



Morgan Sindall Group plc
Group Environmental Policy

Adopted by the Board on 24 June 2025

Introduction

At Morgan Sindall Group, improving the environment is a core tenet of our Total Commitments framework. This commitment is supported by a series of near-, medium- and long-term environmental targets, including our Scope 1, 2 and 3 science-based emissions reduction goals and our ambition to achieve net zero by 2045 in line with a 1.5° reduction scenario. Across the Group, we are committed to decarbonising our entire value chain, enhancing nature and green spaces, sourcing responsibly and using resources efficiently. We seek to manage our direct and indirect environmental impacts, activities and performance with the same level of expertise and rigor that we set for all our core business objectives.

Policy overview

This Environmental Policy ("the Policy") provides a framework for the effective management of Morgan Sindall Group's ("the Group's") environmental activities. Each of our divisional boards is required to develop its own Environmental Policy that further supports this framework. The Group Board of Directors ("the Board") expects that this Policy will support inter-company collaboration and lead to the application of a consistent set of standards with respect to the environment, including key performance measurement and reporting procedures based on current and emerging best practice guidance from across our business and industry.

This Policy applies to all Morgan Sindall Group employees across all our divisions, including our contractors and subcontractors working across our offices and sites. When working with our partners, suppliers and manufacturers, we also encourage them to apply the standards and principles set out in this Policy.

The content of this Policy has been approved by the Responsible Business Committee and will be reviewed regularly and updated as necessary.

Governance

- We will comply with all relevant environmental legislation, regulation and other applicable legal requirements. If policy, business targets or initiatives surpass local legislation, this is also supported.
- We will actively promote our whistleblowing facility (outlined in our Group Code of Conduct) to encourage employees to report any concerns or misconduct, including environmental incidents which must also be reported to local authorities.
- We will continually assess and manage environmental and climate-related risks and opportunities, while operating a consistent set of internal environmental controls.
- We will maintain transparency of our environmental performance and progress towards our goals by regularly reporting on key environmental metrics and initiatives.

- We will seek to continuously improve the accuracy, coverage and completion of environmental data, and regularly review and assess environmental performance, action plans and policies.
- We will provide training and education for our colleagues to help raise awareness about environmental issues and embed sustainable practices into our daily operations.
- We will implement and maintain an effective environmental management system, where appropriate certified to ISO 14001 or other relevant standards.
- We will promote the use of rating systems such as Leadership in Energy and Environmental Design (LEED) and the Building Research Establishment Environmental Assessment (BREEAM) that provide assurance on the environmental performance, quality and value of the assets we develop.

Climate and energy use

- We are committed to reducing our Scope 1, 2 and 3 emissions in line with our net zero ambition by delivering the actions detailed in our Transition Plan.
- We will conserve energy through the adoption of initiatives such as energy management systems, on-site solar PV and renewable energy tariffs, energy-efficient machinery and processes and the use of alternative fuels, such as hydrotreated vegetable oil (HVO).
- We will promote the adoption of electric and hybrid vehicles across our company vehicle fleets in line with our ambition to have a fully electric fleet by 2045.
- We will actively promote sustainable solutions and materials that support our customers to reduce their carbon impact. This includes alignment to sustainability standards and certifications, promoting material passports and the use of tools like CarboniCa to reduce embodied carbon, as well as conducting post-occupancy evaluations.
- We will take a proactive approach towards supporting nature, regenerating green spaces and upholding biodiversity on and surrounding the projects where we work. This includes conducting biodiversity net gain (BNG) assessments on all relevant projects.

Waste

- We are committed to reducing our total waste and the amount sent to landfill, incineration and energy from waste (EFW), by following circularity principles, increasing recycling and maximising reuse (including refurbishing and repurposing), as well as offering end-of-life take-back and recycling schemes where applicable.

Water

- We will ensure access to safe water, sanitation and hygiene from the first day of a project commencing, as well as protecting the land, air and water in areas where we operate.
- In line with UN Sustainable Development Goal 6, we are committed to conserving water across our offices and sites by raising awareness and promoting water reduction measures to minimise water usage not only in our own operations, but also in the places and buildings we develop, refurbish and maintain. Where possible, this includes procuring and retrofitting water-efficient devices, identifying and fixing leaks on site, championing the use of Sustainable Urban Drainage systems (SUDS) and rainwater harvesting and considering the water requirements in the manufacturing of selected materials.

Carbon offsetting

- To meet our 2045 science-based net-zero carbon targets, we will target a 90% reduction in our Scope 1, 2 and 3 emissions and neutralise the remaining 10% of residual emissions using high-quality certified offsets.
- We will aim to invest in UK-based natural capital projects that will enable us to improve nature and biodiversity and gain verified carbon, nature and peatland code units.
- All credits will be verified and issued under recognised bodies such as the International Carbon Reduction and Offset Alliance, the Verified Carbon Standard, the Gold Standard or higher.

Sustainable procurement

- We will collaborate with the Morgan Sindall Supply Chain Family and Supply Chain Sustainability School to promote the adoption of more sustainable social and environmental practices within our direct supply chain.
- We will request information on the environmental credentials of our suppliers through our pre-qualification questionnaires and where viable, we will give preferred supplier status to contractors who display positive and proactive sustainability performance, service or product offering.
- We will commit to sustainably sourcing key materials used in our operations including timber and timber fibre products from credible and certified sources (see 'Timber and deforestation').
- Our sustainable procurement requirements are supplemented by additional policies and processes that guide expected behaviour and conduct regarding the environment, including our Supplier Code of Conduct and Modern Slavery Statement.

Timber and deforestation

- We are committed to eliminating deforestation from our supply chain and will ensure that all timber products purchased for either temporary or permanent inclusion in our projects are certified as legally and sustainably sourced as defined by the UK Government Central Point of Expertise on Timber (CPET).
- We will prioritise timber and timber fibre products from suppliers with independently certified Chain of Custody controls. The two principal schemes preferred by the Group are, in priority order, the (Forest) Stewardship Council "FSC" and the Programme for the Endorsement of Forest Certification "PEFC". We will work with our suppliers to achieve documented evidence of certification.
- We will seek to avoid timber or timber fibre products from uncontrolled sources onto our construction sites and will consider the use of recycled and reused timber and wood products where appropriate. We need to exercise caution here as we do not have full visibility of subcontractor sources.