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# Morrison Low Sustainability Policy

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20 September 2022

## Summary of updated policy

The Board asked that we review and refresh the Sustainability Policy that was approved in June 2019.

This is therefore Morrison Low's third Sustainability Policy. It builds on our good work, and what we have learned since 2019.

## Changes since the last update

The Sustainability Policy was largely fit for purpose, we have updated the policy slightly to tighten its focus on people, and the importance of giving tangible effect to our commitments.

The Sustainability Programme for 2022/23 was to focus on community, with later years focusing on energy and environment. We have amended this programme. In summary, we have:

- a. incorporated energy and environment into a single workstream, and brought it forward into 2022/23 reflecting increasing client preferences to include environmental stewardship in bid criteria; and
- b. added a people workstream, to reflecting our vision that a resilient, supportive culture is critical to our success.

## Recommendations

The Board is asked to:

1. Approve the updated policy.
2. Note the updated Programme.

# Morrison Low Sustainability Policy

## Purpose

At Morrison Low we are in the business of professional consulting for profit, fulfilment and fun.

Our vision is to be government’s preferred management consulting business, recognised for delivering excellence and quality solutions, while meeting shareholder expectations.

We deliver our purpose and vision by our commitment to our company values.

The purpose of this Policy is to outline Morrison Low’s commitment to a culture of sustainable practice. The Policy underpins our company’s values, with focus on respect, relationships, integrity and enduring.

Our People	Together	Results
Respect	Support	Success
Integrity	Teamwork	Excellence
Initiative	Relationships	Enduring

*Morrison Low - Company Values*

## Our Sustainability Vision

Our vision for sustainability is to deliver enduring results that enhance the outcomes of today and the future of tomorrow by putting people, place, prosperity and purpose at the core of our business.

Fundamentally we are a people business. Our people and our communities are important to us.

We have increasingly realised that we also need to consider wider sustainability issues in our business planning and how we operate.

This policy is a tangible reflection of our commitment to being a sustainable business, and to embodying sustainability principles in how we work with each other, and with clients.

## Guiding Principles

- Looking after our people is job #1. Our team is how we service our clients, generate our income and support our families
- We will support our people to meaningfully contribute to their communities
- We want to contribute to improving environmental outcomes through our work. As part of that we will monitor and seek to reduce our carbon footprint in sensible and practical ways

- We will demonstrate that our commitment to these principles is tangible, by monitoring our progress, and celebrating achievements

## Scope and commitments

This is a Morrison Low Policy which applies to all staff, subcontractors, and Boards. To support this vision Morrison Low will:

- Remain up to date and informed of the political, social and environmental conditions impacting our clients, staff and partners
- Provide opportunities for engagement with our employees to understand how they apply our vision in their everyday lives
- Work within the law and voluntarily exceed legal requirements seeking innovation and leadership on the issues that are important to our internal and external stakeholders
- Monitor and report our activities transparently, and take responsibility for our performance
- Actively seek to understand the needs and expectations of our clients, and the evolution of best practice in sustainability practices in Australia and New Zealand
- Evaluate our success

The Morrison Low Holdings (MLH) Board is responsible for driving a culture of sustainable practice. Therefore, the Board will each year review the Sustainability Programme and invite the team to develop a plan with measurable actions to enable performance to be monitored.

## Sustainability Programme (Action Plan)

Our Sustainability Programme will focus on **Three Key areas of Focus**:

- **People:** Actively managing and supporting our staff to achieve their potential.
- **Community:** Each office will establish a partnership/sponsorship arrangement with a community based organisation that has values aligned with ours.
- **Environment:** We will conduct a formal carbon audit, from a reputable provider and we will report formally to the Board annually on progress.

We will prepare an annual programme of work to give effect to this plan, and the revised 2022/23 action plan is attached to this policy.

## Roles and responsibilities

### Individual responsibilities

All staff uphold the sustainability vision through their interactions with each other, with our clients, and with our suppliers. This includes engaging in conversations which promote greater understanding of an individual or entity's understanding of people, place, prosperity and purpose.

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## Management responsibilities

Managers are responsible as leaders to encourage all staff to engage in delivery of the vision; they are responsible for day-to-day implementation and support of this Policy through their actions, initiatives and examples they set when engaging with other staff, clients or suppliers.

## Managing Director

The Managing Director has the following responsibilities:

- Commissioning and sponsoring the annual Sustainability Programme
- Maintaining a resilient and supportive culture which encourages promotion and realisation of our vision for Sustainability within Morrison Low
- Ongoing management and monitoring of the commitments and Sustainability Programme
- Leading by example
- Providing regular reporting to the MLH Board on the implementation of this Policy, performance against commitments, and the objectives as set out in the Sustainability Programme

## Morrison Low Holdings Board

The Board is responsible for approving the Sustainability Policy and receiving the annual Sustainability Programme. It therefore has oversight of the delivery of commitments and actions which arise from the Sustainability Programme.

It is also the Board's responsibility to monitor progress against the vision.

The Board will lead by example.

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Authorised by: The Board of Morrison Low Holdings

September 2022

Managing Director: Dan Bonifant

## APPENDIX A: SUSTAINABILITY PROGRAMME (ACTION PLAN) 2022/23

The action plan focuses on three key areas:

- **People:** Actively managing and supporting our staff to achieve their potential.
- **Community:** Each office will establish a partnership/sponsorship arrangement with a community based organisation that has values aligned with ours.
- **Environment:** We will conduct a formal carbon audit, from a reputable provider and we will report formally to the Board annually on progress.

We are committing to the following actions:

Plan	Actions
<b>People</b>	<p><b>Induction and onboarding programme (achieved and ongoing)</b></p> <ul style="list-style-type: none"> <li>• Survey staff about their experience</li> <li>• Derive key features</li> <li>• Recognise that the first 15 months is the most important time for new starts, and successful navigation through that period leads to productive relationship with the firm</li> <li>• Create buddy programme and regular check-ins</li> </ul> <p><b>Change staff performance assessment process to “stay” conversations (roll out October 2022)</b></p> <p>Recognised that exit interviews were limited value – and too late Decided to simplify performance assessment framework to encourage discussion around development, areas to build skills, and help ensure staff get to do more of the work that they enjoy and feel valued for</p> <p><b>Greater focus on Diversity and Inclusion Policy, and Programme (ongoing)</b></p> <ul style="list-style-type: none"> <li>• Regular meetings of team, updates to staff meetings, refreshed web pages, and monitoring of metrics</li> </ul> <p><b>Emphasis on providing supportive Office Culture(s) and respecting work-life balance(ongoing)</b></p> <ul style="list-style-type: none"> <li>• All staff manager meetings reflect on how staff are going, and issues</li> <li>• Management meeting monitors hours and stress</li> <li>• Regular celebration of success and recognition of individual and team performance</li> </ul>
<b>Community</b>	Each Office has agreed a community engagement policy, and picked a partner organisation to sponsor
<b>Environment</b>	Morrison Low will conduct a formal carbon audit, from a reputable provider and we will report formally to the Board annually on progress

## People

Our business is reliant on and exists for the benefit of our people. As we identified in our 2019 Sustainability Plan, our foundation is:

*“...to create a resilient, supportive culture in our own workforce. This enables our people to not only deliver value to our clients, but also to contribute meaningfully to their own place through their communities and environment”.* (Morrison Low Sustainability Policy, 2019)

How we look after, on-board and retain and manage staff is going to be an increasingly important part of our stewardship responsibilities as Morrison Low continues to grow and prosper. During 2021/22 we introduced more formal management arrangements for consultants to free up the Managing Director and Sector Leadership time, we will need to maintain and increase our focus on management and development during the coming years.




## Community

Following on from our people focus, we recognise that Morrison Low are engaged with the communities that we live and work in.

We asked each office to develop a community engagement strategy, that was consistent with our values, and was important to each office to help contribute to our broader communities.

The only riding instruction was that we wished the engagement to be practical, and to deliver value to the organisations, and to our people. We were not looking for a token gesture to “box-tick” but something that was tangible and could make a real difference.

Each office has taken a slightly different approach, and the following table sets out actions to date.

Actions taken	Organisation	Structure and timing
<b>Auckland Office</b> <ul style="list-style-type: none"> <li>Options survey with all staff (May)</li> <li>Clarification of alignment with values and intent (July)</li> <li>Confirmation with operations manager at FairFood (August)</li> </ul>		Two 3 hour sessions of sorting donated food for distribution to community organisations. <ul style="list-style-type: none"> <li>Session 1 – October 2022</li> <li>Session 2 – March 2023</li> </ul>
<b>Wellington Office</b> <ul style="list-style-type: none"> <li>Surveyed staff (May/June)</li> <li>Agreed assessment against values</li> <li>met with CEO in August, and with Board in September</li> </ul>	 <p>Cannons Creek Boxing Academy, Billy Graham Youth Foundation</p>	Agreed to sponsor student to boxing competition (September 2022) Agreed with their Board to a volunteer programme - aimed at supporting the “Champion” wellbeing programme. Up to 1 day volunteer time equivalent per staff member
<b>Sydney Office</b> <ul style="list-style-type: none"> <li>Surveyed staff June</li> <li>Engaged with Civic – they have a specialist volunteer coordinator</li> </ul>	 <p>Community support for people with disabilities</p>	Still in discussions with their volunteer coordinator. Envisage small donations and 1 day volunteering time per staff member

We have set up project codes in WorkflowMax to ensure we can capture the effort put into the initiative and will set up a sustainability page on our website to show our activities.

We are agreeing a sponsorship contract/memorandum of understanding with each organisation, and that will allow them to use our logo on their public materials as a sponsor, and us to use theirs as a partner organisation.

## Environment

We have taken initial steps to align with Toitū (formerly Enviromark) to establish our carbon impact. Our alignment with Toitū is intentional, Toitū is a familiar brand to many of our New Zealand clients, having an established history under their previous brand name. Toitū provides a clear pathway for data capture, assessment and improvement (Figure 1) and to obtain certification an annual subscription is required. It is not necessary to have a subscription to collate and better understand our data which is the process we have commenced recently.

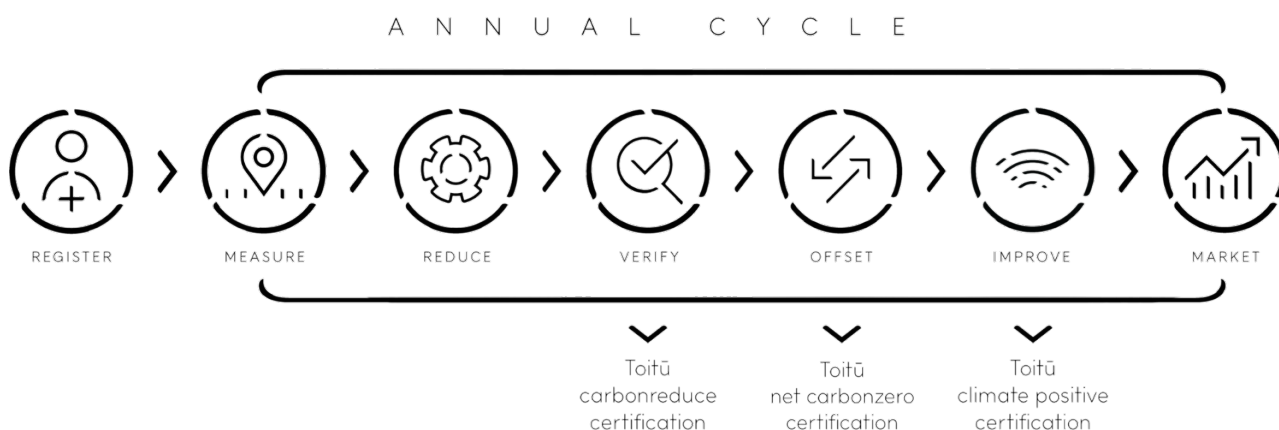


Figure 1 Toitū reporting pathway

In August 2022 we undertook a high level ‘measure’ exercise for the New Zealand based business. Figure 2 provides our 2021/2022 Carbon Assess report from this process. In the 2021/2022 financial year we estimate our carbon equivalent to be 8.05 kgCO<sub>2</sub>e per \$1,000 of revenue for the New Zealand business only. The data capture and measurement process involves capturing proxy emissions data, for example kilometres of air travel, through our supply chain partners and inputting this into the Toitū calculator.

It is possible for the same metrics to be captured and reported for the Australian based business, and more work needs to be done to understand how proxy data is captured and how this is different across the MLC and MLA businesses. Once this is better understood, a decision will be required on whether to produce two reports and consequently two certifications, or to combine these into a consolidated MLH report. This decision will also be informed by discussion with Toitū to understand any limitations at their end for the verification process.

### Air travel

Our biggest carbon contributor is air travel, and our greatest strength is our relationships. Our carbon reduction plan will need to reflect this dichotomy.

## Waste







The Toitū carbon assessment considers that unless an organisation has a specific waste disposal contract in place, the amount of waste generated by that organisation is immaterial to the overall carbon assessment. While this is a sensible assumption, our carbon reduction plan will also need to reflect our position as recognised leaders in the waste industry.

The next steps in this part of the Sustainability Programme are:

- Understand the data differences across the two businesses and how the MLC information can be captured and input into the calculator.
- Establish a carbon reduction plan for MLH, which is likely to have separate actions for both MLC and MLA.
- Decide if a verification certification via formal subscription should be sought, and what the advantages and disadvantages are of a single MLH subscription.

## Morrison Low

1 Apr 2021 - 31 Mar 2022

Carbon per \$1000 revenue	Since last period	Within sector
 Organisation <b>8.05</b> kgCO <sub>2</sub> e/\$1k	No change to last period	↓ 26.04 kgCO <sub>2</sub> e/\$1k less than average
 Fuel <b>1.28</b> kgCO <sub>2</sub> e/\$1k	No comparison data from last year	↓ 24.99 kgCO <sub>2</sub> e/\$1k less than average
 Electricity <b>0.9</b> kgCO <sub>2</sub> e/\$1k	No comparison data from last year	↓ 1.14 kgCO <sub>2</sub> e/\$1k less than average
 Travel <b>5.87</b> kgCO <sub>2</sub> e/\$1k	No comparison data from last year	↑ 0.69 kgCO <sub>2</sub> e/\$1k more than average
 Waste Not a material amount	No comparison data from last year	↓ 0.59 kgCO <sub>2</sub> e/\$1k less than average
Waste is only material and assessed when organisations have a waste disposal contract.		
 Freight Not a material amount	No comparison data from last year	↓ 0.01 kgCO <sub>2</sub> e/\$1k less than average
Freight is only material and assessed when organisations spend over \$6000 annually on freight.		

TOITŪ | CARBON ASSESS



Figure 2 2021/2022 Toitū Carbon Assess report