EQUE2

ESTIMATING
CONSTRUCTION
HOUSEBUILDING
MAINTENANCE

Advancing a Sustainable Future

ESG IMPACT REPORT 2023

CLOUD CONSTRUCTION SOFTWARE

CONTENTS

ABOUT EQUE2

Working within construction, housebuilding or contracting, Eque2 provides industry-specialist software to provide full visibility and control across our customers' businesses. Our contract management software and construction solutions provide customers with the foresight to complete projects on time and to budget, whilst retaining the clients' margins.

We understand how the construction industry works and have been developing our solutions in line with the requirements of our customers for over 25 years. This means that not only are our solutions the best in the sector, but they are supported by a team with a practical understanding of the daily processes and challenges they face.

Our four brands:

Eque2 Construction

Our cloud-based construction software uniquely integrates with both Sage Accounts and built within Microsoft Dynamics 365 Business Central to provide businesses with industry-specific solutions that protect margins, reduce risk, streamline processes, and drive visibility of the key financial information of their projects from start to finish.

Eque2 Estimating

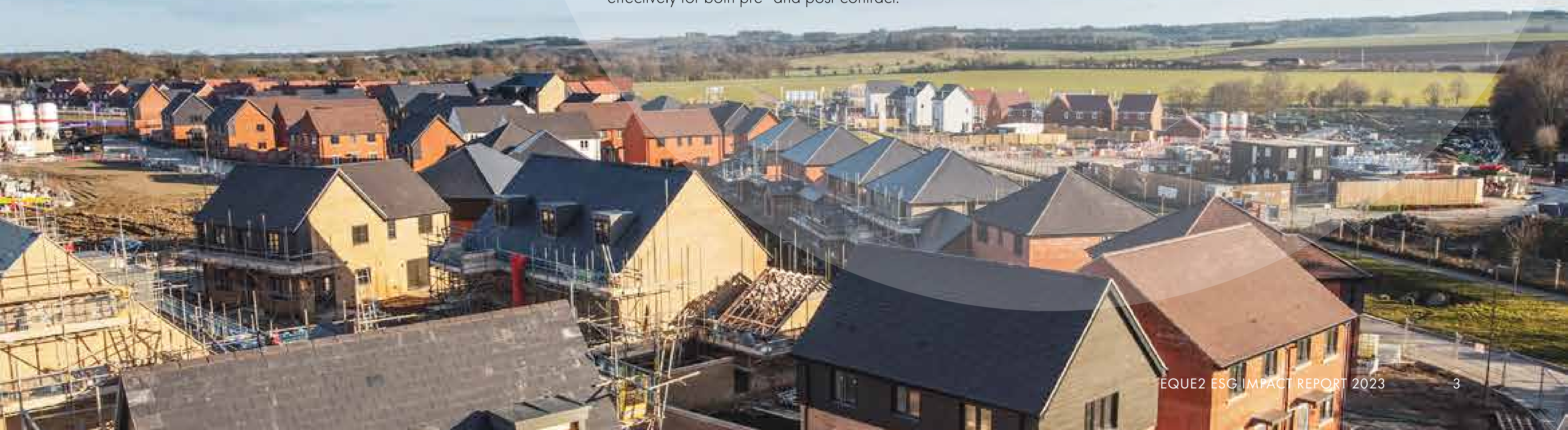
Eque2's construction estimating software EValuate helps businesses of all sizes produce fast, high-quality and robust tenders whilst tracking budgets and costs effectively for both pre- and post-contract.

Eque2 Housebuilding

No matter the size of the house building business our processes and information can help guide the development from one phase to the next.

Eque2 Maintenance

Managing the administration of planned or reactive maintenance works is a complex process. To capture job details, manage the scheduling of engineers, report on SLA's (service level agreements) and ensure customers can see the status of their job at any point in time, many contractors use our dedicated maintenance management software.



VALUES

WORK HARD, PLAY HARD

We live by this mantra! We want our people to come to work and enjoy what they do. At Eque2, our success comes from hard work and being sociable. Our offices are designed with collaborative spaces to create a modern, fun, and collaborative place to work.

INNOVATION

We encourage creativity, embrace new ideas and investigate opportunities to innovate in all that we do; to remain the number one market-leading software vendor in the construction industry.

RESPECT

We treat everyone with respect and dignity regardless of their background, and open doors for people from all walks of life.

DEVELOP

We develop and support people to achieve their goals and realise their career aspirations.

We will inspire you to think about your next role and what we can do to support you to unlock your true potential as best we can.

REWARD

When we start to bring all our values together; we create success! With success comes great rewards and benefits for our people.

Not only in financial rewards but in creating a safe working environment and promoting mental health and wellbeing to make Eque2 a great place to work.

WELCOME FROM OUR CEO, JUSTIN MOULE

Eque2 has been developing solutions in line with our customer's requirements for over 25 years. During this time, we've witnessed the global landscape shift dramatically - from rapid technological change to a global pandemic. To keep pace, we have had to continue to adapt to meet the evolving needs and priorities of our customers and our people, and the climate crisis is one of the greatest challenges to date. As the UK progresses towards a Net Zero target date of 2050, the construction industry is under pressure to decarbonise its operations. Eque2 is here to ease our customers through this transition, providing solutions to help them capture essential data for emission reduction - from lowering fuel consumption to establishing the most efficient routes to Net Zero. In addition, in 2023/24 we are very excited to launch our first product devoted to carbon reduction - 'Embedded Carbon' - allowing quantity surveyors to capture the embodied carbon of their entire project lifecycle.

In 2022/23, we continued to make huge strides to embed ESG into our business operations. This included publishing our first Net Zero report and setting ourselves a Net Zero date of 2035. This assessed our wider emissions impact for the first time - from our fleet emissions to the greenhouse gases produced from our waste. From this Report and Net Zero target date we have established an ambitious reduction glidepath to reduce our emissions year-on-year.

We've also continued to address our social impact on both our employees and wider communities. I'm extremely lucky to work with such talented, hardworking people, and I want to ensure that Eque2 continues to cultivate a workplace where everyone feels celebrated, seen, and purposeful. This year, we were proud to launch our Diversity, Equity, and Inclusion (DE&I) programme, establishing a DE&I council to drive our initiatives. We've also overhauled our training and development plan ensuring that every employee can carve out a meaningful career tailored to their personal goals. And finally, we were honoured to become 'Great Place to Work' accredited, reflecting the time and investments into our people to improve satisfaction as we grow as a company, made across our employee engagement, well-being, and career development programmes.

Our ESG strategy is underscored by robust corporate governance with established policies, processes, and systems upheld by our senior leadership team. In our first ESG impact report, we paved an ESG roadmap for the business, and in 2022/23, we were busy putting these commitments into action. Spearheaded by our ESG committee, we are pleased to have made notable progress in our ESG programme, achieving an 'Excellent' ESG score for our second-year assessment with consultancy, Sustainable Advantage.

This report reflects Eque2's passion and drive to become a better business for both our stakeholders and wider community. While we still have a way to go, we commit to continuing to grow, develop and learn in the coming years alongside an ever-evolving ESG landscape. I'd like to thank our customers, Investors, ESG Committee, the Board and all our Eque2 employees for their continued efforts this year and we look forward to reporting back on our progress in 2023/24 as we continue to scale up our ESG ambitions.

KONFLOOR

KonFloor is a family run, leading industrial flooring contractor in the UK and Ireland. They focus on providing quality flooring installations – offering a one stop solution for the design and installation of concrete floor slabs.

Supporting KonFloor's growth with Eque2 solutions

KonFloor had been using Eque2's Construct for Sage 50 Accounts to manage their business processes, but recently decided to scale up to Eque2's Enterprise Construction ERP solution, EVision. We spoke to Gemma, Office & Accounts Manager at KonFloor to understand the company's reasons for change.

Initially, when using Construct for Sage 50 Accounts software, KonFloor had a £6m turnover. The company is rapidly growing, doubling their workforce since 2019. They are now taking on larger scale projects, and in doing so have grown to become a £20m turnover business, bringing a greater requirement to keep a closer eye on costs and budgets.

The company growth and increased workload meant it was no longer feasible to keep manual spreadsheets or information in an employee's head, therefore needing a solution that could bring all their processes together

KonFloor looked at several ERP solutions on the market and chose to select EVision based on its additional functionality and the benefits the Microsoft based solution could bring. From using Eque2's Construct for Sage 50 Accounts software, KonFloor had already built a strong relationship with Eque2, so were assured they would continue to get the required support, and uniquely will maintain lifetime access to their previous system as required.

Increased Functionality

Prior to implementing Eque2's software Gemma stated, "as we grew, we were starting to see a real disconnect between departments". EVision will allow all employees to work off the same page, gaining access to the information they need, without having to rely on other people – saving time and increasing productivity. Built directly into the Microsoft Dynamics 365 Business Central framework, EVision will provide KonFloor with the increased functionality they need to bring all their processes together.

All data within EVision exists in a single database, meaning users can enter their data in one place and report on information relevant to their role with ease – anytime, on any device, from anywhere. Gemma added "this enables us to produce detailed reports and analyse profit in-depth, which has become an important requirement in our growth journey".

Gemma commented "At the moment, we keep a manual list of jobs. EVision will enable us to keep all this information and the progress of every job from start to finish in the software". Automating these manual processes will help KonFloor to work more efficiently as a business.

Looking Ahead

Seeing how EVision will streamline KonFloor's processes, Gemma closed by saying "we can already see the benefits EVision will bring for us. The solution will massively support our continued growth journey, our staff will be more connected and have the ability to access the information they need in real-time, allowing us work more productively than ever before".

OUR ANNUAL ESG HIGHLIGHTS

PUBLISHED OUR FIRST NET ZERO REPORT, SETTING A 2035 NET ZERO TARGET

ASSESSED OUR WIDER SCOPE 3 IMPACT AREAS AND LAID OUT A CARBON REDUCTION GLIDEPATH TO REDUCE GREENHOUSE GAS EMISSIONS

ACHIEVED CARBON-NEUTRAL STATUS FOR OUR SCOPE 1 AND 2 EMISSIONS

OVERHAULED OUR TRAINING AND DEVELOPMENT PROGRAMME

BECAME 'A GREAT PLACE TO WORK' ACCREDITED

PROVIDED OUR EMPLOYEES WITH ACCESS TO ESSENTIAL WELL-BEING SERVICES, INCLUDING AN EMPLOYEE ASSISTANCE PROGRAMME, CBT SESSIONS AND AN OCCUPATIONAL HEALTH PROVIDER

PUBLISHED A GENDER PAY GAP REPORT AND SET OUT AN ACTION PLAN TO CLOSE ANY GAPS IN PAY PARITY

PUBLISHED OUR ESG POLICY

FORMED OUR ESG COMMITTEE

ADVANCING THE SDGS

Established in 2015, the United Nations Sustainable Goals (UN SDGs) play a critical role in the global drive towards sustainability. These 17 goals are central to the 2030 Agenda for Sustainable Development, which demands urgent action from all countries to address our biggest global challenges - from climate change to improving health and education standards globally. Last year Eque2 pledged our alignment with three of the SDGs, and this year, we've added a fourth goal, SDG 13 (Climate Action) to align our environmental actions with the UN's international blueprint for sustainability.

SDG3: Good Health and Well-being

Goal: Ensure healthy lives and promote well-being for all at all ages

Target 3.4: By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.

Indicators: 3.4.2: Suicide Mortality Rate.

Action Taken: We work hard to create an open culture around mental health and well-being, with preventative measures in place to support employees. This includes access to our employee assistance programme, CBT sessions, as well as referral service through an occupational health provider. We have trained mental first aiders in place, providing a first point of contact. Our HR team is trained in monitoring sickness and absence rates, maintaining oversight of any potential issues.

SDG9: Industry, Innovation and infrastructure

Goal: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Target 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

Indicators: 9.4.1: CO_2 emission per unit of value added.

Action Taken: Eque2's products and services promote sustainable infrastructure, helping our clients to track and reduce their carbon footprint. Our configurable ERP systems can include carbon footprint values, providing invaluable insight into the environmental impact of their projects. We're also constantly looking at ways we can support our clients with their decarbonisation goals. This includes the launch of our Embedded Carbon offering in 2023/24, helping quantity surveyors to capture the carbon in their projects.

SDG5: Gender Equality

Goal: Achieve gender equality and empower all women and girls

Target 5.1: End all forms of discrimination against all women and girls everywhere.

Indicators: 5.1.1: Whether or not legal frameworks are in place to promote, enforce and monitor equality and non-discrimination on the basis of sex.

Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

Indicators: 5.5.2: Proportion of women in managerial positions.

Action Taken: To promote women in the industry, Eque2 are working on an action plan to reduce our gender pay gap and achieve pay parity across the business. Additionally, our ERP systems help clients to track pay parity, monitor diversity requirements and highlight any inequalities.

SDG13: Climate Action

Goal: Take urgent action to combat climate change and its impacts

Target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

Indicators: 13.1.1: Number of deaths, missing persons and directly affected persons attributed to disasters per 100,000 population.

Indicators: 13.1.2: Number of countries that adopt and implement national disaster risk reduction strategies in line with the Sendai Framework for Disaster Risk Reduction 2015–2030.

Indicators: 13.1.3: Proportion of local governments that adopt and implement local disaster risk reduction strategies in line with national disaster risk reduction strategies.

Action Taken: Eque2 have stepped up our climate action in 2022/23, calculating our full Scope 3 emissions and setting a Net Zero target.

ENVIRONMENT

SUPPORTING SUSTAINABLE DEVELOPMENT

As one of the biggest emitting industries, the built environment is being held to tough emission targets to support the UK's 2050 Net Zero deadline. In the UK Government's Heat and Building strategy, published in October 2021, it was announced that all new buildings should be prepared for Net Zero from 2025, requiring a 27% reduction in carbon emissions (compared with current standards) for non-domestic buildings and a 30% reduction for domestic buildings[1].

Cloud technology has evolved at pace over recent years, and there is huge opportunity to develop solutions that enable greater business efficiencies, alongside helping clients deliver against their ESG goals. By enabling accessibility to centralised data from anywhere, via any device, cloud technology negates the need for organisations to pay for and manage their own infrastructure, whilst reducing paper use, printing, and energy costs. Additionally, our systems are designed in line with Microsoft's energy optimised systems, which are shown to be 98% more efficient than an on-premise deployed solution.

To support our clients in their decarbonisation targets, we regularly seek feedback to enhance our product and service offerings. The configurability of our ERP (Enterprise Resource Planning) systems organically supports clients to track their project's environmental impacts. This includes the ability to report on carbon values against key business assets, such as fuel consumption. Our systems allow clients to reduce their fuel consumption by locating the most efficient fuel routes and allocating local staff. Additionally, the reporting function provides clients with comparative data, allowing clients to compare the hourly consumption rates between electric and diesel vehicles.

Embedded Carbon

Embodied carbon is the total CO_2 emissions associated with materials and construction processes throughout the whole lifecycle of a building - from the materials used to the building's ultimate deconstruction and disposal[2]. Once an asset is built, the embodied carbon is irreversible, and can account for up to 50% of a building's emissions over its lifetime.

Despite being a significant source of carbon emissions in the UK, embodied carbon is currently unregulated, and measurement and mitigation within construction is typically voluntary.

To address this, in 2023/24, we are excited to launch 'Embedded Carbon'- Eque2's first dedicated carbon product offering. Developed in response to a growing need for quantity surveyors to capture the embodied carbon impact of their projects, Embedded Carbon allows clients to accurately capture and estimate the carbon in their materials. This enables a project to be monitored and assessed based on its carbon footprint, helping quantity surveyors to manage their impact across a building's lifecycle.

[1] Net Zero in UK construction - where are we now?
[2] Embodied Carbon- Social Housing

PREPARING FOR THE NET ZERO ECONOMY

It would be hard to ignore the amplification of climate concerns this year, as extreme weather events and record-breaking temperatures dominated headlines. 2022 marked the sixth warmest year in history and coincided with devastating extreme weather events across every continent. There is now mounting pressure from all sides, as investors, regulators and the public turn up the heat on companies to take climate action.

To retain relevance in the transition to a low-carbon economy, all companies must demonstrate tangible emission reduction commitments to hold their place. In 2021/22, Eque2 delved into our carbon emissions for the first time, calculating our Scope 1 and 2 emissions, in line with SECR (Streamlined Energy and Carbon Reporting) requirements. This year, we wanted to step up our ambitions, by assessing our wider emissions and setting a Net Zero commitment.

The Net Zero calculations were prepared following the GHG Protocol standards for calculating Scope 1, 2 and 3. The GHG Protocol outlines three categories of emissions sources: Scope 1, Scope 2 and Scope 3.

Scope 1: Direct Emissions

This includes emissions generated from on-site natural gas, as well as company vehicles that are leased and/or owned and fugitive emissions from refrigerants.

Scope 2: Indirect Emissions

This includes emissions generated offsite, namely purchased electricity.

Scope 3: Indirect Emissions

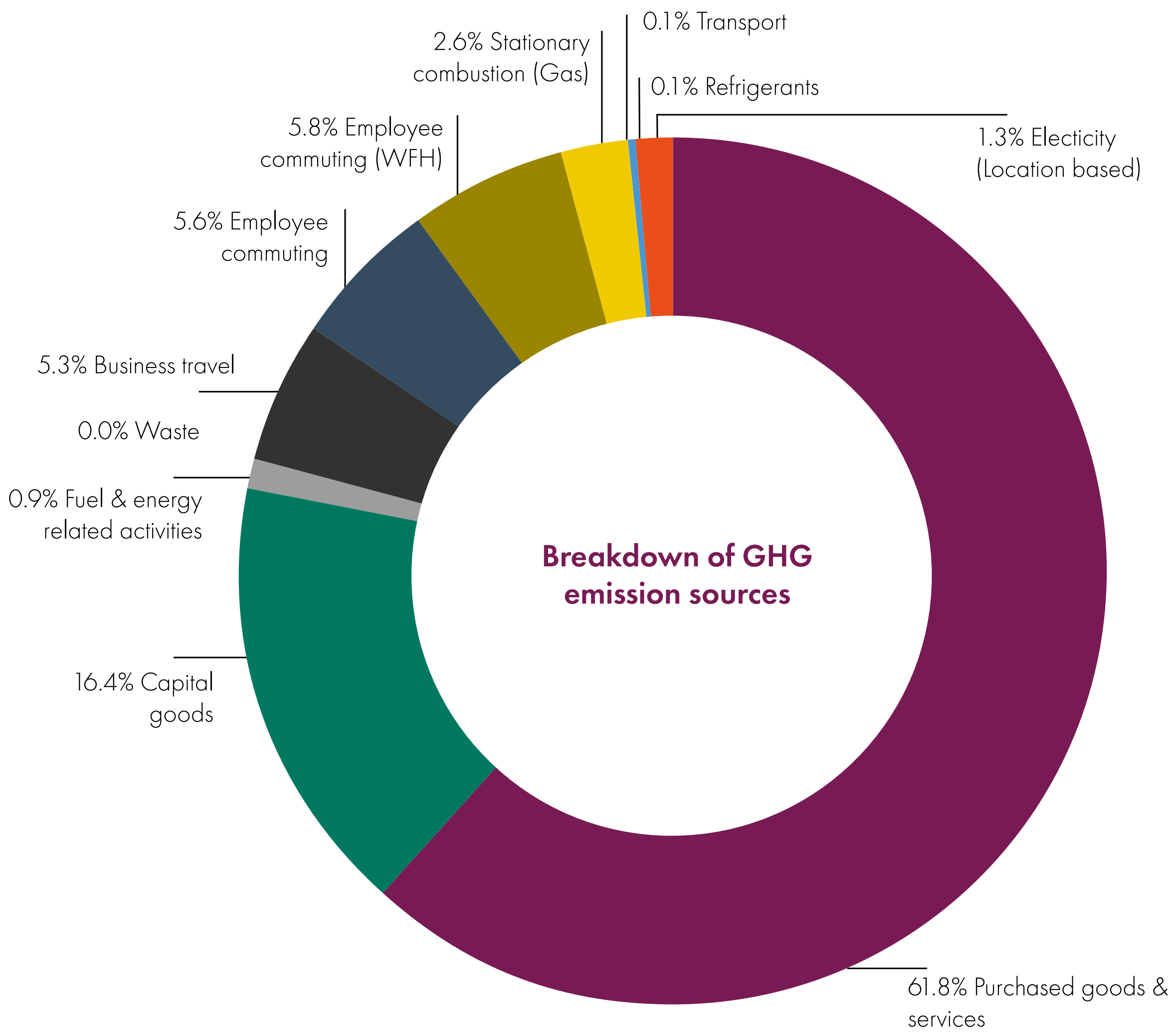
This includes emissions from upstream and downstream business activities including purchased goods and services, capital goods, fuel and energy related activities, waste, business travel and employee commuting.

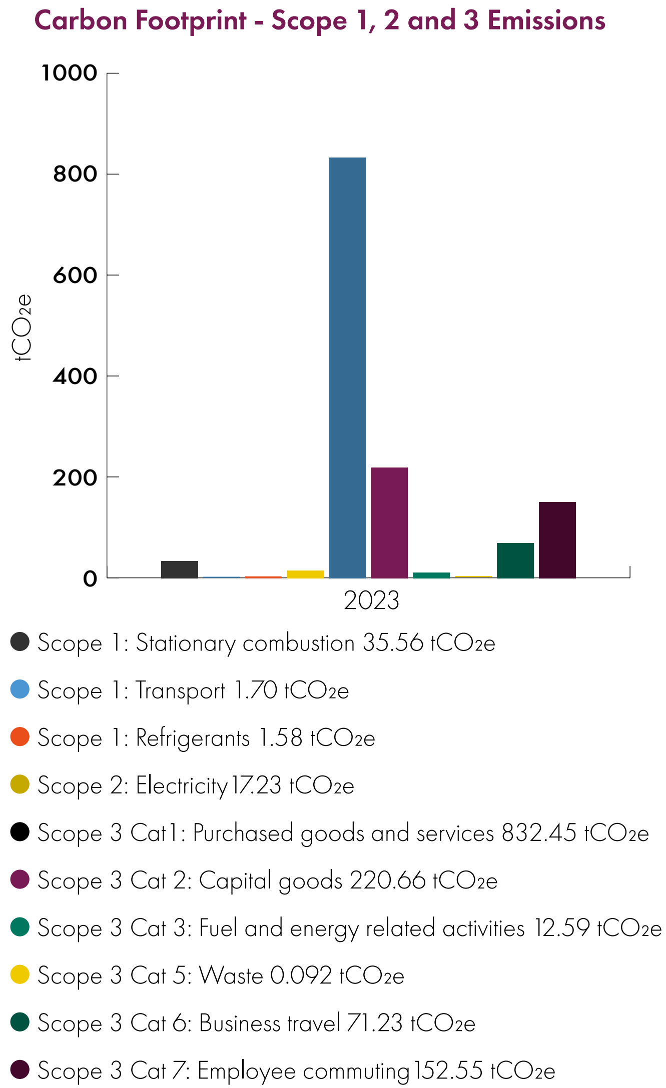
Our full carbon footprint for our baseline year is as follows:

Scope / Category	Total tCO_2e
SCOPE 1	38.85
Stationary combustion	35.56
Transport	1.71
Refrigeration	1.58
SCOPE 2	17.23
Electricity (Location based)	17.23
SCOPE 3*	1,290.02
Cat 1: Purchased goods and services	832.45
Cat 2: Capital goods	220.66
Cat 3: Fuel & energy related activities	12.55
Cat 5: Waste	0.09
Cat 6: Business travel	71.73
Cat 7: Employee commuting (inc. working from home)	152.55
Total Gross Emissions (Location based)	**1,346.10**
Less renewable electricity	(0.00)
Total Gross Emissions (Market based)	**1,346.10**
Less carbon offsets	(60.00)
Total Net Emissions	**1,286.10**

*Scope 3 emissions represented 95.8% percent of Eque2's total emissions in 2022/23.

BREAKDOWN OF GHG EMISSION SOURCES





OFFSETTING

SDGs Supported:

Accepting accountability for our emissions impact means taking every possible step to reduce our emissions in the first instance. However, we understand that the route to Net Zero requires accepting that some emissions output is unavoidable. To address this, we invest in independently verified restoration and regeneration projects which align with our Net Zero ambitions. As we gradually decarbonise, we see this as a necessary cost to manage our environmental impact, as well as put a price on our carbon emissions output.

This year we offset to become carbon neutral for our Scope 1 and 2 emissions, investing in:

The Maisa REDD+ Project, Brazil

This project is protecting an area of the Brazilian Amazon that is threatened by deforestation. The endemic centre of Belém is an area of immense biodiversity within the Brazilian Amazon. The region is home to more than 450 animal and plant species, many of which are found nowhere else on the planet. Unfortunately, this part of the Amazon has been severely deforested over the years, leaving the landscape fragmented and degraded. To date, more than 75% of the region's forest cover has been compromised. As the forests are stripped bare, their carbon stores are released into the atmosphere which contributes to global climate change.

The project aims to avoid the deforestation of more than 15,000 acres of the Amazon rainforest by addressing the main drivers of deforestation in the region. This includes developing alternative economic activities that encourage forest conservation, such as harvesting acai berries or other forest products, sustainable farming practices, and strengthening local producer cooperatives. These provide families with additional income. Further efforts to curb illegal timber harvesting include using satellite images to identify possible sources of deforestation. By increasing the economic value of the standing forest and improving surveillance, the project aims to protect this critical habitat and create better living conditions for local inhabitants.

Environmental Benefits

- Mitigates climate change by preventing deforestation
- Protects 71,047 acres of forest cover
- Conserves biodiversity by protecting the habitats of endangered species

Community Benefits

- Increases income for impoverished communities
- Trains local producers on sustainable forest management and land use

Annual CO_2 Reduction 67,458 metric tons CO_2e

TRANSPORT

To decarbonise the transport sector, we need to dramatically overhaul current systems to reduce our dependence on petroleum-based fuels, such as diesel and petrol. In 2022, the transport sector accounted for 34% of all territorial carbon emissions in the UK[3]- witnessing a return to pre-pandemic emission levels.

Eque2's company fleet is minimal, comprised of four leased cars, one of which is hybrid. As car leases come up for renewal in 2023/24, we will explore phasing these out and transitioning to lower carbon alternatives.

Additionally, we've begun to assess our wider travel impact. While Eque2 have limited control over the vehicles our employees use to travel to work, we want to do all we can to encourage more sustainable options. We already have a cycle-to-work scheme in place. As part of our Net Zero calculations, we estimated the emissions from our employee commuting using UK averages. Going forwards, we will conduct a travel survey with our employees to understand their commuting behaviours and accurately calculate these emissions. This survey will also help determine incentives to support our employees to transition to more sustainable options.

In 2023/24, we will also continue to explore the introduction of a salary sacrifice scheme, to encourage employees to switch to electric vehicles.

Fuel	Number of vehicles	Miles	tCO_2e
Diesel	1	6,020	1.628
Petrol	2	325	0.085
Hybrid	1	-	
Total	**4**	**6,345**	**1.713**

[3] 2022 UK greenhouse gas emissions: provision figures- statistical release

MANAGING OUR ENERGY

The global energy crisis has spurred a renewed push for renewable energy - with total capacity growth worldwide set to almost double in the next five years. Maintaining this sharp acceleration is essential to regain control over the sector's carbon emissions, with the UK's emissions rising by 1.7% (1.4 MT) in 2022, in comparison to the previous year[4].

Eque2 recognises our responsibility to address our greenhouse gas emission output, and in the last year we've taken tangible steps to lower our contribution. We've continued to look at ways to enhance the sustainability credentials of our offices, appointing an energy champion to collate our energy data and identify reduction opportunities.

Additionally, we've continued to engage with landlords to acquire electricity and gas data at each site however, to calculate our office emissions we estimated it from our square meterage of our sites, due to incomplete data. From this, we've been able to establish reduction opportunities and set practical targets aligned with our Net Zero ambitions. We will look to encourage the landlords at our offices to progressively replace all non-renewable gas with renewable gas and reduce gas consumption, replacing gas boilers with electric heating systems and heat pumps. We will also be proactively engaging with the landlords to switch to renewable electricity contracts and implement energy reduction initiatives including LED lighting replacements and investigating opportunities for green energy production such as solar panels.

Title?	kWh*	tCO_2e
Natural gas	194,802.61	35.56
Electricity	89,086.56	17.23
Total	**283,889.17**	**52.79**

[4] 2022 UK greenhouse gas emissions: provision figures- statistical release

* Electricity and gas consumption (kWh) was estimated for each of the 5 offices based on square meters due to incomplete/spend data

WASTE MANAGEMENT

This year, Eque2 closed our Birmingham and Farnham offices, reducing our office locations down to two sites, one in Maidenhead and one in Newcastle. As an office-based business, we produce minimal waste in our day-to-day operations. For the waste that we do produce, we've established processes to keep this to a minimum, with multiple recycling stations installed at each site. Our Birmingham office was partnered with Waste Managed to collect our waste and provide accurate monthly reporting. We have recently appointed an employee waste champion, responsible for overseeing our waste data and setting reduction targets.

To counter our electrical waste impact, we have IT disposal arrangements in place with Tech Recycle. Electrical waste, or e-waste, is a growing environmental concern, becoming the fastest-growing waste stream worldwide. In 2019, roughly 54 million metric tons of electronic waste was generated globally, and projections show that by 2030, this will have increased by a further 30%[5]. Tech Recycle are helping to counter this by collecting and repurposing companies' redundant and end-of-life equipment.

In 2022/23, we calculated our waste data across the group for our two main waste streams, providing us with an overview of our waste impact and allowing us to set reduction targets. We will continue to divert waste from landfill, minimise our waste production and maximise our recycling.

Office locations

*Waste stream	Kg	tCO_2e	Disposal method
Food	2,162.21	0.046	Incineration / Waste to energy
Dry-Mixed recycling	2,162.21	0.046	Recycled
Total	**4,324.42**	**0.092**	**-**

[5] Outlook on global e-waste generation 2019-2030
*Waste provided for Maidenhead (current site) and Newcastle. Estimated for Maidenhead (previous site), Farnham and Birmingham based on sq ft using Newcastle. Farnham and Birmingham reflective of time in reporting period. Assumed collection occurs every week (52 weeks)

SOCIAL

HOW WE'RE SUPPORTING OUR CLIENTS TO SAFEGUARD WORKPLACES

Eque2's services help clients to cultivate fair and inclusive workplace practices and protect employee's well-being.

Our HR module flags untaken holidays and excessive working hours, allowing clients to track unhealthy working patterns. Additionally, it allows customers to track and redlight absences to identify potentially vulnerable team members, or those in crisis.

Our systems can be used to support fairer workplaces, by monitoring pay banding to ensure equal pay conditions, while modules can be tailored to monitor diversity requirements and highlight any discrepancies.

Our self-service module's compliance function safeguards against modern slavery, ensuring that bank account charges are approved by a secondary user to certify antislavery conditions are met. While our subcontract management system provides ongoing monitoring to ensure adherence to anti-slavery requirements. This means that suppliers and subcontractors can be blocked from the system if documentation is marked as insufficient, missing, or outdated.

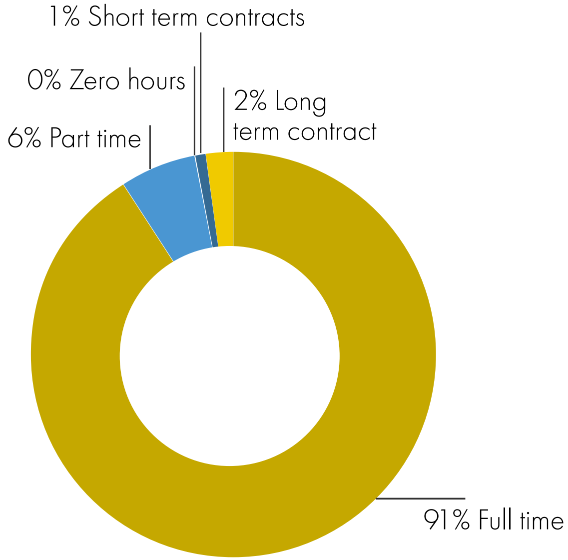
WORKFORCE DEVELOPMENT

We invest in our people, and we strive to provide fulfilling, interesting and meaningful careers for the people who work for us.

In 2022/23, we refreshed our training and development programme, overhauling our appraisal cycle. This is centred around three key stages: setting objectives, providing an opportunity to feedback and setting personal career goals. We believe that productive conversation is the most effective way to carry out an appraisal, which is why we introduced a specific feedback focus session where employees and their managers carve out a personalised career pathway. We understand that everyone's aspirations are different, so whether an employee wants to become a manager, or upskill technically, we can assess individual training needs and develop a tailored toolkit that's right for them.

Our management team have undertaken additional training on how to conduct an effective appraisal to ensure our employees are getting the most out of their session. This included how to set interlinked targets that align with the goals of the company, team and the individual.

All employees have access to multiple training channels, including e-learning platform Kallidus and Khrone, a video-based learning platform, offering courses across a range of subjects - from upskilling to policy compliance.



Nurturing Potential

We want anyone with the potential and drive to succeed to be granted the challenge and opportunity to do so. Our leadership and development programme prepares those in management looking to upskill and step up into more senior leadership roles. In the last year, we rolled out extensive management training to the senior management, combining one-to-one mentoring and coaching with practical deliveries, such as presenting to the board.

CREATING A GREAT PLACE TO WORK

We were proud to become 'Great Place To Work' accredited this year, the world's leading authority on workplace culture. Here's what some of our employees had to say...

Great Place To Work®

Working for Eque2 is like working for one big team and even though the business has grown and changed dramatically in the time I have worked here, somehow we have managed to retain that feeling of all being "in it together". Our people are what makes Eque2 a great place to work.

The people make it a great place to work. People are always supportive and are willing to help.

The senior management even up to CEO often will take time to talk to everyone and show interest in us as people. It means a lot for a company our size to have such a close connection with senior staff members.

Eque2 strives to create a workplace where employees want to stay with us for the long-haul. We also understand that for employees to perform at their best requires them to feel at their best. In 2022/23, we've made significant enhancements to our health and well-being programme to ensure that our employees feel supported and valued.

Promoting conversation around mental health

Perhaps most importantly, we focus on promoting open communication around mental health. Conversations on mental health in team meetings and in 1:1 check in meetings are encouraged so that employees are regularly signposted to well-being support. This is supplemented by frequent communications campaigns, from sharing personal stories which have had a powerful tool to inspire conversations to observing events such as mental health awareness week to reduce stigma and allow people to talk openly in the workplace. Employees also have access to extensive mental health resources, both on our HR SharePoint platform and in the office.

All of our activities are underscored by our mental health and well-being policy, which sets out our commitment to treat mental illness seriously, proactively identify issues, support employees facing mental health problems and create a positive working environment.

Most recently, we have set up an Employee Led community for health and well-being to bring colleagues from across all areas of Eque2 who come together because they have a genuine desire to be healthy and happy at work and take care of one another.

Eque2's well-being highlights

- Our benefits and rewards platform, Perkbox, provides employees with access to discounts and perks and as well as our Health Assured employee assistance programme
- We partner with occupational health provider, Medigold, with a referral service for employees seeking additional support
- All employees have access to the Thrive app, where employees can request CBT sessions and access a host of mental health resources
- To ensure there is practical support on the ground, we have a trained mental health first aider in place and we plan on increasing this to three trained mental health first aiders in 2023/24
- Employees can book a GP appointment in seconds through our 'doctor care anywhere' app
- To monitor any potential vulnerable employees, our HR team is trained on monitoring sickness and absence rates to maintain oversight of any potential issues. We also report on retention rates monthly to the Board

INCLUSIVE CULTURE

2022 /23 objectives

- ✔ Establish an employee-led DE&I council
- ✔ Roll out a DE&I policy across the group
- ✔ Create a comprehensive DE&I charter, which will clearly outline our commitment and action plan
- ✔ Distribute regular DE&I communications to mark religious observances and DE&I awareness days throughout the year

We want every Eque2 employee to feel seen, valued and celebrated. This year, we've continued to enhance our diversity, equity and inclusion programme, and we're proud to have achieved 100% of the DE&I objectives we set last year.

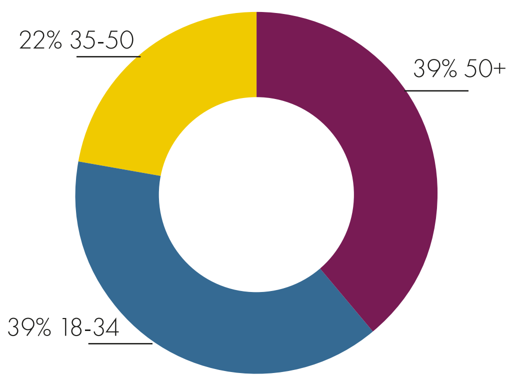
This includes establishing an employee-led DE&I council to drive our initiatives. And we will be reforming the committee in 2023/24, made up of passionate voluntary members across the business, tasked with driving our DE&I agenda. This is supported by ongoing internal educational campaigns around DE&I, sharing resources, encouraging employees to share their stories and marking events such as Black History Month and International Women's Day. We've also recently rolled out educational toolkits, to promote awareness around cultivating inclusive practices in the workplace.

Gender

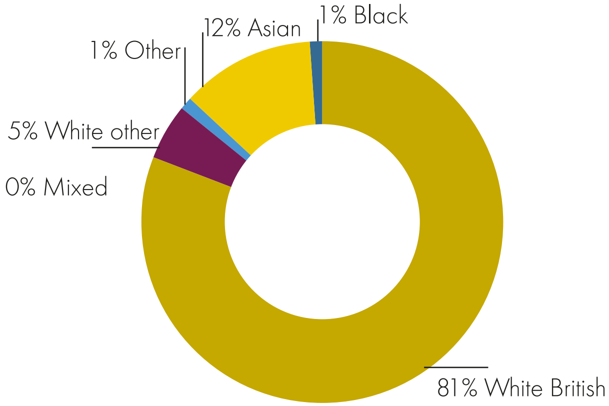
Last year Eque2 pledged our alignment with SDG5: Gender Equality, which sets out to achieve gender equality and provide equal opportunities for leadership at all levels of decision-making. Since then, we undertook a gender pay gap calculation to identify any gaps in pay parity across the business. From this, we created an action plan, setting clear milestones to achieve pay parity across the company.

Attracting women into the industry poses a challenge, with women underrepresented in both the construction and technology industries. Women currently make up 15% of the construction workforce[6], while women make up around a quarter of the workforce in the technology sector[7]. In 2022/23, we calculated our gender pay gap and are currently developing a workplan to platform and encourage women in the workplace. We are currently exceeding the industry average, with 33% of the workforce comprising Females.

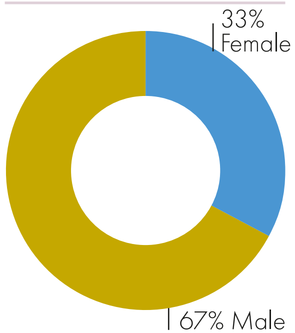
Employment – Age Demographics



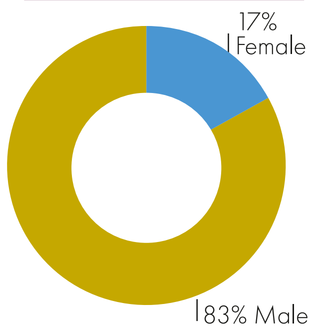
Employment - Ethnicity Demographics



Employment - Gender



Board Balance



[6] https://www.ons.gov.uk/
[7] https://www.eu-startups.com/2023/02/breaking-the-glass-ceiling-how-women-are-tackling-techs-gender-gap/

SUPPORTING OUR COMMUNITIES

Since setting ourselves the action to contribute to a meaningful cause in 2021/22, we've taken several steps to add value to our wider communities. We made a company-wide donation to Shelterbox in April 2023, an international disaster relief charity that provides emergency shelter and aid items to families around the world. We also launched a 'give-as-you-earn' scheme, allowing employees to donate a portion of their salary each month to a charity of choice.

In May 2022, we rolled out a new volunteering scheme for employees, allocating two volunteering days per year to employees. Additionally, we support any employee wanting to raise money for a cause of their choice - in the last year, one of our heroic employees undertook a two-week trek up Mount Everest to raise vital funds for Age UK.

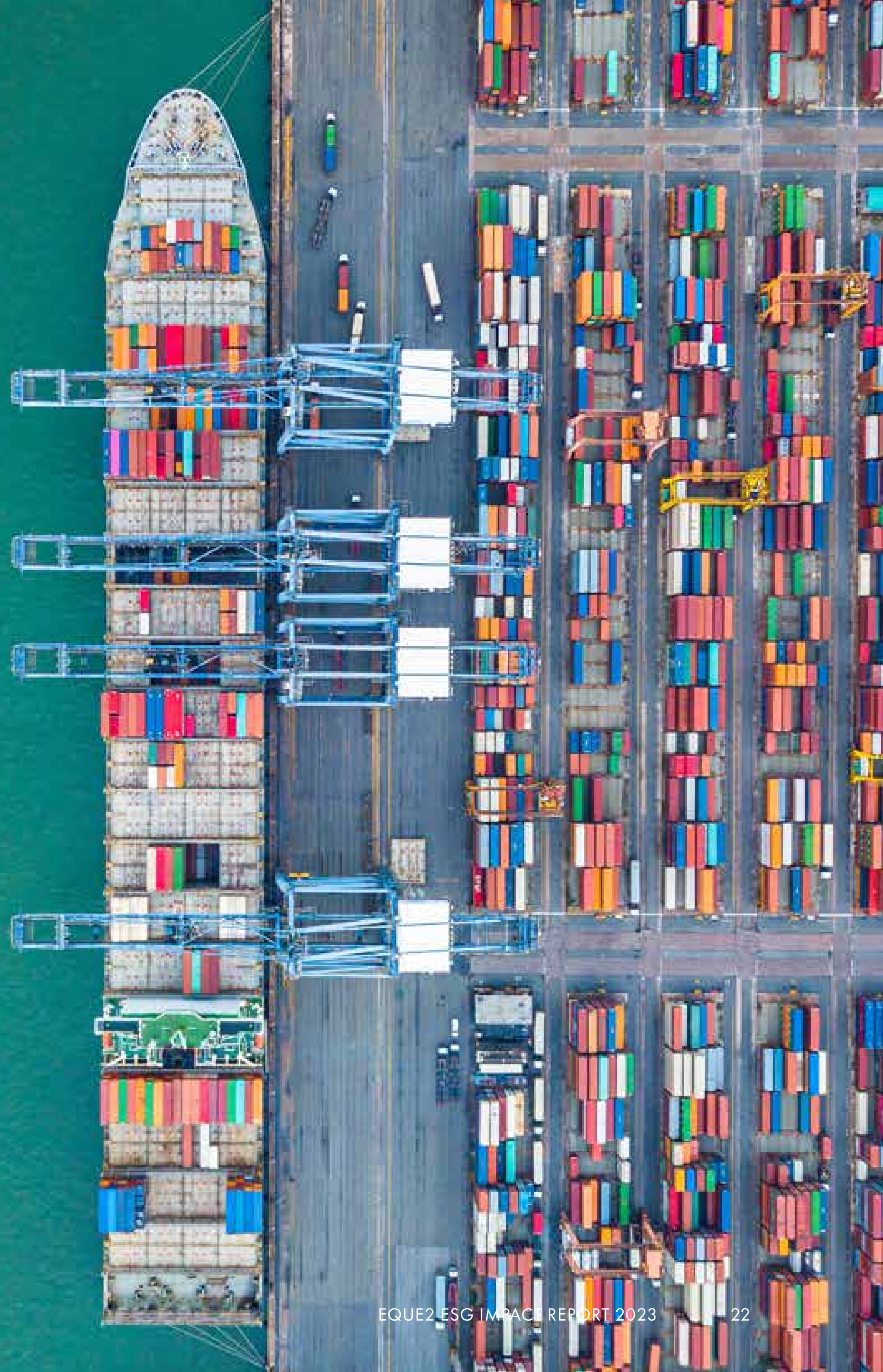
Eque2 will be extending our community engagement programme in 2023/24, selecting a cause each quarter to support, voted for by employees. We'll also be rolling out a community investment plan to ensure that our involvement remains purposeful and allocates adequate resources.

SUPPLY CHAIN MANAGEMENT

With the vast majority of a company's environmental impact sitting within their supply chain, there is increased pressure on companies to take accountability for their wider impact. Over the last few years, we've seen a clampdown from regulators to enforce responsible supply chain management on companies. Most recently, this includes the EU's new due diligence directive (the CSDDD), outlining new requirements for large companies to conduct a full ESG risk analysis of their supply chain and demonstrate an action plan to address these.

We depend on our supply chain to deliver our services, partnering with both big-name tech providers, along with smaller op-ex suppliers. We've begun to take steps to ensure we are working collaboratively with our suppliers to achieve our ESG goals. In 2022/23, we published our Supplier Code of Conduct for inclusion in any new material supplier contracts, outlining our expectations of suppliers to comply with our own ESG standards across their risk management and people practices.

We will be conducting further due diligence on our supply chain in 2023/24 to enhance our vetting practices. This will include the delivery of a supplier pre-qualification assessment form, requesting suppliers to evidence their environmental and social credentials. Collating this ESG data is essential for promoting transparency and traceability within our supply chain and helps us to flag any material risks.



GOVERNANCE

OUR BOARD

EQUE2

Justin Moule, CEO Richard Gray, CFO Mark Rogerson

WESTBRIDGE

Peter Barkley James MacLeay Guy Davies Valerie Kendall

Eque2's Board is responsible for overseeing the strategic direction of the company from our service delivery to the shaping of our company culture.

Our Board also plays an active role in the strategic development of our ESG programme, regularly providing input in the long-term direction of the business and embedding sustainable principles across the organisation.

In 2023/24, we will begin to establish a strategy to enhance Board diversity in the long-term, exploring the introduction of a nominations committee, developing a Board succession plan, and setting Board recruitment goals.

OUR ESG COMMITTEE

Adam Sample, Head of Support | Richard Boston, CRO | Richard Gray, CFO | Rupinder Dyal, Head of HR | Rachael Cole, Head of Customer Experience | Gagan Dokal, Business Development | Craig Smith, Head of Finance

Becoming a responsible business means embedding ESG into our governance and compliance practices.

Our established ESG committee of passionate representatives meet monthly to assess progress against our goals. These representatives are responsible for sustaining momentum on our ESG agenda, holding the business accountable to deliver on our commitments and reporting on our progress to the Board.

UNSPLASH IMAGE

PROMOTING RESPONSIBLE BUSINESS PRACTICES

MANAGING ESG RISK

Regardless of standing, size or industry, all businesses are vulnerable to ESG risks. In 2020, the Bank of America research team estimated around $600+ billion in market cap for S&P 500 had been lost to ESG controversies in the previous seven years[8]. In addition to losing customers and financing from ESG investors, the increase in ESG regulation also leaves companies exposed to legal fines if requirements are not met. Getting a grasp on the environmental, social, and governance variables that pose a threat to a business is therefore vital to protect against both financial and reputational damage.

Eque2 maintains a company-wide risk register, which is predominantly centred around our key business risks, such as potential threats to critical systems. In 2023/24, we will be expanding this to incorporate a wider set of ESG variables, taking into consideration the physical and transitional risks from climate change we're facing in both the near and distant future, such as extreme weather and dependence on data centres.

Eque2's business continuity plan ensures we continue to plan ahead to protect our business against disruptive or emergency events. This undergoes annual review, in addition to annual scenario testing to ensure that all risks are identified, and there are adequate response measures in place.

[8] What is ESG Risk? (Overview, Definition, and Examples)

MODERN SLAVERY

Modern slavery is a crime and violation of fundamental human rights. Eque2 is committed to ensuring transparency in both our own business and in tackling modern slavery throughout our supply chain. Our Modern Slavery Statement outlines our expectations of our employees, contractors, suppliers, and other business partners, supplemented by our Supplier Code of Conduct.

We advocate for employees to raise any suspicions of modern slavery in any part of our business or supply chains. Concerns can be raised with either management or reported in accordance with our Whistleblowing policy.

We take a zero-tolerance approach to modern slavery and any employee or partners found to be in breach of the policy face disciplinary action, dismissal, and the termination of the partnership.

DATA PRIVACY AND CYBERSECURITY

We take extensive precautions to maintain the standards of our cyber security programme. This is underpinned by our Cyber Essentials Accreditation, offered under the Government's Cyber Essentials Scheme.

Our security systems and processes undergo rigorous testing to ensure we remain robust against external attacks. We also have secure measures and processes in place to continue to meet the high standards expected by our customers, partners, and employees.

All employees undertake mandatory GDPR training upon joining the business and we have strict measures in place to keep any data we manage safe and secure.

PLEASE PROVIDE IMAGE

HEALTH AND SAFETY

Protecting the safety of our staff is not only our moral responsibility but a key business risk. In 2021/22, we made numerous enhancements to our health and safety processes, including the introduction of specific health and safety policies covering manual handling, lone working, hybrid working, stress and reasonable adjustments. We also have a Health and Safety Committee for each office, comprising of all appointed first aiders and fire marshals, to discuss office specific cases and plans to support our vulnerable colleagues.

We ensure all staff receive a thorough briefing on our health and safety procedures, with full training provided upon induction. In 2023/24, we will be developing this training programme even further, in partnership with the Krohne e-learning platform.

All Eque2's health and safety measures are supplemented by an external health and safety specialist who provide ongoing advice on procedures, in addition to site checks.

ANTI BRIBERY AND CORRUPTION

Integral to our reputation as a responsible business is our commitment to conduct ourselves with the utmost professionalism, fairness, and integrity. This is reflected in our Anti-Bribery and Corruption policy, which undergoes annual review to ensure it continues to adhere to the highest ethical standards. Additionally, we take precautions to ensure all staff receive annual training to understand the principles around anti-bribery and corruption and how to report any suspected concerns.

WHAT'S NEXT? EQUE2'S 2023/24 COMMITMENTS

ENVIRONMENTAL

- **Switch 50% of our fleet to electric vehicles**
- **Undertake a climate change risk and opportunity assessment**, aligned to TCFD
- Once rolled out, **evaluate the carbon savings made** from our Embedded Carbon product

SOCIAL

- **Determine the sustainability of our supply chain** – undertaking a supply chain mapping and embedding our ESG requirements in our Tier A suppliers (critical suppliers)
- **Develop a strategic community investment plan** aligned with Eque2's vision and purpose
- **Undertake a materiality assessment**, engaging with at least two main stakeholder groups

GOVERNANCE

- **Develop a strategy to enhance board-diversity** in the long-term
- **Integrate climate change and ESG into our governance**

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