

ESG Report 2022



**Leading.
Trusted.
Changing lives.**



ESG Report

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



A word from our Chief Executive Officer, Albert Ellis

Welcome to Staffline’s 2022 ESG Report.

Staffline recognises the value of Environmental, Social and Governance (“ESG”) and the vital importance of delivering our purpose to put people into work. As a business focused on recruitment, skills and employability training, we play a pivotal role in changing lives and empowering communities in both the UK and the Island of Ireland.

Given the size of our business, it is important that we provide leadership and set an example in operating sustainably, not only in the corporate space but more widely as an organisation of influence in society and in our communities. Our clear commitments outlined in this report – overseen by our ESG Committee – align with many of the targets and ambitions of our partners and stakeholders, many of whom are also leading by example.

ESG Report 2022

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People placed into good work

c.93,000

Unemployed people supported towards getting a job

16,850

Inmates educated in 2022

10,506

Our approach.



Our purpose drives our activities. As a blue-collar recruiter and training provider, we play an important role in helping to enhance the prospects of those looking for work and thus support local communities and wider society.

Our commitment to the development of people and communities and related environmental, social and governance responsibilities is integral to our business.

These responsibilities guide our activities and underpin our approach to sustainability.

Our strategy

Our sustainability strategy sets out how we deliver against our responsibilities and is based around four key pillars, covering environmental, social and governance issues.

Making a positive difference to people and society

Our key focus and the area where we can deliver the greatest positive impact. By developing skills and delivering training and support services, we engage and transform the lives, including many from disadvantaged backgrounds, helping unlock potential to improve prospects and get people into jobs.

- Providing good work
- Delivering employability and skills training
- Community engagement

Reducing our environmental impact

We place great importance on seeking to minimise our environmental impact, and we recognise that our environmental responsibilities are integral to our business.

- Energy and carbon reporting
- Carbon offsetting
- Task Force on Climate-related Financial Disclosures (“TCFD”)

Supporting and developing our people

We share a commitment to change and improve the working lives of our people every day. We invest in all stages of the employee journey, driving a high-performance mindset through effectively engaging our people, whilst supporting and creating a sense of belonging, too.

- Wellbeing
- Training, development and reward
- Diversity, equity, inclusion and belonging (“DEIB”)
- Health and safety

Doing business in a responsible way

Sound governance and doing business in a responsible way supported by our policies and values are fundamental to the way the Group operates. Overseen and guided by our ESG Committee, we aim to demonstrate these responsibilities within our corporate policies and through our actions.

- Governance
- Responsible business
- Regulatory compliance

ESG Report continued

Making a positive difference to people and society.

We are committed to making a positive difference to society by delivering real social value in our local communities and ensuring our practices are socially responsible.

Providing good work

We work hand-in-hand with our clients as an integrated business partner. Our candidates' work experience is equally important to us and we continue to focus on helping them find good work with the most reputable employers.

We resource, recruit and mobilise large-scale workforces to meet the ever-changing needs of our customers, matching peaks and troughs on a continual basis.

Delivering employability and skills training

We recognise that by using our employability and skills expertise and partnering with government, employers and local organisations we can make a real difference to individual lives, communities, and wider society, supporting individuals to secure employment and helping employers to fill vacancies.

Through our PeoplePlus business we deliver skills and training, provide employment support and prison education, as well as working with over 400 employers to deliver recruitment, training and employability solutions so people can access the right employment opportunities and enhance their career prospects.

Across our employability programmes we were able to support over 17,000 individuals in 2022. In addition, we support people to set up and run their own businesses. Since establishing our self-employment provision in Manchester and Yorkshire more than 10 years ago we have helped over 100,000 people to become self-employed, with an 80% sustainment rate.

Our #GetBritainWorking campaign supports the Government's Way to Work initiative. Around 1,000 Jobcentre colleagues took part in the launch of the chatbot Flin, which uses our technology to allow claimants to book interviews directly. Connecting our interview booking technology with our wider services, we provide support to prepare people for work and connect those looking for work with employer vacancies to offer interviews as and when individuals are ready.

To complement our skills and employability training, our PeoplePlus Wellbeing team supported more than 500 people to better understand emotion, reduce isolation, build confidence, and improve resilience.

87%

of people who started a course and were subsequently offered a job; started employment

Between January 2018 to December 2022, we made a difference to the lives of

1,001,147

people

Since 2019 we have delivered over 137,000 qualifications to

49,808

learners

c.500

people supported to improve and maintain wellbeing in 2022

c.8,500

people trained for vacancies available via our Social Recruitment Partners in 2022

14,096

prisoners used our Initial Advice and Guidance service in 2022

Case study

Our support ensures that individuals are ready for the right job at the right time



RESTART SCHEME

Restart forms part of the Government's Plan for Jobs, which is helping millions of people across the country – many of whom had their employment status impacted by the Covid-19 pandemic. PeoplePlus is delivering the Restart Scheme in conjunction with Reed in Partnership in Kent and the North East, and in partnership with Serco in Wales.

The scheme gives personalised support to individuals looking for work including health and wellbeing advice and a tailored action plan. Our support ensures that individuals are ready for the right job at the right time. 16,850 people have joined the Restart Scheme with us and 5,562 have started work since summer 2021 as a result.



Case study

Delivering education and training to offenders and ex-offenders

At PeoplePlus, the support offered to offenders and ex-offenders in the justice system includes face-to-face classroom and in-cell learning, an information, advice and guidance service detailing employment opportunities for ex-offenders once they leave prison, as well as a bespoke educational television channel, Wayout TV, shown in 72 prisons throughout England.

- PeoplePlus has delivered education in prisons for 15 years and is the largest independent provider of prison education in England. We deliver education to 22 prisons and one Youth Offender Institution ("YOI"), and provide information, advice and guidance to 16 prisons and 2 YOIs.
- Nearly a third of all PeoplePlus colleagues work in the Justice division of the business, and the impact of their work supporting those with some of the most challenging barriers is truly life changing. During 2022, 10,506 prisoners started 26,233 courses, with 92% of these successfully completing them.



In an average year, 2 million hours of face-to-face learning are delivered across PeoplePlus' prison network, and each hour of education has the potential to persuade offenders to change their lives for the better.

Wayout TV

ESG Report continued

Case study

Social Impact Hub

The Social Impact Hub is a suite of social value programmes designed to address barriers to employment, harnessing the collective power of employers, partners and trusted local organisations to tackle these barriers.

The programmes place particular emphasis on supporting:

- Ex-offenders
- Long-term unemployed
- BAME communities
- People with disabilities or learning differences
- Veterans
- Refugees

The Social Impact Hub is co-created with local communities, including local authorities and trusted Voluntary, Community and Social Enterprise (“VCSE”) providers, to ensure the solutions are based on local needs and bring together the best quality services from private and not-for-profit sectors. We use a social value calculator to demonstrate the value of the Social Impact Hub work.

Enabling people into good work

Our recruitment businesses have national coverage across Great Britain and Ireland providing ‘good work’ to a total of around 93,000 different blue-collar workers in the year.

They work at around 400 client sites, branches and recruitment hubs across a wide range of industries including supermarkets and retail, drinks, driving, food processing, logistics and manufacturing.



Prevention of modern slavery

136,000 people in the UK are estimated to be victims of modern slavery, around 1 in 500 people.

Staffline places up to c.36,000 people into good work each day. We are committed to protecting our workers from labour exploitation and modern slavery, and apply a robust seven stage red flag test to inform how we recognise and react to signs of human exploitation. We monitor and analyse data to identify areas of risk and work closely with our sites, which are key to identifying possible victims. We spend time building strong relationships with those we work with to be better able to recognise the signs that something may be wrong.

We train all permanent staff on how to spot the signs, and we also marked the most recent Anti-Slavery Day with a **SPOT, THINK, ACT**.

SPOT – the red flags
THINK – of your safety and those around you
ACT – by contacting the Compliance Team

During the year, we assisted the authorities with 52 modern slavery investigations, which led to the identification of 36 suspected victims. In addition, we helped the Police/Gangmasters and Labour Abuse Authority (GLAA) in their enquiries with a further 34 confirmed victims.

We work continuously to prevent unlicensed gangmasters from infiltrating our business and exploiting our workers and engage with authorities and charities to tackle modern slavery, including Care and Justice, Avadu Project, Hope for Justice and the GLAA. We also work with the Stronger Together initiative, using the Responsible Recruitment Toolkit to keep modern slavery high on ethical agendas.

Over 59 businesses have now joined Scotland Against Modern Slavery (“SAMS”), which our Scottish business Brightwork co-founded with the Scottish Government and Police Scotland to raise awareness of human trafficking and exploitation with the business community and support victims into permanent jobs through Brightwork. Through SAMS we have supported 17 victims of Labour Exploitation into work and have continued to run regular on line and face-to-face business focussed events to raise awareness of the current issues locally and globally.

Through vigilance, caring, and the proactive approach of our employees and our supply chain, we strive to eliminate this complex and evolving crime.

Our Modern Slavery Statement can be found at: www.stafflinegroupplc.co.uk/about-us/modern-slavery/.

Community engagement

Supporting our local communities is a core part of our ethos. We help people to live independently through our direct payments service, and our local services and volunteering activities support individuals and community-based organisations.

Working with 21 local authorities across England and Wales, our community support services enable thousands of people each year across England and Wales to live independently with direct payments.

Our Carers Hub in Gloucestershire gave free support services to 4,600 people in 2022 while our YouCan wellbeing programme supported 496 service users to build confidence and connections, reduce isolation, and improve wellbeing resilience.

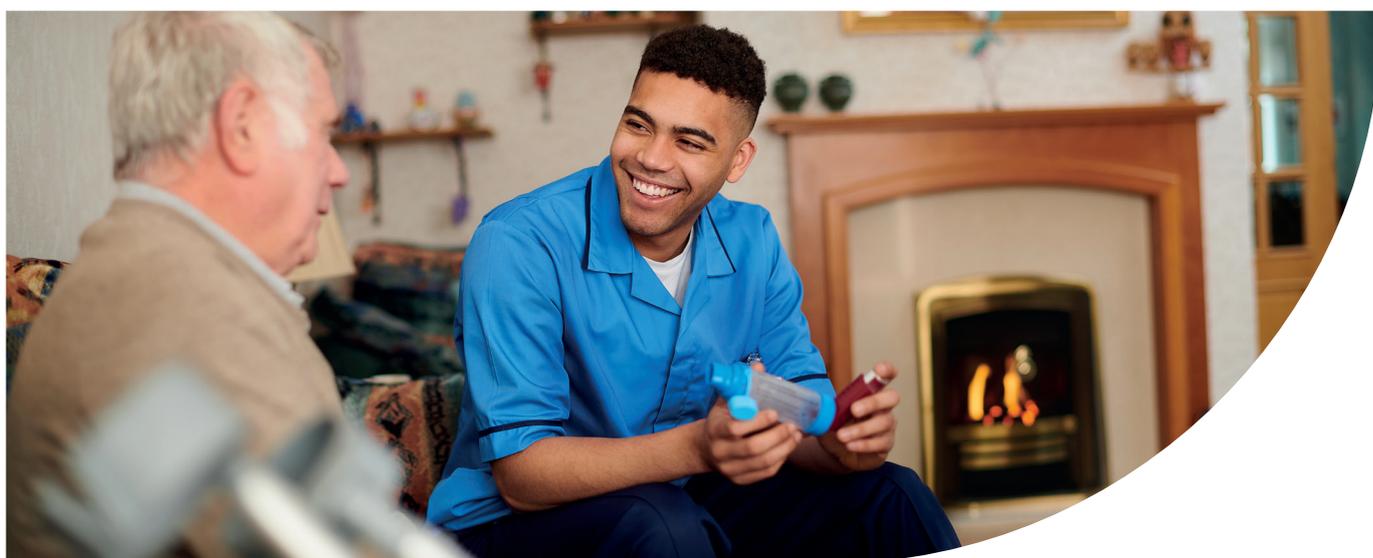
During 2022, our employees delivered over 4,000 volunteer hours to local charities, schools and community-based organisations. Separately, the Group donated £19,086 to local and national charities.

4,000

volunteer hours to local charities, schools and community-based organisations during 2022

£19,086

donated to local and national charities



AREA	AIMS FOR 2023
Providing good work	<ul style="list-style-type: none"> • Grow customer base and continue to diversify sector and service offering, specifically managed service provision. • Continue to increase engagement with our worker population.
Delivering employability and skills training	<ul style="list-style-type: none"> • Identify further roles and employers with whom to address barriers to employment. • Implement skills and training solutions to support those in employment to progress within their roles and develop their careers.
Prevention of modern slavery	<ul style="list-style-type: none"> • Continue to train our people and apply our processes to identify areas of risk, and work with third parties to prevent cases of modern slavery.
Community engagement	<ul style="list-style-type: none"> • Encourage our people to support charitable initiatives by providing paid time off for volunteering and promoting fundraising opportunities.

ESG Report continued

Supporting and developing our people.

We share a commitment to improve the working lives of our people every day. We invest in all stages of the employee journey, driving a high-performance mindset through effectively engaging our people, whilst supporting and creating a sense of belonging.

8

Diversity, Equity and Inclusion (“DEIB”) campaigns delivered

We listen, act and support.

The Group’s employees are central to our ongoing success and future growth, so Staffline strives to create a genuinely inclusive environment in which employees can flourish and develop through learning and development opportunities, regular performance reviews and career progression.

We communicate and engage with our people via various channels, including in-person, virtual and electronic communication, and ensure the voice of our people is heard. We regularly survey our employees and act on feedback via transparent action plans.

In 2022, our Group employee turnover rate was 40.5%. This figure includes all employee attrition, redundancy, dismissals and TUPE out. Our Group average sickness absence rate, including long-term sickness, was 2.72%.

The wellbeing of our people is a key part of our people strategy. We want our people to feel safe and supported, and, in a world of increasing uncertainty and mental health challenges, we are committed to providing our people with access to wellbeing initiatives that support their whole lives, not only their work lives.

All employees across our group have access to wellbeing support, such as private medical insurance or medical cash plans, telephone, online, app or face-to-face professional counselling support, and support programmes for carers. We have provided comprehensive mental health training, including Mental Health First Aid, personal wellbeing and instigating mental health conversations with others.

Financial wellbeing is of increasing importance, therefore in addition to offering regular salary reviews and benchmarking, we offer financial wellbeing benefits that give all employees access to discounts and vouchers for a diverse range of products, in addition to salary sacrifice schemes.

Our hybrid working and flexible working policies continue to prove popular, offering choice to our employees where possible.

2.72%

Absence rate

325

employees earned promotions

37

Apprenticeships



Case study

YouCan Programme supporting our people with their wellbeing

PeoplePlus Internal YouCan Programme is a bespoke wellbeing programme for colleagues that provides information, advice and supportive discussion on four key topics:

YouCan Be You – explores emotions and feelings and introduces coping strategies for work and life.

YouCan Bounce Back – looks to improve resilience, confidence, self-esteem and tackles burn out.

YouCan Be Healthy – introduces small changes that make big differences through sleep, exercise and healthier lifestyles.

YouCan Do It – encourages positive thinking, mindfulness techniques, being thankful and creating a practical plan for the future.



Health and safety

Our workers' health, safety and welfare remain a priority. In 2022, there were a total of 332 reported incidents/accidents at customer sites, 46 of which were reportable to the Health and Safety Executive (the "HSE") or equivalent.

Accident data is reported by each operating division monthly, and the Group's Governance Director leads on evaluating themes and learnings, and assessing our data against national average comparators. Minor accidents (such as cuts and bruises) and near-miss incident reports made up 43% of the total reported matters in 2022. "Struck by moving/falling object" is the second most common reported accident type (14% of the total), seven of which were reportable under RIDDOR.

This category does not include vehicles or moving machinery; most cases involve pallets and/or storage cages and occurred within a warehouse/distribution centre environment. "Injured while handling, lifting, or carrying" is the joint-third most common reported accident type (12% of the total), which is to be expected given the nature of assignment tasks within the many 'general operative' warehouse roles supplied by Staffline. "Slips, trips, and falls on the same level" is the joint-third most common reported accident type (12% of the total).

Spotlight:

PeoplePlus IIP Silver

In 2022, our PeoplePlus business was proud to be awarded the prestigious Investors In People Silver accreditation. IIP focus on "making work better", working closely with organisations to measure engagement and share insights to improve their culture following a rigorous, broad and deep assessment across the whole organisation. This approach allows PeoplePlus to better understand our culture and identify areas for development to drive sustainable success.

Our colleagues described a culture of trust, where they feel their voice is heard and they are recognised and rewarded.



ESG Report continued

Leading our approach



Sarah Taylor

People Director

Staffline Recruitment GB

2022 was the year we created our new normal, balancing online communications with face-to-face, encouraging our people to have their voice heard through regular pulse surveys, in quarterly town hall meetings and through our elected Your Voice reps. We continue to celebrate our differences through our bi-monthly campaigns, raising awareness of the key Diversity, Equity, Inclusion and Belonging topics that enable us to create an inclusive culture.

I am delighted with the number of people that we were able to recognise and promote in 2022, enabling employees to develop their careers with us and be showcased in our monthly STARS awards.

In 2023, we will continue to drive a high performance and experience culture, ensuring every employee feels valued, is engaged, developed and rewarded for their performance.



Jessica Chadwick

People Director

PeoplePlus

A key focus in 2022 was to build our workforce capacity in our core operational divisions of Prison Education, Employability and Adult Skills, and more recently in our new Youth Offending Institute. We also set out to achieve an Investors In People Accreditation, and were delighted to be awarded a Silver Accreditation in August 2022. Our distinct Trademarks at PeoplePlus were further strengthened with the introduction of a 4th Trademark 'Customer First', which was voted for and chosen by our colleagues. Towards the end of 2022, we celebrated the significant milestone of directly impacting the lives of 1m people by 2022 – a mission that we set four years previously.

In 2023, we will continue to focus on developing an environment that attracts, retains and develops the very best talent for our business. We are also excited to launch our new strategy for Learning and Development; creating a culture of learning and empowering employee growth through a new learning ecosystem.



Sinead Sharpe

HR Director

Staffline Recruitment Ireland

Staffline Recruitment Ireland has continued to grow from strength to strength in 2022 – an 8% increase in headcount reflects our ability to attract the talent so key to our position of profitability, in spite of a competitive external market. I am proud that this year, we committed to ongoing people development via a programme of funding as standard for professionally recognised recruitment qualifications; in addition to introducing six-monthly Talent Review Forums which will consolidate our succession planning. We launched our first Culture Audit Survey in 2022 which provided rich data and highlighted our high performance culture. More importantly, it was an opportunity for the business to listen and act on suggested improvement to our benefits, which are now more valuable and inclusive than ever. As a result, we have introduced new Menopause and Diversity, Equity, Inclusion and Belonging Policies, and signed up to the Mental Health Charter.

Celebrating and recognising our people remains critical to creating our culture of belonging. Our Management Conference earlier this year was a welcome opportunity for our people to network, share and plan for growth in what promises to be an exciting and rewarding 2023 for us all.

We invest in training and development

Just as our employees invest their time and effort into our clients, we in turn invest in their potential. In 2022, we built upon our core learning and development foundations, offering:

- Funded professional qualifications
- Apprenticeship Programmes for a range of roles
- Sales Skills training for client-facing recruitment roles
- Blended learning opportunities – ranging from online, interactive bespoke e-learning to 1-2-1 expert sessions

Our people tell us that they want to know that there's a clear career path available to them. Employees are supported to move across traditional paths in order to gain a wider view of how our businesses operate. In 2022, 325 employees earned promotions and robust succession planning remains a key focus – Talent Review Forums take place at least annually and involve the highest levels of leadership across the Group.



We celebrate success.

Rewarding our people

We are proud to recognise our people's wins, recognising and rewarding team and individual success. In addition to regular "instant" and "thank you" gifts, vouchers or card recognitions, our businesses recognise performance excellence via formal monthly, quarterly and annual awards – based on achievement of sales targets, new business wins, and manager or colleague nomination schemes.

Our Long Service Award schemes recognise and celebrate loyalty and commitment to our businesses, and we also encourage employees to use our referral schemes to introduce new talent to our workforce.



Case study

Staffline Ireland reward philosophy

All employees of Staffline Ireland have the opportunity to participate in our reward schemes, which are based on three core principles to balance rewarding high performance and sustainable profit:

Accountability – our business commits to pay the UK Living wage as a minimum, and seeks employee accountability via achievement of role and team-specific KPI's/targets

Incentivising – our reward schemes motivate our talent, consistent with being a high-performance business

Sustainability – our reward schemes are fully sustainable and self-funding

In addition, our reward scheme includes:

- competitive, targeted commission schemes, which pay regular bonuses based on profit margin targets achieved;
- quarterly bonuses for any top commission earners;
- a monthly league table for individual consultants and operational teams with the opportunity to win valuable vouchers; and
- an annual international trip for the highest performing operational teams/individual consultants/back office superstar.

Case study

Staffline GB learning and development solutions

At Staffline, our ambition is to be the Netflix of learning by creating a tailored and targeted experience for every employee, based on their development plan, personal interests and job role. We do all of this using our learning experience platform ("LXP") through audience-targeted home pages and banners with the aim of increasing engagement and interest in personal and professional development.

We offer a variety of learning solutions, from traditional face-to-face learning through to virtual learning bursts covering performance

conversations, career progression and employee relations topics. In addition, we were inspired by TikTok to create our systems training within the LXP, embracing the theory of micro learning to keep our training engaging, quick to interact with and readily understood.

We also understand the importance of learning through our internal experts and mentors, and launched 30-minute "ask the expert" Q&A sessions. These provide an opportunity for individuals to learn more about a focus topic and to ask questions.



ESG Report continued

How we're supporting and developing our colleagues



Dovile Kopacz
Account Manager
Staffline Ireland

After graduating from university in Lithuania as a dental hygienist, I visited my family in Northern Ireland and never left! Staffline Recruitment saw my potential, quickly promoting me from Team Leader to Trainee Account Coordinator, then Senior Account Co-ordinator to Account Manager for one of our biggest clients this year.

I have a natural drive to ensure I make the best impact I can in meeting my clients' expectations. Recruitment gives us endless opportunities to change people's lives – it's so rewarding to see people being offered permanent roles.

Staffline has the same strong values as I do, and makes me feel that my work is meaningful and that what I do makes a difference. The opportunities are endless and it's important to me to feel proud of my workplace – Staffline gives me that and more.



Rik Molloy
Business Manager
PeoplePlus

I originally joined PeoplePlus in 2013 as a Job Coach on The Work Programme, and worked in three different branches during my first five years with the company. This was my first step into the world of employability and I've never looked back! In 2018 I left PeoplePlus, stepping in to work on a lottery-funded project that helped the 50+ community to combat loneliness and social isolation. I missed the buzz of helping people back into employment, so rejoined PeoplePlus as Employment Advisor in the Folkestone branch.

Within three months I was promoted to a Business Manager position as I wanted to help my colleagues love this sector as much as I do. No two days are the same in this business and I feel that working for PeoplePlus is a privilege because we make positive changes in people's lives and make a real difference in our community.



Jamie Marshall
Process and Systems Manager
Staffline GB

I started my recruitment career in 2004 as a trainee recruiter working for one of our competitors, progressed to become a branch manager, then moved to another company as an on-site Account Manager. I loved this role because it had a greater focus on people and was a fast-paced, agile working environment. In 2011, I joined Staffline as an Account Manager at Fox's Biscuits, and was made to feel part of the Staffline family from day one.

In 2018, I was promoted to an area Account Manager role and was responsible for looking after five sites and teams within the Yorkshire region. I had always had an interest in systems and ensuring we use them properly to drive efficient practices and enable our people to spend time with candidates, workers and clients. This interest led me to move into a newly created role in 2011 as Process and Systems Manager. I enjoy the role as it allows me to learn and share my knowledge with people at all levels within the business and I can see measurable results through the work I am delivering. I love working for Staffline because of the truly amazing people I get to work with every day.

Gender pay gap

On 5 April 2022, the Group employed c.2,000 permanent employees and c.36,300 temporary contractors. Overall, amalgamating all business areas and including the temporary workforce, the mean gender pay gap was 7.6% (2021: 7.9%). For the permanent employees, the mean gender pay gap was 15.7% (2021: 16.4%). Further information can be found at www.stafflinegroupplc.co.uk/about-us/gender-pay-gap-report/.

AREA	AIMS FOR 2023
Wellbeing	<ul style="list-style-type: none"> Continue to maintain and improve positive engagement scores. Through effective recruitment, reward and engagement strategy, continue to reduce levels of attrition and sickness absence.
Training, development and reward	<ul style="list-style-type: none"> All employees continue to have regular performance reviews and personal development plans. Continue to evolve how we encourage individuals to embrace the social aspect of our LXP learning platform to drive learning through peer-to-peer recommendation rather than relying solely on the Learning and Development team.
Diversity, Equity, Inclusion and Belonging	<ul style="list-style-type: none"> Completion of outstanding DEIB facets, as well as ongoing training to embed these key values across the Group.

Creating an inclusive culture.

Diversity, Equity, Inclusion and Belonging



Our aim is to create a culture where every employee belongs and feels included. Nurturing a truly diverse and inclusive Company is not only the right thing to do but is crucial to our long-term success.

We are committed to three things:

1. **We are aware:** Through national campaigns, employee development and senior leadership sponsorship we are committed to increasing awareness of DEIB across the Group and our employees.
2. **We are trusted** by our people and our customers to create a working environment that is inclusive and encourages our people to talk openly, authentically and without consequence.
3. **We evolve:** Through effective policy change we strive to create a more inclusive culture for our people.

60/40

women/men gender split

49

women in leadership positions

8

DEIB campaigns delivered

We are aware

Increasing awareness of Diversity, Inclusion, Equity and Belonging (“DEIB”) is the first step to creating a more inclusive culture across the Group. In 2022, we increased awareness through internal campaigns, employee development and deepening our understanding of who our employees are. Examples of what we achieved in the year are below:

- Delivered eight campaigns: International Women’s Day, Neurodiversity, Earth Day, Mental Health Awareness, Pride, Black History Month, Menopause Awareness and Movember, covering seven of the ten DEIB facets
- 39 women attended the Remarkable Women in Leadership programme
- Provided unconscious bias training to 94% of employees
- Created e-learning modules on unconscious bias, disability awareness and inclusion training
- Enhanced our employee data to include monitoring of all ten facets of diversity to improve positive action planning
- Introduced the option for colleagues to inform us that they are a carer so we can support them with their caring responsibilities

We are trusted

Our people and customers trust us to create a working environment that is inclusive, and encourages our people to talk openly, authentically and without consequence. We recognise the importance of listening to our employees with the aim of creating a more supportive and engaged place to work. In 2022, we asked our employees what they would like us to talk about in 2023 with regards to DEIB and this feedback will shape our focus areas. Some examples of what we did in 2022 are below:

- Received Diversity Mark NI Bronze level accreditation for our commitment to DEIB
- Provided Mental Health Conversations training to 81% of all employees, with 100% of our employees in the Island of Ireland having completed DEIB training
- Provided mental health awareness sessions to 54% of line managers in PeoplePlus
- Created a BAME forum aimed at bringing together employees from a BAME background to talk openly about their experiences
- Supported a cross-section of UK and international charities through fundraising and volunteer days

We evolve

As a responsible employer we are committed to continuing to review and introduce policies that reflect the changing nature of the world of work, and to nurturing a more inclusive culture. As part of those regular reviews, not only are we looking at what is included in our policies, but also the language within them to ensure they are using inclusive language.

During the year, we adapted our flexible working policies to ensure that we respond to flexible working requests from day one of an employee’s career with us, offer hybrid working where appropriate and support all employees who may require this.

Some examples of the new policies and guidance that we introduced in 2022 include:

- Menopause policy
- Gender identity guidance
- Additional paid time off for maternity and paternity leave

ESG Report continued

Reducing our environmental impact.

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

Energy and carbon reporting.

We aim to demonstrate these responsibilities through our actions and within our corporate policies. During 2022, the ISO 14001 Environmental Certification was achieved within the PeoplePlus business, and plans are now in place to expand the Certification into the Staffline GB business during 2023-2024.

Extensive work has been undertaken throughout 2022 to strengthen our controls and reporting arrangements for Scope 1 (gas) and Scope 2 (electricity) emissions. On a like-for-like (properties occupied in both the current and prior years) basis, the tCO₂e emissions for the Group were broadly equal to the 2021 reported emissions (267.78 tCO₂e in 2022, compared with 269.44 tCO₂e in 2021), and therefore show a 44% reduction against the baseline year emissions, which Staffline Group set in 2019.

There have been significant changes to our physical estate and the number of properties from which services are provided due to the implementation of the PeoplePlus Restart Scheme, providing unemployment support services to people in Wales, the Home Counties, and in the North East of England.

2022 is our first reporting year where, following the introduction of a comprehensive survey being issued to all of our remote and home-based workers, we now have this additional strand of data to help us understand the emissions for colleagues within our workforce working (mostly) outside of our property estate.

Due to the increasing scale of the PeoplePlus operations and breadth of our reporting coverage, the overall Scope 1 and Scope 2 carbon emissions for the business have risen year-on-year, as shown in the table and graphic within this section. The dashed line within the graphic shows the total usage on a like-for-like basis, as referenced above.

The reporting and monitoring arrangements in place for current emissions for the sources included in Scope 1 and 2 of the GHG Protocol are embedded. The methodology used to calculate our emissions is based on guidance issued by the SECR and has been calculated using the revised carbon conversion factors published by BEIS for each of the years noted. These disclosures are made in accordance with Streamlined Energy and Carbon Reporting guidelines. The data included covers the 2019–2022 (inclusive) financial years.

Each of the Group's trading divisions has Carbon Reduction Plans in development which will detail the divisional carbon footprint and confirm the business's commitment to achieving Net Zero by 2050. Each Carbon Reduction Plan, once finalised, will be subject to regular review and, where required, shall be published on the appropriate websites.

Working with our partner organisations, our PeoplePlus has for the first time in its history introduced a carbon off-setting scheme, with the initial intention of achieving its 2022 target to offset 20% of its carbon emissions produced from all business travel (car, rail, and air) within the year. In order to demonstrate PeoplePlus' total commitment to being a greener and more responsible business, 100% of the carbon emissions produced from all business travel have been offset. 1,479 trees have been planted as part of a reforestation programme in Haiti, which equates to a carbon offset of 233.94kg of CO₂. Our partnership will continue throughout 2023 and beyond, as we continue to commit to reducing our carbon emissions, as set out in our Carbon Reduction Plans. The data covers energy usage across all large UK entities in the Group. Energy usage from subsidiaries outside of the UK is outside the scope of this report and therefore excluded from the figures below.

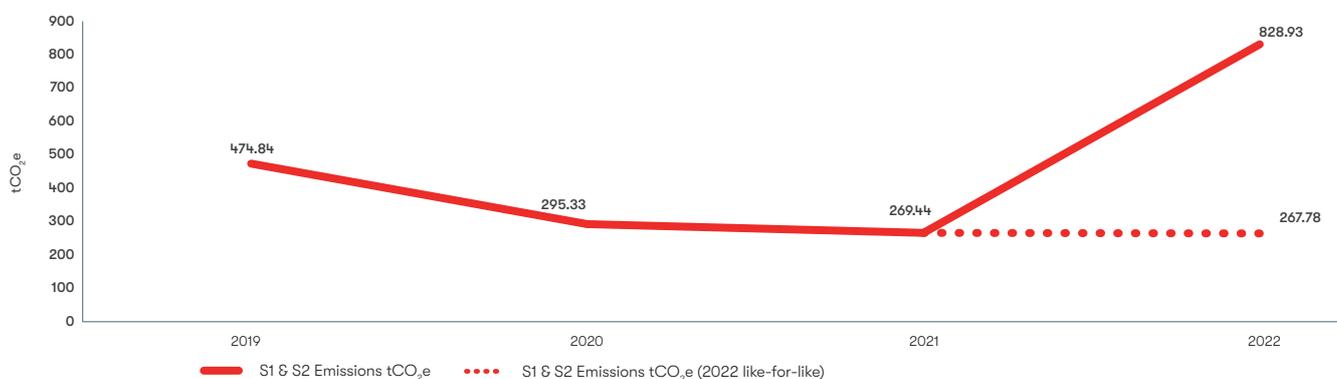
UK energy use

Consumption in metric tonnes CO₂e

	2019	2020	2021	2022
Group Total – Scope 1 (Gas)	123.47	48.34	82.02	256.83
Staffline Recruitment Limited	41.95	32.42	29.2	114.58
Staffline Northern Ireland	0	0	0	0
PeoplePlus Group Limited	81.52	15.92	52.82	142.25
Group Total – Scope 2 (Electricity)	351.37	246.98	187.42	572.10
Staffline Recruitment Limited	128.23	127.45	95.9	154.44
Staffline Northern Ireland	36.35	55.99	43.06	47.04
PeoplePlus Group Limited	186.79	63.54	48.46	370.62
Group Total – Scope 3 Partial (Business Travel)		Not recorded		606.01
Staffline Recruitment Limited		Not recorded		332.35
Staffline Northern Ireland		Not recorded		39.72
PeoplePlus Group Limited		Not recorded		233.94
Total Consumption in Metric Tonnes CO₂e	474.84	295.32	269.44	1,433.94
Carbon Offset		Not recorded		233.94
Efficiency Ratio				
Number of Employees	2,457	2,163	2,326	1,763
Total Emissions in Tonnes CO ₂ e per Employee	0.19	0.14	0.12	0.81

UK Scope 1 and 2 emissions

(2019-2022) by tCO₂e



Various research projects have been undertaken during the year to develop our early thinking in terms of stakeholder analysis, and the extent to which we are considering the influence and interest of various third parties. Initial reviews have been carried out to help our thinking on various 'macro' matters and working through climate scenarios to consider the long-term impacts of such things as extreme temperatures and rising sea levels, and the likely impacts on our business.

We have commenced the data gathering process for our Scope 3 emissions for categories 1 (Purchased Goods and Services) and 6 (Business travel) and have put processes in place so that moving forward we can fully capture all elements. One of our supply partners is able to provide the data for the category 1 emissions for their deliveries to/collections from one of the group businesses. This partner has well established environmental practices and has been instrumental in our learning and has supported with our own initiatives within the business, which included an increase in the volume/scale of recycling taking place within our offices.

Moving forward in to 2023, we will be investing more time for categories 5 (Waste generated in operations) and 7 (Employee commuting), so that we have a better understanding of our emissions in these areas and are already planning a reporting survey/exercise to collect the category 7 data. The certification to ISO14001 (Environmental) in one of the group businesses has naturally created the framework for elements of environmental reporting, which will grow as the practices of the environmental standard are further embedded.

ESG Report continued

Carbon offsetting

Working with our partner organisation Trees4Travel, PeoplePlus introduced a carbon offsetting scheme, with the initial intention of offsetting 20% of the carbon emissions produced from business travel (car, rail, and air) during 2022.

In order to demonstrate PeoplePlus' commitment to being a greener and more responsible business, 100% of business travel-related carbon emissions were offset. 1,479 trees were planted as part of a reforestation programme in Haiti, offsetting 233.94kg of CO₂. Our partnership will continue throughout 2023 and beyond, as we continue to commit to reducing our carbon emissions in line with our Carbon Reduction Plans.

AREA	AIMS FOR 2023
Energy and carbon reporting	<ul style="list-style-type: none"> Expand ISO 14001 certification into the Staffline GB business during 2023-2024. Finalise Carbon Reduction Plans for each of the Group's trading divisions. Develop data gathering and reporting of Scope 3 emissions. Deepen climate change scenario analysis.
Carbon offsetting	<ul style="list-style-type: none"> Continue to invest in carbon offsetting, while increasing focus on renewable energy sources to reduce the need for offsetting.

TCFD

We are pleased to report more fully against the requirements of the Taskforce on Climate-related Financial Disclosures ("TCFD"), and are working to develop our reporting next year.

Governance

The Board retains primary responsibility for oversight of ESG matters including climate-related risks but has delegated responsibility for development of relevant strategy, policies, monitoring and controls to the ESG Committee. This was established in 2021 and comprises senior managers from various functions across the Group. The Committee has been chaired by the Group Chief Financial Officer since October 2022, providing a direct link to the Board.

The Committee met regularly during 2022 to drive development of the Group's overall ESG strategy, risk management and monitoring arrangements and both internal and external reporting on ESG matters.

The Board received regular updates on ESG-related matters throughout the year and has been closely involved with the development of Staffline's external reporting in this area.

Delegation of responsibility for oversight of climate-related risk to the Audit Committee will be considered periodically by the Board.

Strategy

The Board recognises that climate change will inevitably impact on the business environment in which Staffline operates. Whilst some changes, particularly transition to a low or net zero carbon economy, will have a direct impact on the Group's operations these are considered unlikely to be material. Indirect impacts through changes to customers' business models, supply chains and operations are a more significant source of uncertainty.

Staffline has adopted a strategy of positive engagement with stakeholders around ESG matters including climate change and will continue to pursue active dialogue with all parties to better understand how their respective requirements are likely to develop in the short to medium term. This understanding will inform the development of the Group's strategy in the medium term.

In the opinion of the Board, Staffline is a low impact business in environmental terms but as part of its commitment to doing business responsibly should seek to reduce or eliminate such impacts where it is commercially sustainable to do so.

Risk management

A preliminary exercise to identify climate-related risks and opportunities was undertaken during the year. A further exercise to evaluate the likelihood and impact of potential exposures, both direct and indirect, will be completed in early 2023.

Potential direct impacts on Staffline include increased labour and energy costs (including carbon-related taxes) that may not be fully transferable to customers, disruption due to extreme weather conditions and changes in the type and/or level of taxation to which the Group is exposed. Increased migration into the UK, whether driven mainly or partly by climate change, may increase the labour pool and provide opportunities for Staffline. Impacts on the Group's customers are likely to include all of the above plus other supply chain challenges such as producer/supplier relocation and more complex supply chains to ensure continuity.

Identifying the impact measures to be used and approach to assessing severity of potential impacts will require the involvement of functions from across the Group, including individuals with customer-facing roles at a senior level.

It is Staffline's intention that any material climate-related risks will be included in the Group's 2023 Annual Report and Accounts along with information about mitigating actions either in place or to be implemented.

Metrics and targets

Staffline measures and reports Scope 1 and Scope 2 emissions and has in place Carbon Reduction Plans to support the Group's commitment to achieving Net Zero by 2050. More detailed information about the Group's activities and intentions in this area is provided on pages 13 and 14.



1,479

trees were planted as
part of a reforestation
programme in Haiti

ESG Report continued

Doing business in a responsible way.

Staffline regards sound governance and doing business in a responsible way as fundamental to the way the Group operates.

This approach is endorsed by the Board and cascaded through the business via the policies, values and working practices that are in place, which may be standard across the Group or, where appropriate, tailored to individual divisions. Key aspects of Staffline's approach are summarised here.

Governance

Significant effort has been put into strengthening divisional control environments, particularly around accounting and finance, over recent years and all senior finance staff are professionally qualified. Ongoing investment in the development of operational management information within Recruitment GB is supporting continuous improvements in data quality and providing increased insight into the business at a detailed level.

Financial reports undergo multiple levels of review including variance analysis as part of month-end processes and material balances, and external reporting and announcements of financial results are subject to external audit.

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

Key policies are reviewed annually by the Board or appropriate Board sub-committees, and employees are provided with training to ensure awareness of policies and Staffline's commitment to ensuring compliance. Whilst the Board delegates responsibility for oversight of policy implementation to the Group Chief Executive Officer, day-to-day operational responsibility is delegated to management at specific locations or within specific functions.

The Group does not, as a matter of stated policy, make political donations.

Responsible business

Staffline operates a zero-tolerance approach to unethical behaviour. The Group has in place clear policies on health, safety and environmental matters and prevention of fraud, bribery, money laundering, facilitation of tax evasion, modern slavery and other ethics-related areas. These are supported by the Group Whistleblowing Policy, which covers all employees and by the separate "Speakup" process for temporary workers within Recruitment GB, which was introduced during 2022. Appropriate monitoring and periodic audits are also undertaken.

Staffline handles large volumes of both employees' and temporary workers' personal data, and maintaining the security of this information is vital to the Group's reputation. Cyber security is a high priority for Staffline so systems are constantly monitored, and all employees are provided with regular awareness training to reduce the risk of data loss or leakage.

The Group seeks independent accreditation of its processes and practices where it is appropriate to do so. PeoplePlus has held ISO 14001 and Cyber Essentials Plus accreditations for several years, and Recruitment GB will be seeking both accreditations during 2023, having achieved EcoVadis silver accreditation for its environmental management practices during 2022.

The Board is committed to supporting diversity within the Group's workforce and ensuring that discrimination has no place in hiring, promotion or termination decisions. We endeavour to treat everyone fairly in relation to job applications, training, promotion, and career development. The executive management team at 31 December 2022 was made up as follows:

Identified	Ethnicity	Female	Male	Other/ PNTS	Total
White	British	14	16	–	30
White	Irish	2	2	–	4
Asian	British	–	1	–	1
		16	19	–	35

➔ The size of the Board is not expected to increase beyond the current five members but ensuring appropriate diversity will be a key consideration in any future Board appointments.

Section 172 and stakeholder engagement

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

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

In the decisions taken during the year ended 31 December 2022, the Directors have acted in the way they consider to be in good faith, most likely to promote the success of the Company and its continuing reputation for high standards of business conduct, and for the benefit of its stakeholders, having regard to the stakeholders and matters set out in Section 172 of the UK Companies Act 2006.

Key decisions made by the Directors are described more fully in the Strategic Report section of the Group's 2022 Annual Report.

How we engage with our key stakeholders

Staffline as a responsible employer

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

2022 saw a welcome return to meeting in-person, with employee forums, annual conferences and quarterly town hall meetings providing valuable opportunities to share, listen and learn. We aim to do more of what our people like, and improve upon what they tell us they want from an employer of choice. We offer opportunities to feed back to the top levels in each of our businesses through regular management and leadership events with our executive teams. We gather and analyse HR data through regular employee pulse/voice surveys across each of the Group businesses, and respond transparently to what our people are telling us by sharing our findings and planned actions at all levels of each business. Colleagues tell us that they value regular communication with their managers, our medical benefits and annual leave. We continue to review our benefits on an ongoing basis.

➔ Further information about Staffline as a responsible employer can be found on pages 7 to 12.

Staffline as a responsible partner for temporary workers

Temporary workers are an integral part of Staffline's customers' businesses and the Group's ethos in respect of these workers is summed up by its mission statement "Providing Good Work".

The Recruitment divisions are committed to paying workers accurately and on time and to ensuring all relevant rules and regulations, such as Agency Worker Regulations, National Minimum Wage and holiday pay rules, are complied with.

➔ Further information about how Staffline partners with its temporary workers can be found on pages 3 to 6.

Staffline as a responsible partner for job seekers and learners

Through its PeoplePlus division, Staffline supports those individuals who are furthest from the labour market through skills development and access to good employment.

Over 1m people have received such support through dedicated skills, employability, community service and justice-related contracts.

As a Merlin Standard organisation, PeoplePlus has a solid network of partners with relationships based on trust, good communication and transparency. This allows the right support to be put in place to ensure that, whatever the needs of our learners and job seekers, a diverse network of experts is available to support service delivery.

PeoplePlus also works with other providers in the skills and employability sectors to deliver the best outcome for every job seeker or learner by understanding their specific needs and matching them to the right skills training or employment opportunities. These may be anywhere in the country, but PeoplePlus also works at a local level, establishing strong relationships to match individuals to the right opportunities.

➔ Further information about how PeoplePlus works with job seekers and learners can be found on pages 3 to 6.

Staffline as a responsible partner for customers

Staffline is committed to developing long-term partnerships with its customers, supporting their businesses as they adapt to meet their own customers' changing needs.

During 2022, this included working with a major retailer to introduce new ways of working that delivered productivity gains to the customer and led to additional revenue for Staffline.

➔ Further information about how Staffline works with its customers can be found on pages 14 to 19 of the Group's 2022 Annual Report.

Staffline

Group PLC

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