

F2 – Social Value and Community Investment

The Client's purpose drives it to deliver services in an environmentally sustainable, economically beneficial and socially responsible manner, looking after the interests of the stakeholders with whom the Client interacts. Social value is about delivering social, economic and environmental benefits to the communities in which companies operate whilst providing their goods, services or works.

For instance, the Client delivers value through water and wastewater services but also providing apprenticeships, employee health and wellbeing schemes, pay suppliers on time, reducing its environmental impacts, encourage access to its land and invest in its local communities.

The Bidder shall advise how it has delivered social value on a similar project, to this advertised framework scope, both within their organisation and supply chain, including community investment.

The Bidder shall include how the most appropriate social value objectives have been identified, delivered, monitored and reported during delivery of the project.

Favourable indicators:

High scores will be awarded where the Bidder can effectively demonstrate:

- Delivery of social value across environmental, social and economic aspects by generating positive outcomes in communities
- The ability to explain the evidence base behind the social value objectives of a project and any appropriate community investment
- How delivery of social value was embedded into the project, including a mechanism for monitoring and reporting on social value creation
- How it has worked with its supply chain to deliver social value.

As part of M Group Services (MGS), Morrison Water Services (MWS) has developed a long-term, innovative ESG Strategy which encompasses all parts of our business. The strategy ensures that we take a unified, targeted approach to community support across all our projects and programmes. As part of this, we have developed several community goals which drive our social and economic wellbeing initiatives. These include aims such as:

- Delivering an organised programme of 250 volunteering days across the Water Division every year.
- Capturing and report all charitable activities we support.
- Delivering 1,000 total hours to STEM programmes by 2030.

Goals such as these mean that we can support community causes that help people who have limited options elsewhere. This has seen MWS, in recent years, sponsor children's hospices, sports teams and partner with our clients on minor infrastructure projects to improve local areas.

This approach to ESG is apparent in MWS' successful completion of Yorkshire Water's first Living With Water project at Rosmead Street in Hull. MWS worked hard on this project to install Hull's first permeable paved street on Rosmead Street as part of a £23 million investment in the region to deliver sustainable drainage schemes that will benefit residents against surface water flooding.

Communication was key to the success of the project, helping to keep residents informed of progress and address any concerns. St John's Church was vital in assisting us with this by allowing us to host over 25 customer drop-in meetings in their hall. In order to provide a positive and sustained impact over and above the capital activity in the community, we decided to give something back to St John's as part of our ESG Strategy.

Identifying appropriate social value objectives

As part of our evolving ESG Strategy, we will, moving forwards, develop a bespoke Social Value Plan for every framework we are engaged on. This is included within the mobilisation blueprint at framework inception, ensuring that the social and economic wellbeing of the community is at the core of our decision making from day one. The plan allows us to identify key areas where we can make a difference, including options such as guaranteeing local employment opportunities, furthering our robust STEM engagement programme, participating in local volunteering opportunities, or committing to formal apprenticeship programmes. We already have an established commitment to skills training through apprenticeships and graduate programmes and currently have 40 apprentices/graduates across our business.



Within the Rosmead Street project, our Social Value Plan identified that we could deliver significant community benefits through a targeted regeneration of the St. John's Church communal garden, a local hub that would provide produce for regional foodbanks and learning opportunities for nearby schools.

Delivering social value across environmental, social and economic aspects

MWS cleared and resurfaced the overgrown rear of St. John's Church before building several raised beds, installing compost bins, and fitting water butts to help with water resilience. Most importantly for the users of St John's, the team ensured the whole area was safe and accessible for prams and wheelchair users, with the raised beds also at an accessible height.

The St John's community have already made great use of their new area, with fruit and vegetables planted and plans underway for bug hotels, a hedgehog house, quiet areas for bird watching, and a pond. Visiting children have been assisting with sowing seeds and picking fruit and vegetables, helping them to understand more about the food we eat, with all the produce being used to supply local foodbanks.

Through leveraging our pain/gain mechanism, MWS have committed to setting aside 2.5% of net gainshare on other frameworks for inclusion in a social value fund to support local development initiatives. We would be happy to discuss a similar commitment with United Utilities.

Monitoring and reporting

We manage and measure the social value of our work in line with the National TOMs Framework – maximising opportunities to promote local skills and employment, supporting growth of regional business, building healthier, safer and more resilient communities, protecting and improving the environment, and promoting social innovation.

MGS also uses Sustainalytics, one of the top global ESG risk ratings agencies, to conduct independent assessments of our company's exposure to material ESG issues and allow us

to benchmark social value offering against both our industry peers and other businesses worldwide. In 2023, MGS registered an overall ESG risk rating of 8.5 out of a maximum exposure scale of 100, putting us in the 'negligible' risk category and placing our business 1st out of 170 Business Support Services companies and 133rd out of the global ratings of 15,125 our peers. MGS is committed to making continuous iterative improvements to ensure that our score continues to increase.

"With empirical scores in place for each issue category our strategy is simple; we will maintain a leading position on those indicators that are judged as leading, and will reinforce indicators where we have further potential as judged against the wider global benchmark for our sub-industry." - **Andrew Hunt, ESG & Innovation Director, December 2021.**

Working with our supply chain to deliver social value

MWS maintains an approved supplier list, as well as operating a supply chain procurement/on boarding process where all suppliers are required to meet a minimum standard for health, safety, wellbeing and environmental performance. As part of this, we ensure that our suppliers are aligned with our ESG Strategy, inducting them on our policies such as Diversity and Inclusion and making sure that their approach is in-sync with our own.

We have a procedure in place that requires our sub-contractors to meet our expectations with our objectives, with this forming part of our commercial agreement with them. Alongside these formal training modules, we are developing toolbox tools for operatives and field staff to make the engagement accessible for everyone across all roles and levels.

Our supply chain members M2 Civils, Alan Wood & Partners, and Morris IG provided integral support in delivering the Rosmead Street community project, being fully involved and immersed in our vision for delivering meaningful social value to the area.



The rating measures and adds up the unmanaged risks of a company in relation to a set of ESG issues that are considered material from a financial perspective.



Companies are exposed to different ESG issues to different degrees. Their exposure is driven by sub-industry and company-specific factors.



An ESG issue is considered material, if the company is sufficiently exposed to this issue. Corporate Governance is considered to be material for all companies.



Companies are allocated across five risk rating categories (negligible, low, medium, high and severe risk).

"We are proud to be recognised as a top rated ESG performer. We will continue to drive the culture of ESG, ensuring we channel our commitment to achieve targeted solutions for our clients and their customers. Using this sense of purpose as a positive force for change, our leadership will ensure an approach which is sustainable, responsible and respectful, thereby creating a beneficial impact on the environment and communities in which we work." – **Andrew Findlay, M Group Services CEO**