

MURPHY

WORLD-CLASS INFRASTRUCTURE

Improving life
by delivering
world-class
infrastructure



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SUSTAINABILITY HIGHLIGHTS 2021

43%

emissions reduction since our journey began

25%

of employees from underrepresented groups

42%

reduction in lost time injury rate

£200K

in charitable donations

100%

of timber purchased from certified, sustainable forests

10.6%

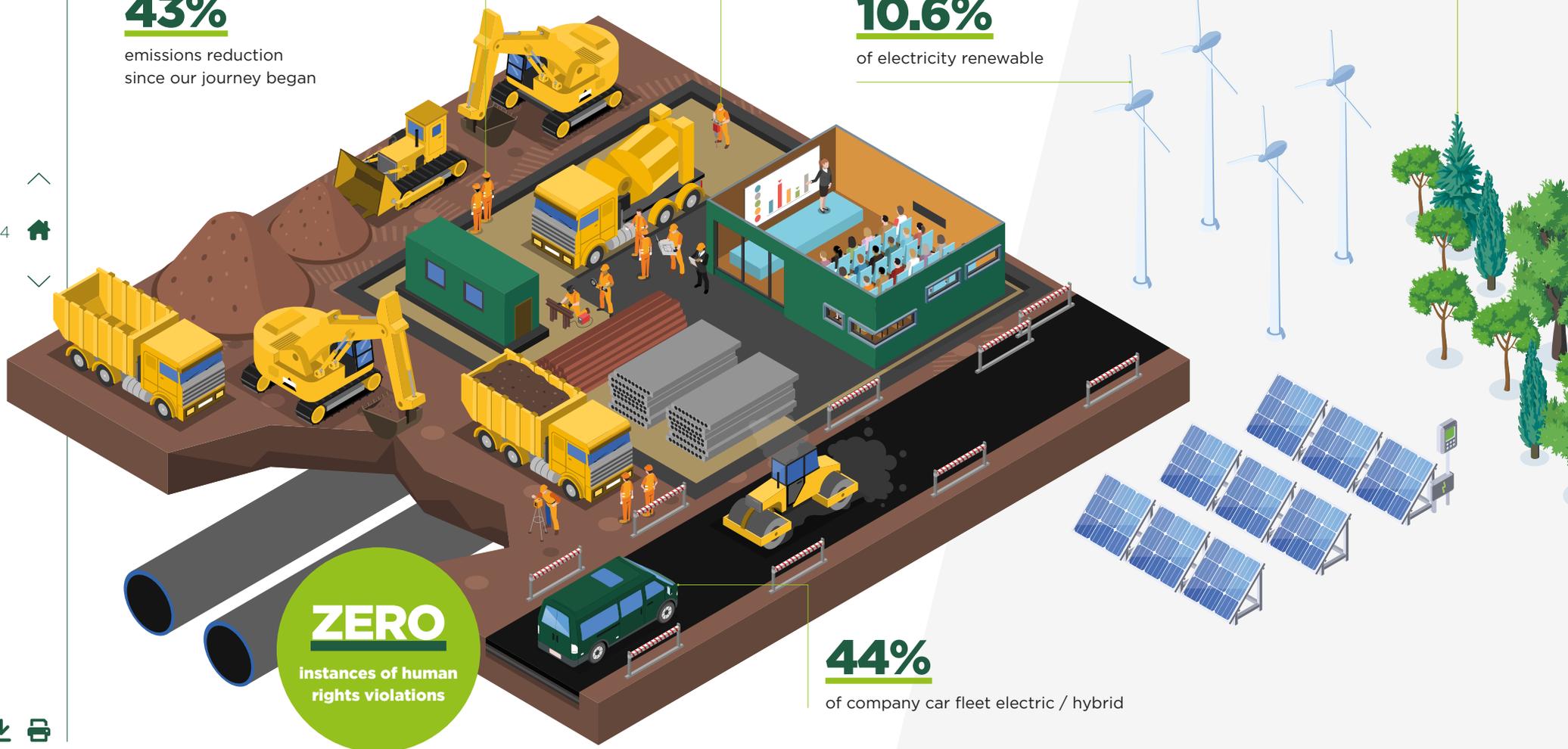
of electricity renewable

ZERO

instances of human rights violations

44%

of company car fleet electric / hybrid



BUSINESS OVERVIEW

Murphy's purpose is to improve life by delivering world-class infrastructure across the transportation, water and energy sectors in the UK, Ireland and Canada. Through our direct delivery model, we enable our clients to achieve their business objectives by increasing capacity, improving customer service, providing resilience and delivering increased efficiency whilst being a safe and sustainable company.

Our vision is to be the leading family-owned construction business.

We will achieve this by focusing on our key clients whose delivery business plans are underpinned by strategic national needs, regulatory commitments, legislation or essential performance requirements.

Our culture and values are the foundation of the achievement of our objectives, and our people are at the heart of everything we do. Having a strong balance sheet and a long-term, profitable, secured workload with trusted clients enables us to make the best decisions for our business.

Robust governance processes, targeted contract selection and delivery excellence support our framework for future growth. This allows us to invest in our people and plant, drive increasing levels of social value and focus on our pathway to net zero.

We focus on the issues that matter the most to our clients, our people and the communities that we work in. As a leading family-owned responsible business we:

- ✓ **Ensure Murphy is a safe, inclusive and great place to work, where everyone can be at their best and supported in their career progression**
- ✓ **Consistently deliver the basics in a sustainable manner to achieve operational excellence**
- ✓ **Enable a greener future**
- ✓ **Enhance society and the communities we work in through our commitment to social value**

Founded on robust corporate governance and positive financial performance, Murphy is delivering long-term, sustainable and profitable growth.

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 & SOCIAL VALUE
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 LEADING FAMILY-OWNED CONSTRUCTION BUSINESS



DELIVERING A GREENER, CLEANER MURPHY COMMUNITY

Delivering steady, sustainable growth: Statement from John Murphy, CEO



I am pleased to say that in 2021 our vision to be the leading family-owned construction business in the three geographies in which we work when we celebrate our 75th anniversary in 2026 has remained as steadfast as ever, despite the well-documented global and industry challenges.

The reason for this is simple; our strategy is founded on our people and social value, collaboratively working with our clients, being safe and sustainable, driving continuous improvement in engineering and delivery excellence, and in turn enabling consistently strong financial performance.

Our business model has also remained consistent, with self-delivery at its core. We have continued to strengthen our senior leadership team, and through our Brilliant Basics initiatives we are delivering the fundamentals better: to improve productivity and deliver operational excellence across all our construction activities.

At the core of this, our focus on long term sustainable growth is enabling us to make great strides in our commitment to deliver a greener, cleaner Murphy community, and ensure the two are mutually inclusive.

Our 'Never Harm' culture

'Never Harm' is one of our five Murphy values and it's at the heart of everything we do. We incorporate the Never Harm ethos into the way we operate our projects, with our employees' actions and behaviours, with our clients, supply chain partners and the communities we work and live in, with the ultimate goal of protecting our people, our planet and improving life.

Our current responsible business priorities are focused on becoming nature net positive and eliminating waste to combat climate change, improving diversity and inclusion across the Group, the health, safety and well-being of our colleagues; working more closely with our supply chain and supporting SMEs, and adding value to local communities.

We are continuing to work towards our net zero carbon emissions goal based on the ongoing strategy; reducing fuel use by 30% in 2021, minimising waste by diverting more than 99% from landfill, investing more than £21m in green plant and equipment throughout the year, and developing increasingly low carbon engineering solutions. We will achieve our aims by continuing to work towards verifiable, science-based targets, and by being clear and transparent about our actions, and committed to the

delivery of carbon reduction initiatives that are long-term and sustainable.

Our support for local communities is stronger than ever. We have offered more apprenticeships in 2021 and taken an active role in the UK government's Kickstart Scheme to create jobs for 16-24-year olds and support the long term unemployed.

We have also taken a lead role in the Ministry of Justice's Employment Advisory Board programme within HM Prisons to ensure prison-leavers are job ready upon release and are offered a second chance.

We launched our Murphy Roots education and tree planting initiative with 50 schools across the UK, given free volunteering days for our colleagues to engage with the communities they work in, and generated charitable donations for many good causes, including the Campaign Against Living Miserably (CALM).

People, profit and planet

For the year ended 31 December 2021 our revenue, operating profit and net cash all grew. Revenue grew 14% to £1,270m based largely on the strengthening relationships with our key clients across the UK, Ireland and Canada. Operating profit improved 66% to £21.7m. Net cash increased by 25% to £216.6m.

These figures demonstrate the level of improvement we continue to make in our delivery operations, and the commitment of everyone who works for Murphy. With a growing forward order book and an exciting pipeline of opportunities we stand ready to play our part in enabling climate action and improving life by delivering world class infrastructure.

John Murphy, CEO

“ Our focus on long term sustainable growth is enabling us to make great strides in our commitment to deliver a greener, cleaner Murphy community ”



OUR APPROACH TO SUSTAINABILITY

Statement from John Kinirons, Group Director for SHES and Sustainability



At Murphy we understand the challenge posed by the climate crisis and the significance of our role in supporting the governments in the geographies we work in to reverse this. Decarbonising energy systems and transport systems by delivering low carbon alternatives resonates well with our purpose to improve life by delivering world class infrastructure.

At Murphy our vision is to be the leading family owned construction business by our 75th anniversary and consequently we have set ourselves the leading ambition of being a net zero carbon business by 2030 and have developed a clear strategy to get there.

This is a commitment that we don't take lightly and is what gets us out of bed in the morning. We know that in delivering the necessary infrastructure projects, we are improving people's lives by addressing climate change, while also delivering journey time improvements, providing renewable energy and improving water quality. Our self-delivery model is a key differentiator as we can get our arms around so much of our own footprint rather than solely relying on influencing supply chain partners.

We bring this commitment to life through our Climate Action and Safety strategic objective, focused on achieving industry leading health safety & well-being performance, eliminating waste and single use plastic and carbon reduction. This is supported by a series of stretching targets and holding ourselves to account on progress through our annual company scorecard.

The following pages set out the detail of our progress and achievements during 2021, of which there are many. Most notable of these include achieving our lowest ever accident rates through a laser focus on getting the basics of leadership, supervision, culture and standards right. This is an excellent result considering that we worked more than 21 million hours on our projects.

Other highlights include working towards verifiable, science-based targets; reducing our fuel use by 30% against our 2019 baseline, minimising waste by diverting more than 99% from landfill, investing more than £21m in green plant and equipment throughout the year, while Murphy Applied Engineering developed increasingly low carbon engineering solutions for our customers.

We were also delighted to lead the way in developing the Buildings and Infrastructure section of the Council for Sustainable Business' Get Nature Positive handbook, supported by DEFRA.

John Kinirons, Group Director for SHES and Sustainability

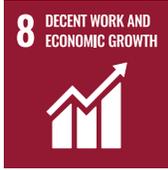


“ We have set ourselves the leading ambition of being a net zero carbon business by 2030 and have developed a clear strategy to get there ”



ALIGNING WITH THE UNITED NATIONS SDGs

We are in full support of all 17 of the Sustainable Development Goals (SDGs) produced by the UN, and work to ensure we promote them in every aspect of what we do. The following are the areas in which, through the work that we do, we can make the greatest impact.

	 <p>3 GOOD HEALTH AND WELL-BEING</p>	 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	 <p>13 CLIMATE ACTION</p>
FOCUS OF THE GOAL	Ensure healthy lives and promote well-being for all at all ages	Ensure access to affordable, reliable, sustainable and modern energy for all	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Take urgent action to combat climate change and its impacts
HOW MURPHY ALIGNS TO THE GOAL	Ensuring healthy lives and promoting well-being is rooted in our 'Never Harm' value and runs deep through Murphy culture. We have a particular focus on mental health and preventing suicide, which is 3x higher in our industry than the national average.	Ensuring access and promoting sustainable energy is a key component of our business. Along with contributing to the direct delivery of green energy infrastructure, we are also investing in 100% of our energy to come from renewable sources by 2026.	We are committed to delivering steady, sustainable growth. We're strengthening our resilience across the Group, improving contract selectivity, enhancing relationships, generating a strong cash position and providing job opportunities.	Our purpose is to improve life by delivering world-class infrastructure. We do that by 'always delivering' and 'continually improving' - challenging the usual ways of doing things. We aim to minimise our impact, reduce waste and promote sustainable productivity.	Our strategy for 'A Greener Murphy' directly drives an ambitious rate of climate action in our business towards Net Zero by 2030, engages and encourages our supply chain and progresses the wider industry towards UK and global goals.



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Road to Net Zero

Climate Action

Reducing Fuel and Energy Use

Behavioural Change

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Operating responsibly



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We recognise that we have a vital role to play in enabling climate action. It is central to our purpose of improving life by delivering world-class infrastructure and is reinforced by our Never Harm value which incorporates both people and the planet.

We've successfully reduced our emissions year on year for over a decade - our climate action strategy 'A Greener Murphy' sets out a clear path to net zero by 2030, and carbon positive by 2050 for all emission sources.

In 2021, we continued to make progress, committing to the Science Based Targets initiative by aligning our reduction to 1.5°C, and successfully reducing our emissions for the 13th consecutive year - totalling a 43% reduction since our journey began in 2009. Our progress aside, we're committed to making this our most sustainable decade yet.



ENVIRONMENT

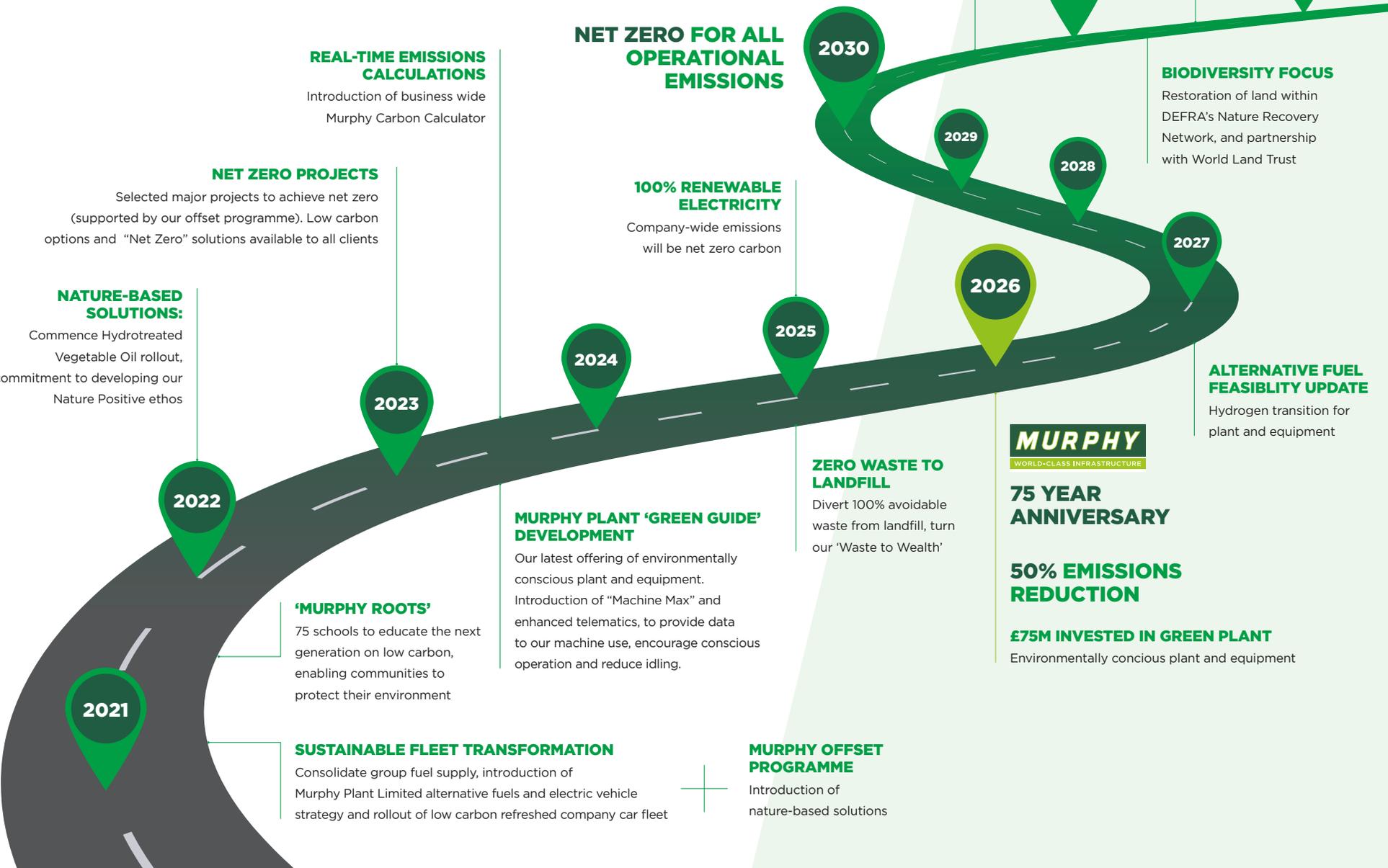
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OUR ROAD TO NET ZERO

A clear path to building a greener Murphy



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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.

21%
LESS EMISSIONS
THAN 2019

INVEST £75M IN GREEN PLANT

We have committed to invest £75 million over the next five years in state-of-the-art, environmentally conscious plant, equipment and vehicles (in 2021 £21.5 million has been invested).

SEND ZERO AVOIDABLE WASTE TO LANDFILL

By 2026 we will be diverting 100% of avoidable waste from landfill embracing the circular economy principles to promote resource productivity. (Currently we divert 99% of avoidable waste from landfill.)

REDUCE OUR CO₂ EMISSIONS BY 50%

We target achieving a 50% net reduction in our operational emissions in the next five years to coincide with our 75th year anniversary. Then to continue this journey and achieve net zero by 2030 and carbon net positive by 2050. (In 2021, we successfully reduced our emission by 12% against a 2019 baseline.)



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850MW

of clean energy powering 800,000 homes a year will be generated by the Murphy-enabled Triton Knoll offshore wind farm, located off the Lincolnshire coast.



USE 100% RENEWABLE ENERGY BY 2025

Across all projects and office locations, we are committed to 100% of our electricity coming from renewable sources by 2025 (currently 10.6% of our energy is renewable).

PLANT 5,000 TREES A YEAR

To do our bit in supporting nature and promoting biodiversity we are committed to planting 5,000 trees per year, including one for every new starter to grow with their career. To date we have planted over 20,000 trees and supported worldwide preservation schemes.

ENGAGING WITH 75 SCHOOLS THROUGH OUR MURPHY ROOTS SCHEME

To mark our 75th year anniversary we will engage with 75 schools by 2026 to support our local communities, plant trees and to help educate the next generation on climate change and global biodiversity issues. One year into running the programme we have engaged with over 30 schools and planted over 1,500 trees.



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REDUCING FUEL AND ENERGY USE

Our focus on reducing fuel and energy use is a key contributor to our journey to net zero

Murphy has made great progress on multiple fronts; reducing fossil fuel reliance, identifying areas of wastage, developing new ways of working through innovative design, adopting technologies and engineering solutions, educating to change operational behaviours and encouraging sustainable working practices through smarter selection and deployment of efficient plant and equipment.



MORE EFFICIENT PROJECTS

Our project footprints were reduced through better planning, with more electrical connections where feasible, more efficient deployment of employees, better use of local suppliers and remote access meetings.

IMPROVED VEHICLE AND PLANT EFFICIENCY

We improved vehicle/plant efficiency through the purchase of state-of-the-art, environmentally conscious plant, equipment and machinery for our projects. We're increasing use of innovative low carbon technologies in our offering, including electric, hybrid and hydrogen-powered equipment, all available through our Murphy Green Guide. We're also tracking consumption better, so we know where to target our efforts.



CHARGING POINTS FOR ALL MURPHY OFFICES

We installed electric vehicle charging points at Murphy locations across the UK, including every office. We increased the number of electric / hybrid vehicles in our fleet to cover all employee grades.

ALTERNATIVE FUEL TRANSITION

We carried out feasibility studies and project trials of renewable, sustainable fuels to remove fossil fuel reliance, mapping out the most efficient way to fuel our fleets and target our single biggest emission source.

INTEGRATING CLIMATE TARGETS

We operationalised net zero for our projects by incorporating key climate action targets into our monthly SHES heatmaps.

BETTER WASTE MANAGEMENT

We increased our contribution to a circular economy through our focus on resource productivity, generating less waste and therefore less energy use. We also increased recycling and reuse rates, continuing progress towards our 'zero to landfill' ambition.

IMPROVED OFFICE AND SITE EFFICIENCY

We improved energy efficiency in company offices and site accommodation through efficient generation, alternative fuels strategies, and by embracing technological advancements.



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PROMOTING BEHAVIOURAL CHANGE: 10 STEPS TO 10%

In 2021 we rolled out our 10 Steps to 10% campaign – a Murphy-wide fossil fuel reduction campaign targeting a 10% reduction in fossil fuel use through behavioural change and increased efficiency. Our 10 steps of guidance included a ‘Never Harm on the Road’ training module focusing on eco efficient driving. Through innovative action across the whole business, a 30% reduction in fossil fuel use was achieved, saving more than 3 million litres of fuel from being used, and preventing 9300t CO2e from entering the atmosphere. Given that the combustion of fossil fuels contribute to 90% of our annual emission this initiative helped to reduce our emissions by 27%.



1. WHAT IS YOUR FUEL FOOTPRINT?

Understand where on your site fuel is being used and how often. You can check your plant list and/or project spend to build up a picture of fuel use so you'll know where to target!



2. FIT-TO-START

Before we reduce it, can we remove it? Many of the decisions we make at the start, will determine the emissions on a project. Review the plan for your site setup - the number and size of machines, vans, cabins and generators and the technology we plan to use and its power source.



3. GREEN PLANT FIRST

Hybrid generators can reduce fuel consumption by up to 60%! We have a fantastic range of environmentally conscious plant. Read the Murphy Green Plant Guide - there are many alternatives to conventional combustion machinery available.



4. RENEWABLE FUELS

Our framework supplier CERTAS have a range of alternative fuels including 100% HVO (vegetable oil), SHELL GTL or offset options... significantly reducing CO2, nitrogen oxide (NOx), particulate matter and carbon monoxide (CO) emissions too.



5. TURN THE KEY, BE IDLE FREE

We spend around £25,000 a month on fuel for idling! We can make big fuel use savings by switching off vehicles and plant. Can you reduce ‘idling’ times on your project? Can you make your yards ‘idle free zones’? Brief your teams on the power of switching off.



6. ECO-FRIENDLY DRIVING

Efficient driving can reduce fuel consumption by up to 15%, immediately - simple changes like less revving, lowering your speed, sharp braking and accelerating. Hold a Toolbox Talk or our CDP ‘Never Harm on the Road’ has great tips. Contact your CDP Coach to arrange a session.



7. OPTIMISE DRIVING ROUTES

Make sure transport routes are optimised for fuel efficiency – use a route planner, check the journeys are necessary, and there isn't someone closer who can carry out the same work.



8. SMALL CHANGE, BIG IMPACT

Don't underestimate the value of small efficiencies... cut out journeys, close drying room doors and windows, switch off lights and unused equipment – it all adds up! Do a site walkover as a team to identify where you can save on fuel – the more eyes the better. See a better way... speak up!



9. FIRST TIME, ON TIME, EVERY TIME

Delays or having to redo work both increase fuel consumption – making it more important than ever that we deliver world-class infrastructure, first time every time.



10. PERSONAL IMPACT

How do you use fuel and what can you do to help us on our journey to Net Zero? Can you reduce mileage, cycle, walk, car share or use public transport? How else can you contribute?

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ENERGY AND EMISSIONS IN 2021

We've successfully achieved our 'Carbon Reduce'* certification for the last 13 years, with the following 2021 highlights...

-43%

SINCE WE STARTED

We have achieved a verified 30% reduction target one year early (30.04% (2019) reduction vs 2009 baseline), certified by Achilles to ISO14064 through the Carbon Reduce Scheme.

-50%

NEXT GOAL SET

A further 2020 - 2025 reduction target of 50% (tCO2/£m) has since been set, with progress in 2021 now totalling 23% emissions reduction vs our 2019 baseline.

EMISSIONS DATA 2021

Scope 1 GHG Emissions (tCO2e)	22637.8
Scope 2 GHG Emissions (tCO2e)	1353.0
Scope 3 GHG Emissions (tCO2e)	1788.4
% of renewable electricity used	10.6%
% of company car fleet electric / hybrid	44%

LONG TERM TARGETS

NET ZERO BY 2030

We've committed to achieving net zero emissions by 2030

LIMIT WARMING TO 1.5°C

We are signatories for the Science Based Target Initiative 'Business Ambition to 1.5°C' and have committed to set science-based targets which are in line with a 1.5°C future.

CARBON POSITIVE BY 2050

Net carbon positive by 2050 for all emission sources

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* formerly CEMARS

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ENVIRONMENTAL STEWARDSHIP

Our responsibility and approach extends beyond reducing emissions - the very nature and scale of our work means our expert teams successfully manage the risk posed from other key physical environmental aspects on a daily basis - water, air, land and a variety of ecology we encounter, alongside inevitable waste produced whilst working to create a more sustainable future. Where we can, we provide innovative solutions to bring mutual value to both project and the environment.

WASTE MANAGEMENT

We received more than 50 submissions to our Waste to Wealth campaign from across Murphy in a 12 month period. As a result, more than 100,000 tonnes of waste was diverted from disposal routes and more than £850,000 of cost was saved across our projects. Projects ranged from office recycling, to PPE reuse, small scale initiatives to larger scale aggregate recycling, innovative solutions for contaminated land, and many community projects which helped us to improve life in the communities where we work.



WATER MANAGEMENT

The Rochdale 4 AGI (Above Ground Installations) project identified more contaminated groundwater at the site than initially thought. In the past, this type of water had to be removed by a tanker for disposal at a licensed waste disposal facility. A better solution was quickly found - a filtration system supplied by Hydrotec, eliminating the need for removing from the site any contaminated water. This system cleans the water, and they then discharge this to sewer works. At an average of 110,653 litres per week over a 49-week programme, this saved seven tankers each week at £1,795 per tanker.

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BIODIVERSITY

The benefits of carbon reduction are well publicised, but our plans to create 'A Greener Murphy' aren't limited to preventing environmental damage through our operations, sympathetic development, or constructing a better future purely for our own needs - the other side of that coin is a hugely exciting opportunity to embrace nature-based recovery and solutions as part of the journey.

In 2021, we made a commitment to biodiversity and developing a 'nature positive' business ethos, understanding the impact of construction on nature, and the action needed to help reverse biodiversity loss. We led the development of, and contributed to, the Buildings and Infrastructure section of the Council for Sustainable Business handbook, supported by DEFRA.

We believe there's still plenty more that we can do to ensure biodiversity becomes a keystone of our environmental policies, and our involvement is a strong statement of intent that we will build on.



2022 TARGETS

- Climate Action - Fossil Freedom**
Production of a plan for sustainable fuel transition through 100% pure Hydrotreated Vegetable Oil.
- Biodiversity**
Create a vision for our 'Nature Positive' business, including our responsible planting strategy.
- Resource Productivity and Circular Economy**
Deliver industry leading waste reuse and recycling rates, increasing our contribution to community projects.



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Our People Approach

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Maximising social value



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Our purpose is to improve life by delivering world-class infrastructure, so creating social value is at the heart of our business delivery and our Murphy at 75 strategy. We are focused on creating a long term sustainable contribution and leaving a positive legacy in the communities in which we work.



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OUR PEOPLE APPROACH

Our Murphy at 75 People Strategy is focused on creating a great place to work where people, regardless of background, feel secure and comfortable to be themselves. We know that the key to success is making Murphy a fulfilling and diverse place to work.



25% OF OUR PEOPLE ARE FROM UNDER-REPRESENTED GROUPS

We have a holistic approach to addressing under representation in our business. We began with a diversity data exercise to ensure that we understood our current structure and are now taking steps to ensure that our business is welcoming to under-represented groups. This is being achieved through a multi-faceted approach, encompassing everything from our family friendly policies and support such as shared parental leave options and a return to work maternity bonus; to our work with the Home Office to offer employment to refugees.



10 STEM-BASED ENGAGEMENT EVENTS IN SCHOOLS PER YEAR

During 2021, we continued to develop our virtual work experience programme aimed at encouraging 14 - 18 year olds to consider a STEM career. We hosted more than 20 virtual sessions for schools and communities close to our projects.



10% OF OUR EMPLOYEES ARE EMERGING TALENT

Our current percentage is 7%, with 130 apprentices on active programmes and 82 graduates. In 2021 we welcomed our largest ever intake of apprentices (68) alongside 46 new graduates, providing sustainable, long-term employment opportunities in our communities.



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EMPLOYABILITY SUPPORT FOR LOCAL 16 TO 24 YEAR OLDS

We were the first construction company to engage with the UK Government's Kickstart scheme, providing job opportunities for more than 50 longterm unemployed young people aged 16 - 24 and highlighted by the Department for Work and Pensions as an example of best practice.

LEAVING POSITIVE LEGACIES IN OUR COMMUNITIES

All our colleagues have the opportunity to take part in 'Giving Back Days' and undertake community-based social value work. See page 27 for some of this year's examples.

FORMALLY RECOGNISED AS A TOP 100 PLACE TO WORK

In 2021, we took part in the Best Companies employee engagement process for the first time - immediately placing 6th in the 'Construction and Engineering's Best Companies to Work For' category.

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HEALTH AND SAFETY

Keeping it simple delivers strong health and safety performance

In 2021 we refreshed and simplified our health and safety strategy to focus on four key priorities: leadership, supervision, culture and standards.

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NEVER HARM STRATEGY

Our Never Harm value is our cornerstone value and underpins everything we do at Murphy. Coupled with our self-delivery model this means that we drive a different approach whereby our safety performance is measured by the presence of positive actions - not the absence of accidents. This is brought to

life via our Simple Actions toolkit which are the small favours we can do everyday to protect ourselves, our colleagues and the environment. These are reinforced by our Simple Actions tour programme whereby our leaders check and engage with our teams to ensure that the expected standards are in place.

OUR SIMPLE ACTIONS



Control our work area



Operate plant safety



Prevent service damage



Protect our health



Protect our environment



Safety docs in place



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PROACTIVELY MANAGING OUR RISKS

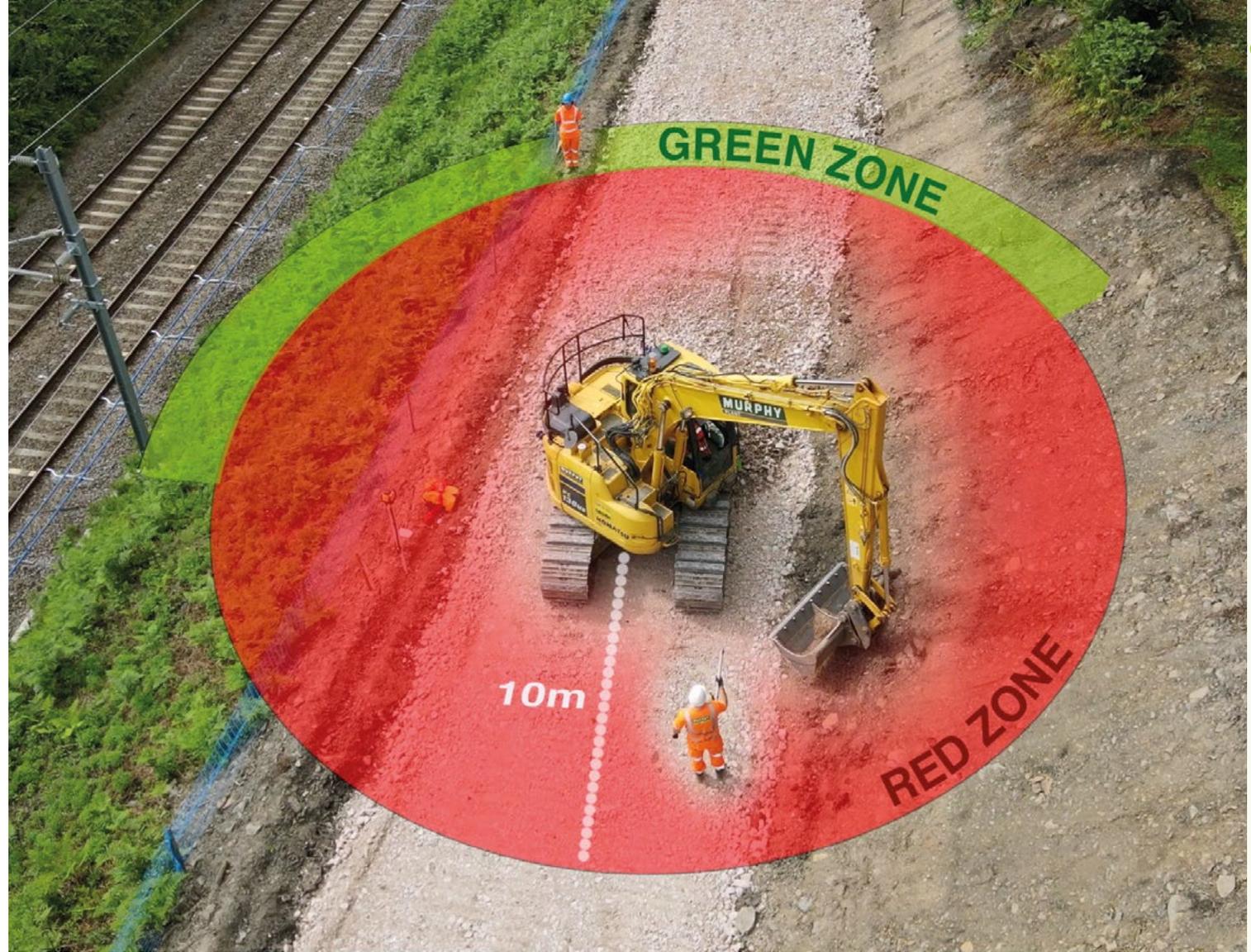
In June we ran a business-wide campaign entitled 'One Summer' designed to increase awareness on our projects around People and Plant interface and understanding of our safe exclusion zones.

In response to a number of high potential incidents across the industry associated with working in the vicinity of plant and equipment we wanted to:

- **Ensure our standards and expectations in relation to defining and maintaining effective exclusion zones were clearly defined and understood by all.**
- **Engage proactively on our 'Never Harm' value with our front line operations.**

We used video material of actual near misses and scenarios supported by practical demonstrations to prompt discussions and provide opportunity to set and reinforce expectations in relation to exclusion zones. This was a great opportunity to discuss key concerns within the workforce and how the individual and the business can help to address these.

The result of the campaign meant we were able to create a common



understanding and set common standards on this topic, whilst reinvigorating healthy respect around plant interface on our projects.

We were also able to humanise the potential impacts of a serious incident and re-launch our expectations and requirements around working in close proximity to plant and equipment.

The campaign also provided an opportunity for visible leadership and

engagement, successfully promoting the concepts and engaging well over 2,500 individuals, including supply chain partners and clients - a great example of our 'One Team, One Family, One Murphy' value.

We hope to build on this by developing other seasonal campaigns, to be shared with clients and industry peers for wider learning in the construction sector.



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3,000
trained in our
safety-focused
culture development
programme



CULTURE DEVELOPMENT PROGRAMME

Our Never Harm value is reinforced by our in-house Culture Development Programme (CDP) which supports our front-end delivery and empowers every employee to challenge what was once considered to be the norm.

During 2021 we enhanced the programme further by developing a clear suite of tools to support our projects from mobilisation to handover. Almost 3,000 people, including representatives from 43 of our supply chain partners, were exposed to our programme during the year.

A key measure of the impact of our CDP programme is the number of feedback cards we receive from our teams - these provide a key source of insight for our campaigns and intervention programmes.

INCIDENT REVIEW PANEL

We also established our Incident Review Panel to ensure that our investigations are getting to the root causes of our incidents and to ensure we are embedding the lessons learnt and avoiding repeat mistakes.

HEALTH & SAFETY PERFORMANCE 2021

Accident frequency rate	0.04	▼ 43%
Lost time injury rate	0.1	▼ 42%
High potential incident rate	0.08	0%
Simple Actions tours completed	938	▲ 41%
Hours worked in 2021	21.6m	▲ 30%

SEVERE AND FATAL RISK GROUPS

We formed these groups to focus on setting the standards and expectations and review our performance against our top risks, including people and plant interface; contact with electricity; lifting operations; temporary works; and driving.

CDP EVENTS 2021

Hub days	129
Leading Our Projects Safely	32
Tool Kit sessions	202
Site Support visits	374
Pulse checks	5



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HEALTH AND WELL-BEING

Our employees' health and well-being is our number one priority, and we work hard as an organisation to ensure we maintain a healthy, happy and satisfied team.

We aim to create a safe and healthy working environment, improve physical and emotional well-being, encourage and support employees to develop and maintain healthy lifestyles, support employees with manageable health problems or disabilities to remain in or return to work safely, and to improve employee engagement, satisfaction and retention.



CALM PARTNERSHIP

Our current corporate charity partner is CALM, the Campaign Against Living Miserably, who we support by communicating and fundraising across our channels and locations. We provide information and training around mental health and well-being, encourage open conversations around well-being issues, and generally work to end the stigma around mental illness. In 2021, our procurement team hosted a World Cup five-a-side football tournament, raising over £6,000 for CALM.

MATES IN MIND

Renewing our three-year partnership with Mates in Mind gives us the opportunity to complete their annual Mental Health Employer assessment which allows us to continually improve our mental health support and information to all our employees. Being able to deliver the 'Start the Conversation' briefing to all our employees, gives everyone the knowledge and confidence to either ask someone if they want help or to ask for help themselves.

KAIIDO CHALLENGE

At Murphy we take a holistic approach to the well-being of our employees and alongside our annual campaign calendar we run an annual Kaido Challenge. Run through the Kaido well-being app, the goal is to encourage employees to actively engage with their health and provide them with tools and motivation to improve their well-being.



SUPPORTING OUR PEOPLE THROUGH COVID-19

From a mental health and well-being standpoint our key focus in 2021 was protecting our people and projects from the impact of the Covid-19 pandemic.

In early 2021 we introduced routine twice-weekly testing in all our work locations which, combined with our other Covid protocols, including hygiene, social distancing, remote working, and mask-wearing, kept the impact to our business to a minimum.

To counteract the mental health impact of Covid on our people we increased the number of Mental Health First Aiders in the business by 20% (to 154), and ran a series of innovative, interactive challenges during the year, such as the Kaido Challenge. These engaged our employees' physical and mental health in a fun and interactive way.



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EMPLOYEE ATTRACTION, RETENTION AND ENGAGEMENT

We depend on the skills and commitment of our employees to achieve our objectives. Employees at every level are encouraged and incentivised to focus on their personal development and make their fullest possible contribution to the Group. Our selection, training, development and promotion policies are designed to ensure equal opportunities for all employees, regardless of gender, marital status, race, age, disability, religion or belief or sexual orientation.

LEARNING AND DEVELOPMENT

Our Learning and Development (L&D) strategy is focused on the theme of 'development for all'. We believe that every employee, regardless of type and level of role, is talented, so we offer development opportunities across the board. The other guiding principles for our L&D strategy are:



TALENT ATTRACTION

We have a number of partnerships with local schools and colleges whereby we support broader STEM activities as part of our commitment to the areas we work in in addition to signposting school, college and university leavers to our apprentice and graduate opportunities.

We are committed to investing in emerging talent and we have a strong track record in developing apprentices and graduates to ensure they stay with us long-term and progress to more senior roles. Our programmes are growing year-on-year. We offer both functional (67%) and trade (37%) apprenticeships across all our business areas and our Graduate Programme also covers all areas of our business with rotations ensuring opportunities exist to gain a breadth of experience.

Our current retention rate for our apprenticeship programmes is around 70% which is higher than external benchmarks, and our graduate programme retention is 89%.

TOP 6
best construction company to work for in the UK

1 To develop talent from within Murphy, using our succession and talent process to help us inform gaps, risks and investment opportunities in our people.

3 We understand that one size doesn't fit all - we have packages of development that allow for an individual approach.

5 We challenge ourselves and each other to never stop developing a continuous improvement mindset, and know that every individual is responsible for driving their own development.

2 Inclusion is at the heart of all our L&D activities - everyone has the opportunity to reach their full potential. We all work towards creating a fair and inclusive environment, while safely and profitably delivering on our projects.

4 Our approach to development is designed to create maximum learning opportunities in the workplace, and to share knowledge with others across the business. We use a variety of development methods, from classroom training, through online learning, to organically forming peer-to-peer support.

EMPLOYEE DATA 2021

Number of employees	3,579
Days of training completed	18,589
Investment in training and development	£1.7m



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DIVERSITY AND INCLUSION

Our diversity and inclusion strategy stems from our Murphy at 75 strategic goal of creating a great place to work where people feel secure and comfortable to be themselves. We believe that diversity is an ongoing process and this is reflected in our 'One Murphy. One team. One family' value which has inclusion at its heart.

FREE TO BE ME

We have structured our Equality, Diversity and Inclusion (EDI) strategy into two strands, the first focuses on a long term cultural and behavioural change, and the second on the different aspects of diversity enabling us to individually focus on each element.

We also develop local EDI plans for our bigger projects, where we partner with clients to deliver value through EDI at a specific community location.

114

New graduates and apprentices joined Murphy across UK and Ireland in 2021

DIVERSITY AND INCLUSION DATA 2021

% Women in senior management roles	10%
% Non-white ethnic group employees	7.7%
% Female employees	15.4%
% Employees with a disability	2.4%
Mean gender pay gap	19.87%
Median gender pay gap	24.59%
Number of apprentices	68
Number of graduates	46



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OUR 2026 TARGETS

As well as the creation of our One Murphy Big Inclusion Programme, we are also concentrating on our remaining Murphy at 75 targets for 2026 to ensure we:

- ✓ **Are in the Top 100 Best Places To Work**
- ✓ **10% of our employees are emerging talent**
- ✓ **We achieve Investors in People Platinum**
- ✓ **25% of our teams are from under-represented groups**
- ✓ **50% of vacancies are filled internally**
- ✓ **We leave a positive legacy in the communities in which we work.**

ONE MURPHY BIG INCLUSION PROGRAMME



At Murphy we have development opportunities available for everyone. Part of our Murphy at 75 strategy is to make us a great place to work where everyone, regardless of their background, feels secure and comfortable to be themselves. We believe the right culture will make this happen, rather than just policies and procedures.

In 2021 we kicked off our pilot for the One Murphy Big Inclusion programme, the start of our plan to create an internal pool of ambassadors who make Murphy an even more inclusive workplace.

The programme helps increase our understanding of ourselves and our colleagues, and helps build confidence in addressing topics that may be perceived as being difficult. It is for everyone across Murphy; the diversity of site and office-based roles in the sessions together helps to make the positive change happen everywhere.

Murphy participants said: "As an older attendee on the course, I found it very informative and educational, a real eye opener. The delivery from Sophie Turner from #YesSheCan, was spot on, she engaged with everyone and tailored it to suit her audience. She made me feel as if I could speak freely about my experience and views in a safe environment."

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COMMUNITY ENGAGEMENT

Our purpose as a business is to improve life. This is reflected in our People Strategy which is aimed at leaving a positive legacy in the communities in which we work. We have community engagement plans throughout our global business, but importantly, our overarching plan is made up of 100s of local community engagement initiatives which make a difference to local communities in very tangible ways. These initiatives are born from the evolution of long-term relationships with our local communities, and are carried out by our own employees. In total, the Group made charitable donations of £0.2m (2020: £0.1m) during the year.



Helping the community farm

Our North Bristol Relief Sewer (NBRS) team teamed up with the nearby Lawrence Weston Community Farm to help throughout the year - working weekends and evenings on top of its commitments to Wessex Water. Despite harsh winter weather conditions and amidst project pressures and deadlines for the NBRS, the team used its specialist skills to construct a permanent circular footpath for better wheelchair and pushchair access around the farm.



£100k for charities

In December 2021 Murphy donated more than £100,000 to 30 charities and local community groups from a selection of more than 80 worthy causes nominated by colleagues across the UK. Our purpose at Murphy is to improve life and each recipient passed back a steady stream of heart-warming stories about how the money has been used to help others.

Hopping to it for Froglife

The national wildlife charity, Froglife, needed a helping hand in August 2021 so Murphy hopped to it with Network Rail. The team spent their Saturday renovating an overgrown garden at the DS Learning Village Primary School in Daventry, Northamptonshire. "We created a wildlife pond, bird feeding area, planted borders and made a lovely story-telling area out of old oak strips. This was converted into a throne for the teacher and several little benches for the kids," said Nick Bryant from Murphy. "The weather was a mix of red-hot sunshine and pouring rain which made the day a challenge, but it was great fun and wonderful to see the fruit of our labours."



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Leading by example

Steph Lewin is a Safety, Health, Environment and Sustainability Advisor at Murphy. During her time with us, she has built relationships with Mersey Forest and Cannock Chase District Council - showcasing our collective passion for protecting the environment.

Steph (front left in the photo) arranges a team of 10 colleagues to perform volunteering work every month. During 2021 she led four coordinated volunteer days, enhancing two local woodlands, engaging 34 employees (over 160 hours of volunteered time). She involved employees from a mix of functions and teams.

Leading by example, Steph encouraged Network Rail to join forces and set up a day for volunteer work at Mersey Forest, with our Murphy teams.



Raise a Reader

Our Surerus Murphy joint venture in Canada made a \$4,000 donation to the local community's Raise a Reader Campaign which promotes and enhances literacy skills for all ages and stages in the Kamloops community.



Hinkley foodbank

Our team working on the Hinkley Connection Project in the south-west of England joined forces with their colleagues from National Grid to raise more than £300 to help some of the +14 million people living in poverty in the UK. They used the money to buy non-perishable items for the local Nailsea Community Group and the Southfield Church Foodbank who were providing support to residents during the Covid crisis.

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Sustainable rehabilitation

We have had real success in supporting disadvantaged and hard-to-reach groups with training and new pathways into work in our local communities.

2021 saw our CEO, John Murphy, become chair of the first National Prison Advisory Board. Working in conjunction with Her Majesty's Prison Service and initially with HMP Berwyn, Murphy is now at the forefront of developing opportunities to change the lives of those with criminal convictions. We are creating a long-term, sustainable training and employment rehabilitation journey for prison leavers.

The Murphy model is now being rolled out across the UK. Following successful training and recruitment events during in late 2021, Murphy made offers of employment to 14 prison leavers as part of an ongoing programme. This will continue in 2022 as we make the recruitment of prison leavers a core part of our ongoing talent pipeline, with a commitment to recruit in skills shortage areas across several different regions.



Re-use and recycling

Murphy Ireland employees connected with the Holy Family Secondary School in Newbridge Co. Kildare to provide old PPE for their students' re-use and recycle campaign. This win-win initiative allowed Murphy to divert even more waste from landfill while supporting the students in their efforts to think creatively about re-purposing items. It also aligned with our climate action and social value strategic objectives. Students were provided with boots, hard hats, and slings, and the hard hats and boots became garden ornaments and flower pots.



Power team beach clean

Murphy's electrical and power team used one of their annual Giving Back Days to clean the beach at Walton-on-the-Naze in Essex, England. The town is at the end of the route where Murphy had completed a series of overhead power line equipment slipping structures over the previous 12 months. The team also recorded every piece of litter as part of a study by the Marine Conservation Society into the amount of waste being washed up on our beaches.



2022 TARGETS

Emerging talent

Grow emerging talent pipeline to 7% in 2022, 10% by 2026.

Improve accreditation

Two-star 'Outstanding' accreditation from Best Companies, and +70% response to employee survey.

Social value

Establish group-wide social value committee and launch social value calculator.

Under-represented groups

25% of teams from under-represented groups. Work with refugees, prison leavers and with older workers.

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Leading with purpose

30/34



Climate action and social value are key elements of our Murphy at 75 business strategy, with specific objectives, targets and action plans associated with each.

These targets were set by our Group Executive Committee and approved by Murphy's Board of Directors in July 2020, as part of the annual review process of our business strategy and business plan. Our sole shareholder, Drilton Limited, also approved the Murphy at 75 business strategy in November 2020 as part of our governance process.

The Group Executive Committee and the Board of Directors review the performance of the business against its climate action and social value objectives and targets in the annual review of business strategy and plan, and approve any changes.



BUSINESS ETHICS AND INTEGRITY

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We set high standards for business ethics, compliance and integrity, and we are committed to complying with the laws and regulations where we do business.

Our Murphy values are at the heart of everything we do, reflecting our purpose, our priorities and the way in which we conduct ourselves. Our Code of Conduct provides clear and transparent guidelines on how we behave and interact, regardless of where we work or what we do. It is key to enabling others to uphold Murphy's culture of integrity and our commitment to improving life.

ANTI-BRIBERY AND CORRUPTION

We operate an anti-bribery and corruption policy which sets out guidance on what constitutes bribery, and the red flags which may indicate bribery is taking place. Our policy provides guidance on what constitutes a facilitation payment, confirms they are illegal and should never be paid to any third parties working on behalf of the business. The policy sets out how people should report any suspicions they have relating to bribery and corruption, including the use of the independent whistleblowing phone line operated by our provider, Safecall. We train our people on our anti-bribery and corruption policy through a module in our Code of Conduct eLearning programme which is mandatory for all employees.

HUMAN RIGHTS

We oppose the use of forced, compulsory or trafficked labour whether they are children or adults by any business anywhere in the world. We commit in our anti-slavery policy to a zero approach to the use of modern slavery in our business and in any part of our supply chain. We are a signatory to the Gangmasters Labour Abuse Authority Construction Protocol which commits the industry to the eradication of modern slavery and labour exploitation. We believe education is key in increasing peoples' awareness of the signs that modern slavery may be taking place. We conduct annual Toolbox Talks with all our operatives, briefing them on the tell-tale signs of modern slavery and how it should be reported.



2022 TARGETS

Evolving ESG

Establish first ESG working group to evolve our ESG strategy

Driving sustainability change

Integration of ESG metrics into company heat map metrics, at all tiers of our business

Supply chain incentives

Reward commitment from supply chain partners joining us on our sustainable procurement journey

PROMPT PAYMENT CODE

We are committed to paying our supply chain partners on time to mutually agreed terms. We understand that prompt payments promote business viability, and builds trust.

When selecting our supply chain partners, we seek evidence of their ability to meet our minimum sustainability requirements, as relevant and proportionate to the work that they deliver for Murphy.



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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.



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With more than 250 construction and engineering projects across five main sectors on the go at any one time, we have many opportunities – and indeed a great responsibility – to ensure everything we build, manage, service and develop leaves a positive legacy for future generations.

Approximately 70% of the money we spend is channelled through our supply chain partners, so we're focused on sustainable, long-term relationships with carefully-selected suppliers who are committed to the same, high standards we are. We've developed a collaborative approach to making the greatest possible positive impact on people, productivity and the planet through our Sustainable Procurement Policy, Strategy and an ambitious Action Plan.

We consider the environmental, social, and economic impact of the products and services we buy, through their whole life, including design, material selection, manufacture, transportation, construction, usage and disposal.



100%
of timber purchased from certified, sustainable forests





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