

CONSTRUCTING THE FUTURE

Sustainability Strategy 2021 - 2030





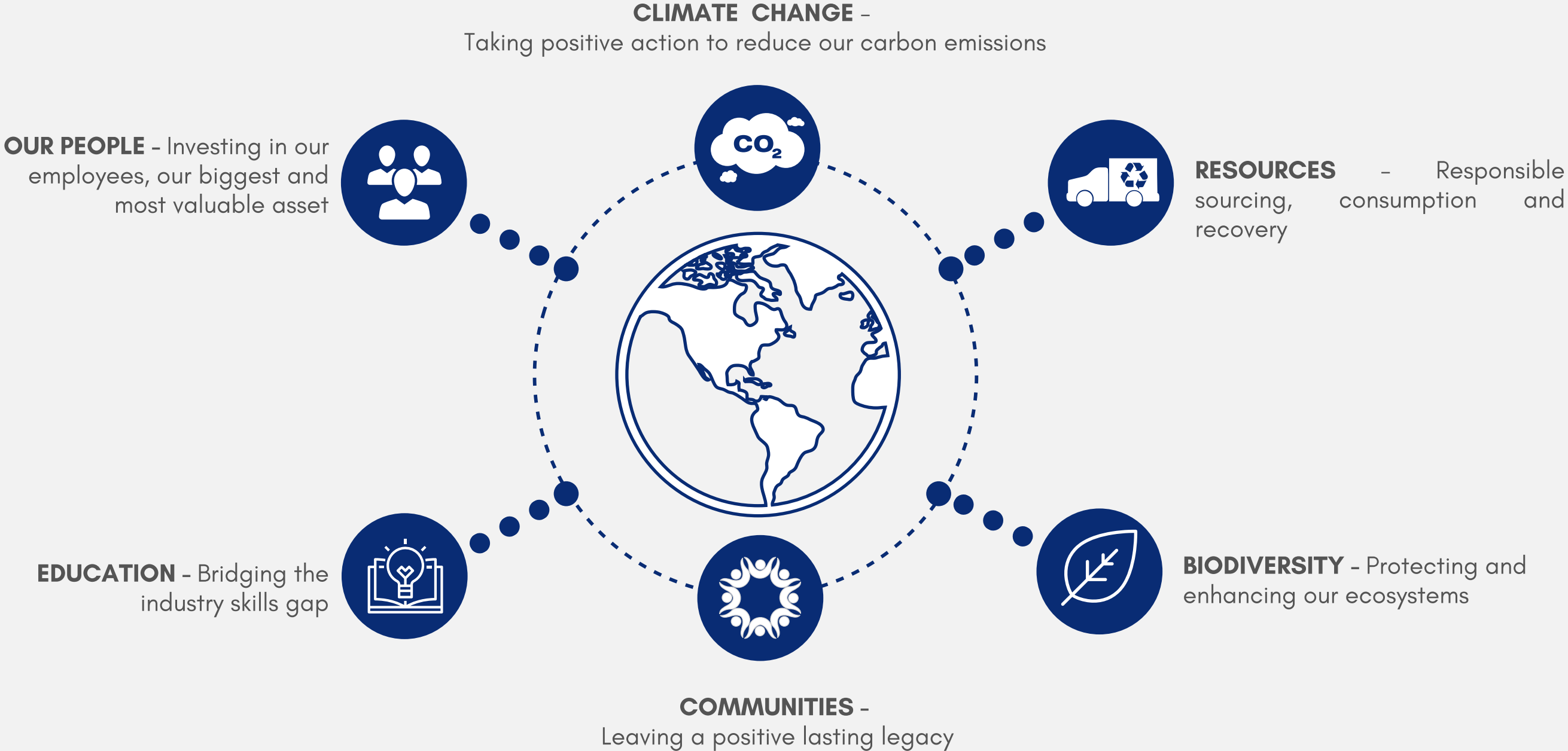
COMMITTED TO A SUSTAINABLE FUTURE

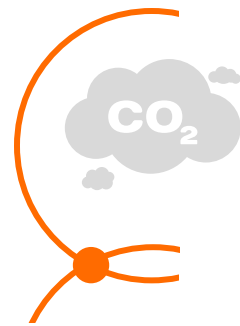
Fighting climate change, resource scarcity and loss of biodiversity are among the most pressing challenges of our time. At Morganstone we recognise our responsibility to future generations, to provide solutions to reduce our impact and recognise that immediate action is required to transform our operations.

Sustainability is a fundamental corporate principle and is embedded into everything we do. Our sustainability strategy sets out our commitments to ensure we are meeting the future sustainability challenges of our business. Our strategy focuses on six key sustainability areas and with each focus area we have introduced ambitious, quantitative targets against which we will measure performance. These targets have been set to challenge us and our supply chain.

Moving forward we are committed to report annually on our progress against these targets.

SUSTAINABILITY FOCUS AREAS





CARBON TAKING POSITIVE ACTION TO REDUCE OUR CARBON EMISSIONS

Our carbon strategy is a direct response to the climate emergency and works to address the urgency of the crisis.

Cutting GHG emissions is critical to meeting the ambitious Paris Climate Agreement. As a business it's essential that we do everything we can to reduce our emissions, minimise our reliance on fossil fuels and champion the move to sustainable renewables, whilst also developing solutions that reduce the CO2 footprint for our customers through innovative and competitive solutions.



We are committed to gaining ISO 50001 accreditation to ensure our people have the skills, knowledge and tools to use resources as efficiently as possible.

Race to Zero:

We are proud to be a member of the United Nations Race to Zero campaign. The race to zero is a global campaign, aiming to rally leadership across businesses, cities and regions for a healthy, resilient, zero carbon recovery.

We have published our Net Zero Roadmap - "Route to Zero", highlighting the path ways to guide our net zero journey. We will work towards net zero by reducing our own carbon emissions and designing and constructing buildings with lower operational carbon.

The next five years will see an increased focus on reducing our scope 3 emissions associated with materials and ensuring the buildings we provide are low carbon for our customers.

- ◀ **2021 sign up to Race to Zero**
- ◀ **2030 Halve GHG emissions**
- ◀ **2050 Net zero emissions**
- ◀ **Annual disclosing of progress**



Increase modular construction

Modular construction represents a huge leap forward in sustainability, including opportunities for more responsible use of raw materials, optimised energy usages and lower carbon emissions.



Reduce reliance on fossil fuels

The construction industry has historically been heavily reliant on diesel. Alternative fuels, such as hydrotreated vegetable oil (HVO) significantly reduces GHG emissions. We will transform from diesel to low carbon bio-diesels such as HVO and aim to be diesel free by 2030.



Upgrading to Eco-site welfare

Temporary site welfare have traditionally been poorly insulated resulting in high energy usage. We are moving to a higher standard of on-site accommodation, reducing harmful emissions and fuel consumption. Sustainable site welfare will lower energy demand through low consumption LED lighting, battery power and renewable technologies.



Low carbon transport

We are committed to the development of green travel plans, including the elimination of unnecessary travel and moving to more efficient modes of transport. We will ensure we use the infrastructure and digital technology available to us to best effect.



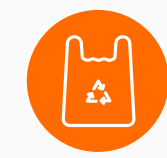
Championing the use of renewable technology

We strongly believe in a future of renewable technology and we want our sites and office energy requirements to be supplied by renewable technology.



Low carbon buildings

Constructing buildings is the core of what we do. We will work with our clients to deliver buildings that conserve natural resources and minimise carbon emissions.



Low carbon products

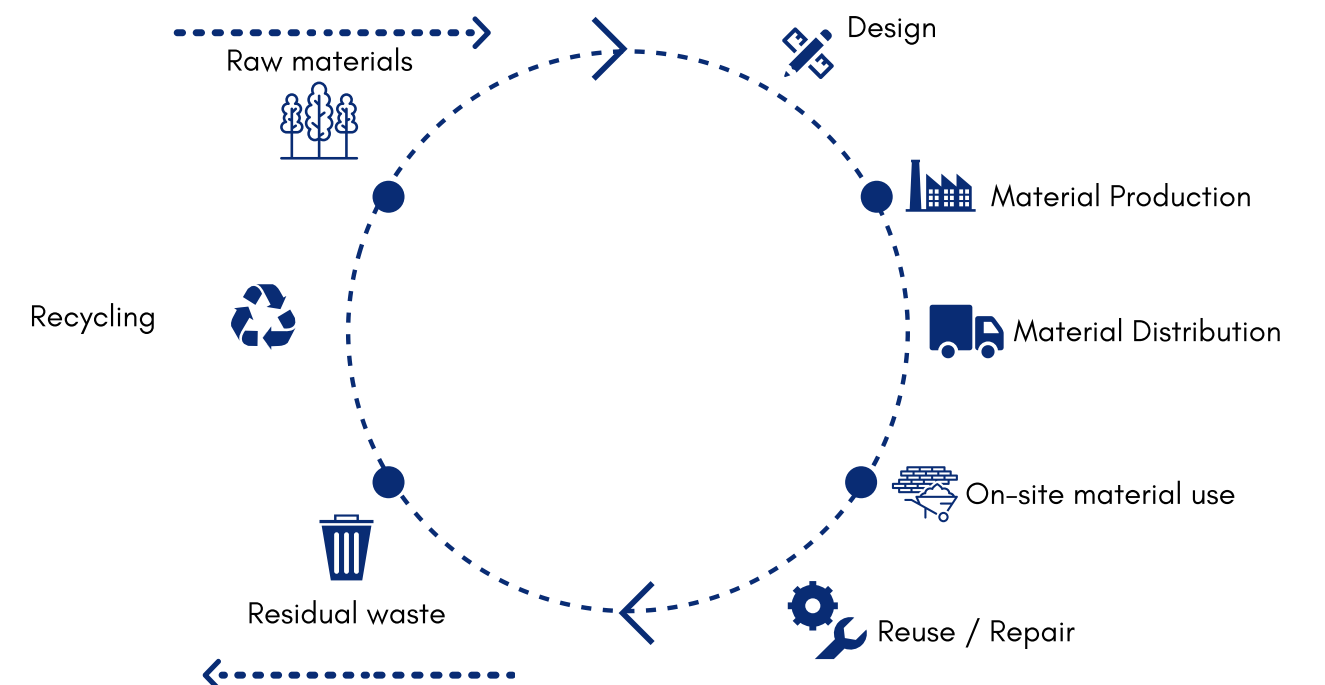
We are working with suppliers to reduce the embodied carbon of materials used on our developments, focussing initially on concrete and steel.



RESOURCES RESPONSIBLE SOURCING, CONSUMPTION & WASTE REDUCTION

For decades, the construction industry has consumed more natural resources than our planet can reproduce, as a result we place high value on all our materials. At Morganstone, we embed the circular economy model to extract the maximum value of those materials. We work with our clients, designers and supply chain to rethink the way we design and build projects and investigate opportunities to reduce waste through all stages of the design and construction process.

For the next ten years, we're setting challenging new targets to reduce the overall amount of waste produced on our projects. We aim to prevent waste generated at every stage of the project lifecycle. By 2025 we aim to reuse 100% of non-hazardous excavation arisings either onsite or offsite.





Increase modular construction

We believe that modular construction could cut our net waste in half through reduction in errors, accidental damage and the introduction of lean production principles. The robust structure of prefabricated materials supports a longer life-cycle and provides greater flexibility to be easily adapted in the future.



Increase Onsite Reuse

Reusing materials onsite can play a key role in reducing overall waste and reducing costs associated with disposal and purchase of new materials. We will prioritise re-use first before considering opportunities to re-purpose. We have identified two of the biggest opportunities for re-use and these will be our primary focus areas:

- On-site / off-site re-use of excavated material;
- Reusing demolition materials on-site e.g. utilising crushing plant to provide recycled aggregates for fill, capping and sub-base layers.



Promote Circular Economy

We will cultivate the principles of the circular economy, in which materials can easily be maintained, reused or repurposed in the future.



Ensure Responsible Sourcing

We will procure materials from certified responsible sources such as certified sustainable timber. We will select suppliers based on high ethical and sustainable standards, taking into consideration their impact on the environment.

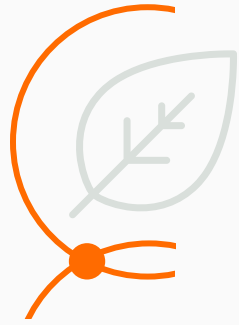


Increase Recycling

Wales has become a world leader in recycling, it is second in Europe and third in the world. As a Welsh based company, we have a part to play in maintaining Wales global position and continuing to increase our recycling rate through on site waste segregation.



- ◀ 2022 100% Certified Sustainable Timber
- ◀ 2025 100% Reuse of Non Hazardous Excavation Arisings
- ◀ 2030 - Zero Waste to Landfill
- ◀ 2030 - 40% Reduction in Construction Waste Intensity



BIODIVERSITY

PROTECTING AND ENHANCING OUR ECOSYSTEMS

Biodiversity loss is an international crisis but we also recognise it's importance at and both national and local level. Protecting our ecosystems is fundamental to our sustainability approach in recognition of the environmental and wider social value that it brings. Protecting and enhancing biodiversity provides countless benefits to our employees, client and communities.

New developments have the opportunity to create new species rich spaces. We work with Natural Resources Wales, local authorities and specialist groups to ensure that we support native biodiversity and provide communities with better access to green space.

- ◀ **2021 - Introduction of Defra Biodiversity Calculations**
- ◀ **2025 - No Biodiversity Net Loss**
- ◀ **2030 - Biodiversity Net Gain**
- ◀ **2035 - 10% Biodiversity Net Gain**
- ◀ **2030 - 1000 Trees planted**





Provide space for wildlife

We will provide more spaces for wildlife on all of our sites including bird and bat boxes, insect homes, wildflower meadows and bee hives.



Introduce Biodiversity Calculations

In 2021 we will be introducing the Defra biodiversity calculations to measure net loss and net gain on every project.



Increase Tree Planting

We will ensure that more green space is provided on our developments through the planting of more trees, hedges and shrubs.



Facilitate Environmental Volunteering

We will facilitate opportunities for our employees to volunteer with environmental organisations.



Enhance local species

We will introduce locally appropriate species that reflect the local ecosystem needs.



Create Community Opportunities

We will create opportunities for the community to learn about local wildlife and support participation in the care of green space.



COMMUNITIES **LEAVING A MEANINGFUL AND LASTING LEGACY**

As a part of the South Wales community, we take our responsibility to give back very seriously. Community is the core of who we are and what we do.

Our aim is to leave our communities with a positive legacy as a result of our Community Engagement. Since Morganstone's formation in 2008, we have proudly contributed toward a wide range of Community Engagement initiatives, supporting a variety of local projects, causes, organisations and initiatives.

We pride ourselves on our ability to understand and seamlessly integrate ourselves into the communities where we work, and meeting the unique needs of that area.

In 2021 we have committed to calculating our Social Value Return Investment for each project to help us measure and improve our social value.

- ◀ **2021 - Bench Mark Social Value Return**
- ◀ **2025 - 5% increase on Social Value Return**
- ◀ **80% staff participation in volunteering**
- ◀ **85% SME Spend**
- ◀ **90% Spend on locally based labour and supplies**



Increase Volunteering Opportunities

We will facilitate opportunities for our employees to volunteer throughout the year by providing one day paid volunteering for each employee.



Ensure Charitable Giving

In addition to practical support we also believe in giving back via monetary donations and will continue to support our nominated charities.



Create local jobs

Our local employment approach aims to reduce economic inactivity across communities where we work. We aim to recruit a diverse team that recognises talent irrespective of background, disability or race.

Our projects generate local employment offers that are not only suited to the geographical population and skill set but that are sustainable and leave a lasting legacy of employment when the project is finished.



Support Welsh Businesses

We have strong connections with local suppliers and embrace the ethos of spending the 'Welsh Pound' recognising the economic multiplier benefits of this approach. We target 90% spend on locally based labour and suppliers.





EDUCATION

BRIDGING THE INDUSTRY SKILLS GAP

The future of the construction industry lies with the generation to come and we believe in promoting the industry as an attractive career and providing young people with the skills and opportunities to succeed. Our main aim is to dispel the common myths currently prohibiting young people from entering the industry.

- **1000 school pupils engaged through our STEM programme annually**
- **100 work placement weeks annually**
- **7% - Average number of workforce in graduate or trainee roles**



Promote Careers

There has long been a large reduction in the number of young people entering the construction industry. Our primary aim is to attract young people into the industry and build awareness of the diversity of roles and routes available. We aim to promote careers in construction through a variety of medium including social media, film and careers events



Provide Apprenticeships & Trainee Opportunities

At Morganstone we recognise that Apprenticeships are a wise investment in our future and the only way we will ever solve the huge skills shortage in the industry. We commit to delivering a selection of recruitment opportunities that target our future generation of construction professionals including apprenticeships, work experience and training / graduate programmes.



Introduce a Mentoring Scheme

Each year we will partner with one local Secondary school to deliver a programme of bi-monthly mentoring. This will include careers talks, CV writing workshops, STEM activities and mock interviews.





OUR PEOPLE OUR BIGGEST AND MOST VALUABLE ASSET

Our commitment to the health, wellbeing and safety of our people remains our top priority. We aspire to provide a workplace that is free from injury and ill health.

All members of staff receive a formal annual performance review to reflect upon performance in the previous year and set objectives for the year ahead. Appraisals are a two-way process in which our employees can openly discuss topics with their line management. This is part of our vision to support all employees.

Training and development is an essential aspect of our culture and we aim to ensure that our people are provided with all the tools needed to develop.



- ◀ **Annual Health MOT for all staff**
- ◀ **Bi-monthly Health & Wellbeing campaigns**
- ◀ **2025 - 10% of workforce Mental Health First Aid Trained**
- ◀ **5 Annual training days per employee**

Promote Health & Wellbeing

We believe that an active and healthy workforce is essential to achieving a safe, successful and sustainable organisation.

We are committed to tackling and reducing the stigma of mental health in the industry. We partner with Health Assured's Employee Assistance programme to provide our workforce with access to 24/7 advice and support.

We have designated Mental Health First Aiders and our aim is to increase the number of MHFAs to 10% of the workforce.



Ensure Fairness, Inclusion & Respect

We believe in providing a fair, inclusive and respectful work place in which all our people can reach their full potential.

All our staff complete FIR training through the Supplychain Sustainability School.

We recognise the current gender gap in the industry and the need to build more female capability throughout our organisation. We are currently taking action to attract new women through our recruitment practices. We actively promote women role models during educational engagement activities such as our Girls Into Construction programme.



Enhance Training

We strive to make sure everyone is offered equal opportunity to achieve their full potential. We recognise that our future success relies upon our ability to develop and retain our people. Training requirements are discussed at Annual performance reviews and all of our Trainees are provided with a Training Development Plan to ensure they are supported in reaching their career goals.



