

IMPROVING LIVES: SUSTAINABILITY REPORT



2020

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**“OUR PURPOSE IS TO IMPROVE LIVES BY
DELIVERING WORLD-CLASS INFRASTRUCTURE”**



IMPROVING LIVES: SUSTAINABILITY & MURPHY



Our fleet of Kia e-Niro EVs emit zero emissions and can achieve 282 miles on a single charge from a 64 kWh battery pack. A 50kW public charger will take an e-Niro EV from 0-80% in just 1 hour 15 minutes, or a 100kW charger will do it in just 54 minutes.

OUR COMMITMENT TO THE SDGs



The SDGs are the United Nations 'blueprint to achieve a better and more sustainable future for all'. At Murphy, we are committed to playing our part. Our sustainability efforts are focused on supporting five of the SDGs that are relevant to Murphy, and where we feel we can make a difference.

Improving lives has always been central to what we do at Murphy. Whether we are installing a cross country cable to connect renewable sources of energy or repairing water mains in central London, everything we do contributes to our purpose of improving the lives of families, friends and communities.

And as we do that, we have strived to make a positive impact on the world around us, and to give back where we can.

As a responsible business that works safely to deliver essential infrastructure, we realised long ago that the way we operate has to evolve. We've been proactively reducing our emissions for over a decade. We've been recruiting and supporting our own people ever since the company was formed by my grandfather in 1951. And we regularly play our part in the communities where we work.



And we proudly stand alongside our core values every day.

Though of course as we embark on the economic recovery following the impact of Covid-19, we can do more. Today, the world around us needs more.

To do that, we have launched our updated sustainability strategy. Focused into two main areas addressing Climate Action and Social Value, it gives us a clear path towards being Net Zero by 2030 and a focus to leave a positive legacy on the communities where we work.

This booklet summarises that approach, and offers an insight into what we are doing and how. None of this could be achieved without the committed and hard-working people of Murphy, who regularly earn my gratitude for going above and beyond.

I hope you enjoy what you read in these pages as we play our part in creating healthy communities and a healthier environment, while also improving lives by safely delivering world-class infrastructure.

John Murphy
CEO

WE WILL BE THE UK'S LEADING FAMILY-OWNED CONSTRUCTION BUSINESS

Our strategic vision is to be the leading family-owned construction business, and getting there by delivering safely, reliably and behaving in the right way.

Everything we do is based on our five core values. Our people live and breathe these values every day, and have made Murphy one of the best places to work and grow for over 70 years.

Our new strategy builds on all those good things - recruiting and developing our own people; building on the skills and expertise in our core sectors; and working in three key geographies. We have now embedded our refreshed sustainability approach into our strategic objectives to embrace two new key priorities - climate action and social value.

OUR PURPOSE IS TO IMPROVE LIFE BY DELIVERING WORLD CLASS INFRASTRUCTURE

OUR VALUES

NEVER HARM

ALWAYS DELIVER

CONTINUALLY IMPROVE

ONE FAMILY - ONE TEAM - ONE MURPHY

RESPECT, INTEGRITY & ACCOUNTABILITY

STRATEGIC OBJECTIVES



WIN-WIN

Partnering with clients who trust and respect us and reward us fairly



FUEL

Producing fuel to enable us to invest in our people and plant



PEOPLE

A great place to work where our people feel secure and comfortable to be themselves



CLIMATE ACTION & SAFETY

Creating a greener, safer and healthier Murphy



BRILLIANT BASICS

Consistently deliver the basics to achieve operational excellence

STRATEGIC DRIVERS

DEPENDABLE PROJECT MANAGEMENT

Effective planning, execution and review of project delivery

WIN-WIN RELATIONSHIPS

Actively develop trusted relationships with our customers

PASSIONATE ABOUT DIRECT

Best use of our capabilities to stand out

BETTER ENGINEERED

Smarter, safer, faster

FIT TO START

Nothing will start until we are properly ready

LOCATIONS



SECTORS



STRATEGIC INVESTMENTS

MAJOR PROJECTS



SPECIALIST BUSINESSES



MURPHY AT 75 TO BE THE UK'S LEADING FAMILY-OWNED CONSTRUCTION BUSINESS

OVERVIEW

£20m

invested in our Plant across the UK and Ireland

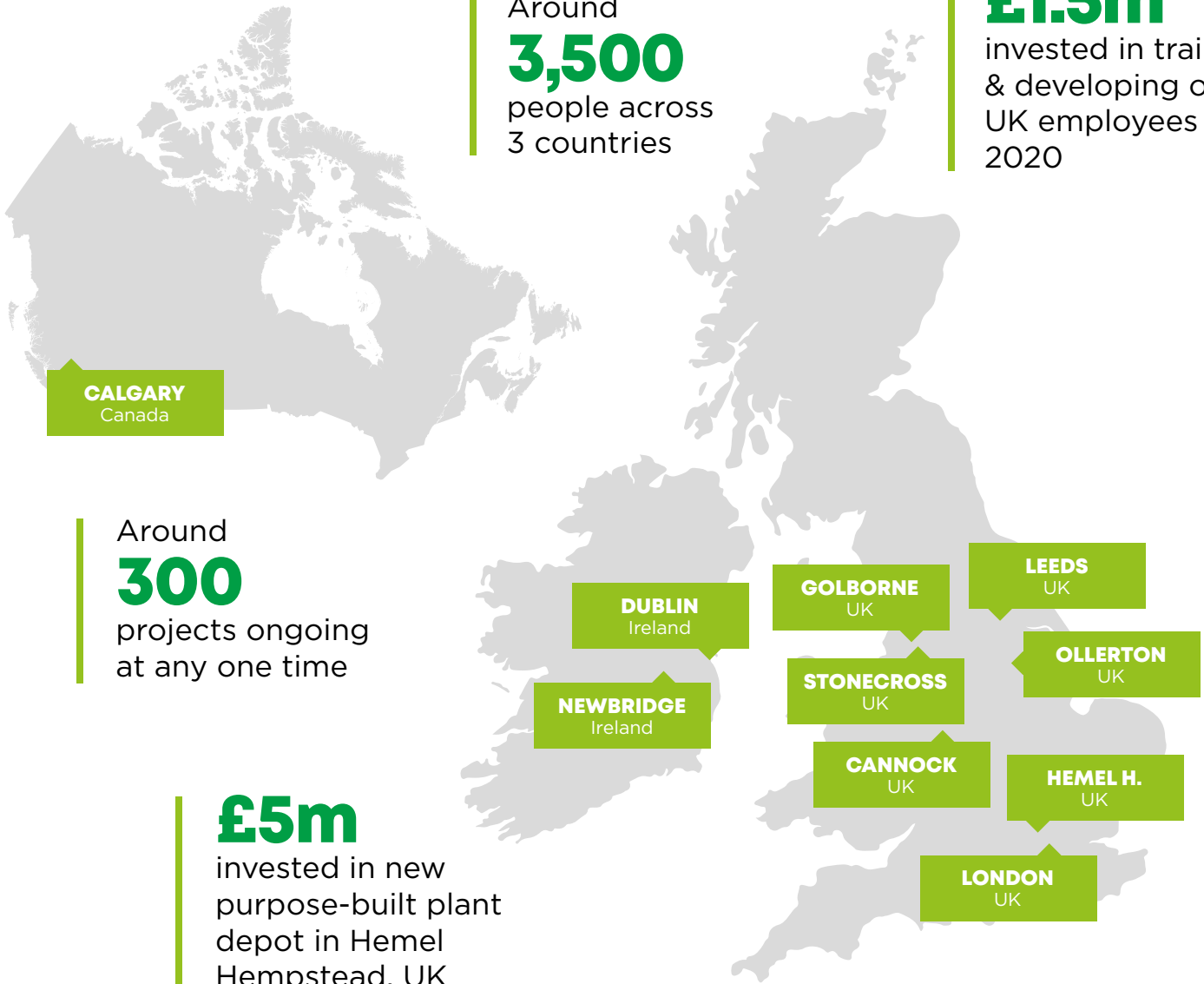
Around

3,500

people across 3 countries

£1.5m

invested in training & developing our UK employees in 2020



Around

300

projects ongoing at any one time

£5m

invested in new purpose-built plant depot in Hemel Hempstead, UK

SOME OF THE CLIENTS WE WORK WITH:

- National Grid
- Severn Trent
- Thames Water
- Cadent
- Network Rail
- Irish Water
- United Utilities
- TC Energy (Canada)
- Gas Networks Ireland
- HS2

SUSTAINABILITY: OUR VISION

Our purpose at Murphy is to deliver projects safely, reliably and efficiently to improve the lives of people living in the communities we work. We help make sure everyone has clean water to their homes; they can get to work on time; and power is there at the flick of a switch when they need it.

As we continue to provide our essential services, our company-wide strategic vision is to be the UK's leading family-owned construction business by 2026, and we aim to do that by working sustainably.

As we do that, our sustainable priorities will support the UN's Sustainable Development Goals.



OUR SUSTAINABLE VISION:

We will improve lives through Climate Action and adding Social Value, leaving a positive legacy in the communities where we work

SUSTAINABLE DEVELOPMENT GOALS

The UN's Sustainable Development Goals are a collection of 17 interlinked global goals designed to be a 'blueprint to achieve a better and more sustainable future for all'. They were set in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030.



**THE 5 SDGs
WHERE WE ARE
AIMING TO MAKE
A DIFFERENCE**

DELIVERING OUR SUSTAINABLE VISION

We will focus on two key areas where we can have the greatest impact

SOCIAL VALUE

We will improve the lives for the benefit of our communities, employees and stakeholders through...



Employability support for local 16-24 year olds



Ten STEM based engagement events in schools per year



10% of our employees are emerging talent



Formally recognised as a Top 100 place to work



25% of our people are from under-represented groups



Leaving a positive legacy in our communities, increasing volunteering & charitable giving

Social Value - we will strive to deliver a positive and lasting legacy in the communities where we work. For Murphy, this is about doing more than just safely delivering the work we are contracted to deliver. It's everything from supporting local businesses to volunteering with community groups; from renovating local green spaces to mentoring long-term unemployed and creating a great and safe place to work while attracting more people from traditionally excluded groups. We commit to do what we can to support healthy communities.



CLIMATE ACTION

We will play our part in protecting the planet for future generations, and by 2025, we will...



Invest £75m in Green Plant



Reduce our CO2 emissions by 50%



Send zero avoidable waste to landfill



Engage with 75 schools through our Murphy Roots Scheme



Plant 5,000 trees a year



Have 100% renewable energy into our business by 2026

Climate Action - we are committed to working towards being a 'greener Murphy'. Everything we do has an impact on the environment where we work. From reducing our emissions to minimising the waste we send to landfill; and from investing in our green fleet to educating the engineers of tomorrow, we have a clear path that will get us to Net Zero by 2030.



WASTE TO WEALTH CAMPAIGN

Since January 2020, we have realised over £850,000 of value by diverting more than 100,000 tonnes of waste from disposal routes. Many steps helped us achieve this, from office recycling, PPE reuse, small scale initiatives to larger scale aggregate recycling, innovative solutions for contaminated land and several key community projects which help us leave a positive legacy in the communities where we work.



CLIMATE ACTION AT MURPHY

By the very nature of the projects we deliver, we impact the environment and ecosystems around us. We are striving to reduce that impact by changing the way we do things during our work and improve how we leave our projects once finished.

To play our part and reduce our impact on the world around us, we have put in place a four-step approach to deliver our climate action strategy:

- We have used scientific data to inform our targets and actions
- We have set out science-based targets in a clear roadmap with dates
- We have agreed four key focus areas for us to improve our performance
- We will use offsetting in the short term as part of the solution to help deliver our targets.



Invest **£75 million**

over the next 5 years in state of the art, environmentally conscious plant, equipment and vehicles.



Achieving **50% net reduction**

in emissions over the next 5 years, to coincide with our 75 Year Anniversary, and Carbon 'Net Positive' by 2050.



By 2025: **Diverting 100% of avoidable waste** from landfill and embrace the circular economy principles to promote resource productivity.



100% renewable electricity

for our business by 2025



To mark our 75th year anniversary, we'll engage with 75 schools by 2026 to **educate the next generation on climate change** and lower carbon living, enabling communities to do their bit to protect the environment



We will **plant 5,000 trees per year**, including 1 for every new starter, to grow with their career



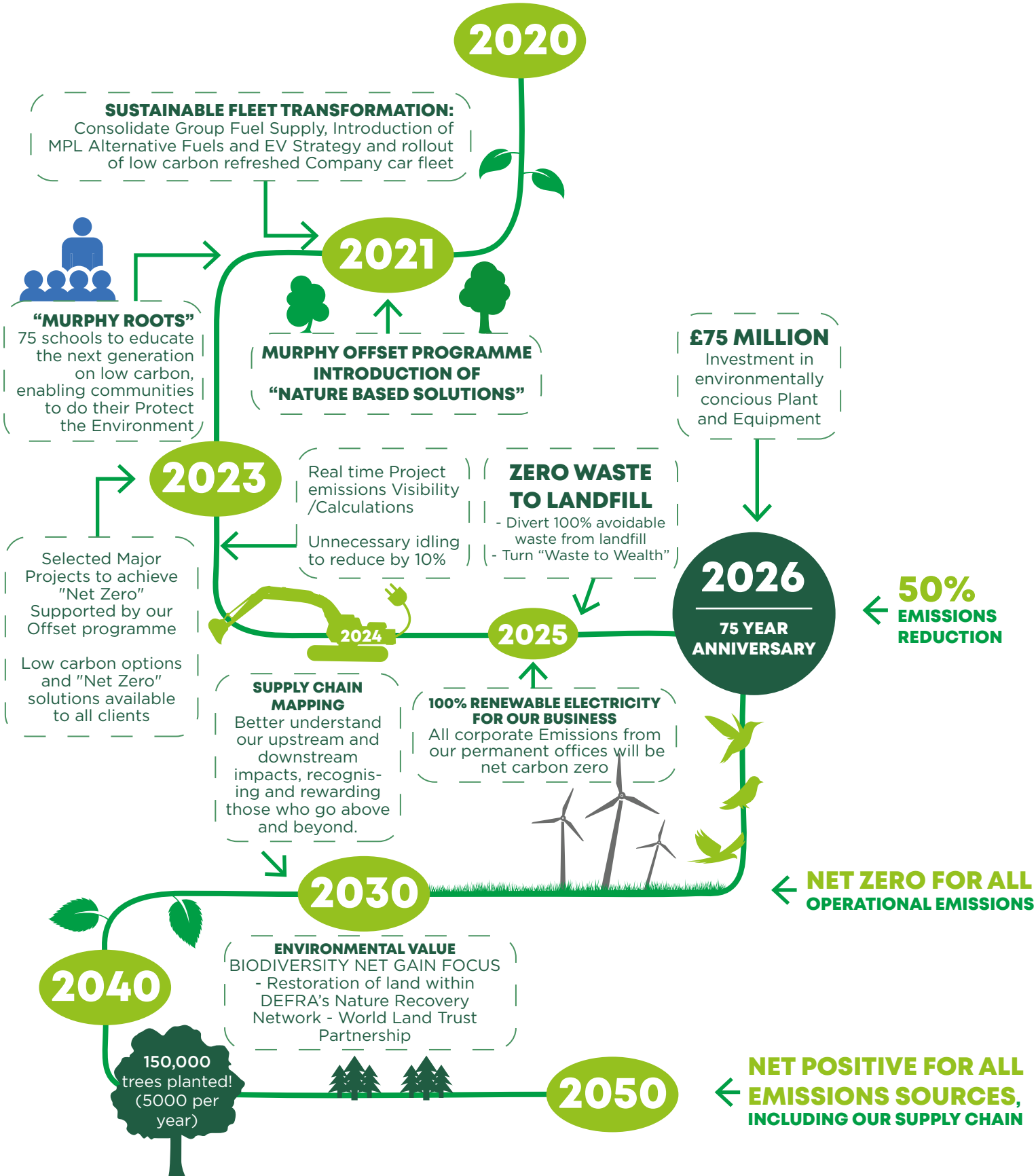
REUSING OUR ROADS

As we finished a 58km cross-county cable connecting a large offshore wind farm to the grid, we had to remove our temporary roads and reinstate the land. Instead of our usual disposal, local landowners stepped forward and said they could use the stone. Thanks to our engagement with local stakeholders, over 9,000 tonnes of material was reused saving around £35,000 in disposal costs.



CLEANER WATER

By using a solution designed to clean the groundwater at a gas installation near Rochdale, our project team **saved more than 5,400 tonnes** of waste and around **£80,000** in costs. In the past, the contaminated water would have been shipped offsite by trucks. This solution reused the water, avoided waste, saved costs and lots of vehicle movements.



SUSTAINABILITY FIGURES

99.01%

total waste diverted from landfill

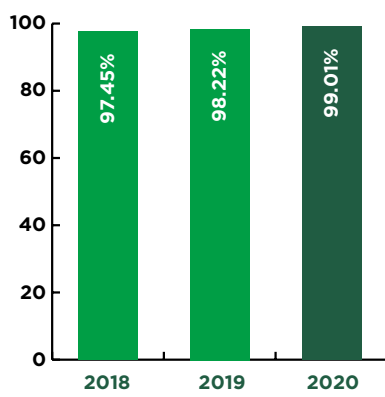
100%

office & food waste recycled

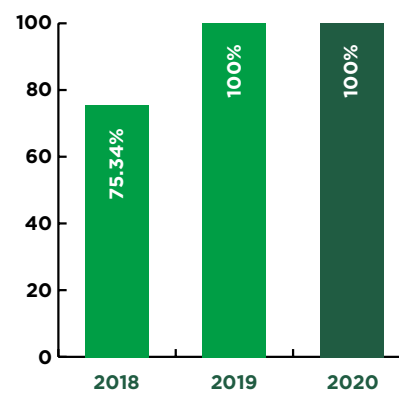
100%

plastic recycled

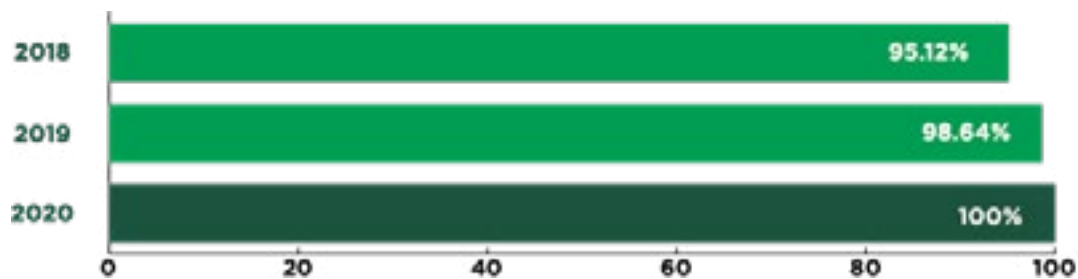
Total waste diverted from landfill



Office & food waste recycled



Plastic recycling



■ = most recent data



OUR NEW CHARITY PARTNER:

The Campaign Against Living Miserably (CALM) is leading a movement against suicide. Every week 125 people in the UK take their own lives. And 75% of all UK suicides are male. CALM exists to change this.

SOCIAL VALUE AT MURPHY

Social value can be the difference between the successful and safe delivery of a project that has a long lasting positive impact on the community around it, and one that is poorly delivered and quickly forgotten.

At Murphy, our social value goal in everything we deliver aims to leave a positive lasting legacy on the communities where we work and operate. It's focusing on what more can

we do that goes above and beyond our core work, and gives something valuable and worthwhile to those our work affects.

We are also focused on recruiting and developing our teams for the future. We are heavily involved with the Inclusive Employers Toolkit and Workforce Integration Network to attract more BAME representation into our sector, starting with young black men.

WHAT'S THE PLAN? SOCIAL VALUE



Creating a positive lasting legacy in the communities we serve as a result of the works we undertake



We will make every effort to recruit locally

DIVERSITY & INCLUSION

We have a clear D&I plan, the progress of which is assessment for each of our projects against the balanced scorecard



Recognised as a great place to work where our people feel secure and comfortable to be themselves



Creation and delivery of the Murphy Back to Work/Returner programme

STEM

Careers in STEM: we will carry out 10 engagement events per year in schools with a high pupil premium



Impact of our social value activities in key areas and reporting to key stakeholders
Upper quartile performance for construction sector in BITC Responsible Business Tracker

16-24 YEAR OLDS

Employability support provided to 16 - 24 year olds



Deliver community based activities through donations and volunteering days



Creation of a Social Value/EDI balanced scorecard



MURPHY'S COMMUNITIES GIVEN CHRISTMAS CHEER!

In a challenging year for all and one where our usual local community support didn't happen as normal, we took a new approach. Allocating £100,000 to a new Christmas community fund, we asked our colleagues across the business for local charity and community group nominations. After more than 80 suggestions for local food banks, homeless support, vulnerable family donations and supporting mental health in children, 30 groups from Leeds to Lichfield to London all received a share to help those in need.



GREEN FINGERED VOLUNTEERS HELP TO PREPARE FOR RE-OPENING

As part of our joint venture with HOCHTIEF to deliver the London Power Tunnels 2 for National Grid, we have committed to 100 hours of local community volunteering every month. In August 2020, our first post-lockdown volunteer team went to Dulwich Woods in Southwark, and helped to prepare the educational and research facility ahead of the new academic year.

OUR SUSTAINABILITY DATA

We are committed to tracking the impact we have and the positive legacy we leave on our communities through the reporting and monitoring of tangible data, to demonstrate that we are making a difference. This section provides that data and will continue to be added to and developed in future reports.

| | 2020 | 2019 | 2018 | NOTES |
|---|------------|----------------|----------------|--|
| CLIMATE ACTION | | | | |
| Scope 1 GHG emissions (tco2/e) | 26,075.29* | 24,221.59 | 28,054.11 | Operational emissions ie. fuel combustion |
| Scope 2 GHG emissions (tco2/e) | 1,254.83* | 1,260.27 | 1,148.91 | Purchased Electricity / Gas / other energy |
| Scope 3 GHG emissions (tco2/e) | 1,752.74* | 1,445.43 | 1,602.85 | Indirect emissions (mandatory) i.e. waste, air travel, business miles etc. |
| Total emissions (tco2/e) | 29,082.86* | 26,973.35 | 30,759.80 | |
| % Reduction from baseline | 35.05%* | 30.40% | 28.19% | Verified reduction in emissions intensity (tCo2/£million revenue) |
| Average monthly vehicle carbon emissions (kg) | 571,630.16 | (not recorded) | (not recorded) | Includes cars, vans & trucks across the fleet |
| Fleet electric and hybrid vehicles | 8.5% | n/a | n/a | |
| Avoidable waste diverted from landfill (%) | 99.01% | 98.22% | 97.45% | |

*Estimate numbers due for external verification in June 2021

GHG emissions management certification to ISO14064 through the Carbon Reduce Scheme (formerly CEMARS), annual verification by Achilles.

| | 2020 | 2019 | 2018 | NOTES |
|---|-------------------|-----------------|-----------------|---|
| SOCIAL VALUE | | | | |
| Employees | 3,408 | 3,405 | 3,200 | |
| Employee engagement score | 1★ (Very Good) | 85% | 84% | Change in provider and engagement measure in 2020 |
| RIDDOR accidents per 100 employees (AFR) | 0.35 | 0.24 | 0.41 | Employees only |
| RIDDOR accidents | 12 | 8 | 14 | Group-wide numbers - inc UK, Ireland & Canada |
| Lost Time Incidents (LTIs) | 28 | 25 | 37 | |
| Women in senior management roles | 11 | 10 | 12 | Grades 0,1,2,3 |
| BAME employees | 219 | 215 | 194 | |
| Female employees | 526 | 495 | 480 | |
| Investors in People | Yes | Yes | | |
| Gender pay gap - (Mean / Median) | 14.60% / 17.43% | 26.35% / 29.17% | 25.26% / 23.87% | |
| Charity partner (matched funding) | £16,675.26 | £40,080 | | Christmas community fund launched in 2020 |
| Community giving Christmas Community Fund | £100,000 | n/a | n/a | |
| Client NPS score | 8.6 | 9 | n/a | |
| Apprentice numbers | 93 | 83 | 36 | All joined as of December in the noted year |
| Graduate numbers | 83 | 57 | 18 | |

PARTNERSHIPS & ACCREDITATIONS

Across our business, we are proud of the recognition we receive for the work we do on sustainability, as well as the campaigns we support. We are also fortunate to work closely with a number of partners to help us improve lives. These are just a few examples that are relevant for all of us at Murphy, that help us deliver world-class infrastructure safely and efficiently for our clients, and leave a positive legacy with those groups who are impacted by the work we do.

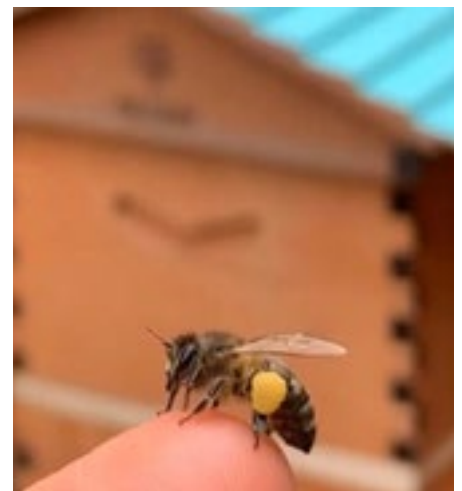
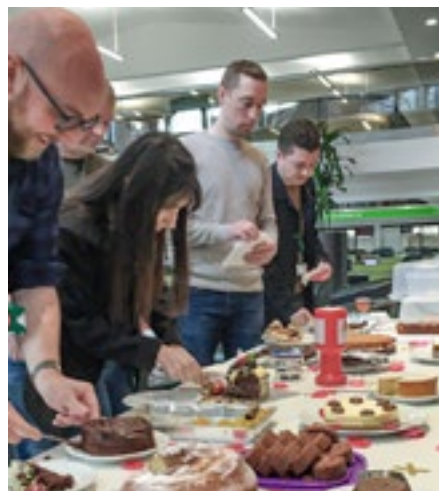


FROM THE GROUND UP

Our teams across Murphy are passionate about what they do, and regularly play their part in supporting the people and communities around our offices and projects. From cake bakes to river races, and from volunteering to school visits, we are proud of what our teams across Murphy give back to society.



Some images used in this brochure were taken before covid restrictions



MURPHY

WORLD-CLASS INFRASTRUCTURE



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