our specialist services delivery.

Company structure

Our company structure is lead by a strong leadership team, created to cover all aspects of our operations, giving us greater bandwidth and longevity, qualities that our clients expect of their supply chain.

Building upon our core values and a commitment to having a clear vision for the future, we look to push the boundaries of what can be achieved through Modern Methods of Construction, innovation and new technologies.

Our services

ESG have an experienced team of designers, installation specialists, and building services coordinators to ensure the projects we deliver operate productively and sustainably.

We demand high standards from our

supply chain partners and specialist subcontractors to offer a genuine end-to-end solution, incorporating Modern Methods of Construction, digital engineering and efficient productivity that leaves a lasting memory of quality and safety.

Services provided:

- Design Development & Coordination.
- Digital Engineering, Software Development, & BIM.
- Design for Modular Construction.
- Building Services Installation & Commissioning.
- Specialist Services, Maintenance & Aftercare.

Health & Safety

As a safe working contractor, we strive to inspire the people around us to care about the projects they are delivering, the clients we work alongside and the contribution to our company that each and everyone of our staff make.

It is our duty to provide safe working environments for all our people and we are committed to providing a reliable workforce, competent and trained to the correct level.

Sustainability

Recognising the impact that our operations can have on the environment, we comply with sustainability management systems in line with the requirements of ISO 14001:2015, underlining our commitment to preventing or

minimising these aspects where possible.

ESG are committed to continually improving our sustainability performance and have extensive experience in delivering projects that have achieved high standard targets of BREEAM, LEED, WELL and Nabers UK.

We are Silver members of the Supply Chain Sustainability School.

A £200m Business

Following the Covid-19 pandemic, ESG maintained a positive and strong trading position as turnover returned to pre-pandemic growth. Our figures for 2024 have exceeded £208 million.

Principal Contractor

We operate as both subcontractor and in a Principal Contractor role subject to project scope or scale, successfully demonstrating our capabilities across a range of industry sectors.

Digital Engineering

Embracing the advancement of digital capabilities, our skilled in-house staff, produce engaging visuals, interactive walkthroughs and accurate coordination in line with current BIM level standards.

Sustainability at ESG



JOANNA CONSTANDIS, MSc
Environmental & Sustainability Manager

MSc Sustainability & Adaptation
In The Built Environment



Community Wood Recycling



Key Drivers For Change

Exploring the driving forces behind innovation, transformation and adaptation - Why is it important to change?

The push towards environmental sustainability in the construction industry is driven by the urgent need to reduce its significant impact on global resource depletion and Carbon emissions.

Earth Overshoot Day marks the point when humanity's resource consumption exceeds the Earth's ability to regenerate resources each year. This means that any resources used after this point won't have the ability to regenerate, to maintain the current environment or meet future resource needs.

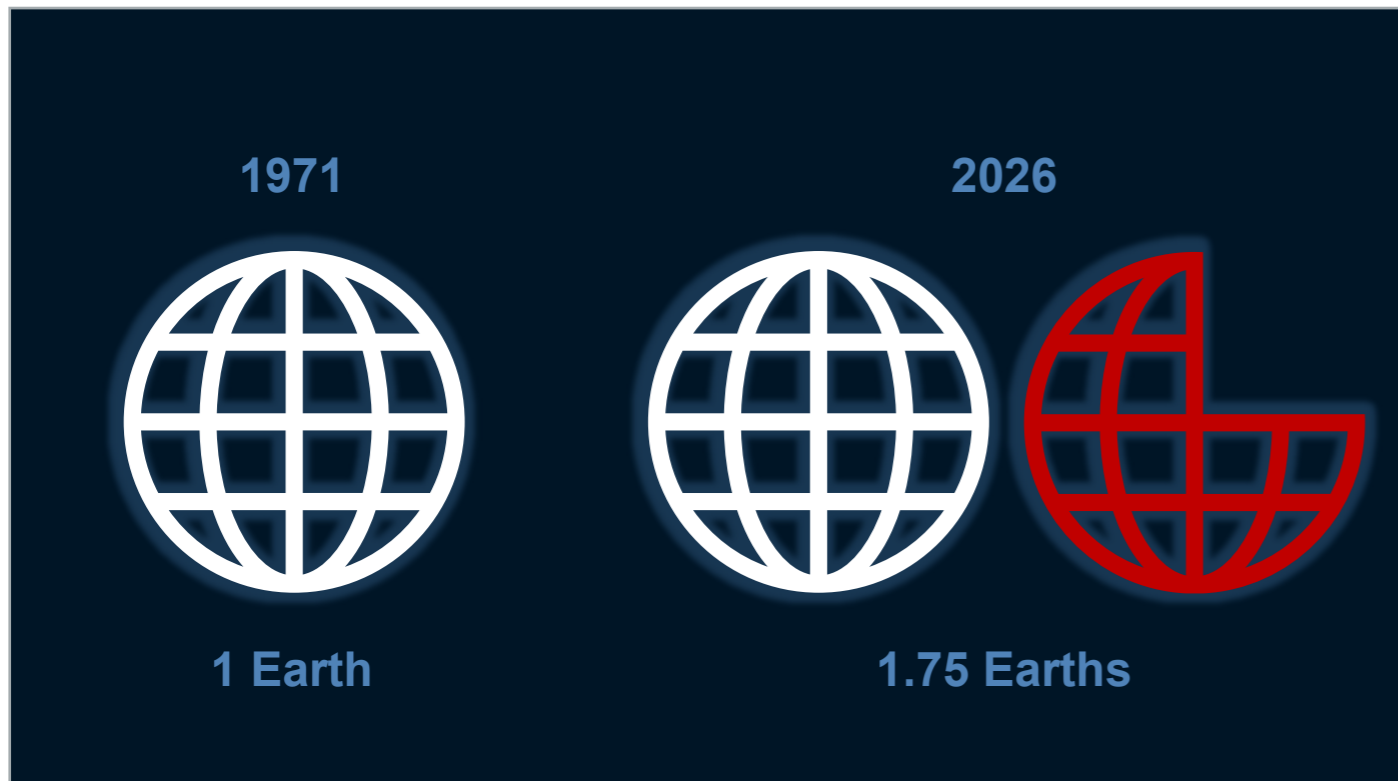
According to the Global Footprint Network, this balance was last

maintained in 1971, when resources replenished at the same rate they were used. Since then, Earth Overshoot Day has moved earlier and earlier in the year, to the point where in 2024, this critical day was on the 1st August, signalling that we consumed the Earth's resources in just 7 months. In 2026, this day has surged even earlier to 11th May.

The construction industry must take decisive action by adopting green building practices, utilising renewable and sustainably sourced materials, advancing energy and water-efficient technologies, and embracing circular economy principles to reduce waste and

maximise resources.

By aligning construction practices with national and global environmental sustainability goals, the industry can play a pivotal role in contributing to a more balanced and resource-efficient future, promoting long-term resilience and pushing back Earth Overshoot Day.



Global Sustainable Development Goals (SDG)

ESG recognise our responsibility to protect the environment for future generations to meet their needs. We are committed to reducing the environmental impact of our business by embedding SDG principles into our practices as follows:

 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Demonstrating our commitment to healthier indoor environments, ESG's Environmental and Sustainability Manager has supported our preferred red oxide primer paint and preferred ductwork sealant, to achieve Indoor Air Quality (IAQ) testing and emissions certification, meeting the most ambitious ratings of BREEAM, LEED and WELL Building Assessment Methods. By promoting their use across our projects, we prioritise the health of operatives on our sites.</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>We are transitioning to 100% renewable electricity across all company premises by Q3 2026. With current coverage at 96%, this milestone reflects significant progress in our carbon reduction journey and our global commitment to reduce dependence on fossil fuels. Looking ahead, we are committed to fully replacing natural gas with electric systems across all premises by 2035, achieving 100% renewable energy</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>We are committed to driving inclusive and sustainable economic growth by facilitating tailored work experience opportunities, funding apprenticeships, and supporting career progression. Our appointment of the London Living Wage underscores our dedication to fair compensation, strengthening regional economies and fostering a more equitable workforce.</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>Our Modular Engineering division offers local offsite assembly solutions, providing packaged construction as part of our Modern Methods of Construction strategy. This approach reduces the Carbon emissions by minimising long-distance transportation of large systems, while enhancing resource efficiency and supporting waste reduction through demand forecasting and circular economy practices.</p>
 <p>10 REDUCED INEQUALITIES</p>	<p>ESG are registered with SEDEX, an organisation enforcing ethical labour standards across global supply chains, ensuring fair wages, safe working conditions, and the protection of workers' rights, particularly in developing countries. ESG enforces ethical sourcing policies, provides Modern Slavery training, and offers reporting mechanisms for raising concerns.</p>



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

ESG are directing resources to better understand the Embodied Carbon of the products supplied through our value chain to enable data-driven decision making. Our Environmental and Sustainability Manager received the Embodied Carbon award at CIBSE Building Performance Awards 2022 and more recently has been recognised with the Contribution to Wider Supply Chain Improvement Award by the Institute of Supply Chain Management in 2024. ESG has established formal processes to collect and share product embodied Carbon data with clients, supporting the measurement and management of carbon in building projects



13 CLIMATE ACTION

ESG proudly offsets our residual Carbon emissions through Carbon Neutral Britain, an NGO founded in 2020 that has already offset over 3 million tonnes of CO₂e and planted more than 2 million trees. By investing in verified Carbon offset programs, we are actively contributing to a lower-Carbon future while we work towards long-term reductions in our footprint.



14 LIFE BELOW WATER

ESG is actively reducing single-use packaging across our operations by introducing initiatives such as reusable storage box systems, where boxes are returned on a supplier's next delivery to site, restocked, and delivered again without any additional packaging or distribution related Carbon emissions. Alternatives are carefully researched and have led to the implementation of waste reduction initiatives such as our engagement with Terracycle no waste PPE recycling services.



15 LIFE ON LAND

ESG bespoke project Environmental Plans outline the strategic consideration for the protection of endangered species surrounding our projects. These plans are summarised and monitored within ESG Environmental Aspects and Impacts matrix. Through internal environmental site inspections and review of delivery notes, ESG ensure that all timber products used for temporary protection or permanently installed on our projects meet chain of custody compliance certified by the Forest Stewardship Council (FSC).



16 PEACE, JUSTICE AND STRONG INSTITUTIONS

ESG strive to create a welcoming environment where every individual feels respected and safe. Our company values promote open communication, ensure robust support systems and uphold strict policies that protect our team members from any form of misconduct. Our internal Equality, Diversity and Inclusion (EDI) group leads a culture where diversity is celebrated, and all employees can thrive both personally and professionally.



17 PARTNERSHIPS FOR THE GOALS

ESG is committed to driving environmental sustainability and bridging the knowledge gap in downstream supply chains. As part of this effort, we are developing Environmental Awareness Training to enhance expertise and promote best practices. Recognising the need for greater support in Carbon measurement and reduction, we will be offering environmental assessments to help our subcontractors track their Carbon footprint, identify impactful reduction initiatives to their key processes, and develop their own sustainability strategies. We hope this initiative will foster a more environmentally responsible and conscious supply chain.

Environmental Management System

A structured approach for our organization to manage our environmental impacts and improve environmental performance

ESG Environmental Management System is certified through ISO 14001, providing a regulated approach to managing environmental responsibilities. It ensures compliance, minimises environmental impact, and drives continuous improvement in sustainability practices.

By integrating an Environmental Management System, ESG optimise resource efficiency, divert waste from landfill, utilise alternative fuels, invest in research and development and drive sustainability initiatives across our supply chain, reinforcing our commitment to long-term environmental prioritisation.

ESG monitor the effectiveness of our EMS and compliance with our standards, in several ways:

Environmental Policy and Standard Operating Procedure

These provide a clear and structured direction for our organisation, ensuring clarity, efficiency and compliance in our operations. They establish standardised processes that employees can follow, reducing ambiguity and promoting consistency in decision-making across all levels. By offering clear guidance on environmental practices and responsibilities, they empower employees to make informed decisions, promote responsibility in our sustainability efforts.

Environmental Plan

ESG develops a tailored project Environmental plan that focusses on key areas such as pollution control, waste management, responsible sourcing of materials, as well as addressing opportunities to lower project embodied Carbon. This plan ensures transparency of ESG's environmental commitments between our environmental department, project teams, and principal contractor. It incorporates a project-specific 'Environmental Aspect Risk Assessment' to identify environmental risks and opportunities unique to each project.

Environmental Site Inspection

All elements of our business activities are monitored through environmental site inspections. These inspections assess site performance in line with project Environmental Plan, identify and track preventative measures, and make recommendations for best practices across the project. The outcomes are documented and shared with all levels of the project team and the principal contractor. Moreover, Environmental Site Inspection reports are internally audited to identify emerging trends and determine areas of focus for future development.

Environmental Aspects and Impacts Matrix

The Environmental Aspects and Impacts Matrix incorporates data from Environmental Plans and Environmental Site Inspections to highlight key areas for improvement. It takes into account key drivers for change, including the identification of environmental effects, legislative obligations, current policies, and stakeholder demands, to determine appropriate environmental initiatives and targets. The matrix outlines the selected environmental initiatives aimed at improving performance in the reviewed areas, detailing how these initiatives are measured and the actions required to achieve the overall target.



Carbon Emission Monitoring

Comprehensive tracking of direct and indirect Electricity, Gas and Fuel consumption across the company

Internal Carbon Emissions

ESG monitor and manage Scope 1, 2 and 3 emissions across our organisation, actively seeking opportunities to reduce our impact across our business.

We have achieved a 64% reduction in Carbon emissions (tCO₂e) per £M from 2022 to 2025

This has been driven by both reduced energy use and the implementation of low- and zero-carbon initiatives. With increased investment in renewable energy, we anticipate further improvements in our 2025 sustainability performance.

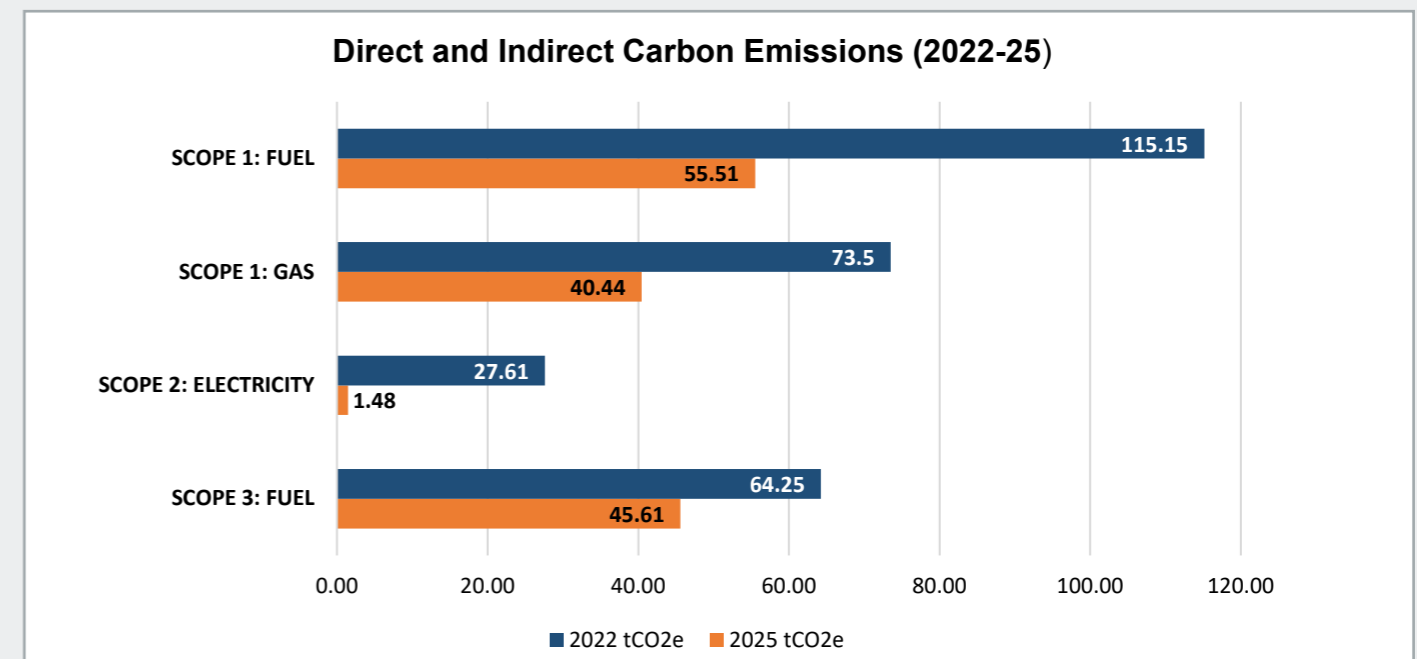
External Carbon Emissions

ESG distribute enhanced prerequisite questionnaires to determine whether our supply chain partners implement sustainability initiatives or set Carbon reduction targets.

Using CIBSE's TM65 Digital Tool, we are working collaboratively with our value chain to collate product embodied Carbon data, simplifying decision making and enabling product comparisons. ESG has developed an internal database to identify the embodied Carbon of the products in our supply chain. Our environmental analysis spans material extraction, manufacturing and processing, transportation and distribution, packaging choices, and end-of-life considerations. Our data provides valuable insights into the

lifecycle stages that contribute most to a product's carbon footprint, enabling meaningful comparisons and informed decision-making. In partnership with 2050 Material, we have enhanced the transparency of product environmental credentials specific to our supply chain, presenting this information in a structured, accessible and easy to understand format.

ESG are using this data to refine Carbon benchmarks across the various elements of the Mechanical and Electrical package, allowing us to offer tailored design and procurement recommendations. These efforts help reduce project Carbon embedded in our scope of works and align with our clients' low-Carbon objectives.



Carbon Reduction Plan

ESG approach to Carbon reduction targets and the strategy for their successful implementation.

You can't manage what you don't measure

ESG set its baseline in 2022, producing 2.45 tCO₂e per £M turnover. By 2024, this had dropped dramatically to just 0.89 tCO₂e per £M turnover, a reduction of over 64%.

In 2023, ESG achieved Carbon Neutrality by prioritising immediate Carbon reductions and offsetting the remaining emissions via Carbon Neutral Britain verified Carbon credits. Building on this commitment, ESG has set an ambitious target to reduce GHG emissions across Scope 1, 2, and 3 by 90%. This target aligns with the latest climate research on what's needed to achieve the Paris Agreement's mission to limit global temperature rise below 1.5°C since pre-industrial levels.

ESG believe we can achieve this target 15 years ahead of the global goal of 2050

To support these efforts, ESG has implemented governance structures such as ISO 14001 compliance, development of this Group Sustainability Plan, and the appointment of our Environmental and Sustainability Manager responsible for ongoing progress monitoring.

ESG Carbon Reduction Plan outlines a comprehensive approach to reducing emissions and improving sustainability across various sectors of our operations. Key interventions include transitioning to 100% renewable electricity, set for completion in 2026, efforts to

decarbonise our vehicle fleet and improve overall company transport emissions. ESG strategy also focuses on material efficiencies, supplier return schemes, end of life responsibilities and increased rate of recycling.

ESG is committed to supply chain sustainability by building an internal product embodied Carbon database in collaboration with our supply chain and in partnership with 2050 materials This initiative enhances our ability to understand, monitor, and compare products, improve data availability for accurate Carbon baselines, ensure compliance and drive environmental improvements across our supply chain.

Overall Carbon Reduction Targets	Target Date
100% Renewable electricity across all ESG premises	2026
Decarbonise ESG vehicle fleet	2030
Transition to a sustainable, non-fossil fuel energy system across all ESG premises.	2035



ESG Carbon Reduction Plan					
Emission Sector	Intervention	Intervention Description	Timeline	Actions	
Buildings & Energy	Decarbonising electricity supply	To procure 100% renewably sourced electricity to all ESG premises.	Short term	To transition remaining energy supply once current contract expires in 2026.	
	Decarbonising heating supply	Fossil fuel boilers by definition cannot be truly decarbonised revealing a need to consider the replacement of heating systems across ESG premises.	Medium term	To outline greener heating systems for both ESG Head Office and Modular Engineering facility. ESG leadership to then assess the viability based on cost, interruption to company processes and projected impact on company emissions.	
	Renewable energy generation technology and battery storage	Enabling generation and storage of renewable electricity on site will provide in zero-emission energy without the need for procurement contracts.	Medium term	To consider in line with considerations for decarbonising heating supply.	
	Improve data availability and monitoring	If accurate data is not available, Carbon baselines may be unrepresentative of actual emissions. Estimations may also reduce the impact of any actions in published values.	Ongoing	Continuous assessment to inform business decisions. 2025 Carbon calculations are available.	
	Reduce energy demand			Short term	Transition from on site IT room to cloud-based operations.
				Medium term	Creating awareness through company marketing and internal environmental training
Balancing residual GHG emissions	Where it is not possible to fully decarbonise, residual emissions will be offset or sequestered.	Short term	ESG have offset total company Carbon emissions produced in 2023, 2024 and 2025, inclusive of energy, employee transport including all vehicle and train journeys.		
Monitoring, Governance & Communications	Communications	Improving communications can increase staff and stakeholder engagement.	Short term	Creating awareness through company marketing, internal environmental training and the appointment of project based Environmental and Sustainability Champions.	
	Governance	Ensure that there is the internal structure and process in place to be conducive to achieving targets.	Short Term	Compliance with ISO 14001 Environmental Management System	
			Short Term	Enhancement of project Environmental Auditing system and formalised department governance in line with company Objectives.	
Monitoring and Reporting	Track progress towards emissions reduction targets,	Short Term	6-monthly progress reports to Leadership team as well as through external publicity.		
Waste	Waste Reduction	Product and material waste production	Medium-Long Term	To understand the extent of waste and causes in relation to client waste targets. Toolbox talk to clarify and improve recycling practices. Develop Zero waste campaign. Implement a PPE Recycling initiative. Develop internal communication system for large quantities of materials no longer needed.	
		Packaging return schemes	Medium Term	Community Wood Recycling scheme is currently in use. Packaging waste prevention and justification.	
		End of Life Return Scheme	Medium Term	ESG are developing our own system take-back scheme. Our clients simply scan the QR code found on each individual module to connect with the Modular Engineering team who can coordinate the service to ensure responsible end of life management. Recognising the complexity of safely dismantling the mixed-material systems, this initiative leverages the specialized skills within our workforce. This initiative aligns with our commitment to advocate for deconstruction over demolition, providing opportunities for reuse and recycling.	
		Increase recycling and composting efforts/waste segregation	Short Term	To implement recycling and composting processes in line with the Separation of Waste regulations 2024 (England).	
Pollution	Pollution Prevention	Reduction of the environmental impact of employee travel. Eliminate air pollution caused by vehicle fleet. Currently vehicle fleet is diesel fuelled.	Short term	Electrification of vehicle fleet does not seem possible with current infrastructure, the long distances expected to travel and the tight deadlines to arrive at the project sites. Ongoing viability assessments for the potential transition to HVO fuel for existing fleet.	
		Transport and distribution	Long term	Our distribution service is FORS Gold rated as part of the Fleet Operator Recognition Scheme. ESG are monitoring the distribution of the products we procure in order to propose more local alternatives.	
		Project Indoor Air Quality	Short term	Enforce low emitting materials on all projects through subcontractor contracts and internal environmental audits	
Water	Water Efficiency	Monitor water efficiency targets across projects and identify correlations in our current product ranges and innovations	Long Term	Consider which wasteful water practices can be eliminated, as well as what energy and water-saving measures can be increased	
Procurement	Supply Chain compliance	To ensure our supply chain are on the same journey of environmental improvement.	Medium Term	Supply chain Environmental performance assessments via pre-requisite questionnaires (PQQ). PQQs have been updated to reflect data that aligns with ESG environmental ambitions. Depth of data collated to be assessed in 2026.	
		Embodied Carbon Database	Short Term	ESG are building an internal database of product embodied Carbon data made up of EPDs and Mid Level CIBSE TM65 calculations. ESG currently hold data for over 7000 products.	
		Supply Chain Environmental Strategy Training	Long Term	Provision of Environmental Awareness Training and support to develop subcontractor own company environmental strategies.	
	Sustainable Resource Management	Responsible Sourcing of Materials compliance	Short Term	All ESG permanently installed wood is FSC accredited or equivalent. Featured in subcontractor contracts, monitored through internal environmental audits and delivery notes disclosed to clients to evidence full chain of custody compliance.	
Monitor ethical sourcing of materials		Medium Term	Increase involvement with SEDEX.		

Social Value

Under our various initiatives, we deliver our corporate social responsibilities and embed our social values.



WOMEN IN CONSTRUCTION

Recognising that women are an under-represented group in our industry, we strive for more female engagement. Our All-Female Skills Event with partnership colleges is our biggest success in this endeavour.



COMMUNITY SUPPORT

We are proud to support local charities and community groups, including those connected to our Clients and supply chain. Support couldn't be made without the continuing generosity of our people.



EDUCATIONAL ENGAGEMENT

We work closely with local education to support our industry. Working with our industry friends to facilitate site visits, conducting careers talks, engaging in placement schemes, to name but a few.



EDI IN THE WORKPLACE

We aim to create a working environment which ensures fair treatment, opportunity, and respect for all individuals, regardless of their background or characteristics.



APPRENTICESHIPS / ACADEMY

We have a sought-after apprenticeship scheme which sees an increasing number of applicants year-on-year, and training is further supported by our dedicated learning academy.

Further Reading



More comprehensive information on social value at ESG LTD, can found in our 'Social Value Activities Book', available on request.

HIGHLIGHTS

OVER

300
ESG Colleagues

across our Head Office, London Office, Project Sites and Assembly Facility.



20% of our workforce are female



Equality, Diversity & Inclusion (EDI) Working Group

This in-house volunteer group has been set up to address matters related to EDI within the business.

"To create an environment where everyone feels respected, valued, and empowered to contribute fully, helping to build a more equitable and inclusive organisation."



17%

of our workforce are apprentices*



24%

of our apprentice cohort are female*

Our charity partnership

DREAMS COME TRUE

Fulfilling dreams for children and young adults with serious and life-limiting conditions.

Leading The Way

Primary sponsors of **The All-Female Plumbing & Electrical Competitions**. Female students competing skills-based challenges, held every year on International Women's Day.



IN MARCH, EVERY YEAR
Lewisham College (Deptford Bridge Campus)
In celebration of International Women's Day



Academy Craft & Technical Centre

We have created a **dedicated practical learning space** for our apprentices, workforce and valued supply chain

*Data is established during September intake.

Commitment to Sustainability

Leadership Team Sign-up and Pledge

Climate Change Mitigation

ESG embed climate resilience into our day-to-day practices and design principles. We are committed to reducing the Carbon footprint of our business and our offerings by transitioning to 100% renewable energy across our business, decarbonising our company vehicle fleet, and measuring and prioritising lower-carbon products. We are also engaging with verified Carbon emission and plastic offsetting schemes while we implement improvements.

We're proud to educate all ESG team members on the importance of these topics in our internal Environmental training. The training is also available to our subcontractors and supply chain.

Through current and planned sustainability initiatives, we are building a legacy of responsibility, aligning our ability to address our environmental impacts with a commitment to reduce them and drive meaningful, positive change for future generations.



Mark Sampson
Mark Sampson
 CEO



Andy Hider
Andy Hider
 Managing Director



Adam Cecil
Adam Cecil
 Managing Director



Gary Dew
Gary Dew
 Executive Director

supporting
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