

## F4 – Sustainability Management

The Applicant shall advise how they have previously demonstrated the below on Comparable Projects, or how they aim to do so in the future:

- Environment
- Waste
- Water
- Materials

Responses shall include details of the following:

- What performance and improvements of the stated sustainability areas can readily be measured?
- How are performance and improvements of the stated sustainability areas monitored and reported on to buying organisations, and how often?
- How are performance and improvements insights of the below sustainable sourcing principles used to inform sustainability activities moving forward:
  - How is sustainability governed within your organisation?
- Share the sustainability management hierarchy from executive level down
- Outline how the sustainability experts interact with the day-to-day delivery of the work within the organisation and the supply chain
- List the sustainability standards you adhere and are align to

### 2 page A4 Arial

High scores will be awarded where the Applicant can effectively demonstrate and evidence:

- Performance and improvements are measured for each indicated sustainability principle.
- Measuring is underpinned by a sound methodology.
- The sustainability principles indicated have been monitored before and that the monitoring process is consistent.
- Reporting on the indicated sustainability principles is standard practice. For those where this is not yet the case, there is the ambition to do so in the future.
- Where possible, the relevant standards and widely recognised reporting methodologies are used.
- The Applicant has a data management process in place that covers all steps from collection through to insights incorporation, or it is aiming to do so in the near future.
- The Applicant has provided a clear governance structure that provides insights into how sustainability is integrated into overall governance and how it is managed within their organisation as well as how they manage supply chain sustainability.
- All the relevant sustainability standards are covered.

## Measuring our sustainability performance and improvements

Morrison Water Services (MWS) is able to measure the following aspects of our performance within the stated sustainability areas:

### Environment

- **Carbon Emissions:** Using Achilles Carbon Reduce, MWS can monitor, measure, and report carbon emissions. This includes direct emissions from owned or controlled sources (Scope 1), indirect emissions from the generation of purchased energy (Scope 2), and other indirect emissions (Scope 3) such as those resulting from business travel, procurement, waste, and water usage. Our carbon intensity has reduced year on year from an initial 50 tonnes of carbon dioxide equivalent per million pound in turnover (tCO<sub>2</sub>e/£m) to 30 tCO<sub>2</sub>e/£m, which is a reduction of 16%.
- **Energy Efficiency:** The reduction in energy consumption from our implementation of energy-efficient practices and technologies can be quantified through energy audits and monitoring systems.
- **Fuel:** Tracking our use of Hydrotreated Vegetable Oil, which is estimated to be 90% greener than diesel, can measure the shift towards more sustainable fuel use. We saved 8,450 tonnes of CO<sub>2</sub>e from our Scope 1 emissions through substituting diesel in our fleet vehicles and plant with HVO.
- **Biodiversity:** The success of our initiatives that support habitat creation or restoration can be measured through biodiversity assessments and tracking the number of species or habitat areas preserved or enhanced.
- **Noise, Odour, and Emissions:** Efforts to reduce noise, odour, and emissions can be monitored through environmental sampling and using technology to track vehicle emissions. This can include vehicle trackers to monitor and improve driving styles, reducing pollution. Our telematics trials show a 4.8% reduction in greenhouse gases because of this strategy, and as a result, we now have 40% of our commercial fleet using telematics to support eco-driving.

### Waste

- **Recycling and Diversion Rates:** Measuring the amount of waste diverted from landfills and sent for recycling can demonstrate improvements in waste management.
- **Excavation Waste:** Practices that minimise excavation waste, like excavating to minimum dimensions and using no-dig techniques where practical, can be measured by comparing the volume of waste generated against a baseline or industry standards.
- **Segregation and Collection:** The installation of segregated waste skips/bins at excavation sites facilitates the collection and recycling of spoil and other materials. The effectiveness of these measures can be assessed by the volume and purity of materials collected for recycling.
- **Use of Recycled Materials:** Tracking the use of recycled materials in projects and operations provides insight into our commitment to reducing reliance on virgin resources and supporting circular economy principles.

### Water

- **Consumption:** By implementing smart metering programs, water consumption data can be collected and analysed in real-time. This allows for identifying high users, informing them about water efficiency, and reducing consumption, especially in water-stressed areas or during drought conditions.
- **Leakage:** Smart meters, along with leakage detection equipment such as acoustic and pressure loggers, allow us to monitor district metered areas (DMAs) and provide data on minimum net night flow or total volume. This data is crucial for calculating leakage and implementing real-time measures to reduce it, ultimately leading to potential savings in both water and associated carbon footprint.
- **Water Balance:** As a part of the metering head-end system, smart metering allows for a comprehensive water balance, showing the relationship between input volume, authorized consumption, and losses due to leaks or theft. This helps in improving water network efficiency and asset management.
- **Water Quality:** Smart sensors can monitor water quality parameters such as temperature, pH, and shear stress, providing insights into the age, distribution, and quality of water in the network. This data is essential for ensuring a reliable and safe water supply.

### Materials

- **Supply Chain Sustainability:** Regular performance reviews against contract specific KPIs/SLAs and continuous improvement initiatives with subcontractors. Ethical sourcing of goods and services in accordance with the principles set out by the Chartered Institute of Purchasing and Supply's Ethical Business Practices.

As part of our commitment to environmental sustainability, we use development systems based on the Circular Economy Procurement Model that are design-led, where ideas can be transformed into

solutions with sustainability at the core of every part of the process, from production to consumption. The model encourages us to create, use, reuse and then recycle products and processes in a way that instils the idea of maximising resource efficiency and reducing released carbon. This can significantly minimise product waste and increase the lifecycle of products and materials, thereby allowing natural systems to thrive.

#### Case studies evidencing the benefits of our approach to sustainability

<b>Marchmont Road. Flooding Project, Edinburgh</b> <b>Value – £8.5m LBE</b>	Sustainability benefits from incorporating vacuum flush system within storm storage tank: <ul style="list-style-type: none"> <li>Minimised concrete benching to floor of tank.</li> <li>Optimised diameter; deeper and smaller diameter minimised tree loss.</li> <li>Efficiencies of structural design due to central column – significantly reduced roof slab thickness.</li> <li>Use of Aquaspira PE pipes over large section of works in place of traditional concrete.</li> <li>GRP pipe used for trenchless section adjacent to oak tree to minimise root damage.</li> <li>Overall carbon saving assessed to be between 20-25% reduction</li> </ul>
<b>Saltcoats Rising Main Rehab Project, Ayrshire, Scotland</b> <b>Value – £4.3m</b>	Sustainability benefits from opting to rehabilitate/line the sewer instead of replacing: <ul style="list-style-type: none"> <li>Using trenchless methodology to reduce 12,000T (approx.) of excavated material (via traditional methods) to less than 1000T (75% less in material use).</li> <li>Savings on carbon through reduced time required for plant and diesel usage, material haulage and manufacturing of new permanent pipeline.</li> </ul>
<b>Digital Twin Yorkshire Water</b> <b>2m p/a</b>	<ul style="list-style-type: none"> <li>5-year contract – 60 DMAs each year for automated leakage reduction.</li> <li>Leakage performance strong - 0.31MLd below targeted reduction. 1.8MLd below 22/23 baseline (strong position held over winter leakage breakout)</li> </ul>

#### Reporting on sustainability performance and improvements

MWS engages in monitoring, measuring, and external reporting of carbon emissions through Achilles Carbon Reduce, aiming for continuous environmental performance improvement and carbon emissions reduction associated with operations. We are developing a near-term science-based target to halve carbon emissions by 2030 and reach net-zero by 2050, with plans to be finalized in 2023 and presented for endorsement to the Science Based Targets initiative (SBTi) by March 2024.

We work with Sustainalytics to measure our sustainability performance against similar companies in our sector to determine what sort of risk factors we face from an ESG perspective. Our most recent audit score for Financial Year 2021-22 awarded us with an overall risk score of 8.3, which entitles us to proudly proclaim that we are an industry Top Rated company. This places us in the top 2% percent of all companies globally.

#### How sustainability is governed within MWS

Our sustainability governance is overseen by an Executive Director who is responsible for overall performance and risk assessment, ensuring compliance and resilience for our clients. Reporting to the Executive Director, we have a dedicated Carbon Reduction Group established to coordinate company-wide action plans for carbon reduction. These experts within the group are tasked with developing and implementing our carbon reduction strategies across all divisions. Our central SHEQW (Safety, Health, Environment, Quality, and Wellbeing) Department assesses governance and compliance across all contracts.

Our sustainability experts are embedded within the day-to-day operations, actively collaborating with delivery teams, stakeholders, asset planning, design, engineering, and framework partners. Our integrated 'wedge approach' ensures that sustainability considerations are woven into project activities from inception to handover.

Our Business Management System (BMS) is certified to ISO 9001 (Quality Management), ISO 14001 (Environmental Management), and ISO 45001 (Occupational Health and Safety Management) by LRQA, a UKAS accredited body. The BMS is structured to ensure compliance with regulations like CDM and is audited regularly to maintain high standards. MWS also adheres to standards such as ISO 14001 (Environmental Management), ISO 45001 (Occupational Health and Safety Management), and ISO 14064 (Carbon Footprint Measurement and Reporting), providing a structured approach to measuring and improving environmental performance.