

At a glance

We are a leading UK construction and regeneration group

Our purpose is harnessing the energy of our people to achieve the improbable.

Through six divisions, we deliver construction and regeneration for the public, commercial and regulated sectors.

Our talented teams, empowered by our philosophy of decentralisation, work hard to exceed the expectations of all our stakeholders.



Construction

Construction

£966.6m
Revenue

MORGAN SINDALL
CONSTRUCTION

Education, healthcare, commercial, industrial, leisure and retail markets.

morgansindallconstruction.com

Infrastructure

£886.7m
Revenue

MORGAN SINDALL
INFRASTRUCTURE

Highways, rail, energy, water and nuclear markets.

morgansindallinfrastructure.com

BakerHicks

Infrastructure includes the BakerHicks design activities based out of the UK and Switzerland.

bakerhicks.com

Fit Out

£1,105.2m
Revenue

 **overbury**

Fit out and refurbishment in commercial, central and local government offices, as well as further education.

overbury.com

Morgan Lovell

Office interior design and build services direct to occupiers.

morganlovell.co.uk

Property Services

£185.2m
Revenue

MORGAN SINDALL
PROPERTY SERVICES

Response and planned maintenance services for social housing and the wider public sector.

morgansindallpropertyservices.com

Regeneration

Partnership Housing

£837.5m
Revenue

LOVELL

Partnerships with local authorities and housing associations. Mixed-tenure developments, building/developing homes for open market sale and for social/affordable rent, design and build house contracting and planned maintenance and refurbishment.

corporate.lovell.co.uk

Urban Regeneration

£185.3m
Revenue

MUSE®

Transforming the urban landscape through partnership working and the development of multi-phase sites and mixed-use regeneration.

museplaces.com

This data sheet provides detail on our responsible business strategy and the metrics we use to monitor our performance on an annual basis.

It highlights the positive social and environmental impacts our initiatives are having on local communities and the internal governance processes we have in place to meet our stakeholders' expectations.

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The data sheet forms part of our annual report suite and should be read in conjunction with our 2023 annual report, 2023 gender pay gap report, 2023 modern slavery statement and 2023 GRI (Global Reporting Initiative) report. Finally, for transparency and comparability, this data sheet includes non-financial figures for the last three years to allow for long-term trend analysis together with forward-looking targets that we aim to achieve in the years to come.

Social and environmental value

966

Apprentices and sponsorships for graduates and national vocational and professional qualifications
(2022: 882)

270,000

Trees planted at Blenheim Estate for climate mitigation, enhanced biodiversity and community wellness

AAA

MSCI environmental, social and governance (ESG) rating
(2022: AAA)

73p

Monetary value of social activities per £1 of project spend on 80 projects measured
(2022: 67p on 112 projects measured)

406

Members of the Morgan Sindall Supply Chain Family

A

CDP score for our climate change disclosures and performance for the fourth consecutive year

What it means to be a responsible business

Generating positive outcomes for our workforce, clients, suppliers, local communities and the natural environment



Our responsible business strategy addresses the Group's most material ESG topics and reflects our Core Values. It is centred around five distinct, but interrelated Total Commitments: protecting people, developing people, improving the environment, working together with our supply chain and enhancing communities.

The Commitments were first established in 2008 and are now embedded into daily operations across the Group, delivered locally at an individual project level, and are a key component of our wider business strategy. As such we report our performance against our Total Commitments every year and set clear and ambitious targets that drive continuous improvement. In 2023 we reaffirmed our commitment to net zero by realigning our science-based targets with a 1.5°C scenario and successfully achieving revalidation by the Science Based Target initiative in March. We remain on track to meet our target of reducing our Scope 1 and 2 and operational Scope 3 emissions by 60% by 2030 and by 90% by 2045 from a 2019 baseline. We have further added to our targets and committed to reduce our wider Scope 3 emissions (emissions derived from the embodied carbon in materials, those emitted during construction and those estimated to be emitted from operating the buildings for 60 years after handover to the client) by 42% by 2030 and by 60% by 2045 from a 2020 baseline. Meeting these targets will require extensive collaboration with our supply chain and clients, and over the years we have fostered resilient, long-term relationships with them through effective engagement practices. We want to achieve our carbon reduction targets while looking after our own people and ensuring that their health and safety remains a top priority across the businesses. We are disappointed to see a worsening in our health and safety performance this year and recognise that we need to remain vigilant in seeking to reduce accidents. We continue to explore ways to enhance existing training and are considering how new technologies and leading indicators can support our teams to create safer working environments¹.

This past year, I am very pleased that our strategy has garnered external recognition across the environmental, social and governance spectrum. We achieved a AAA rating from MSCI for the third consecutive year and an A score for leadership on climate change mitigation from CDP for the fourth consecutive year. We also won the award for Net Zero Innovation of the Year at the edie awards for climate leadership for our 'Growing Natural Capital' project in the Dorn Valley Woodlands in partnership with the Blenheim Estate. This achievement reflects over three years of ongoing partnership that culminated in the planting of 270,000 trees across nine woodlands that, in addition to storing carbon, has increased local biodiversity by over 75% and created 15 kilometres of new walking pathways for local communities. Projects like these illustrate the holistic approach we take to sustainability, i.e. integrating biodiversity, circular economy and decarbonisation considerations while simultaneously addressing local needs and opportunities to foster a more equitable and just transition. As well as being the right thing for us to do as an organisation, delivering social value is a business imperative with clients seeking our support on projects to address local community needs. Increasingly important to the Group is not only the immediate and direct economic benefits we generate via local procurement and job placements, but also implementing social value initiatives that will have a lasting impact beyond the completion of a project. As such we continuously focus on university and school engagements, providing apprenticeship training and work experiences for local people, partnering with charities and social organisations, and providing affordable and energy-efficient homes. The hard work of our teams is reflected in the 73p of social value per £1 spent on 80 projects, as measured by our Social Value Bank and £33.3 million as measured by the Social Value Portal.

Inclusion and diversity, in its broadest sense, is vital to our long-term strategy as different perspectives help us both challenge the status quo and drive innovation. Striving for greater inclusivity by breaking down barriers and increasing resources and skills development takes time; and while we know our diversity numbers continue to need improvement, we are witnessing incremental progress, and we are confident that the initiatives in place are the right ones to create an inclusive environment that will set up the business for long-term success.

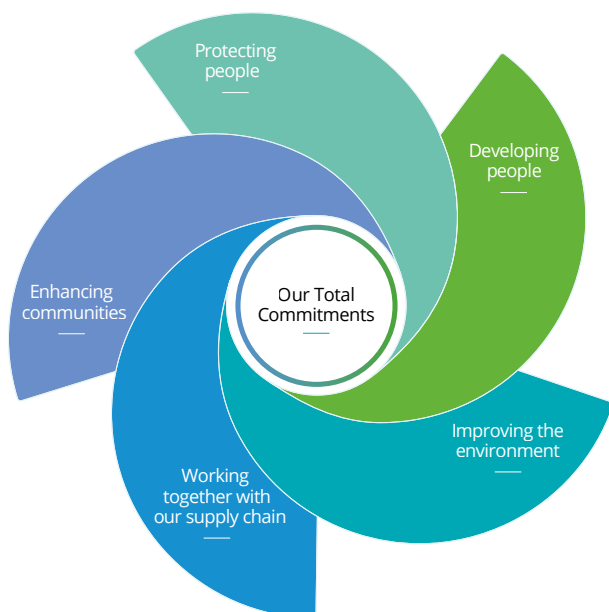
In the following pages, you will find more details on our responsible business strategy, how we implement our initiatives, and our long-term ambitions and commitments, all in our determination to becoming a better organisation.

John Morgan
Chief Executive

¹ MSCI is a provider of decision support services for the global investment community; its ESG ratings are used by the majority of our major shareholders.

Our responsible business strategy

Our Total Commitments to our stakeholders



We have been using our five Total Commitments as a framework for our responsible business strategy since 2008.

For each Commitment, we have one or more formal key performance indicators (KPIs) in place against which we measure our progress towards 2025 and 2030 quantitative targets. In addition to the KPIs, we monitor our performance against a wide range of metrics. Since mid-2022, the Group's governance team has been undergoing a review of the data collection processes and methodologies used to report our non-financial data across the Total Commitments. The project includes the development of a central PowerBi platform where all metrics will be monitored and verified monthly. This will add an additional level of robustness and accountability to our ESG governance.

Our Total Commitments metrics and targets continue to be reviewed by our divisional forums (i.e. our climate action group, social value panel, protecting people forum and human resources forum), divisional boards, our Group management team (GMT) and the our responsible business committee. The committee's activities throughout the year assist the Board in its oversight of responsible business performance and governance to ensure we are prepared for ever-evolving regulatory requirements. More information on our ESG governance can be found on page 132 of our responsible business committee report in our 2023 annual report.

Our Total Commitments align with the UN Sustainable Development Goals to 'end poverty, protect the planet and ensure prosperity for all'. We have identified the following six goals as those where the Group can make the most impact:



Listening to our stakeholders

Ensuring our responsible business strategy remains relevant

Every two years, we conduct a new materiality assessment to ensure that our strategy continues to address our most relevant ESG topics and adds value to our stakeholders over the short to medium term. We conducted our latest assessment in 2023, starting with a comprehensive online survey which enabled us to measure both the relevance and significance of a wide range of social, environmental and governance topics. The survey also included text boxes for respondents to include commentary, explanations and examples, thus providing us with greater context to explore the materiality of the ESG topics.

A total of 2,680 people completed the survey: 2,125 employees and 555 external stakeholders including customers and suppliers. This represents a similar response rate to our previous assessment (2020: 2,937) and a higher participation of external stakeholders (21% compared to 15% previously). The initial findings revealed significant overlap and commonalities between material topics, suggesting that the Group's responsible business strategy is appropriate. We used the initial findings to guide 11 in-depth interviews with industry thought leaders and stakeholder representatives. Interview questions were geared towards exploring potential industry disruptions or long term-transformative trends that could impact the business and its operations. The assessment concluded that while various topics were material or borderline material, the most relevant issues continue to centre on climate change, responsible employment practices and workforce welfare (see page 21 of the 2023 annual report for the full outcomes of the assessment).

The materiality assessment reaffirmed that our Total Commitments framework continues to provide the right approach to our responsible business strategy. All material topics align with one or more of our Total Commitment and their objectives. The topics to the right were considered the most material by both internal and external stakeholders.



Our material issues

- Physical and mental health, safety and wellbeing
- Fair employment and no modern slavery
- Diversity and inclusion
- Employee capabilities strengthened and expanded
- Youth training and employment
- Net zero progress
- Protecting ecosystems
- Zero avoidable waste
- Resilient, responsible and engaged supply chain
- Diverse and local supply chain, including small- and medium-sized enterprises (SMEs)
- Positive environmental and social outcomes
- Ethical business and governance

Our 2023 performance

Protecting people



We aim to protect the health, safety and wellbeing of all employees and contractors connected to our business. We provide effective resources and the necessary training to minimise the occurrence of accidents on our sites and foster the physical and mental wellbeing and financial health of our workforce through initiatives, programmes and collaborative efforts.

Unfortunately, in 2023 our lost time incidents increased to 119 (2022: 104), our RIDDOR accidents increased to 37 (2022: 29) and our accident frequency rate increased to 0.08 (2022: 0.06). This decline in performance is due in part to our standards and procedures not consistently being adhered to. We recognise that we need to remain vigilant in seeking to reduce the number of incidents and ensuring that people working on our sites keep their own and their colleagues' safety at the forefront of their minds. Our divisions continue to explore ways to enhance their existing and ongoing training and supervisory resources and are considering how new technologies and leading indicators can support the teams

to create safer working environments. Our divisions continue to learn lessons from each accident, conduct regular and periodic audits and attempt to reduce and manage all risks through regular assessments and extensive training. They have continued to roll out new initiatives and reinforce existing ones to increase safety awareness and promote safe behaviours.

We support our colleagues' physical, financial and mental wellbeing by creating an environment where all employees feel safe and supported and where the importance of both physical and mental health is recognised equally. Throughout the year, the divisions host health-related awareness events across a wide range of issues such as menopause, stress alleviation, cancer screenings, healthy living and the de-stigmatisation of mental health struggles. The aim of these initiatives is to highlight the abundant resources provided by the divisions and available to employees.

Our human rights and modern slavery policies set out the ways in which we manage the potential risk of abuse in our operations and supply chains and in 2023 we introduced a Supplier Code of Conduct specifically for our supply chain partners that outlines both our commitment to treating all suppliers with dignity and fairness and the requirements, expectations, and standards we expect all suppliers to uphold while conducting business with us. More information on our activities to prevent modern slavery can be found in our annual report and our 2023 modern slavery statement on our website.

	2023	2022	2021
Lost time incidents	119	104	136
Lost time incident rate ²	0.24	0.22	0.29
Total number of RIDDOR ³ incidents	37	28	44
Accident frequency rate (AFR ⁴)	0.08	0.06	0.09
Accident incident rate (AIR ⁵)	165	134	211
Percentage of employees working under a certified health and safety management system	100	99	99
Fatalities	0	0	0
Absenteeism due to sickness (average number of days per employee)	5.0	4.7	4.1
Monetary value of fines for non-compliance with health and safety laws and regulations	£0	£0	£0
HSE inspector site visit and investigation fees	£0	£0	£0

2 Number of lost time incidents x 100,000 divided by the number of hours worked. Lost time incidents are those resulting in absence from work for a minimum of one working day, excluding the day the incident occurred.

3 The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013.

4 The number of RIDDOR reportable accidents multiplied by 100,000 and divided by the number of hours worked.

5 The number of accidents multiplied by 100,000 and divided by the average number of people on site.

Our 2023 performance continued

Developing people



We create an inclusive culture where everyone feels valued and respected for who they are and provided the resources necessary to excel.

A diverse and talented workforce is fundamental to our business, and we continuously strive to improve the ways in which we attract, develop and retain the best possible people. To communicate the benefits of a potential career in construction, we maintain national partnerships with Women into Construction, Working Families/Working Mums, BPIC (Black Professionals in Construction) and Build Force UK. We also engage directly with educational providers across the UK and the 5% Club, a national campaign to generate opportunities for graduates and apprentices, to provide young people with work experiences and training and show them the various pathways available into the industry.

This year we became a Silver member of the Armed Forces Covenant, signalling our commitment to supporting the career development of former and current military members.

These and other initiatives illustrate how we consider diversity in the broadest sense, including age, gender, ethnicity, culture, socio-economic background, disability and sexuality.

For those who join our teams, we focus on providing clear career pathways and the resources they need to help them achieve their full potential. This includes flexible working arrangements, comprehensive benefits packages, leadership training and skills development opportunities and mentorship. Our divisions strive to foster an inclusive and collaborative work environment through cultural events and activities and hold regular engagement surveys to actively encourage dialogue and ensure we are delivering a rewarding and satisfying workplace for everyone. We have been recognised externally, with four of our businesses maintaining their accreditation from Investors in People (Construction holds Platinum status and Infrastructure, Partnership Housing and Urban Regeneration each hold Gold status), demonstrating a fulfilment of commitment to our employees.

	2023	2022	2021
Number of UK employees at 31 December ⁶	7,498	7,058	6,509
Average number of training days per employee	3.2	3.2	3.5
Average number of training hours per employee ⁷	25.7	25.7	21.0
Employees who have been with the Group six years or more (%)	37	37	37
Men employed (%)	74	75	75
Women employed (%)	26	25	25
Women on the Board (%)	37.5	37.5	37.5
Women in senior management (GMT) (%)	10	18	9
Women who are direct reports of the GMT (%) ⁸	36	32	21
Median gender pay gap (%)	29.1	30.6	29.6
Employees from ethnic minority backgrounds (%)	10	8.6	8.7 ⁴
People employed aged 24 or under (%)	8	8	8
Average age of employees	42	42	42
Voluntary employee turnover (%)	12.4	15.0	13.0
Number of employees promoted internally	674	883	535
Number of employees who completed the leadership development programme	67	65	20
Number of cohorts who completed the leadership development programme	5	4	2
Employee participation in satisfaction surveys (% responded) ⁹	66	87	62
Number of raising concerns reports	58	36	39
Average number of raising concerns reports per 1,000 employees	7.7	5.1	5.1
Employees covered by collective bargaining agreements (%)	3	5	8
Total number of new employees	1,943	2,002	1,538
New hires (%)	26	28	24
Number of new graduates recruited	82	78	61
Number of sponsored students	42	67	44
Total employees on structured training programmes	483	425	336
Percentage of total employees on structured training programmes	6.0	6.0	5.0
Number of people supported through NVQs and professional qualifications	565	535	532

6 The number of employees is comprised entirely of our direct UK-based employees for the 12-month period. We do not include any temporary workers and subcontractors who deliver our projects

7 A training day is a minimum of six hours' training.

8 The GMT is our Group management team, which includes the executive directors, company secretary, Group commercial director and divisional managing directors.

9 Property Services, Fit Out, Infrastructure and Urban Regeneration completed surveys in 2023.

Our 2023 performance continued

Improving the environment

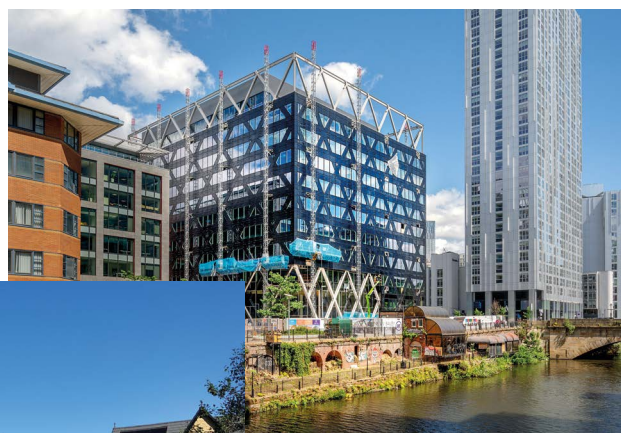


We are working towards net zero by creating sustainable living spaces, developing a circular economy to minimise waste, and enhancing biodiversity.

As part of our net zero ambition in 2023, we had our emission targets revalidated by the Science Based Targets initiative (SBTi) to align with a 1.5°C scenario and extended our commitment to further reduce our Scope 1 and 2 and operational Scope 3 emissions by 90% by 2045 and our wider Scope 3 emissions by 60% by 2045. These targets now encompass the lifecycle of carbon associated with our projects, including both the embodied carbon in our building materials and the operational emissions expected to be generated over 60 years after handover of a building. We are on track to meeting these targets and in 2023, we achieved a reduction of 45% in our Scope 1 and 2 emissions and operational Scope 3 from our 2019 baseline. While we experienced a slight 1.6% increase carbon emissions in 2023 compared to our 2022 performance, our carbon intensity figure has continued to decrease, illustrating how we have managed to curb emissions while simultaneously growing the business and expanding our project portfolio. We are working to improve the quantification of our wider Scope 3 emissions and in 2024 we will be recalculating our 2023 and historical figures to reflect more accurate data generated through our carbon reduction tool, CarboniCa. This will require us to engage with clients and suppliers. We will report our wider Scope 3 emissions from 2024 onwards and our revised 2023 figures will be included in our upcoming CDP submission. Our supplier engagement on climate change continues to be recognised by CDP, as we have been named a Supplier Engagement Leader for the fourth consecutive year. In 2023 we completed 191 sustainability-accredited projects and used CarboniCa on 280 projects. Our divisions also retrofitted 715 homes to make them more energy efficient.

While our decarbonisation plans are robust, we recognise that our route to net zero will require offsetting residual emissions by investing in high-quality UK based projects that, in addition to storing carbon, foster community benefits and enhance biodiversity. We have completed the planting of 270,000 trees across nine woodlands on the Blenheim Estate in Oxfordshire, with the final two woodlands completed in 2023. At Lakenheath, planning permission has been granted and we have begun restoring the wetlands, thereby expanding the habitat for local wildlife and endangered birds. Meanwhile rewetting has begun in the Great North Bog, a peatland restoration initiative in northern England that, in addition to storing up to 400 million tonnes of carbon, has the potential of generating valuable nature credits for the Group. Our divisions are also proactively integrating biodiversity into design decisions and measuring the biodiversity net gain of their projects where required or requested by clients. When regenerating towns and city centres, we strive to develop mainly brownfield areas to avoid additional environmental disturbances. Our sustainable timber policy also ensures we only use material from responsibly managed forests and are FSC and PEFC certified.

We continue to appropriately manage the waste that we generate by participating in manufacturers' take-back schemes and working with our supply chain and other stakeholders to reuse waste responsibly. We send waste to landfill as a last resort and ensure waste is minimised throughout the life of any project we construct, design or maintain. In 2023 we successfully rolled out a new waste system that enables our teams to quantify the monetary value lost through waste generation and provides them with additional data insight to reduce project costs and increase efficiencies. We avoid the use of hazardous substances whenever possible and, if needed, will reduce negative impacts through appropriate management and disposal. In addition, our divisions continue to work with suppliers to minimise/remove plastic packaging on deliveries and seek to remove single-use plastics from projects and offices.



Our 2023 performance continued

Improving the environment

	2023	2022	2021
Reduction of Scope 1 and Scope 2 carbon emissions ¹⁰ from 2019 baseline of 20,903 tonnes CO ₂ e (%)	45	45	35
Reduction in operational Scope 3 ¹¹ carbon emissions from 2019 baseline of 6,339 tonnes CO ₂ e (%)	17	24	45
Scope 1 carbon emissions UK and offshore (tonnes CO ₂ e)	8,733	9,528	11,243
Scope 2 carbon emissions UK and offshore (location-based method) (tonnes CO ₂ e)	2,691	2,069	2,352
Total Scope 1 and Scope 2 carbon emissions (tonnes CO ₂ e)	11,424	11,597	13,595
Operational Scope 3 carbon emissions UK and offshore (tonnes CO ₂ e)	5,250	4,814	3,502
Total Scope 1, 2 and operational Scope 3 emissions (tonnes CO ₂ e)	16,674	16,411	17,097
Carbon emissions from vehicle fleet ¹² (tonnes CO ₂ e)	8,871	8,750	7,320
Reduction in carbon emissions from our vehicle fleet from 2019 baseline of 12,078 tonnes CO ₂ e	27	28	39
Carbon intensity Scope 1 and 2 emissions (tonnes CO ₂ e produced/£m revenue)	2.8	3.2	4.2
Carbon intensity – total emissions	4.0	4.5	5.3
Number of projects using CarboniCa ¹³	280	142	41
Total number of vehicles in company fleet	2,891	2,454	2,181
Number of hybrid vehicles in company fleet	928	735	609
Percentage hybrid vehicles in company fleet	32	42	28
Number of electric vehicles in company fleet	936	580	275
Percentage electric vehicles in company fleet	32	24	13
Electricity purchased from renewable sources (%)	70	65	72
Electricity as percentage of total energy consumption	15	13	15
Gas purchased from renewable sources (%)	0	0	0
Gas as percentage of total energy consumption	2	2	2
Total waste produced (tonnes)	485,722	373,071	859,081
Total waste diverted from landfill (tonnes)	454,722	358,794	851,081
Total waste diverted from landfill (%)	94%	96%	99%
Waste intensity (total waste produced/£m revenue)	118	103	267
Construction waste produced (tonnes)	96,141	91,195	40,662
Construction waste diverted from landfill (%)	98	96	97
Number of projects achieving BREEAM, CEEQUAL, LEED, SKA or other industry-relevant sustainability ratings	161	109	99
Major environmental incidents	0	0	0
Monetary value of significant fines for non-compliance with environmental laws and regulations	0	0	0
Subcontractors (by spend) requested to report their own carbon emissions ⁵	£224m ¹⁴	£649m	£589m
Subcontractors (by spend) with accredited science-based targets	0	0	0

10 Scope 1: direct emissions from owned or controlled sources; Scope 2: Indirect emissions generated from purchased energy.

11 All indirect emissions not included in Scope 2 that occur in limited categories of our value chain as measured by the Toitū 'carbonreduce' scheme.

12 Vehicle carbon emissions are included in the calculation of Scope 1 emissions but are reported separately as they are a significant source of the Group's emissions.

13 CarboniCa is a tool developed by the Group that calculates the total carbon emissions of a project and building at an early stage of the design, including carbon embodied in the materials (incurred in production, transport and waste) and projected emissions from the building throughout its lifecycle.

14 For 2023 we are reporting the data from the Supply Chain Sustainability School only. This has resulted in the figure reducing from £649m in 2022 to £224m in 2023.

Our 2023 performance continued

Working together with our supply chain



We build longstanding relationships with our supply chain partners and support them on their own sustainability journeys.

Our relationships with our supply chain partners are strategically critical to our success. Our suppliers and subcontractors help us deliver high-quality projects for our clients and we consider them partners in our responsible business initiatives. We aim to pay our supply chain as promptly as possible, and our divisions are signatories of the Prompt Payment Code. In the six months to 31 December 2023, we paid 97% of invoices within 60 days (98%: 2022). In 2023, 75% of the Group's spend by value was with members of our Morgan Sindall Supply Chain Family, who continue to benefit from training, on-site practical advice, the opportunity for repeat work and a dedicated relationship management team. We achieved gold status with the Supply Chain Sustainability School, reflecting our ongoing partnership and collaboration with the School to progress industry standards and practices. In 2023 2,833 suppliers were registered with the School and benefited from over £1.3m in learning and educational resources. Our divisions continue to arrange regular in-person meet-the-buyer events, where we can gain an in-depth understanding of the needs of our supply chain, communicate opportunities available to them and learn about their new innovations. We also believe in rewarding our suppliers for the work they do to help us deliver to a consistently high standard and our regional business units each hold supply chain award events, recognising suppliers in key categories such as innovation, safety and social value.

Working with supply chain members to combat climate change and reduce our Scope 3 emissions continues to be a priority for our divisions. For example, Construction's '10 Tonne Challenge' encourages teams to work with their supply chain partners to find ways of reducing carbon on their projects by sourcing materials with lower embodied carbon, reducing concrete volumes, setting up energy-efficient sites, reducing waste, and using alternative fuels and offsite methods of construction that reduce carbon emitted in manufacture and transport. The initiative has avoided over 24,000 tonnes of CO₂e through the supply chain on 109 projects. Other divisions also continue to encourage suppliers to set reduction targets, report emissions and publish environmental product declarations (EPDs), which are documents that transparently communicate and quantify environmental information of any product.

Whenever possible, our divisions aim to procure locally to ensure that the economic benefits of projects remain within neighbouring communities. In 2023, 65% of our Group spend was with SMEs. For the second consecutive year, we took part in the Supply Chain Sustainability School's employee diversity benchmarking survey to better understand diversity and inclusion among our supply chain. We were pleased to see increased representation in our supply chain across all categories (age, gender, ethnic background, disability status and sexual orientation). We have also maintained our accreditation to ISO 20400:2017 Responsible Procurement and BES 6001 Responsible Sourcing of Construction Products, certifications that ensure we maintain high standards in our operations and a resilient supply chain.

	2023	2022	2021
Suppliers (by spend) signed up to Group-wide agreements ¹⁵ (%)	75	83	81
Suppliers registered with the Supply Chain Sustainability School	2,833	2,778	2,595
Members of the Morgan Sindall Supply Chain Family	406	399	413
Number of investigations into reports of modern slavery	0	0	2
Number of high-risk materials screened and sustainably sourced ¹⁶	0	0	0
Number of preferred subcontractors	2,584	2,731	1,850
Timber sourced using sustainable sourcing certification standards such as FSC and PEFC (% total timber-derived products sourced by weight at point of delivery)	99.6	99.9	100.0
Signatory of Prompt Payment Code	Yes	Yes	Yes
Invoices paid within 60 days (%)	97	98	97
Invoices paid within 30 days (%)	53	67	68

15 Group-wide agreements include screening for environmental, labour and social criteria.

16 No high-risk materials were used between 2020 and 2022. A risk register for each project accounts for supply chain risk. All materials used are third-party certified to quality and relevant procurement requirements.

Our 2023 performance continued

Enhancing communities



We want to leave a positive legacy by improving the built environment and creating social and economic value for the communities where we work.

Delivering positive social, environmental, and economic impact, known as social value, is fundamental to our business and is incorporated into the tendering, planning, specification and design process of our projects. To maximise impact, our teams consult with local stakeholders and utilise the Group's social value toolkit, which provides guidelines and resources to identify specific needs. Our divisions also continue to expand and train their teams to implement initiatives and ensure that outcomes are recorded, measured and reported.

While each project is unique, our community enhancement activities commonly focus on four key areas:

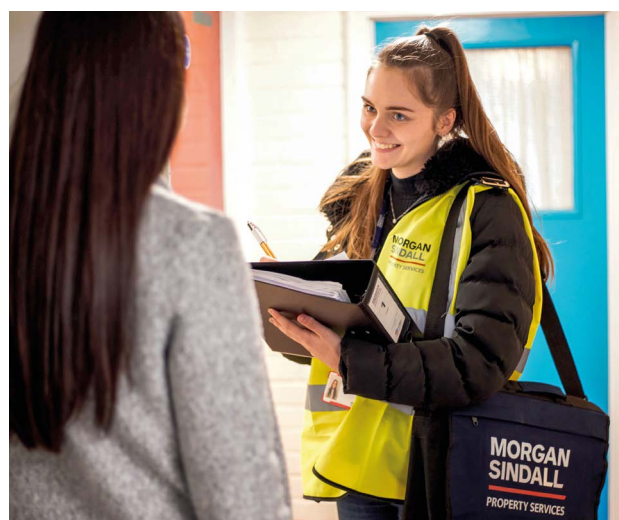
- (i) community employment: collaborating with our client and supply chain partners to provide training, work placements and job opportunities for local residents;
- (ii) education: working with local partners, including schools and colleges, to promote the next generation of industry professionals from different backgrounds;
- (iii) charity partnerships: supporting local and national organisations that are important to our employees, customers and local communities; and
- (iv) volunteering: encouraging employees to donate their time and expertise to support educational institutions, charities and employment partners.

Addressing these four target areas enables us to foster social mobility and remove social barriers to long-term employment and education. We also aim to incorporate environmental benefits into our social initiatives and our regeneration of towns and cities integrate green communal spaces. The link between social and environmental value is further illustrated by our new home developments where we continue to work with local councils and governments to deliver affordable, energy-efficient homes with lower energy bills.

Activities by our divisions during 2023 included:

- **Community employment:** providing over 10,000 apprenticeship training weeks on site, hosting the second 'Festival for Work' showcasing over 500 employment opportunities from suppliers across West Cumbria, completing 133 school engagements, and hosting 2,399 hours of employability support for local residents who have been long-term unemployed, such as helping with CVs and cover letters, interview preparation and Level 1 qualifications.
- **Education:** engaging in 36 ongoing school partnerships, through which we provide pupils with hands-on work experience and exposure to people who work in the industry; delivering carbon literacy training to over 800 students; hosting 44 STEM teachers through 'teacher encounters', an initiative that gives teachers the opportunity to engage directly with employers and learn about career pathways relevant to their subjects; and establishing a team of STEM ambassadors, employees who volunteer to visit schools to educate students about STEM careers in the construction industry and encourage further study.
- **Community projects and charities:** renovating a community centre for the Renaissance Foundation, a charity serving young carers aged 12-18; partnering with EMR Metal Recycling to collect and sell reclaimed material on projects to donate the proceeds to local causes; and donating £10,000 to youth homelessness charity St Basils.

To measure the social value generated from our projects, we use our Social Value Bank, which aligns with the validation methodology used in HM Treasury's Green Book and Organisation for Economic Co-operation and Development guidelines. We have also used other tools as requested by our clients, including the Social Value Portal and the 'Wellbeing Valuation Approach' of HACT (the Housing Associations' Charitable Trust). Measuring across all three platforms has allowed us to comply with the needs of our clients and gain an overall view of the impacts we are having through our projects.



Our 2023 performance continued

	2023	2022	2021
Considerate Constructors Scheme ¹⁷ (CCS) registrations	133	119	139
Average CCS score (out of 50)	43.2	43.3	41.2
Partners' average CCS score (out of 50)	42.6	41.9	40.6
Number of projects using LM3 ¹⁸ over the last 12 months	74	70	53
Number of apprentices drawn from local communities	651	749	677
Number of apprentices directly employed	359	280	231
Number of school partnerships ¹⁹ entered into	36	40	30
Amount of money donated to/raised for charity (£000)	491	424	124
Amount of social value contributed per pound spent (£)	0.73	67	0.71
Number of projects using the Group's social value bank that were completed in the year. Of these projects:	80	110	112
▪ Number of job opportunities provided for unemployed people	440	612	643
▪ Number of job opportunities provided for local people	650	553	407
▪ Number of apprenticeships and training opportunities for young people	651	1,002	545
▪ Number of hours of community volunteering	5,757	9,253	9,620
▪ Number of hours supporting schools	8,456	4,779	7,979
Number of homes built	c5,488	c6,380	c3,130
Number of homes refurbished	c9,750	c6,500	c7,150

17 CCS measures the Group's performance in local communities, using a code of considerate practice. Registered companies have to inform communities of the impacts, contribute to the local economy and create a positive operating environment.

18 Local Multiplier 3 is a tool which measures how every pound spent by the Group (excluding Urban Regeneration) with suppliers, subcontractors and employees can benefit the local community. It does this by calculating where and how the money is re-spent and what proportion remains local.

19 The school partnership programme is based around six pillars and requires support for a minimum of four Gatsby benchmarks. The partners pledge to support pupils with their learning, personal and academic development to help them make career choices that are right for them, the industry they work in and the community in which they live and work.



External accreditations

THE Paris...
CLIMATE 10 years
PLEDGE Early



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