



MORGAN MOTOR COMPANY

# Annual Sustainability Report

# WELCOME

2022 was a pivotal year in our transition towards a more sustainable future, both for ourselves and for those associated with our brand.





The report you are about to read evaluates our sustainability efforts and achievements in the year 1<sup>st</sup> January 2022 to 31<sup>st</sup> December 2022. We have removed a date reference from this report in order for us to realign the dates of our report titles and scopes in the future, as is best practice. The report is designed to be transparent and robust in its assessment of our performance. It draws on our commitment to the UN Global Compact and our support of the GRI Sustainability Reporting Standards.

The report highlights our current position, before we embark on an exciting period of progression, where our sustainability credentials embody our brand, and celebrate our unique position within the automotive industry.

# OUR BUSINESS

Protecting our people and the environment influences key decisions at every level of our business.





*We envision a future in  
which we can maintain our  
core traditions, but continue  
to involve innovation and  
technology at the heart of  
our philosophy.*

Morgan Motor Company has been handcrafting sports cars since 1909 and is one of the world's pre-eminent coachbuilders. Established by H.F.S Morgan with the invention of a three-wheeled cyclecar, the company quickly grew thanks to Morgan's ingenuity in using motorsport and trialling to put his invention, and his company, on the map.

H.F.S was a pioneer, a trailblazer, and a skilled engineer. The values that he instilled in the company during its formative years are alive and well today in the company's 114<sup>th</sup> year.

Today, Morgan remains a symbol of individuality in an industry dominated by mass production. Whilst the brand's story is well celebrated, it is its future which is most exciting, as the company continues to develop its unique blend of traditional coachbuilding and modern technology, its range of lightweight sports cars, and most importantly its concept of "fun to drive" at the heart of everything.

The historic home of Morgan is at Pickersleigh Road in Malvern Link, Worcestershire.

*Characterised by its analogue driving experience, whichever model you choose, every journey in a Morgan is an adventure.*

This is the only place in the world where Morgan cars are built. Steeped in history, the hallowed red brick buildings are home to one of the most unique automotive production facilities in the world.

Morgan sports cars are hand crafted using three core elements: ash, aluminium, and leather. Every car is entirely unique, built to the highest standards by passionate craftsmen and women, whose skills are handed down through generations and perfected over a lifetime, bringing together heritage, innovation, and cutting-edge technology.

Morgan's model line-up comprises Super 3, Plus Four and Plus Six.





**Massimo Fumarola**  
CHIEF EXECUTIVE OFFICER

It gives me great pleasure to welcome you to Morgan's Annual Sustainability Report. This report is the company's first since I joined as Chief Executive Officer in April 2022. Since joining this great British brand, I have been impressed by the company's enthusiasm to continue to make the business more sustainable.

We are in a period of transition, where we will look to revolutionise our products, our facilities, and our global markets. I am proud that sustainability features at the forefront of our plans, and I am proud of all members of the Morgan team who contribute to the efforts you will read more about within this report.

I am delighted to be introducing Morgan's Annual Sustainability Report. The creation of this report represents a huge undertaking by people working in all areas of the Morgan business. Throughout 2022, we have continued to identify areas that can help to make the Morgan business more sustainable. These efforts have been amplified with the appointment of the company's first Sustainability Manager, who has helped to coordinate activity, accelerate our plans and establish the foundations of the company's future sustainability strategy. The wider business landscape, as well as the automotive industry specifically, is as challenging as ever. Morgan is not alone in feeling these challenges, but it is the people working within our company who show great spirit, resilience, and a dedication to

take the business forward. Their commitment to delivering for each other, and for our customers around the world, is evident. I hope you enjoy reading through the following report.

**Nick Wilson**  
CHIEF OF STAFF



# PLANET

Assessing the environmental impacts and opportunities arising from our business operations.



Rover



*We aim to reduce our environmental impacts through production efficiencies, sustainable sourcing and ethical design across our entire operations.*



# OVERVIEW OF THE YEAR

2022 was a productive year for Morgan in its drive to a greener future.


As the landscape in which we operate in continues to evolve at a dramatic pace, it's vital that we create an evolving ESG strategy that takes decisive action to mitigate our environmental impact. We dedicated it to creating a strong, reliable and considered platform to develop our sustainability strategy on.

This dedication included the recruitment of the company's inaugural sustainability team dedicated to progressing our ESG programmes. This investment in resource symbolises the importance that sustainability has to us, and emphasises our commitment to continually improving our environmental credentials.

Much of the last year has been spent building and implementing processes and policies to ensure tomorrow's operations are set up to excel. This future-proofing will prove vital as our company continues to grow.

With all of this in mind, we are proud to have realised a wealth of positive achievements, particularly considering the resource and operational constraints that the remainder of this report will outline.





*We are proud to have realised a wealth of positive achievements, particularly considering the resource and operational constraints that the remainder of this report will outline.*

*As a UN Global Compact participant we aim to accelerate the global collective impact of business by upholding principles on human and labour rights, anti-corruption and environmental stewardship and taking strategic actions to advance towards the UN Sustainable Development Goals.*



**11** SUSTAINABLE CITIES  
AND COMMUNITIES



**12** RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



**13** CLIMATE  
ACTION



We aligned our environmental goals for the year to a select group of UN Sustainable Development Goals. They are:

SDG 11: **Sustainable Cities and Communities**

SDG 12: **Responsible Consumption and Production**

SDG 13: **Climate Action**



*With the establishment of our dedicated sustainability team, the additional resources have enabled us to collect improved data sets*

## SCOPE 1 AND 2 OVERVIEW

A critical lever in the management of our GHG emissions has been through improvements of our data collection. With the establishment of our dedicated sustainability team, the additional resources have enabled us to collect improved data sets, uncovering our true impacts and areas

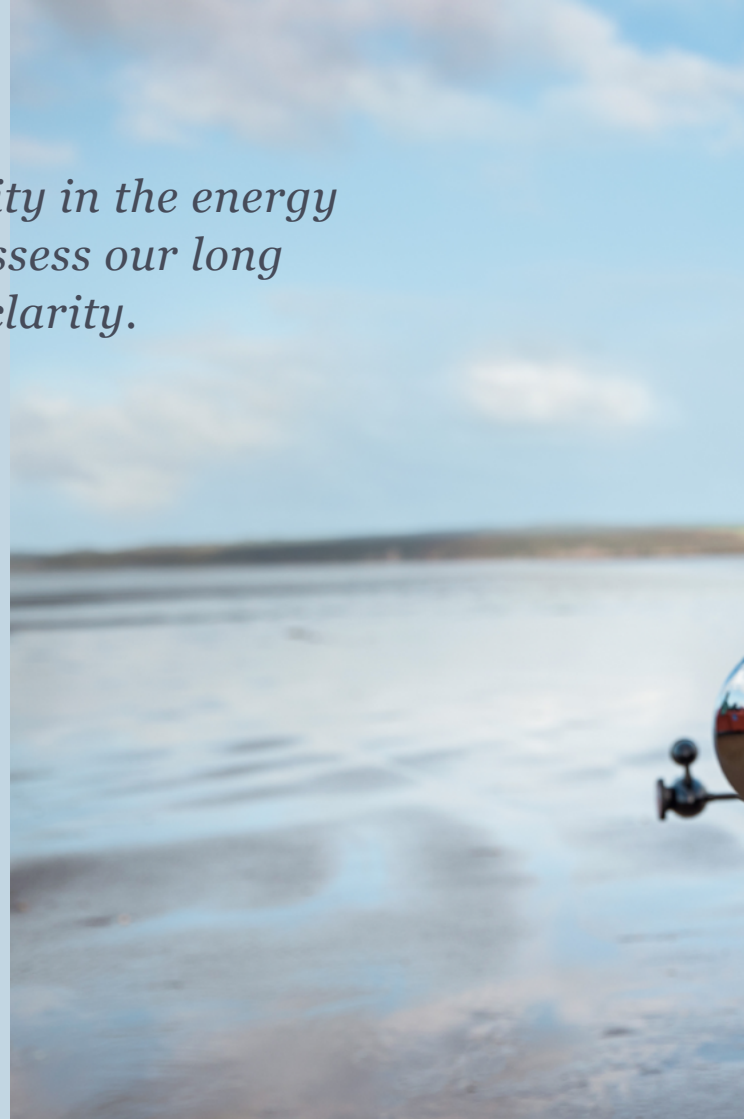
for improvement. All data have been accounted and reported in accordance with GHG Protocol standards. This is an integral step for us before we use these data sets as our baseline year from which all future performances and targets set will be benchmarked against.



*With the significant unpredictability in the energy market this has given us time to assess our long term options with more time and clarity.*

New fixed electricity contracts were negotiated that provides us with 'Zero Carbon' electricity at our sites in Malvern Link for the next 36 months. These were staggered throughout the year, and have significantly reduced our potential emissions by avoiding 30% of our potential Scope 2 CO<sub>2</sub>e emissions for the year.

Our own renewable energy production continues to be our overall aim, the realisation of which must be balanced with the sustainable growth of the company.





Natural gas usage continues to be a concern in the face of global climates. We have plans in place to develop the site, which includes a new paint facility, this would enable the dramatic reduction of our gas consumption. We are aiming to continue this work in 2023.

We had an intensity ratio of 0.934 tonnes of CO<sub>2</sub>e per vehicle produced in 2022. When compared to the wider industry, this implies an average performance standing. However, our ethos, operations and product delivery are so unique within the automotive industry it would be unrepresentative to do so.

## CARBON EMISSIONS CALCULATION METHODOLOGY

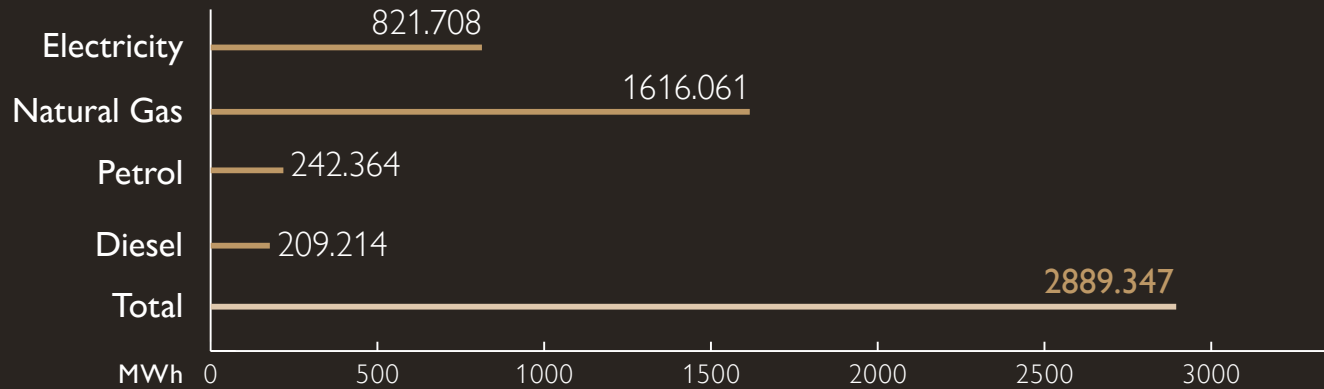
**Scope 1** – Natural gas consumption in kWh for each company controlled energy meter and fuel (petrol and diesel, in litres) used in company owned vehicles obtained from utility bills and fuel card suppliers. Multiplied by the relevant Department for Rural Affairs (DEFRA) emissions factors for 2022. Combined with mileage of company owned vehicles supplied by our vehicle tracker supplier, multiplied by manufacturers stated CO<sub>2</sub>g/km emissions factor. Processes are in place to ensure data accuracy.

**Scope 2** – Location-based calculations are derived from electricity consumption sourced from utility bills multiplied by DEFRA emissions factors from 2022, with market-based calculations reflecting emissions from electricity that Morgan has purposefully purchased through their 'Zero Carbon' contractual instruments.

**Scope 3** – Emissions from our operations in relation to waste disposal, business mileage, employee commuting and water usage are calculated with the relevant DEFRA emissions factors. Petrol and Diesel (mWh) conversions using internal litre data calculated with DEFRA conversion figures.



## ENERGY CONSUMPTION WITHIN ALL SITES UNDER MORGAN CONTROL



- Gas
- Fuel
- Electricity
- Water
- Business Travel
- Waste
- Commuting



CO<sub>2</sub>e EMISSIONS  
WITHIN ALL SITES UNDER  
MORGAN CONTROL

## TOTAL GREENHOUSE GAS EMISSIONS

## 2022 BASELINE

GHG emissions under Scope 1	427.168 tCO <sub>2</sub> e
GHG emissions under Scope 2 – Location-based	158.902 tCO <sub>2</sub> e
GHG emissions under Scope 2 – Market-based	111.044 tCO <sub>2</sub> e
GHG emissions under Scope 3	267.282 tCO <sub>2</sub> e
Total Gross Scope (Scope 1 & Scope 2 – Market-based)	538.212 tCO <sub>2</sub> e



**TOTAL GREENHOUSE GAS EMISSIONS  
PER VEHICLE MANUFACTURED**

**2022 BASELINE**

Number of Vehicles manufactured	576
Total Scope 1 per vehicle produced	0.742 tCO <sub>2</sub> e
Total Scope 2 per vehicle produced – Location-based	0.276 tCO <sub>2</sub> e
Total Scope 2 per vehicle produced – Market-based	0.193 tCO <sub>2</sub> e
Total Gross Scope 1 & Scope 2 per vehicle produced	0.934 tCO <sub>2</sub> e

Our Greenhouse gas emissions are reported in accordance with the Greenhouse Gas Protocol Corporate Standard and cover between 01/01/2022 and 31/12/2022. Intensity ratio is tCO<sub>2</sub>e divided by vehicles produced in 2022.

# 2023 TARGET

We're aiming for a 15% reduction in the gas and electricity emissions that are associated with the production of each car.



## VOLATILE ORGANIC COMPOUNDS (VOCs)

Our local government licensing requirements and occupational health and safety concerns influence a VOC reduction management plan that continues to assure solvent consumption is as lean as possible.

Our company's just-in-time approach to procuring paint and solvents ensures no unnecessary purchasing, helping to reduce any inherited emissions from over supply or wastage. This also reduces our vulnerability to environmental incidents like spills to water courses, fires and atmospheric releases that increase with keeping increased amounts of stock onsite.

We saw a reduction in solvents used per vehicle produced from 2021 levels which is encouraging and provides validation that the processes being implemented are working. We have highlighted areas for more solvent recycling and are trialling alternatives to solvent based products so expect this to continue its reduction going forward into 2023.

	2021	2022
Solvents used (tonnes)	10.603	9.137
Solvents used per vehicle produced (tonnes)	0.017	0.016



# 2023 TARGET

We're aiming for a 10% reduction in the amount of solvents used in the production of each vehicle.



## OFFSETS

The final element of our emissions mitigation is to mitigate against the residual Scope 1 and 2 operational emissions that we are unable to reduce or remove at our current stage of development. This beyond value chain mitigation is incorporated in our short-term strategy and is in no way used as a primary instrument in reducing our emissions impacts or in setting targets. It's a lever to cover our immediate responsibilities, in advance of being able to eliminate our emissions in a considered and correct manner.

Unlike our other emissions reduction initiatives which we're developing and introducing as quickly as practicable, this lever we aim to reduce reliance on as quickly as possible.

We have been involved in two mitigation projects since August 2020 and have continued our support of these projects going into 2023.





*This image was taken by our in-house photographer on a visit to the forest which supplies the ash wood used in our vehicles.*

## GUATEMALAN CONSERVATION COAST PROJECT

Our climate investment in this project addresses the drivers and climate impacts of deforestation through enabling effective law enforcement, land-use planning, and sustainable agroforestry initiatives, whilst bolstering educational and economic opportunities for those most at risk of climate change.

We're able to mitigate against our emissions through this project by enabling the avoidance of emissions through the prevention of deforestation and have selected this project because it is VCS, Gold level CCB certified and run under the REDD+ framework.

## GREAT BEAR BLUE CARBON PROJECT

The abiotic factors of The Great Bear Rainforest in British Columbia means it stores more carbon than any of the world's tropical rainforests. The tidally influenced forests, mangroves seagrass meadows and tidal marshes have the potential to absorb ten times more carbon per hectare than forests and store it in the soil where it can remain for centuries. Our investment in this project enables the identification of estuary protection project sites to be used for protection and rehabilitation of this ecosystem. These projects work directly with the First Nations, to ensure Aboriginal Rights and Title rights are afforded to the immemorial custodians of the land and to ensure they are appropriately compensated for any incomes attributed to these projects.



An aerial photograph of a green field, possibly a golf course or agricultural land, with a white line running along the left edge. The field is divided into several sections by faint lines, and the overall color is a vibrant green with some yellowish highlights.

## COMMUTING

One of our most significant environmental impacts as a business is caused by our employee commuting behaviours. Observations of our annual commuter survey showed a significant proportion of employees commute to work by car. In conjunction with our Cycle to Work Scheme and in an attempt to complement our employees commuting behaviours yet reduce emissions, we've introduced an electric car scheme that's had a good initial take-up that we hope to build on in 2023.

# WASTE MANAGEMENT

Waste management is an area where we expect to see our greatest progression in 2023.





Waste streams that historically have recovered value continue to be strongly embraced with optimal waste segregation and recycling occurring in these areas. This has contributed to achieving another year in which our company has sent zero waste to landfill. Through establishing a new partnership with a local waste management company, we are engaging in progressive conversations alongside critical evaluation of our existing operations that will help to transform our waste management in the future.

Our knowledge and understating of this industry is improving rapidly, enabling us to make more informed decisions on our waste management brokers and carriers, taking into consideration both their performance and Morgan's responsibility for its waste, even after it's left our immediate care.

# 2023 TARGET

We aim to divert 25% of our waste sent to recovery into new recycling waste streams.



*Morgan has discovered a creative use for the surplus ash wood, with the launch of the Morgan x Piston Gin, produced in collaboration with Piston Distillery. It is made using delicate shavings of the wood that is used to form the body-supporting frame on every Morgan.*





## WATER MANAGEMENT

Our onsite operations require moderate water consumption and consequently are positioned well within the industry when comparing water consumption per vehicle produced.

Focus was given to higher priority areas last year resulting in an increase in consumption, but with a regained focus and a review of noted areas for improvement, we're confident in rectifying this in 2023.

	2022
Water Usage (m <sup>3</sup> )	2167
Water Usage (m <sup>3</sup> ) per vehicle	3.76

# 2023 TARGET

We're aiming to achieve a 15% reduction in the total m<sup>3</sup> of water consumed across our operations.



# SCIENCE BASED TARGETS INITIATIVE

Ambitious, collaborative, data driven. Three characteristics we share with the Science Based Targets initiative (SBTi). We believe by embedding science-based targets into our sustainability strategy we can help fulfil the fundamental role we – along with our industry colleagues – have in reducing greenhouse gas emissions.

Our 2022 Scope 1 and Scope 2 emissions data form our SBTi baseline.





Our SBTi commitment has been discussed at a senior level in advance of making our official commitment in 2023.

There is a temporary pause on near and long term target validations for automakers until new 1.5 degrees scope 3 targets for the use-phase emissions from new road vehicles are developed and approved. Once this tool has been updated and we can assure we meet the criteria, we will have our targets validated which will form the basis for our Carbon Reduction Plan (CRP).

## ISO14001

The creation of the highest quality vehicles is attributed to the provision of the highest possible standards, a theme woven into the fabric of our company. We are dedicated to ensuring our compliance with all our legal obligations and strive to meet the best possible standards in doing so. We operate under an ISO9001 certified quality management and have seen the operational benefits in doing so, because of this we set out to achieve ISO14001 certification.

A productive year of updating procedures and the installation of auditing and management systems capable of being ISO14001 certified in 2022 culminated in a Stage 1 audit in early 2023.



This audit provided a positive result, identifying a small number of simple actions required before a second audit could take place in July 2023. We are immensely proud to report that we gained certification to the ISO14001 standard.

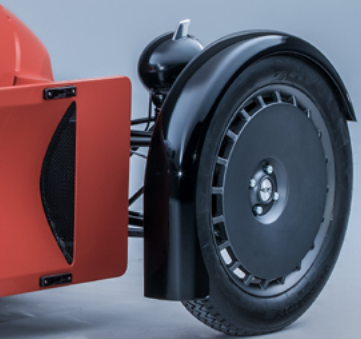


# PRODUCT

2022 was characterised by the introduction of Super 3, an all-new Morgan, and the enhancement of our Plus range of vehicles.



Product



*A product's design can significantly impact its ability to be sustainable through its intended composition, its manufacturing process and its intended use.*

Super 3 is unique, offering an unmatched combination of mechanical feel, connection to the environment and visual differentiation from anything else on the road. In 2022, we also updated and enhanced our Plus range of vehicles. Introducing a new interior, new safety and dynamic features, and technology.

Our customers are playing an even larger role in influencing the direction of products within the automotive industry. A trend to choosing higher quality and more environmentally considerate materials continues to set their expectations which we cater for. We believe that vehicles which are designed with purpose and consideration, coach-built with skill and to the highest possible specifications will service both our design objectives and the customer's requirements throughout the lifetime of their vehicle.



**9** INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



**12** RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



**17** PARTNERSHIPS  
FOR THE GOALS



As a member of the UN Global Compact we aligned our product related operations goals for the year to a select group of UN Sustainable Development Goals.

SDG 9: **Industrial, Innovation and Infrastructure**

SDG 12: **Responsible Consumption and Production**

SDG 17: **Partnership for Goals**

A close-up photograph of a metal mesh, likely a filter or screen, with three cylindrical metal rods in the foreground. The rods are arranged diagonally and are slightly out of focus compared to the mesh. The lighting is dramatic, highlighting the texture of the metal.

# SUSTAINABILITY IN PRODUCT DESIGN

As a company we aim to reduce our  
environmental impacts through efficiency gains



We envision a future where innovation, technology and sustainability feature is at the heart of our approach towards the design of new products.

**Morgan creates engaging, analogue, and emotional experiences. Therefore, by nature, our products must only delight – the eyes, the senses and the consciousness.**

Amidst increasingly environmentally conscience markets, any implication of harm to the environment can be detrimental to the joy the customer feels – be it that the pressure comes from

their own personal values regarding sustainability or via the wider perception from their peers.

Our approach to design is to ensure that every function of the vehicle is strictly necessary. Super 3 provides an example of this philosophy. Nothing on Super 3 is superfluous, many of the components are carrying out multiple jobs, and solving numerous challenges with regards to weight, air flow, structural capability and luggage. This approach limits additional waste, cost, and weight, and is inherently sustainable.



# ELECTRIFICATION

Electrification is a subject that dominates the narrative of the wider automotive industry, as manufacturers shift from internal combustion to electric powertrains. This is a global shift, and along with advancements in technology, we are ready to embrace alternative methods of propulsion.

From an industrial design perspective, most manufacturers adopt an 'electricity is eco' route, resulting in blue lines and accents within futuristic designs. We believe this has no longevity and will retrospectively date cars. This 'of the moment design' is only likely to decrease longevity of ownership which has a detrimental impact on the environment and is unrepresentative of typical Morgan ownership.

Electric powertrains offer a great deal of flexibility in mechanical packaging with many of the constraints of an ICE powertrain removed. Noise, power delivery and interaction with the powertrain all present opportunity for an exciting new Morgan experience.

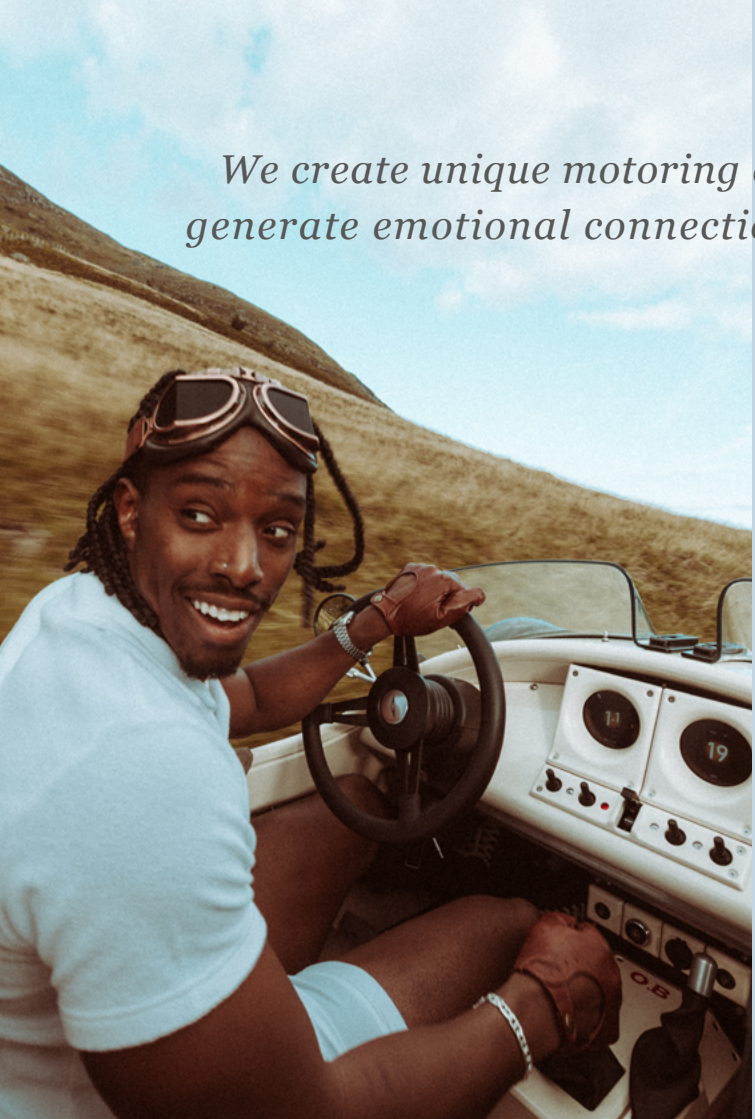
**We are continuing to investigate real world use cases for EV sports cars, focus on how an electric Morgan could offer the same timeless experiences, authenticity and clean conscious to our customers that spans beyond powertrain.**

# PURPOSE

Lightweight motoring is a tenet of our brand. Power to weight is the typical measure of fun. Every design decision we

make considers weight. With a lighter vehicle weight, comes increased powertrain efficiency and a reduction in CO<sub>2</sub>e emissions.



A man with dreadlocks and goggles is driving a boat on a body of water. He is wearing a white t-shirt and is smiling. The boat has a steering wheel and a dashboard with gauges. The background shows a blue sky and a body of water.

*We create unique motoring experiences that are savoured and generate emotional connections between customer and product.*

This bond, combined with strong residual values encourages the longevity of ownership which Morgan has become synonymous for. Materials are part of that experience. We seek an authentic and natural impression to our products through design and materials that are typically the primary touchpoint, natural materials are traditionally less synthetic and with lower energy invested in manufacture of them, they feature heavily in the creation of our vehicles.

As designers, our purpose is to create joy and excite in delivering authentic and cherished products with as little negative effect on the environment as possible. We ensure that all our materials are sourced responsibly, while paying attention to their recyclability and recoverability at the end of their lives.



## ALUMINIUM

We work closely with major European suppliers to procure the correct specification of aluminium for the correct application. We use a combination of traditional panel beating and modern super forming techniques for the body panels on our sports cars. Many panels and chassis sections are laser cut before being bonded to create a lightweight and rigid platform that aids performance and efficiency, this helps to reduce waste. This process is vital to reducing our aluminium consumption.

Currently all aluminium scrap from the manufacturing process is segregated and recycled through an open-loop system. Due to our production sizes and minimal onsite waste, the opportunities to invest in a closed-loop system is limited at this time. However, we will continue to evaluate its suitability on an ongoing basis.

Most recently, our efforts have focused on the use of lightweight materials and the application of aerodynamic concepts. Although aluminium production is energy intensive, the lighter, more

streamlined vehicle body allows for a reduction in CO<sub>2</sub> emissions and thus an improvement in the overall environmental impact of the product.

Aluminium will continue to be a staple material in Morgan sports car production, however with the development of various bio-composites coming to market, we have started to investigate their introduction into our vehicles. Their advantages in both performance and environmental impacts are attractive, and, in the future, will help to offset the impact of aluminium production in our vehicles.

## ASH WOOD

Ash wood's lightweight, strong and durable characteristics make it an ideal material for body framing and has the added benefit of being a sustainable material.

Introduced in 1936 in the first four-wheeler, the Ash frame has become synonymous with Morgan car production and we're the last automotive manufacturer to produce vehicles in this way. Through a process of manipulation and wooden jigs, each frame is entirely formed and assembled by hand, creating the structure to which the aluminium body is applied.





Ash is sourced from our sole supplier in Lincolnshire, where it's felled and sawn before being air dried for 2/3 years. Once at the ideal moisture content, the wood is portioned, with only the best cuts being supplied for Morgan car production.

This process is fully traceable and conducted in accordance with UK Forestry Standards on sustainability. We have worked with our supplier to create a transparent timeline for the production of our wood, this will allow us to further celebrate its use, whilst offering consumer confidence in our diligence when selecting material.

# LEATHER

One of our suppliers, Scottish Leather Group – which includes Bridge of Weir and Muirhead – make our leather interiors an environmentally sustainable product. Produced from a by-product of the meat industry, all hides are sourced from farms within the UK and Ireland. This provides us with the assurance that our interiors feature an ethically produced material with guaranteed provenance.



Scottish Leather Group has invested heavily in energy recovery technology. From a thermal energy plant that uses processed waste as fuel to supply its tannery, to its ultra-filtration plant that treats waste water from the tannery and recycles, 40% back into production – with the remainder being treated by Scottish Water before being reintroduced to the local water system with zero Impact – Muirhead is ensuring its impact on the environment is lowered. This also uses heat recovery methods to fulfil up to half of their water heating demands.



The outcome of this is a material that produces 8kg of CO<sub>2</sub> per m<sup>2</sup> produced, the lowest published for leather in the world, but doesn't lack the quality that is attributed to many environmentally friendly leather alternatives.

Scottish Leather Group's operational purpose epitomises the suppliers Morgan will aim to align itself with through its ongoing supply chain reviews.



# QUALITY

The aim of our quality team is to create products that last longer, perform better and provide increasing value to our customers. By adopting sustainability principles, like the reduction of environmental impacts through the conservation of natural resources and reduction of energy consumption, we will be able to fulfil the aim of creating quality products that are also environmentally responsible. We can leverage our sustainability improvements in the same way that quality turns improvements into customer value.

Through the reduction in reworks, parts disposal and unnecessary processes, we will reduce both our waste and energy consumptions.



*Sustainability is essential in quality improvement because it helps to reduce waste and increase efficiency. Working with our supply base we strive to ensure that the parts received meet our specific standards, achieving higher quality and improving our overall sustainability*

**DAVE BEDDOES**, HEAD OF QUALITY ASSURANCE

We have maintained our ISO9001 certification since 2008, are a member of the Society of Motor Manufacturers and Traders (SMMT) and also audited by the Vehicle Certification Agency (VCA) to ensure our production consistently meets conformity and approval requirements.

The understanding of these has been advantageous in our ISO14001 certification, with our team sharing knowledge on the best practise for gaining certification, a partnership we intend to nurture going forward.



# SUPPLY CHAIN

Our objective is to procure the highest quality components for assembly into our vehicles, supplied consistently on time and produced in an ethically and environmentally conscious way.

A person is seen from the side, reading a document in a dimly lit room. The background is dark, and the light source is from the left, creating a soft glow on the person's face and the document. The overall mood is focused and professional.

We aim to communicate our expectations around supplier conduct concerning key environmental, social and compliance standards in our contractual agreements, with expectation on them to pass these requirements through their own supply chains. These requirements are based around the principles of the UN Global Compact and will monitor areas such as harassment, integration of sustainability issues into processes, and the advancement of occupational health and safety.

We carry out audits of our suppliers annually, and aim to only source our core materials from those meeting the aforementioned standards. We achieve this through our supplier handbook and annual questionnaire. A continual objective of our handbook is to clearly communicate how we select, monitor and expect our suppliers to perform, which is to be as equally passionate about sustainability, ethics and supporting their local communities as we are.

# PEOPLE

Supporting our people has enabled us to recruit, retain and develop a team of exceptional staff, who are fully engaged with the business and committed to the vital part they play in its success.





*Beyond caring for  
the environment, our  
sustainability approach  
includes a commitment to  
our employees, our suppliers  
and our customers.*

# 2022 PEOPLE OVERVIEW

A year of employee growth, in multiple senses.

The health and wellbeing of our employees isn't quantified by a job roles benefits package, or pushed through from pressures of employment trends, it's paramount to our business operations and our ability to produce the unique vehicles that we do. Without the world's most skilled coachbuilders we wouldn't be able to bring joy to the hundreds of Morgan owners every year when final delivery becomes a reality. It's something which we believe has been imperative to our proposition for over a century, and is one of the reasons Morgan exists today.



2022 has seen a continued focus on the mental and physical wellbeing of our employees through a comprehensive awareness and engagement campaign, 'Wellbeing Wednesday'. This effort has been locally recognised by Worcestershire County Council, achieving Worcestershire Works Well Level 2 accreditation. We have also been nominated as finalists in the Herefordshire and Worcester Chamber of Commerce Business Awards in the Health and Wellbeing category for the work achieved in 2022.



*Historically a family-run business, the Morgan Motor Company maintains a high degree of closeness and level of trust with the employees and the community at the core of everything the business does.*



**3** GOOD HEALTH  
AND WELL-BEING



**4** QUALITY  
EDUCATION



**5** GENDER  
EQUALITY



As a member of the UN Global Compact we aligned our people goals for the year to a select group of UN Sustainable Development Goals.

SDG 3: **Good Health and Well-being**

SDG 4: **Quality Education**

SDG 5: **Gender Equality**

# OCCUPATIONAL HEALTH AND SAFETY

**The health and safety of everyone who works here is imperative.** With the introduction of a new health and safety manager, we've spent the year reviewing and updating our policies and procedures to better fulfil our obligations. This represents an overall trend in the increased collection of performance data throughout the business.

A significant enabler of this has been the roll out of the Morgan Hub app, which in this application has streamlined the suggestions and near misses process. Issues can be raised by any member with the app, which feeds directly into the Health

and Safety function, and since its introduction we have seen both an increase in suggestions and a reduction in the time frames in which we address potential areas for improvement.

We have seen a reduction in lost time injuries (LTIs), Reporting of Injuries, Diseases, Dangerous Occurrences Regulations (RIDDOR) reportable incidents, and accidents. We have started to calculate our accident frequency rate (AFR) rate to compare our performance to the rest of the industry and have continuously had a monthly AFR under both the UK manufacturing and all industry averages.



# WELLBEING

We believe a healthy work environment is a fundamental right, and understand the risks associated with not creating an environment for all our employees to feel comfortable in. This stems from our family history and continues to be integral to our way of operating, even with the growth in employee numbers we have seen during the last year.

Major focus and resource has been spent this year ensuring we continued the momentum from the positive work undertaken in previous years. We have increased our mental health first aiders by 60% from the 2021 level, alongside our 'Wellbeing Wednesday', a broad awareness

and engagement campaign that's included 148 wellbeing articles on our Morgan Hub over the course of the year, and increased our employee drop-in sessions on personal health, finance and employment benefits.

We quantify the progress of our wellbeing programmes by referencing the initiatives put in place against the average service life of our employees. We believe this provides a picture to whether our staff relate to our initiatives and if they're achieving the desired impact, which is to keep people in work and happy. Our average length of employment is 11 years for those who have been employed for more than one year.



# TRAINING AND PERSONAL DEVELOPMENT

We're fortunate to have a highly skilled workforce with capabilities that are not possessed by many other companies, so a focus on training and personal development is key to keeping our workforce engaged and competent. Every employee can access training tailored to their needs, offered through either our e-learning platform, through hands on training with our highly experienced senior staff members, or from off-site training providers.

We've seen an 8% increase to our workforce since 2021, the largest gain was in our non-production staff.





As a result, we've facilitated 23% more training for our non-production staff this year, up from an average of 8.77 hours per employee to 10.06 hours from 2021 figures.

Overall we have increased our learning in new skills. 21% of all learning for non-production employees in 2022 was learning new skills. This highlights our guiding principles to keep up to date with the industry and its ever-evolving requirements. A focus is to ensure that despite the influx of new staff, we maintain our desire and commitment to develop from within.

# 2023 TARGET

We're aiming for a 100% Personal Development Review (PDR) rate amongst employees and to maintain our 2022 achievement of each employee having at least 2 days training per year.



# APPRENTICESHIPS

We're able to leverage the expertise of our artisans to provide a unique learning environment for our apprentices. Our formal apprenticeship programme starts with an advanced apprenticeship which can take students to higher and degree apprenticeships. Programmes run for up to four years – depending on the discipline – and support apprentices with unrivalled on the job training. We offer a wide range of apprenticeships to choose from including engineering, design, and finance. At the end of their apprenticeships, our apprentices receive a nationally recognised qualification.





We welcomed three new apprentices to the business in 2022, whilst the three apprentices that completed their apprenticeships in 2021 have all progressed into permanent roles within the business.

Work experience helps to inspire the next generation, connecting them to our business and establishing pathways into employment within our industry.

We pride ourselves on our commitment to opening the factory doors to individuals looking to take part in work experience. Our week long work experience programme

delivers a unique insight into the business, working in each of the business areas to gain as much experience as possible, developing further understanding of which area they may want to progress into.

In 2022, we achieved a *We Invest in Apprentices Silver* accreditation from Investors in People, a fitting endorsement of the considered time, resource and planning dedicated to our apprenticeship scheme.

**INVESTORS IN PEOPLE**<sup>®</sup>  
We invest in apprentices Silver



*“Morgan is an iconic local business in Malvern. Everyone is super nice, and it is a small business, which I like as it makes the job very personal as you build so many more work relationships! I get the support I need when I need it. Plus, I get to do a lot of different aspects of accountancy that I wouldn’t get to see if I were doing my apprenticeship in an accountancy firm. This has really helped me build my knowledge faster.”*

LUCY MORRIS, ACCOUNTING ASSISTANT

*“I wanted to complete my apprenticeship at Morgan because I know from previous work experience the high level of craftsmanship this company upholds, and to be a part of that and to learn the skills and knowledge from my colleagues.*

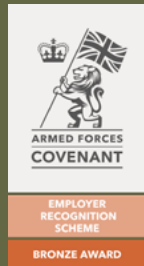
*The thing I like most about my apprenticeship at Morgan is knowing that every day I can learn something new and I get to work on hand-built sports cars every day.”*

NATHAN QUINN, APPRENTICE TECHNICIAN



# ARMED FORCES COVENANT

In 2022 we signed the Armed Forces Covenant, pledging our support to those who serve and have served the nation, and their families. This further strengthens our alignment with the armed forces, having already been engaged with Mission Motorsport, The Forces Motorsport Charity. Since signing, we've proudly engaged in several initiatives to support defence personnel and veterans,



including employment opportunities and fundraising initiatives. Proceeds from our 'Meet at Morgan' events helped raise £5,000 for Mission Motorsport in 2022 and we look forward to continuing this.





## WOLVERHAMPTON UNIVERSITY

Our partnership with Wolverhampton University's School of Engineering and the University's racing team (UWR) continues to strengthen. The technical partnership continues to provide us with the opportunity to supply both educational and track-side experience to students in preparing and maintaining race cars, in return for live data that feeds back into our research and development departments. This data furthers the development of our vehicles on road and track performance and efficiency.

# EQUAL OPPORTUNITIES AND GENDER PAY

We operate within a historically male dominated industry and having been operational for over 100 years feel the effects of this in the gender distribution within our business. Building on from

the positive improvements in 2021 we welcomed another 12 new female colleagues to Morgan and at the end of 2022 women made up 13% of the workforce, which is up from 11% in 2021.



This was also the first year that we have officially calculated our gender pay gap figures. According to Office for National Statistics data we are 'above the average' Automotive manufacturing industry mean average gender pay gap in hourly pay as a % of male pay, but under the median average.

Although pleased with these figures and the progress they evidence we're taking, we are uncomfortably aware the reference of them and this segment highlights there is an issue to start with. But include them to hold ourselves accountable for our position and affirm the work we're putting in to rectify gender disparity issues.



# WORK WITHIN THE COMMUNITY

## WORCESTER CRICKET CLUB GRACE KELLY CHILDHOOD CANCER TRUST SHIRT SPONSORSHIP

Morgan handed over its main shirt sponsorship, replacing our branding with the charity's logo with the shirts being auctioned off after the game. The Worcestershire based charity provides support for families going through childhood cancer and we are extremely proud to be able to support them.



## MORGAN DOES MOVEMBER THE MEN'S HEALTH CHARITY

Our team in the wood shop, put down the razors in Movember to raise awareness and funds for men's health issues. A poignant charity to them and the £1700 the team raised is being put to good use.



## MISSION MOTORSPORT THE FORCES' MOTORSPORT CHARITY

Morgan has been aligned with Mission Motorsport for a number of years and has continued this into 2022. Having strong connections with the armed forces we're


honoured to support those affected by military operations via engagement through motorsport experiences and offering avenue's back into employment.



# APPENDIX

Streamlined Energy and Carbon Reporting





This Streamlined Energy and Carbon Reporting (SECR) data is presented in accordance with the Companies (Directors' Report) and Limited Partnerships (Energy and Carbon Report) Regulations 2018.

We have fixed this year (2022) as our baseline year as we considered it the most accurate representation of our business wide emissions. This reflects a wider focus on our environmental impacts as caused by our processes and for the first time have recruited sustainability focused employees to deliver our ambitions. This growth in the area mimics the growth of Morgan's business operations and so, we have developed a strategy to ensure this growth can be achieved in a sustainable way. As part of this strategy,

delivered over the time frame of this report, Morgan has undertaken lighting infrastructure upgrades within our engineering factories and experience centre. Substantially more efficiency programmes had been planned over the reporting time frame, however these were delayed and have been undertaken outside of the timeframe this report covers.

#### **METHODOLOGY:**

The data collected includes the emissions for all operations under Morgan Motor Company control in line with our operational control approach. We have followed GHG protocol Standards in our emissions accounting and used 2022 UK Government conversion factors for company reporting to calculate our emissions.

This report covers the period from the 1<sup>st</sup> of January 2022 to the 31<sup>st</sup> of December 2022. We have measured our scope 1, 2 and certain scope 3 emissions. Specific Scope 3 emissions relating to our operations covering waste disposal, business mileage, employee commuting and water usage have been chosen due to a combination of their relevance to our business operations and the availability of their data sources.

We have chosen the intensity ratio of scope 1 and 2 emissions in tonnes of CO<sub>2</sub>e per vehicle produced as this is a common performance metric used in the automotive industry. We have purchased carbon credits that offset our currently unavoidable scope 1 and 2 emissions.

## 2022 RESULTS:

Total Scope 1 & 2 (market-based) CO<sub>2</sub>e emissions of our sites in operational control of 538.212 tonnes of CO<sub>2</sub>e, with an emission intensity ratio of 0.934 CO<sub>2</sub>e.

Over the period this report covers, 30% of our electricity came from zero carbon sources.



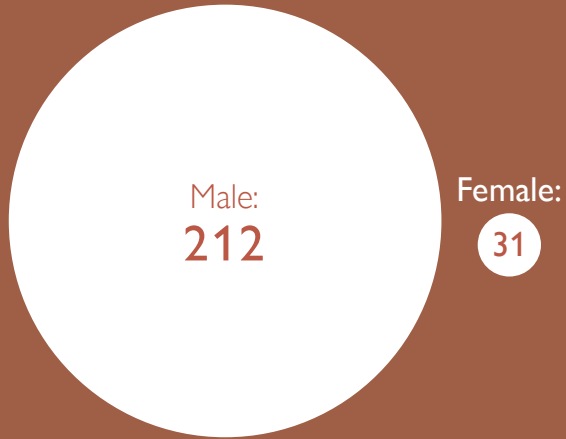
## STREAMLINED ENERGY AND CARBON REPORTING (SECR) ENERGY USE AND RELATED SCOPE 1, 2 & 3 EMISSIONS

SCOPE 1 (2022)	Natural Gas	Propane	Company Owned Vehicle Use	
tCO <sub>2</sub> e	298.488	1.005	127.674	
tCO <sub>2</sub> e / Units Produced	0.518	0.001	0.222	
SCOPE 2 (2022)	Electricity - Location-Based		Electricity - Market-Based	
tCO <sub>2</sub> e	158.902		111.044	
tCO <sub>2</sub> e / Units Produced	0.276		0.198	
SCOPE 3 (2022)	Waste Disposal	Business Travel	Water Supply	Employee Commuting
tCO <sub>2</sub> e	9.328	20.535	0.322	237.097
tCO <sub>2</sub> e / Units Produced	0.016	0.035	0.000	0.412

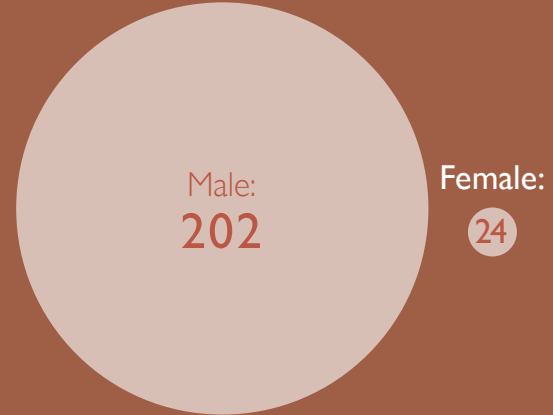
**STREAMLINED ENERGY AND CARBON REPORTING (SECR)**  
**ENERGY USE AND RELATED SCOPE 1, 2 & 3 EMISSIONS** *(Continued)*

	MWh	MWh / Units Produced
Total Electricity (MWh)	821.708	1.427
Total Zero Carbon Electricity (MWh)	247.484	0.430
Total Gas (MWh)	1616.061	2.806
Total Petrol (MWh)	242.364	0.421
Total Diesel (MWh)	209.214	0.363

## 2022 PERMANENT EMPLOYEES (TOTAL: 243)



## 2021 PERMANENT EMPLOYEES (TOTAL: 226)



	2022		2021	
	Male	Female	Male	Female
Full-time	186	24	170	17
Part-time	26	7	32	7
Non-guaranteed hours	17	1	21	1
New starters	46	12	18	2
Leavers	37	4	18	1

## MEAN AVERAGE HOURLY PAY

	2022 Morgan	Office for National Statistics, 2022 Manufacturing, skilled trades occupations
Mean average gender pay gap in hourly pay as a % of male pay	12%	14.2%
Median average pay gap in hourly pay as a % of male pay	4.3%	19.4%
Median average male hourly pay	£17.62	N/A
Median average female hourly pay	£16.86	N/A





## HEALTH AND SAFETY

	2022	2021
Fatalities	0	0
Reporting of Injuries, Diseases and Dangerous Occurrences Regulations	1	2
Lost Time Incident	0	2
Accidents	19	25
Accident Frequency Rate	11.1*	-

\* Average for Q4 2022, data not held before this.

*1.26% average employee sickness rate*

*Eleven years average service\**

*\*for those with greater than 1 year of service*

	2022	2021
Mental health first aiders	10	6
Internal wellbeing communications	148	22
Absentee rate	1.26%	1.37%

	2022	2021
Average employee service	9 yrs	11 yrs
Average service for those with greater than 1 year of service	11 yrs	11 yrs


## TRAINING / PERSONAL DEVELOPMENT

	2022	2021	Comparison
Number of employees	243	226	8% increase
Production employees	154	148	5% increase
Non-production employees	89	78	12% increase
Number of training hours	4,998	6,555	Reduction due to re-designation of apprentices hours
Total production staff training hours	4,112	5,844	Hours that in 2021 were designated as 'apprenticeship training' now logged as standard working hours due to competency of apprentices
Average training hours per production staff member	26.70	39.48	Reduction due to re-designation of apprentices hours
Total non-production staff training hours	885.27	684	23% increase
Average training hours per non-production staff member	10.06	8.77	13% increase
Total non-production new skills learning	184	24	21% of all non-production learning were new skills
Apprenticeships learning hours	2,718	4,629	Re-designation of hours explained above

## APPRENTICESHIPS

	2022	2021
New Apprenticeships	3	0
Existing Apprenticeships	5	9
Work Experiences	41	31





*Working across the entire business, apprentices have been key to the long term success of Morgan for decades. Today, the apprentices of Morgan are provided with the opportunity to learn valuable skills, both in craft disciplines, as well as within the wider business.*

# OUR AMBITIONS FOR 2023

PLANET

**15% reduction  
in emissions**

15% reduction in the emissions associated with the electricity and gas used in the production of each vehicle

PLANET

**10% reduction  
in VOC's**

10% reduction in the amount of VOC's used in the production of each vehicle

PLANET

**ISO14001  
compliant**

ISO14001 compliant waste management system and operations

PLANET

**25% reduction  
in waste**

25% reduction in waste sent for recovery and in turn 25% increase in new recycling streams

PLANET

**25% increase  
in recycling**

PLANET

**15% reduction  
in water use**

15% reduction in overall water consumed in business operations

PEOPLE

**100% Personal  
Development Review rate**

100% of employees to receive a Personal Development Review

# GRI INDEX MATERIAL TOPICS - PLANET

MATERIAL TOPIC      DEFINITION

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**Climate Change**      Mitigating the risks of climate change on our business operations and reducing carbon and other air emissions from our direct operations, value chain and use of products.

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**Energy Efficiencies**      Promoting energy reductions and efficiencies across our business operations and wider value chain, through energy procurement and procedural changes.

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**Water Management**      Managing water in business operations and across the value chain in terms of both quality and quantity, including operational consumption, water scarcity considerations and wastewater quality.

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**Waste Management**      Promoting responsible waste management in product creation.

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*Planet*

## GRI INDEX MATERIAL TOPICS - PRODUCT

MATERIAL TOPIC	DEFINITION
<b>Product Quality and Safety</b>	Ensuring that products are manufactured at the highest quality which includes consistent consideration of policy and standards. Ensuring the safety of users of Morgan Motor products through design, manufacturing, legislation compliance and customer communication. Managing recalls in a rigorous manner and enabling strong engagement with all stakeholders on safety risks.
<b>Product Design</b>	Developing products using design principles that enable products to be re-manufactured, rebuilt, re-used or recycled.
<b>Innovation and Technology</b>	Seeking to constantly improve on quality, safety, efficiency and cost. Embracing more efficient and environmentally friendly technologies.

*(Continues on next page)*

*Product*

## GRI INDEX MATERIAL TOPICS - PRODUCT

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### **Business Ethics**

Ensuring the highest standards of ethics, and integrity by promoting ethical behaviour within operations and business partnerships. Complying with local and national laws and regulations and working against corruption (e.g. bribery, extortion, etc.)

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### **Responsible Supply Chain**

Working across the supply chain to ensure the sustainability of supply, promotion of safe, ethical and sustainable operations and increase transparency and traceability across the supply chain. Reducing and eliminating the negative human and environmental impacts of materials used in products across their life cycles.

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### **Customer Welfare**

Working to secure and improve customer care and safety through on-site customer experiences and through the delivery of high-quality products and innovative technologies, ensuring that customers are informed about all relevant information related to products (including safety and proper use). Ensuring data security and customer satisfaction.

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*Product*

## GRI INDEX MATERIAL TOPICS - PEOPLE

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### **Labour and Human Rights**

Adhering to global human rights principles through our supply chain along with the promoting of health and safety, fair wages and compensation and beneficial working conditions.

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### **Employee Health and Safety**

Promoting safe workplaces for employees and contractors, and operating the business in an open and transparent manner. Providing employee health and wellness programmes as part of an overall culture of the health, safety and wellbeing to employees.

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### **Employee Engagement and Development**

The provision of employee programmes, benefits and development opportunities to attract, engage and retain a productive and talented workforce. Whilst promoting a culture for employees that encourages inclusion and diversity, fosters learning and development, empowers employees and helps attract and retain the best talent.

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### **Community Relations**

Managing relationships with communities in which the company operates, including philanthropy, employee volunteering, support of local economies and two-way dialogue. Strengthening local community groups, and causes, minimising local environmental impacts and contributing to local development through taxes paid and jobs created.

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*People*

# GRI CONTENT INDEX

Morgan Motor Company has reported the information cited in this GRI content index for the period 1<sup>st</sup> January 2022 to 31<sup>st</sup> December 2022 with reference to the GRI Standards. GRI 1: Foundation 2021.

## GRI 2: General Disclosures 2021

DISCLOSURE	LOCATION
2-1 Organizational details	Our business page (7,8,9)
2-2 Entities included in the organization's sustainability reporting	This report covers the operations of Morgan Motor Company, whereas our audited consolidated financial statements list further entities. These offer only financial significance to the company and so aren't relevant to be included in this report.
2-3 Reporting period, frequency and contact point	Welcome page (3), 2022 in figures page (28,29) Morgan's financial reporting is March-March the decision to not align with this has been taken to maintain continuity with its previous reporting. Any questions about the report should be directed to the company's Sustainability Manager.
2-4 Restatements of information	No restatements of information as 2022 is determined as new baseline year.
2-5 External assurance	Morgan has decided to not seek external assurance for this years report.

2-6 Activities, value chain and other business relationships	Our business page (8-9), Supply Chain (70, 71),
2-7 Employees	Employee tables (102) All figures are calculated using internal head-count data and of those present at the end of the reporting period (31st December 2022). This has been an increase of 7.5% which highlights the period of growth Morgan is in.
2-8 Workers who are not employees	The only workers who are not employees but whose work is controlled by Morgan are its gardener and a maintenance operative, who are in a sub-contracted contractual relationship with Morgan.
2-9 Governance structure and composition	Employee tables (page 102)
2-10 Nomination and selection of the highest governance body	New members for board of directors nominated and selected through democratic election of the board of directors taking into consideration competency and alignment of views to shareholders ambitions.
2-11 Chair of the highest governance body	Chair of the board of directors is not a senior executive at Morgan.
2-12 Role of the highest governance body in overseeing the management of impacts	All significant decision making on operational or financial issues goes through an approval process with the board of directors. All due diligence is achieved at quarterly board of directors through knowledge transfer from senior leadership team at which time the effectiveness of the organisations processes are reviewed.
2-13 Delegation of responsibility for managing impacts	Board of directors delegates responsibility to the senior leadership team who report back to the board of directors at their quarterly meetings and monthly KPI reporting through CEO.

2-14 Role of the highest governance body in sustainability reporting	The sustainability report is reviewed and approved by the CEO who sits on the board of directors and approves the reported information on their behalf.
2-15 Conflicts of interest	Due diligence in appointing new members ensures conflicts of interest are prevented and mitigated however there are no formal processes for ongoing reviews of conflicts of interest.
2-16 Communication of critical concerns	Morgan's whistleblowing and grievance policies enable an unbiased link to the chairman of the board of directors. No critical concerns reported within the reporting period.
2-17 Collective knowledge of the highest governance body	Reliant on members to advance knowledge, skills and experience of sustainable development through their other positions outside of Morgan.
2-18 Evaluation of the performance of the highest governance body	No formal evaluation of the board of directors performance.
2-19 Remuneration policies	Fixed pay, non-performance influenced salary.
2-20 Process to determine remuneration	Remuneration policies decided at middle senior management level
2-21 Annual total compensation ratio	Morgan has ratio of the annual total compensation for the highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual) of 3.725. This is the first year Morgan has calculated this data so no ratio of the percentage increase is available.
2-22 Statement on sustainable development strategy	CEO and COS Statements (Pages 1-11)

2-23 Policy commitments	Morgan has a human rights policy that's publicly available on its website. This covers all of Morgan's activities and business relationships and was communicated to and readily available to all its employees.
2-24 Embedding policy commitments	Our policy commitments outline the standards to which we operate and so procedures that meet these standards are adopted, constantly revised and improved through training throughout the organisation.
2-25 Processes to remediate negative impacts	Our grievance policy is self auditing, after an instance of use an audit to asses its effectiveness is to be conducted to highlight any areas of improvement for the policy.
2-26 Mechanisms for seeking advice and raising concerns	Morgan has whistleblowing, grievance and bullying and harassment policies that enable individuals to seek advice and raise concerns about the organisations business conduct.
2-27 Compliance with laws and regulations	VOC page (32), Quality page (68), Occupational health & safety page (78) Morgan hasn't had any instances of non-compliance with laws and regulations during the reporting period and has had no fines for instances of non compliance with any laws or regulations.
2-28 Membership associations	Morgan has no significant role in any association or holds a position in the governance body or participates in projects or committees or provides substantive funding beyond routine membership dues.
2-29 Approach to stakeholder engagement	Morgan's main stakeholders are its employees and its shareholders. It invests in consultation with its employees through employee representative groups and collective bargaining groups. Its interacts with its shareholders through representation on the board and through individual relationships with Morgan an advice bodies within its shareholders.
2-30 Collective bargaining agreements	All employees are covered by collective bargaining agreements.

## GRI 3: Material Topics 2021

3-1 Process to determine material topics	Morgan's material topics were determined through focus groups involving key members of the business to identify areas of most concern and importance to the businesses operations.
3-2 List of material topics	GRI Material Topics page in appendix (Page 110)
3-3 Management of material topics	This sustainability report describes the potential positive and negative impacts of Morgan's operations and the actions, policies and tracking undertaken to mitigate against those impacts.

## GRI 201: Economic Performance 2016

201-1 Direct economic value generated and distributed	Direct economic value generated: £41,011,144; Economic value distributed: £42,337,556; Economic value retained: £1,326,412
201-2 Financial implications and other risks and opportunities due to climate change	The physical risk of climate change has significant impacts on the automotive industry in terms of influencing decision making in purchasing decisions, this could influence consumers to reduce investment in vehicles. In order to combat this Morgan must meet the demands of its consumers through the development of more sustainable products. An extended risk and opportunities discovery is planned in Morgan's strategy for 2023.
201-3 Defined benefit plan obligations and other retirement plans	90.2% of employees are enrolled on the company's pension scheme, to which Morgan contributes 5% of their salary.
201-4 Financial assistance received from government	There is no government presence in Morgan's shareholding structure. In 2022 Morgan received £404,316 in research and development grants.

## GRI 202: Market Presence 2016

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202-1 Ratios of standard entry level wage by gender compared to local minimum wage

Morgan defines its significant locations of operation as both its design and engineering and production facilities in Malvern, Worcestershire. At both of these sites employees are compensated with wages subject to minimum wage rules, with entry level wages for both men and women at 1.328 that of minimum wage.

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202-2 Proportion of senior management hired from the local community

Morgan's definition of senior management is all members of its senior management team and its significant locations of operations are those based at its two sites in Malvern, Worcestershire. Of those 50% are defined as being local, which itself its defined as within 10 miles of Malvern.

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## GRI 203: Indirect Economic Impacts 2016

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203-1 Infrastructure investments and services supported

A significant infrastructure investment saw the start of a project to improve our spray painting facilities. This commercial operation saw investment being directed to local communities and economies through the employment of local specialist contractors and took 3 months to be completed at a cost of £90,000.

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203-2 Significant indirect economic impacts

Last years brake recall temporarily suspended production that would have had a negative impact on our suppliers and service providers linked to the production of Morgan vehicles.

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## GRI 204: Procurement Practices 2016

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204-1 Proportion of spending on local suppliers

Morgan defines its significant locations of operation as its purchasing of assembled and partially assembled parts used in the production of its vehicles. Using the geographical definition of local as within a 100 miles radius of its Pickersleigh Road factory, Morgan calculates that 95% of its products are supplied by local suppliers.

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## GRI 205: Anti-corruption 2016

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205-1 Operations assessed for risks related to corruption	Morgan's most significant risk related to corruption have been identified in its supply chain and has mitigated itself against this risk through the implementation of its supplier code of conduct as outline in its supplier handbook.
205-2 Communication and training about anti-corruption policies and procedures	Morgan have no direct anti-corruption policies and offer no anti-corruption training to its employees.
205-3 Confirmed incidents of corruption and actions taken	No incidents of corruption have been confirmed within the reporting period.

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## GRI 206: Anti-competitive Behaviour 2016

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206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	No legal actions pending or completed during the reporting period regarding anti-competitive behaviour or violations of anti-trust and monopoly legislation.
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## GRI 207: Tax 2019

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207-1 Approach to tax	Material topics in appendix (Page 110)
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207-2 Tax governance, control, and risk management

Morgan adheres to all UK legislation as outline in requirements by HMRC. The accounts department is accountable for compliance and approach risk through identifying risks through due-diligence of current and future compliance requirements. The effectiveness of this is evaluated on successful compliance of tax audits from PwC and HMRC.

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207-3 Stakeholder engagement and management of concerns related to tax

Morgan fully complies with the tax authorities and adheres to all public policy on tax advocacy. Views and concerns of external stakeholders can be raised through any external communications stream.

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207-4 Country-by-country reporting

All entities are UK based.

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## GRI 301: Materials 2016

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301-1 Materials used by weight or volume

Not currently accounted, but included in Morgan's future requirements forecasts and sustainability strategy.

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301-2 Recycled input materials used

Not currently accounted, but included in Morgan's future requirements forecasts and sustainability strategy.

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301-3 Reclaimed products and their packaging materials

Not currently accounted, but included in Morgan's future requirements forecasts and sustainability strategy.

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## GRI 302: Energy 2016

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302-1 Energy consumption within the organization

Pages 24-29

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302-2 Energy consumption outside of the organization

Pages 24-29

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302-3 Energy intensity	Morgan have chosen an intensity ratio of Scope 1 & 2 emissions in tonnes of CO <sub>2</sub> e divided per vehicle produced in the reporting period. This includes emissions from energy consumption from within the organisation and from the company's gas consumption, electricity consumption, and any fuels used in vehicle production. It also includes a combination of fuel used and mileage from the use of its experience vehicles.
302-4 Reduction of energy consumption	2022 is Morgan's baseline year and as so no energy conservation or efficiency calculations have been undertaken.
302-5 Reductions in energy requirements of products and services	2022 is Morgan's baseline year and as so no energy conservation or efficiency calculations have been undertaken.

## GRI 303: Water and Effluents 2018

303-1 Interactions with water as a shared resource	Waste management (Page 45)
303-2 Management of water discharge-related impacts	MMC has no current standard on effluent discharge.
303-3 Water withdrawal	2.167 megalitre water withdrawal in 2022 from third party source, no withdrawals from areas in water stress, all water withdrawals were of freshwater.
303-5 Water consumption	2.167 megalitre water withdrawal in 2022 from third party source, no withdrawals from areas in water stress, all water withdrawals were of freshwater.

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304-2 Significant impacts of activities, products and services on biodiversity

The use of our manufacturing site poses the biggest risk to native species of birds and small mammals due to movements of people and machinery around the site, these are mitigated by our operating hours.

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304-3 Habitats protected or restored

There are no protected or restored habitats within areas controlled by MMC.

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304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations

MMC have not identified any IUCN Red List species or national conservation list species in areas affected by our operations.

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## GRI 304: Biodiversity 2016

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304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

No sites currently operational in protected areas.

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## GRI 305: Emissions 2016

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305-1 Direct (Scope 1) GHG emissions

Pages 24-29

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305-2 Energy indirect (Scope 2) GHG emissions

Pages 24-29

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305-3 Other indirect (Scope 3) GHG emissions

Pages 24-29

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305-4 GHG emissions intensity	Pages 24-29
305-5 Reduction of GHG emissions	Pages 20-39
305-6 Emissions of ozone-depleting substances (ODS)	Morgan does not use any Group 1 to 9 ozone depleting substances.
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Scope 1 & 2 Data (Page 28,29)
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Scope 1 & 2 Data (Page 28,29)

## GRI 306: Waste 2020

306-1 Waste generation and significant waste-related impacts	Not applicable.
306-2 Management of significant waste-related impacts	Not applicable.
306-3 Waste generated	No significant spills have occurred.
306-4 Waste diverted from disposal	Not applicable.
306-5 Waste directed to disposal	Not applicable.

## GRI 308: Supplier Environmental Assessment 2016

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308-1 New suppliers that were screened using environmental criteria      Supply chain (70,71)

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308-2 Negative environmental impacts in the supply chain and actions taken      Supply chain (70,71)

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## GRI 401: Employment 2016

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401-1 New employee hires and employee turnover      Employee graph in appendix (Page 102)

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401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees      Wellbeing page (Page 80, 81)

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401-3 Parental leave      Employees are eligible for Statutory Parental leave.

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## GRI 402: Labor/Management Relations 2016

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402-1 Minimum notice periods regarding operational changes      Certain long standing production employees have 1 week notice periods, most production and non-production staff have 1 month notices, with certain senior employees having 6 month notice periods.

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## GRI 403: Occupational Health and Safety 2018

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403-1 Occupational health and safety management system

Occupational health and safety page (78-79)

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403-2 Hazard identification, risk assessment, and incident investigation

All employees and non-employees are covered under UK law to remove themselves from work situations they believe are dangerous. However all processes for identifying, reporting and the investigation of identified hazards and risks are reported in our management system and are regularly audited and continuously improved where appropriate.

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403-3 Occupational health services

All employees received occupational health services relevant to their roles fulfilled within requirements of UK law.

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403-4 Worker participation, consultation, and communication on occupational health and safety

All employees and non-employees are able to offer reports and suggestions to all Morgan operations, including occupational health and safety management. Joint management-worker Health and Safety committee meets monthly to formulate procedures and evaluate progress.

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403-5 Worker training on occupational health and safety

All workers receive mandatory health and safety training on 'starting' of employment and relevant health and safety training required for them to fulfil their responsibilities safely.

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403-6 Promotion of worker health

All employees are provided with the support from mental health first aiders, optional massages, third party voluntary occupational health clinics, the option to join BUPA private healthcare insurance scheme along with the cycle to work scheme to promote a healthier way of life.

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403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

MMC prevents any significant occupational health impacts linked to its operations, products and services through risk assessments that are periodically reviewed and updated where necessary.

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403-8 Workers covered by an occupational health and safety management system

All persons on site, employed or not employed are covered by MMC's health and safety policies.

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403-9 Work-related injuries

Health and safety table (Page 105)

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403-10 Work-related ill health

Health and safety table (Page 105)

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## GRI 404: Training and Education 2016

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404-1 Average hours of training per year per employee

Training and personal development table in appendix (Page 107)

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404-2 Programs for upgrading employee skills and transition assistance programs

Training and development page (82)

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404-3 Percentage of employees receiving regular performance and career development reviews

Morgan supports the personal development of its employees and offers performance reviews, however, at present doesn't keep data on the percentage start, in-progress or completed.

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## GRI 405: Diversity and Equal Opportunity 2016

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405-1 Diversity of governance bodies and employees

Employee Data Page (102)

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405-2 Ratio of basic salary and remuneration of women to men

Gender Pay Gap Page (103)

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## GRI 406: Non-discrimination 2016

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406-1 Incidents of discrimination and corrective actions taken    There have been no incidents of discrimination.

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## GRI 407: Freedom of Association and Collective Bargaining 2016

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407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk    Suppliers are required to identify critical areas in their supply chain that are considered at risk of infringements of workers rights and ensure processes are in place to mitigate against it. MMC has the right to access the name, address and contact details of all its suppliers and their supply chains if requested to ensure compliance.

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## GRI 408: Child Labor 2016

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408-1 Operations and suppliers at significant risk for incidents of child labour    Suppliers are required to identify critical areas in their supply chain that are considered at risk of incidents of child labour and ensure processes are in place to mitigate against it. MMC has the right to access the name, address and contact details of all its suppliers and their supply chains if requested to ensure compliance.

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## GRI 409: Forced or Compulsory Labor 2016

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409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour    Suppliers are required to identify critical areas in their supply chain that are considered at risk of incidents of forced or compulsory labour and ensure processes are in place to mitigate against it. MMC has the right to access the name, address and contact details of all its suppliers and their supply chains if requested to ensure compliance.

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## GRI 410: Security Practices 2016

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410-1 Security personnel trained in human rights policies or procedures      All security personnel received training in bullying and harassment and equality, diversity and inclusion.

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## GRI 411: Rights of Indigenous Peoples 2016

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411-1 Incidents of violations involving rights of indigenous peoples      No identified incidents of violations involving the rights of indigenous peoples have occurred.

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## GRI 413: Local Communities 2016

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413-1 Operations with local community engagement, impact assessments, and development programs      MMC has undergone an environmental impact assessment and social impact assessment of its paint spraying process as part of its local government permit requirements, which has been agreed as acceptable by both parties.

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413-2 Operations with significant actual and potential negative impacts on local communities      MMC has outlined its paint spraying process as its most significant operation with potentially negative impacts on local communities. Which have been mitigated in line with local government compliance requirements.

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## GRI 414: Supplier Social Assessment 2016

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414-1 New suppliers that were screened using social criteria Suppliers handbook & questionnaire (Page 70-71)

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414-2 Negative social impacts in the supply chain and actions taken We closely monitor our suppliers on areas such as harassment, integrity, corruption and anti-slavery. Scoring them through our supplier questionnaire to ensure we align our supply chain with our own core values.

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## GRI 415: Public Policy 2016

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415-1 Political contributions Morgan does not participate in public policy development or lobbying.

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## GRI 416: Customer Health and Safety 2016

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416-1 Assessment of the health and safety impacts of product and service categories Morgan assesses 100% of its products and services for concerns surrounding the health and safety of those using our products and services.

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416-2 Incidents of non-compliance concerning the health and safety impacts of products and services No instances of non-compliance with regulations and/or voluntary codes concerning the health and safety of impacts of products and services within the reporting period.

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## GRI 417: Marketing and Labelling 2016

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417-1 Requirements for product and service information and labelling

All relevant safe use of the product labelling for vehicles present and correct to the specific territories products supplied too.

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417-2 Incidents of non-compliance concerning product and service information and labelling

No incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling.

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417-3 Incidents of non-compliance concerning marketing communications

No incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications.

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## GRI 418: Customer Privacy 2016

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418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

No substantiated complaints received concerning breaches of customer privacy.

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*For more, please visit:*  
[www.morgan-motor.com/sustainability](http://www.morgan-motor.com/sustainability)