

# ESG Report 2021

ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE

 **mace**

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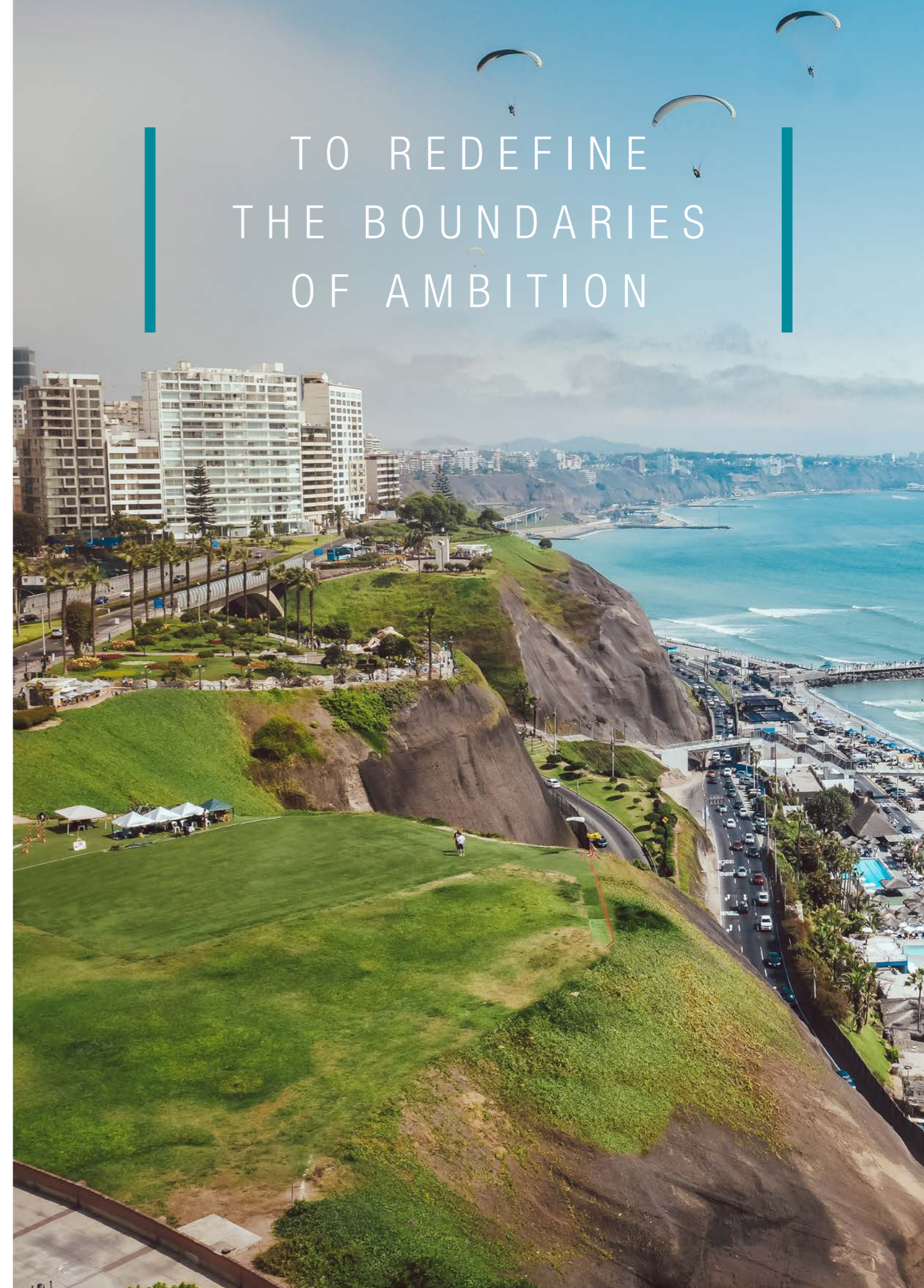
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# INTRODUCTION

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**At the heart of everything we do: the planet, our people, and the communities we work in.**

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**01**

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# INTRODUCTION

## Well governed and responsible businesses recognise the vital importance of protecting our planet and generating real value for society.

This report marks the second year that Mace has published our ESG report, an accounting of the progress we made in 2021 towards meeting our targets around environmental performance, social value and governance.

2021 was the first full year of delivery for our 2026 Business Strategy and was marked by Mace fully embracing our purpose: to redefine the boundaries of ambition, and our three priorities. Those priorities are outlined on the right, demonstrating how we have set them within the context of ESG performance and measurement.

I am pleased to report that we made exceptional progress in a number of areas; particularly our second year achieving net zero carbon and generating more social value – tracked through our ‘Value2Society’ measurement – than in any year since we began to measure it.

This report captures that progress, as well as some of the ambitious plans we have put in place to build on our success in 2022 and beyond.

The last few years have been challenging – we’ve seen more political and economic uncertainty than in any period I can remember – but I’m hugely proud of what we’ve achieved together.

The impact captured in this report made is due to the collective effort of Mace people, working in partnership with our clients and suppliers – and the ambition driving us towards further success is a shared belief that our industry can help to build a better future.



**Mark Reynolds**  
Group Chairman and Chief Executive

### ENVIRONMENTAL

#### PURSUE A SUSTAINABLE WORLD

Accelerate the built environment’s response to the climate emergency

### GOVERNANCE

#### DELIVER DISTINCTIVE VALUE

Service excellence, innovation and industry transformation

TO REDEFINE THE BOUNDARIES OF AMBITION

#### GROW TOGETHER

Engage, develop and inspire our people, clients, partners and communities

### SOCIAL

### OUR 2026 STRATEGY

TO REDEFINE THE BOUNDARIES OF AMBITION

Our 2026 Business Strategy sets out a number of key KPIs which lay out a plan for purpose-led growth over the next four years. These KPIs are tracked under three priorities; each set within one element of the ESG framework.

# OUR ESG STRATEGY

**Setting out a bold vision of an organisation that delivers real value.**

# 02



# OUR ESG STRATEGY

**As a purpose-driven organisation, we have a responsibility to the communities where we work.**

We are evolving the way we do business; ensuring that the way we operate is sustainable, ethical and robustly governed.

We have set clear priority areas, mapped those areas onto the relevant UN Sustainable Development Goals and adopted targets that will challenge us to focus on the things that matter as we continue to grow.

As we continue on this journey, we will work with independent auditors to ensure that our reporting is robust and reliable.



## Our environmental strategy

From the resources we use to the waste we generate, we are taking bold action – to transform our business activities and spearhead positive change, introduce best practice throughout our global networks and help lead our industry to do the right thing.

### UN Sustainable Development Goals



### Focus areas

- Climate change**  
 To be a positive and unified force for change in the fight against global warming. Working together to build stronger, more resilient communities.
- Biodiversity**  
 Creating natural solutions to climate change that enhance environments and communities.
- Carbon reduction**  
 Reducing carbon emissions beyond direct business operations – both on our own and together with our clients.

### Our targets for 2026

**10%**  
Annual corporate carbon reduction

**1m tn**  
Client carbon reduction

**500ha**  
Biodiversity net gain

### 2021 performance

**11.6%**  
reduction in our carbon emissions

**35,165 tn**

**14ha**

### 2020 performance

**47%**  
reduction in our carbon emissions

Not measured in 2020

**0.8ha**

## Our social strategy

Wherever we work in the world we empower and encourage each other to grow together – colleagues, clients, suppliers and communities. We are stronger as one.

### UN Sustainable Development Goals



### Our targets for 2026

**0.04** AFR  
Health, safety and wellbeing performance

**85%**  
Colleague engagement score

**10%** annual improvement  
Gender & ethnicity pay gap improvement

**100%**  
of payments made to our supply chain within 60 days

**£700m**  
Value2Society

### 2021 performance

**0.06** AFR

**86%**

**11.2%**  
reduction in our mean gender pay gap in 2021

**94%**

**£536m**

### Focus areas

- Our people**  
 Creating a fair, supportive and inclusive platform for everyone to unleash their potential and realise their ambitions.
- Our suppliers**  
 Working in partnership to achieve much more together and transform our industry, for people and the planet.
- Our communities**  
 Delivering life-changing projects that create opportunities and bring communities together.

### 2020 performance

**0.07** AFR

Not measured in 2020

**9.6%**  
reduction in our mean gender pay gap in 2021

**92%**

**£474m**

## Our governance strategy

Good governance relies on accuracy and transparency. From the structure of our business to our policies, compliance and audits, our governance approach focuses on maintaining industry-leading best practices and always achieving the highest standards of ethical conduct.

### UN Sustainable Development Goals



### Our targets for 2026

**100%**  
Responsible materials procurement (primarily timber, concrete and steel)

**3.5%**  
R&D investment

**85%**  
Client satisfaction score

### 2021 performance

**100%**

**2.5%**  
£48m invested in 2021

**88%**

### Focus areas

- Service excellence**  
 Finding better ways to deliver for our clients. We are driven by our endeavour to exceed our clients' expectations.
- Corporate compliance**  
 Strong, transparent and accountable governance to maintain integrity with our clients and partners.
- Risk management**  
 Mitigation, controls and audit – providing assurance to our clients, people and investors.
- Anti-corruption**  
 Taking a zero-tolerance approach that ensures our business remains ethical, fair and compliant through everything we do.

### 2020 performance

**99.8%**

**2%**  
£34.5m invested in 2020 (restated since 2020 report)

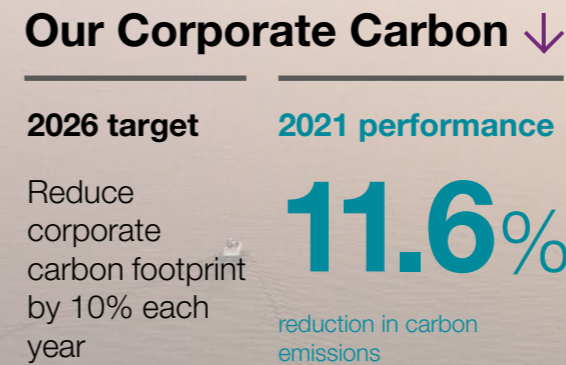
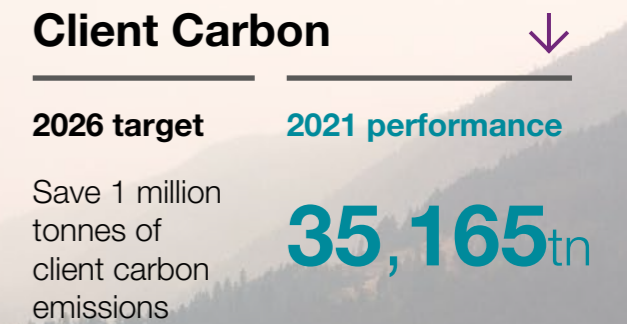
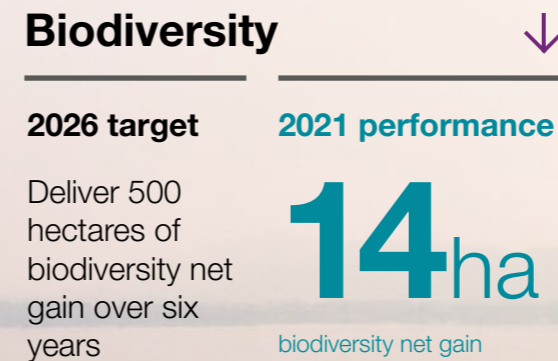
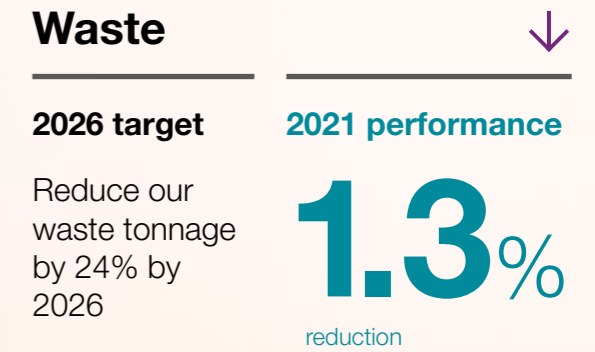
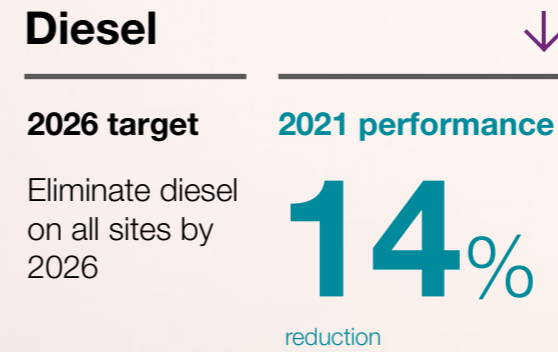
**87%**

# ENVIRONMENTAL

The need to change how we build and operate has never been clearer – and our route towards transformation is no longer out of reach.

# 03

2021 saw us push towards a greener future through investment in new solutions and technology; as well as leveraging the beneficial impact of new ways of working to cement change.





## Our impact

More than 40% of global carbon emissions come from the built environment. Organisations like ours have a responsibility to drive change – not just in how we work, but in partnership with our clients and our suppliers. We must do better.

## Climate change

January 2021 saw Mace announce 2020 as our first year of net zero carbon operation – and we're pleased to say that we kept up that record throughout 2021 through an overall 11.6% reduction in our carbon emissions alongside the purchase of Gold Standard offsets.

The year also saw us sign the Climate Pledge and the Race to Zero, a global campaign to encourage organisations to achieve net zero through the use of regular reporting, carbon elimination and credible offsets.

We are proud to be amongst the leading organisations in the construction industry fighting for change and investing in the innovation that will create the progress that the planet needs.

Whether that's investing in low carbon material alternatives, or designing de-carbonisation programmes for global corporate real estate clients, we know it is action – fuelled by the passion and conviction of our people – that will drive success.

One of our most ambitious climate goals, set in our 2026 Business Strategy, will see Mace work to identify and remove more than one million tonnes of our client's carbon over the next four years.

That isn't the carbon we generate through our own direct business operations – but those included in our Scope 3 emissions, generated by the activities of the clients we build and operate on behalf of.

In 2021, we successfully identified and reduced our clients' collective carbon output by more than 35,000 tonnes – equivalent to the annual greenhouse gas emissions of more than 25,000 U.S homes.

But even more impressively, we're pleased to announce that across the Group, our teams have now identified our route towards the full million tonnes over the next four years – we've identified and scoped opportunities across all of our construction, consultancy and operations projects that will help us achieve that ambitious target by 2026.

## Biodiversity

Our 2026 Business Strategy also sets a target for us to deliver 500 hectares of biodiversity gain by 2026. It's important to us that we don't just measure our impact on the environment through carbon and emissions – we recognise that working in the built environment we have a huge opportunity to protect and enhance natural habitats.

That's why we aim to work with our client and partners to protect sensitive sites and repair or create habitats for biodiversity to flourish. We do this through both supporting clients on their project design and implementation and our own colleagues' volunteering efforts.

Between 2017 and 2020 we delivered 69ha – but during the COVID pandemic it became much harder for our teams to make the same kind of impact. As such, we view our 2021 attainment of 14ha – a significant improvement on 2020's 0.8ha – as a step back towards the delivery of sustainable programme of biodiversity improvement over the next four years of our strategy.

## Carbon reduction

Overleaf in this report is a full breakdown of Mace's 2021 carbon emissions across scopes 1, 2 and 3 – as well as breaking down the sources of emissions across our business. In total, across our own operations, Mace generated 12,276 tonnes of carbon in 2021, all of which has been offset through Gold Standard offset programmes – the details of which can be found on page 18.

In the first full year of delivery of our 2026 Business Strategy, we've achieved a 12% reduction in our carbon emissions – and at the same time, we've invested in diesel-free construction and seen a 43% reduction in our



use of diesel. In 2021 we also procured 85% of our electricity from renewable sources, remaining firmly on track to deliver our RE100 commitment of procuring 100% renewable electricity by the end of 2022.

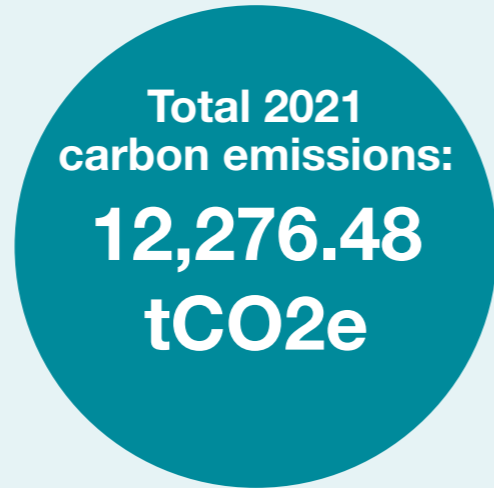
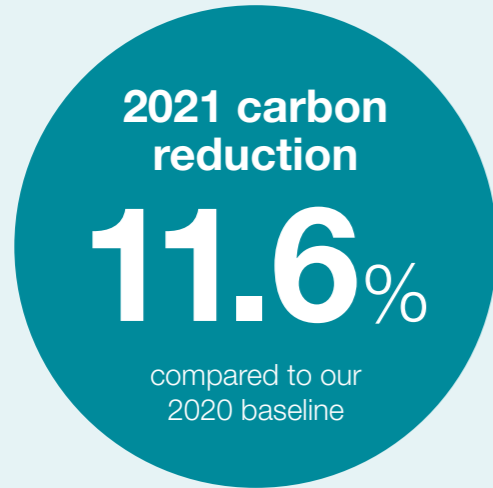
We've realised those reductions through innovation in new construction technology, adoptions of carbon-friendly travel policies and sustainable approaches to procurement of energy and materials. COVID lockdowns also had an impact on our overall emissions due to limitations on global business travel that continued throughout 2021. We have now adopted some of those restrictions as long-term corporate policies to ensure we don't see emissions creep up as the world returns to normal.

Overall, it is clear to us achievements have been driven by a combination of corporate strategy and passionate leadership from our people across the globe. Increasingly, our sustainable credentials are central to us winning work and attracting the talent we need to grow – this is no longer a 'nice to have' but a requirement of doing business successfully.

## Our carbon data and our offsets

Over the following pages, we have shared a full breakdown of our carbon emissions data, that has been independently audited by audited by Carbon Footprint Ltd in accordance with the ISAE 3000 (revised) standard and ISAE 3410 Assurance Engagements on GHG Statements. We have also outlined the global scope of our emissions offsetting programmes, demonstrating the scale of impact our offsets have around the world – transforming lives and creating value and sustainable energy generation in many of the countries we work in.

# OUR CARBON DATA



**Scope**



Direct emissions from owned or controlled sources.

**Scope**



Indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company.

**Scope**



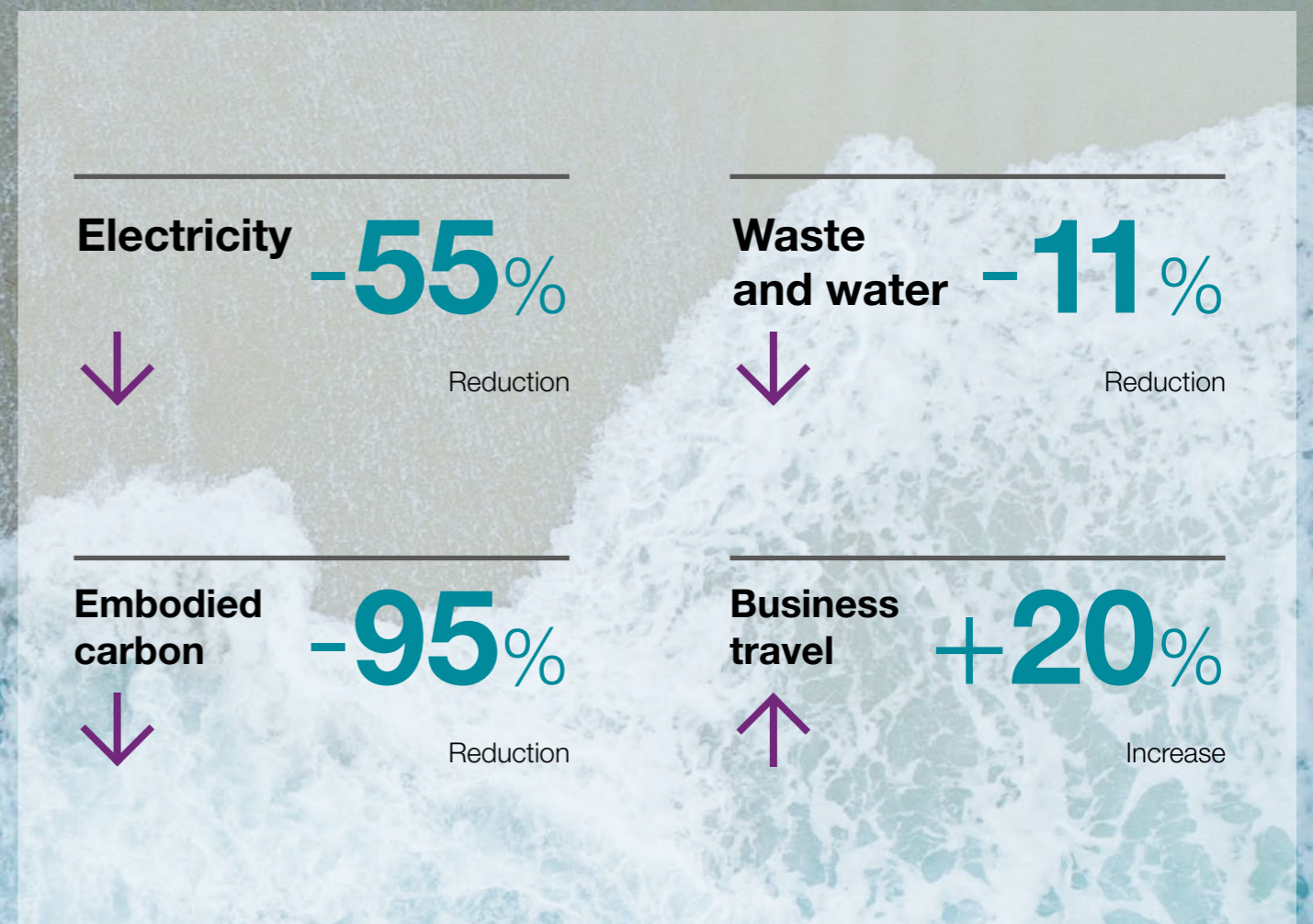
All other indirect emissions that occur in a company's value chain.

**4266.67**  
tCO2e

**300.90**  
market based  
**6341.23**  
location based

tCO2e

**7708.91**  
tCO2e



# 2021 OFFSETTING PROJECTS

In 2021,  
Mace offset  
**12,277**  
(tonnes CO<sub>2</sub>)



**Veer Small Hydro Power Projects**

**2,750**  
(tonnes offset)

**India**



**Maharashtra Wind Project**

**750**  
(tonnes offset)

**India**



**Solar Energy Projects**

**750**  
(tonnes offset)

**India**



**Pacajai REDD+ Protecting the Amazon**

**4,527**  
(tonnes offset)

**Brazil**



**Peralta Wind Power Project**

**750**  
(tonnes offset)

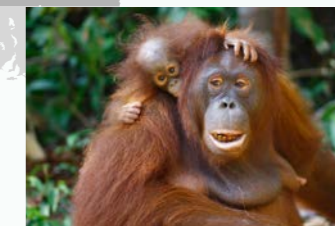
**Uruguay**



**Cookstove Biomass Energy Conservation**

**750**  
(tonnes offset)

**Malawi**



**Rimba Raya REDD+ Biodiversity Reserve**

**2,000**  
(tonnes offset)

**Indonesia**

# S O C I A L

**Diverse, ambitious and inspired. Taking a one-team approach to transform the industry like never before and create social value for local and global communities around the world.**

# 04

A year of economic uncertainty that made it more important than ever that we worked together with our partners, our people and our communities to bring our purpose to life. Reducing our gender pay gap, investing more in the local community and keeping everyone who works on our projects safer than ever before.

## Community investment ↓

<b>2026 target</b>	<b>2021 performance</b>
Grow community investment to £20m	<b>£3.6m</b>

## Engagement ↑

<b>2026 target</b>	<b>2021 performance</b>
Improve our annual engagement survey results to 85%	<b>86%</b>

## Supply chain ↑

<b>2026 target</b>	<b>2021 performance</b>
Ensure that we're paying our supply chain promptly and fairly. 100% of invoices paid within 60 days	<b>94%</b> <small>of invoices paid within 60 days</small>

## Accident Frequency ↓

<b>2026 target</b>	<b>2021 performance</b>
Achieve an Accident Frequency Rate of 0.04	<b>0.06%</b> <small>AFR</small>

## Value2Society ↑

<b>2026 target</b>	<b>2021 performance</b>
Create £700m Value2Society per year by 2026	<b>£536m</b>

## Pay Gap ↑

<b>2026 target</b>	<b>2021 performance</b>
Improve our gender and ethnicity pay gap by 10% year on year	<b>11.2%</b> <small>reduction in our mean gender pay gap</small>

With the introduction of our 2026 Business Strategy at the beginning of 2021, the creation of social value – already high on the agenda across our business – became a key focus and measure of success for us as an organisation.

We track our social impact through a number of key metrics, including an overall accounting of the social value we create as an organisation through the ‘Value2Society’ metric. We do so under three core headings – the communities we work in, our supply chain and partners and experience and wellbeing of our own colleagues.

### Our communities

The legacy of the built environment industry is often assumed to just be a visible one – a new building or facility – but we recognise at Mace that it is the intangible legacy that often matters most.

Our teams work hard to reach out to the communities we are working in to support local charitable initiatives, create opportunities for local employment and direct spend towards local social enterprise partners. Although sometimes our presence in a community may only be temporary, we hope that by being considerate neighbours and proactively engaging with the local area we can make a permanent difference.

We offer every colleague in the business at least one day a year of volunteering leave, and our teams can often be found volunteering together to support a local community centre or spending a day clearing up a local park. In total, in 2021, Mace people delivered more than 3,800 days of volunteering – despite the pandemic limiting in-person volunteering for much of the year.

At the same time, we recognise that – particularly as a contractor and a developer – our work can prove disruptive to local communities. That’s why we’re proud of our consistently strong record of achievement on the UK’s Considerate Constructor scheme during 2021.



At the corporate level, we know that by changing how we spend we can be a social value multiplier, supporting innovative community partnerships and organisation to make a difference beyond our own reach. Wherever we can we work to procure goods and services from social enterprises and invest in local communities – and in turn we’ve found that often we can secure higher quality products and services, affordably, while creating more social value.

That’s why it’s so important that we continue to drive progress towards our 2026 Business Strategy targets on community investment, which reached £3.6m in 2021.

### Our suppliers

Whenever we’re working around the world, we rely on a high quality and effective supply chain to drive success for our clients – our strategic supply chain partners shape our delivery and are pivotal to our future growth.

That’s why we work hard to ensure that we’re working with partners who share our values and commitment to transforming the industry. That means continual engagement with partners through our strategic supply chain team at a corporate level – and throughout 2021, this push meant we were able to support suppliers who were impacted by pandemic lockdowns or material supply challenges.

Our first priority is always ensuring that our suppliers are treated fairly – and to that end, we focussed on 2021 on improving our prompt payment performance.

As a signatory to the UK Government’s Prompt Payment Code, we have a responsibility to ensure that all of our suppliers are paid promptly – and following some changes to our finance system in 2020 that impacted performance, we introduced a number of measures; which resulted in our latest 2021 reporting showing 94%.

We also know that we will not be able to effectively transform the way in which our industry delivers and operates the built environment without suppliers who share our vision and ambition.

Through the Mace Business School, we work with a number of Mace’s strategic partners to support their own investment in their business, through both day-to-day training on best practice and more strategic support around key topics like the journey to net zero, and the introduction of ‘construction to production’ approaches.

### Our people

Mace’s success is built on our people. Time and again, our clients tell us that our exceptional people and teams are the reason they trust us to deliver on their behalf.

First and foremost amongst our concerns is the health, safety and wellbeing of everyone who works for Mace and on our projects. Our ‘safety first’ value is central to how we operate, and that’s why we’re proud to report a record 0.20 lost time injury frequency rate (LTIFR). This is the best performance we’ve achieved in our more than 30 years of operation – and is supported by a similarly impressive 0.06 accident frequency rate (AFR).

That performance is down to a culture of health and safety that is embedded across the organisation; and reflects the fantastic commitment of our people to keeping their teams safe.

Alongside this, our focus on colleague wellbeing continues to bear fruit. Although our most recent all colleague engagement and wellbeing survey (carried out in February 2021) results were published in our 2020 ESG report, our regular pulse survey data shows a continual trend of more good days at work and more engaged colleagues. In fact, ninety-five percent of respondents scored 70%+ for questions relating to mental health and support at Mace.

2021 also saw us continue our focus on becoming the most diverse and inclusive employer in our sector, by investing in our talent and ensuring that we create a workplace where every colleague feels like they can be themselves.

This included a broadening of our requirements for our award-winning apprenticeship and graduate schemes, ensuring that we recruit from a broad pool of talent from all backgrounds, as well as reviewing our accreditations with diversity groups – resulting in a move from Level 1 to Level 2 of the Disability Confident Scheme, and the achievement of silver in our Clear Assured accreditation.

Across a number of key metrics – from our gender and ethnicity pay gap reporting to the diversity of our incoming cohorts of apprentices and graduates – we’re proud with the progress we made in 2021; although recognising of course there is always more we can do. For further information on how we’re growing together, please read the relevant section of our 2021 Annual Review.

We are proud of the value that our business activities make to society and since 2017 we have measured our contribution through external verification, allowing us to increase our efforts. Each year we commission a review of the social value generated by our activities. For our independently reviewed Value2Society data, please see page 26.

# VALUE2SOCIETY DATA PREPARED BY ROUTE2

**2021  
Value2Society  
£536m**

The 2021 Value2Society generated by Mace is laid out on the adjacent page.. It is measured under six capitals.

## Intellectual capital

£43m

There are six indicators measured under intellectual capital, including our investment in research and development and the training we deliver for our colleagues and suppliers.

## Social capital

£9m

Social capital is made up of four measures, including community investment and social enterprise spending.

## Financial value

£490m

Financial value is comprised of three elements: Mace's profit, the tax we pay and our employment costs.

## Human capital

-£2m

Human capital includes a range of indicators exploring the value Mace adds through investing our in people. This includes employee volunteering and wellbeing programmes, and construction site safety.

This year's negative value reflects the impact of Mace's use of fixed-term contractors and sickness absence across the business.

## Natural capital

-£4m

Natural capital explores the value that Mace adds through environmental and green space activity, including our biodiversity programmes and carbon reduction efforts.

This year's negative value reflects a fair measurement of Mace's impact on the environment; including our carbon emissions.



# G O V E R N A N C E

**Good governance is part of who we are: accountable, trusted and with our values front and centre.**

# 05

It has become more important than ever that large, private organisations like Mace are well-governed and act ethically. 2021 saw Mace further embed the Wates Code of Conduct of Governance, strengthen our governance structures and ensure that our operations are being managed appropriately.

## Client satisfaction ↑

2026 target	2021 performance
Our client satisfaction score to be higher than 85%	<b>88%</b>

## Timber and Steel ↑

2026 target	2021 performance
To procure 100% of our timber and steel from responsible sources.	<b>100%</b>

## R&D investment ↑

2026 target	2021 performance
Target 3.5% R&D investment of our revenue by 2026	<b>2.5%</b> <small>£48m invested in 2021</small>

## Cyber security

2026 target	2021 performance
Zero significant cyber security breaches	<b>0</b>

### Our purpose, priorities and values

How we operate and govern ourselves is defined by our purpose, our values and our priorities. These ideas sit at the centre of everything we do – they shape who we are and our culture.

2021 was the year that we launched our 2026 Business Strategy, which set out Mace’s purpose: to redefine the boundaries of ambition. As part of becoming a purpose-led business, we also established three strategic priorities: grow together, pursue a sustainable world and deliver distinctive values.

Our priorities shape our strategy, and our values sit alongside our behaviours to define our culture: safety first, integrity, create opportunity and client focus. All Mace colleagues, wherever they are working around the globe, should recognise these values and work with integrity, prioritise health, safety and wellbeing, support opportunity for others and focus on client delivery.

### How we’re governed

Mace has fully adopted the Wates Code of Conduct of Governance for private companies. Guided by our Code of Ethics, we are committed to doing business responsibly, wherever we’re operating in the world. In 2021, we comprehensively reviewed our approach to corporate governance to ensure that it was appropriate for an organisation of our size. The result of this was a new governance framework which is being embedded across Mace during 2022.

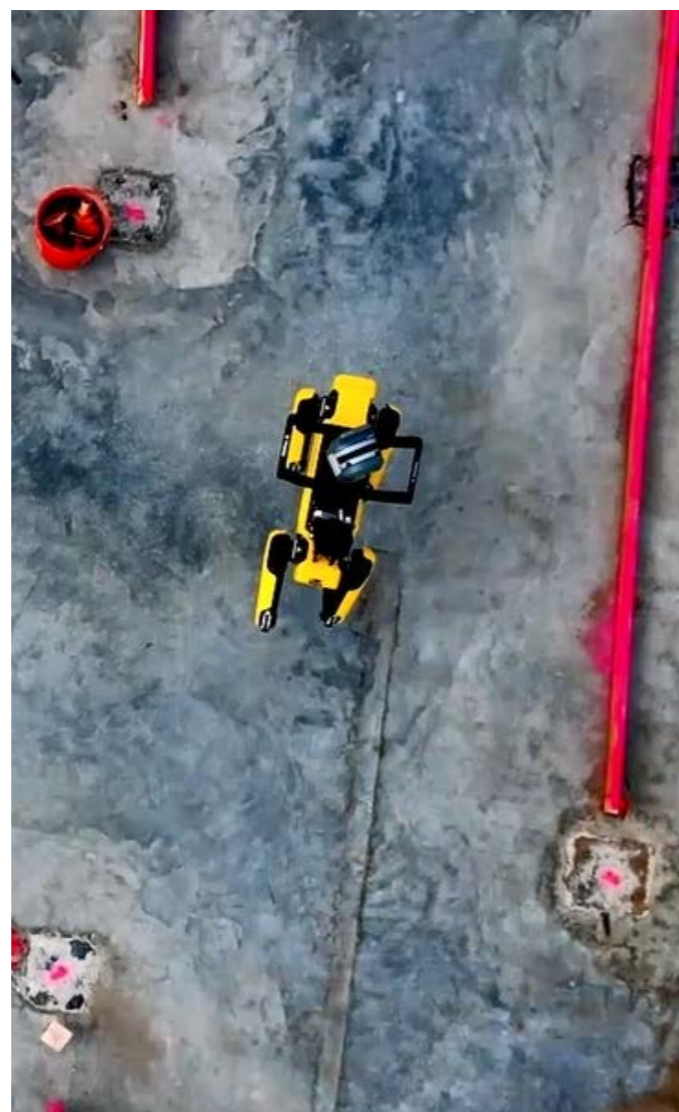
The Board comprises of eleven statutory directors, two of whom are non-executive directors. The Board has an appointed Chairman and Chief Executive Officer to ensure good governance. The Executive Board comprises of the executive directors, the independent non-executive director and senior management.

The Executive Board together represent the knowledge, experience and expertise required to run an organisation as large and diverse as the Mace Group. Both the Board and Executive Board recognise there is still work to be done to improve the diversity of the Board and is

committed to increasing diversity amongst the senior leadership team which will also reflect the Company’s diversity and inclusion targets.

The Mace business is divided into four operating divisions – Develop, Consult, Construct and Operate – each has its own CEO who is responsible for delivering the business plan for their respective division. Each division has its own Board chaired by the respective divisional CEO or the Group CEO. These sub-boards meet on a quarterly basis and sit under the Executive Board.

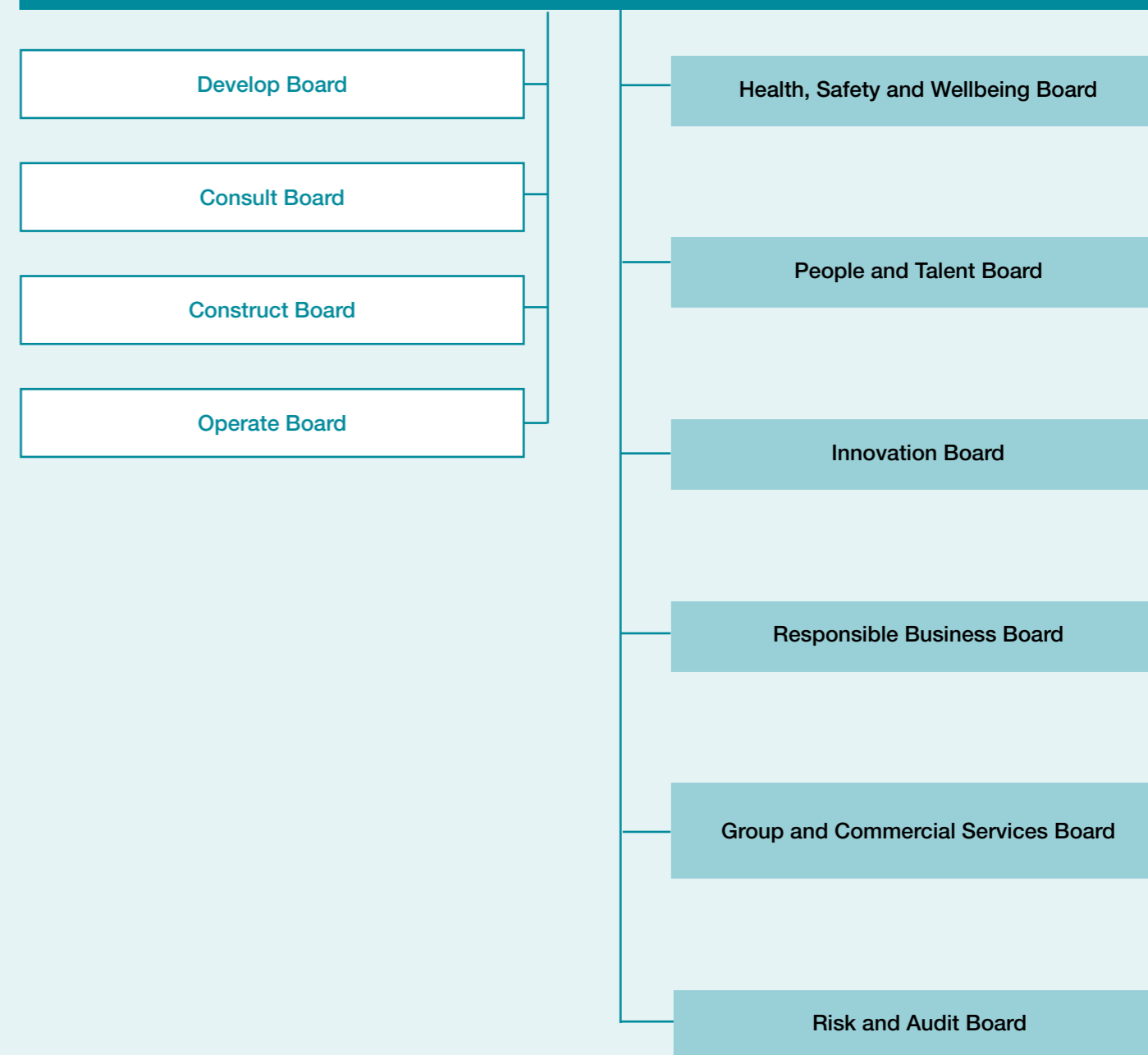
Alongside the Engine boards, there are six subject area sub-boards, each tasked with governing a specific area of Mace’s business strategy. Membership of these boards is drawn from across Mace’s wider business, and each holds accountability for specific policy areas and delegated decision-making powers.



### Mace Executive Board membership

- Stephen Pycroft** Group Chairman
- Mark Reynolds** Group Chief Executive
- Mark Holmes** Group Deputy Chairman
- Amanda Baldwin** Chief People Officer
- Mandy Willis** Group Strategy Director
- Lee Penlington** Group Commercial Director

- Stephen Jeffery** Group Technical Officer
- Jason Millett** CEO for Consult
- Gareth Lewis** CEO for Construct
- Andrew Jackson** COO for Construct
- Michelle Barkess** Chief Information Officer
- Carolyn Pate** Group Company Secretary





## Compliance, ethics and anti-corruption

The Wates Principles shape our approach to corporate compliance and governance, and our revised 2026 Business Strategy has been structured in order to ensure that our corporate compliance model is appropriate for an organisation of Mace's scale and complexity – and is capable of evolving where appropriate as our business operations change and grow.

We are dedicated to ensuring that all our colleagues are working in line with Mace's Code of Ethics, introduced in 2019, which encompasses our zero-tolerance approach across our global network to modern day slavery, criminal activity, facilitation of tax evasion and the promotion of human rights, inclusivity, fair competition.

All Mace colleagues are required to certify every six months that they have read and understood the code as published. In 2021/22 we averaged 2.5% compliance and are continuing to work with our partners and supply chain to ensure that they equally adopt similarly high standards that Mace applies.

The Group is also firmly committed to the principles of tax transparency and the implementation of measures globally to prevent the facilitation of tax evasion.

As part of our increased focus on governance, procedures and a programme of improvement to align with the annual Senior Accounting Officer (SAO) certification, a clean SAO certificate was issued during the year. Our Risk and Audit Committee is a delegated authority of the Mace Executive Board and provides assurance that the business is fulfilling its corporate governance duties.

Due the continued impact of lockdowns and travel restrictions in 2021, our internal Compliance & Audit team ran a restricted programme of internal audits. In total 71 internal audits were undertaken equating to 71 audit days. The external management system certification ran across 7 ISO standards, 274 assessments undertaken across 17 Mace locations totalling 770 audit days.

To support the Board's target to achieve a workforce which reflects society we have a Diversity and Inclusion Steering Committee (DISC) who are responsible for driving positive change. This is chaired by our Inclusion Manager and members of the committee are drawn from across the business to ensure we consider a variety of perspectives.

## Procuring responsibly

Since 2015 we have had a comprehensive plan in place to support the requirements of the UK's Modern Slavery Act across our global operations. We require our supply chain and their own suppliers to be members of Sedex, Supplier Ethical Data Exchange platform, and to welcome independent audit.

We are conscious that as a contractor operating in the UK our major risk area for modern slavery is within the highly tiered supply chain structure relating construction delivery. Therefore, achieving transparency of labour employment arrangements and sourcing of materials are key challenges.

We work closely with unions and police forces in the UK and elsewhere to prevent modern slavery and work alongside our partners and a number of supporting charities to ensure that we are minimising the risks faced by people working the industry world-wide.

Mace is responsible for specifying and procuring large quantities of materials for construction projects and associated services and we have a number of responsible procurement commitments in place to address our risks, which includes membership of SEDEX, to map our supply chain risks and assess ethical standards.

Our intent is to ensure all materials used on our projects are certified as being responsibly sourced through credible, independent third party certification schemes, where available.

A programme of scheduled audits will continue to be conducted both in the UK and overseas to ensure alignment with Group policies and to evaluate performance against defined standards and best practice.

## Ensuring we're investing effectively

As a global business delivering some of the world's most iconic projects and programmes, part of good governance is ensuring that we are investing effectively to innovate, deliver best-in-class services and ensure resilience against threats that could impact our business.

Investing innovation and maintaining the right level of research and development across the Group is key to ensuring that we are able to maintain our position as a leading partner for the transformation of our industry.

In 2021, we invested more than 2.5% of our overall Group revenue for the year into R&D; ensuring that teams across Mace are empowered and able to develop new approaches for construction delivery, explore new options for decarbonisation and focus on the insight generated by data and digital technology.

We also track our customer satisfaction scores under Governance, in order to ensure that our services remain industry-leading. We understand that each and every project and client is different – with unique challenges, preferred approaches and specific objectives. In 2021, we maintained an overall score of 88% - in line with our target and reflecting a commitment to client focus across the entire organisation.

## Opportunity and risk

The Group Board regularly review risk appetite, taking into account principal business risks which may change from time to time. Our risk appetite considers our current exposure to different markets and the level of risk we have in respect of projects, geographies and sectors.

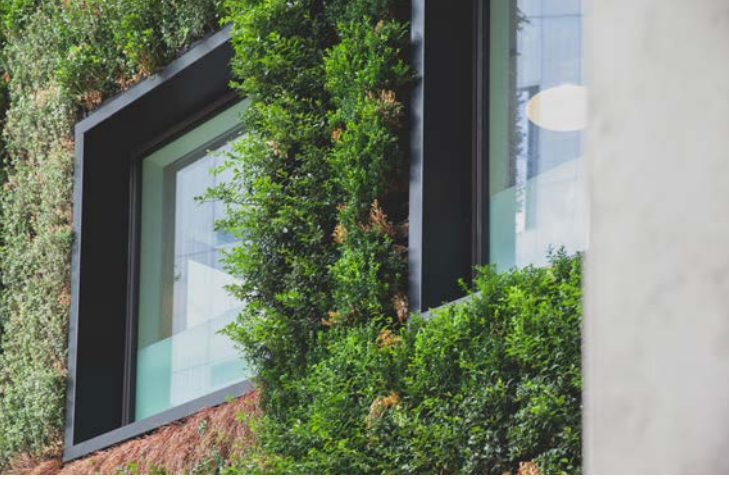
The Group Board has oversight of our incident and crisis management processes and procedures and for ensuring these are tested and remain fit for purpose. Our Risk and Audit Board provides assurance that the business is fulfilling its corporate governance duties.

Management and risk controls are embedded in our internal MaceWay system and are monitored through our internal audit programme and reviewed by our certification body.

As part of the implementation of the 2026 Business Strategy, the Mace Executive Board set a target to implement a revised robust risk management programme in 2021. The Risk and Audit Board has spent 2021 developing the programme and identifying key risks and mitigations against them.

The MEB at its quarterly meeting in the fourth quarter of 2021 approved the proposal in principle and the Risk and Audit Board is now working to implement the plan.





[macegroup.com](https://macegroup.com)



**Mace**  
155 Moorgate  
London  
EC2M 6XB  
United Kingdom

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