

Strategic report (continued)

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. The major risks and uncertainties are addressed through the Group's Senior Leadership Team, which meets on a monthly basis. In addition, the Group has a Governance Committee which meets on a quarterly basis to consider all aspects of governance, quality and risk.

The key risks and uncertainties facing the Group are considered to relate to quality of care delivery, the regulatory environment and financial management.

The quality of care is monitored by an experienced quality compliance team through the establishment of robust policies and procedures. The homes are regularly audited by the team to ensure compliance with care standards.

The Group operates in a heavily regulated industry. The Group places a strong emphasis on ensuring that every service exceeds its regulatory obligations. Where regulators do identify requirements to improve, these are rapidly implemented and lessons learned are applied throughout the organisation. As at June 2021 85% of the Group's services where a grade had been issued were rated as either Good or Outstanding with the relevant regulator.

The health and safety of the people we support and of our employees is of prime importance to the Group. The Group has a health and safety policy, which is managed and monitored by the Group's Senior Leadership Team and Governance Committee.

In the current environment of austerity within central and local government and with annual increases in the National Living Wage, there is a risk that fees do not rise in line with costs, resulting in pressure on margins.

The failure to attract and retain appropriately qualified staff could result in higher agency staff costs with a risk that this would have a negative impact on quality and profitability.

Environment

Keys recognise that businesses have a critical role to play in the transition to a low-carbon future. The Group through its ultimate owners is signed up to the UN Principles for Responsible Investment and has its own ESG (Environmental, Social, Governance) plan. This plan includes initiatives to reduce its carbon emissions and make other changes that will have positive impacts on the environment.

In accordance with streamlined energy and carbon reporting requirements, during the year ended 31 March 2021, the Group's energy usage was as follows:

	31 March 2021		31 March 2020	
	Global tonnes of CO ₂ e	MwH	Global tonnes of CO ₂ e	MwH
Combustion of fuel and operation of facilities	1,076	3,060	1,308	3,721
Electricity, heat, steam and cooling purchased for own use	503	2,735	507	2,754
Business travel where the Group is responsible for purchasing fuel	1,723	7,168	2,181	9,027
	<u>3,302</u>	<u>12,963</u>	<u>3,996</u>	<u>15,502</u>
Emissions intensity per employee (Tonnes of CO ₂ e per employee)	1.7		2.0	

Over the course of the last year the Group has changed its electricity supply so that it is now provided from renewable sources and have continued to invest in low energy equipment wherever possible. Improvements in technology made in the financial year will enable the Group to significantly reduce the requirements for business travel in the future leading to a reduction in the consumption of fuel, the largest area of carbon emissions. The Group will continue to look for other ways to reduce its emissions.

The Group's energy consumption calculations are based on GHG Protocol Accounting and Reporting Standard (revised edition).