

Transforming Tomorrow

Willmott Dixon's Sustainable Development Strategy 2013–2020

(2018 Update)



WILLMOTT DIXON

SINCE 1852



Preface

In 2013 we published our first Sustainable Development Strategy, which set out our ambitions to 2020, and interim targets for carbon, waste and community investment.

Between 2013 and 2015 we exceeded our interim targets and we set ambitious stretch targets to 2020 in these areas.

In 2017 we de-merged our development and property maintenance businesses which have been re-branded – as Be Living and Fortem respectively. Each sister company is currently in the process of developing its own, bespoke Sustainable Development Strategy.

With this in mind, we have reviewed our Strategy in consultation with industry partners and leadership teams across the remaining Willmott Dixon businesses. We wanted to make sure that our Strategy's headline aims and ambitions were still relevant and appropriate to our business, taking into account our progress to date, and the changes to our business and external environment. Our updated Strategy can be found on pages 9–14.

This document explains our approach to sustainable development and the reasons why it is such a priority for us. It provides some context to our Strategy update and sets out our progress and achievements so far.



Between 2013 and 2015 we exceeded our interim targets and we set ambitious stretch targets to 2020 in these areas.

Introduction

Willmott Dixon's vision is to:

...build on our history and reputation to add value to customers and shareholders by maintaining a leadership role in the build environment, undertaking our activities in a sustainable and responsible manner and contributing to society as a whole.

The complementary headline aim of our Sustainable Development Strategy is:

...to be a leader in sustainable development.

We will achieve this by ensuring that our operations, the services we provide and the buildings we construct are sustainable. This will help us protect our own future against resource scarcity, attract and retain talent and skills and create whole life value for our customers and partners, and for the users of the buildings we construct. We also want to be agents of change so that we can create new possibilities for our industry and for society as a whole. Our strategy addresses these issues and links them to our Sustainability Policy.

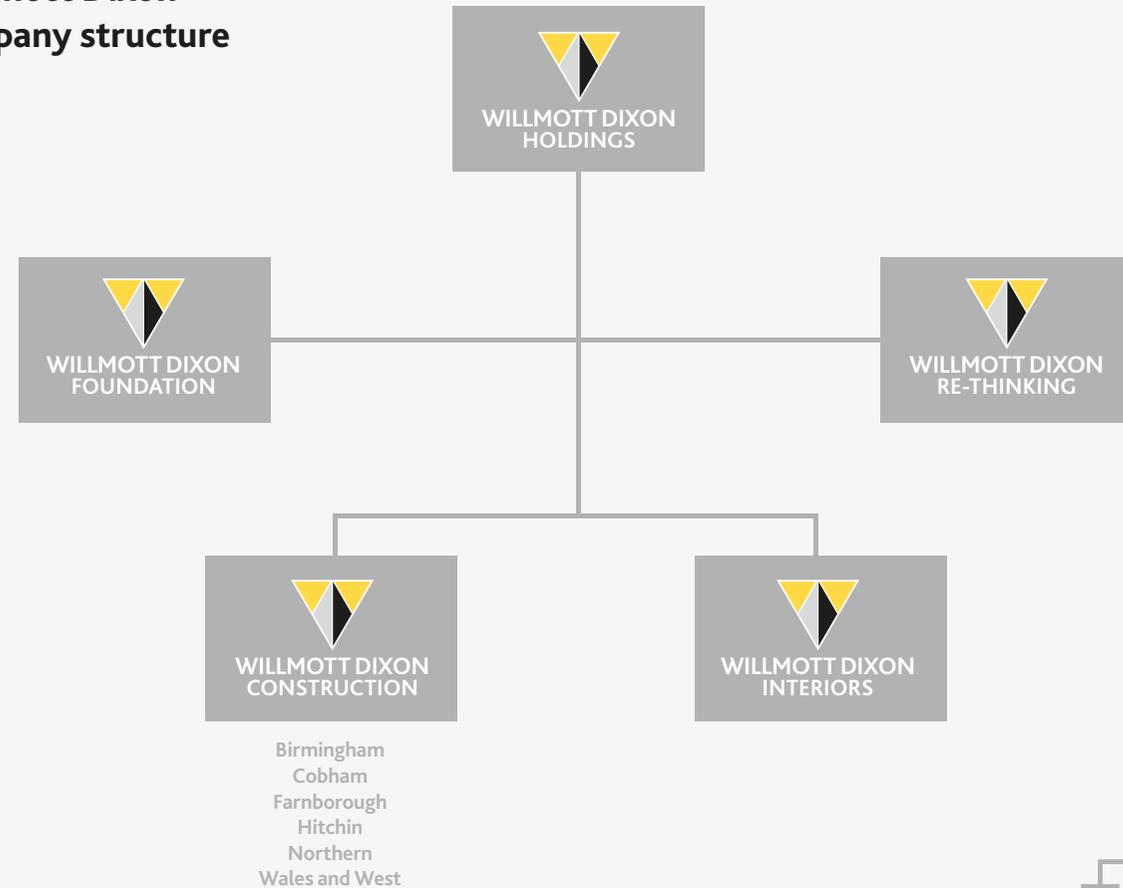


Governance

Our local businesses are responsible for delivering the agreed actions and achieving the targets. Our Re-Thinking and Foundation Boards review progress and our Holdings Board has overall responsibility. Our in-house sustainability consultancy, Re-Thinking supports the businesses and is responsible for the collation and dissemination of data, information and analysis.

This plan is intended to run until 2020 but progress will be reviewed on an annual basis.

Willmott Dixon company structure



Business Case

Business sustainability is often expressed as managing the triple bottom line of people, planet and profit. This framework allows companies like ours to evaluate our financial, social and environmental risks, understand our impacts, meet our obligations and realise opportunities to ensure we safeguard the future of our company, our people and the communities we work in.

For Willmott Dixon sustainability is embedded in everything we do: time, cost, quality, our customers, our product, our business, our people, our services and ultimately our legacy and our growth through our four pillars of:



Being a Responsible Business



Tackling Climate Change and Energy Efficiency



Smarter use of Natural Resources



Putting People First

We believe that being sustainable helps us to:

- ✓ **Be more efficient and effective**
- ✓ **Attract and retain good people**
- ✓ **Improve cost certainty**
- ✓ **Encourage innovation**
- ✓ **Enhance our reputation**
- ✓ **Differentiate ourselves from the competition**
- ✓ **Deliver added value and astonish customers**
- ✓ **Be adaptable to our customers' needs**
- ✓ **Deliver better products and services**
- ✓ **Be the partner of choice for our customers**

By 2020, in addition to the savings already made by the Willmott Dixon family of companies to 2015, we will save a further £8.5m on energy and £8.5m on waste as well as contributing at least a further £14m* to the community in social value.

Sustainable development is a key way in which we can leave a lasting legacy in local communities. In order to better understand the net value that we bring to society, we are adapting the Total Contribution methodology developed by the Crown Estate. Our **Total Value** calculation will help improve our understanding and quantify the total impact of our approach to sustainable development. In 2016 we believe that this was worth £157m.

* We have used a conservative figure of 1.5 x our total community investment (including leverage) at an average of £2.3m p.a. (based on 2016 data and LM3 methodology provided by Social Value Portal). An alternative value of £4.27 based on a 2015 Construction Youth Trust SROI study of one of our Foundation Trainee Challenge events would produce a SROI value over the next 4 years of £39m.



Performance to end 2017

In 2013 we set a total of 142 actions for the Group as a whole. By the end of 2017 we had made significant progress and had either achieved or were on track to achieve over three-quarters of them.



Achievements

Our most significant achievements so far are:

Our targets



Achievement of our Young People Target – one of the UK's first ever community targets to be based on impact rather than inputs or outputs



Exceeded our 2014 carbon emissions intensity target



Exceeded our 2015 construction waste intensity target



Set new, industry-leading targets in these areas to 2020

Achievements (cont.)

Awards and accreditations

Achievement of the Community Mark award

Achievement of the Queen's Award for Enterprise (Sustainable Development) 2014

Sustainable Company of the Year at the 2016 Construction News awards

Sustainable Business of the Year at the 2015 Edie awards

Achievement of Carbon Trust Carbon Standard

The first in our sector to achieve the Carbon Trust's Supply Chain Standard

Three stars in the BITC CR Index 2015



Our people

Developed a comprehensive sustainability induction training module which received the Business Green Leaders' award for employee engagement

Improved our people's understanding of, and engagement with, sustainable development as evidenced by our staff survey

Established an annual sustainable development conference

Developed a sustainable development training matrix to help our people identify their knowledge gaps and locate the training they need (recognised as industry-leading by IEMA)



Achievements (cont.)

Leadership

First in our sector to be carbon neutral

Recognised as a leader in social value
– we were used as an example of good
practice in the Review of the Social Value
Act 2015

Developed and implemented a holistic
reporting methodology for social value
that recognises impact as well as input



Embeddedness

Sustainability is now embedded into our
business plans, policies and strategies for
each of our companies and the central
functions, such as HR, Health, Safety and
Environment that support them:

- Energy and Carbon Management Strategy
- Foundation Policy
- Sustainable Procurement Policy
- Biodiversity Strategy
- Environment Policy
- Supply Chain Strategy (Construction)
- Supply Chain Strategy (Interiors)
- 2020 Digital Strategy (BIM) (Construction)
- WDI BIM Plan (Interiors)
- Sustainable Travel Policy
- People Strategy, including Gender Diversity Strategy
- Health and Safety Strategy and AllSafe targets
- IT Strategy

They are embedded specifically into
strategic business change programmes:

- Construction: **Building on Better**
- Interiors: Everything completed with
Pride



Changes to the Strategy

We have made good progress with most of our original 142 actions, so many of these are now embedded into our business-as-usual activity. Therefore, they do not feature in our updated Strategy's high-level actions. The actions relating to Be and Fortem have been removed – these will now form part of our sister companies' strategies. There are some actions where little or no progress has been made to date. Many of these actions have been reprioritised in our new Strategy. And a few are now no longer seen as a priority, and have been dropped. For example embodied carbon proved to be an area where industry and customer appetite didn't develop as anticipated; we have therefore shifted our focus in the period to 2020 to life-cycle costing, in line with the Government's Industrial Strategy.

In reviewing our performance so far, we recognised that a Strategy with 142 actions was unwieldy for the business. Therefore our approach going forward is to have fewer, higher-level actions which can be reflected as priorities within company business plans and policies.



Our updated Strategy now has 34 high-level actions, which bring together actions identified by individual companies and functional areas.



2020 Ambition Statements



Being a Responsible Business

To leave a sustainable legacy across the built environment through collaboration across the sector to improve environmental standards, improve design and building quality and influence government.

To drive continuous improvement and the delivery of innovative products and solutions by working with our customers, our supply chain partners and academia to maximise collaboration and integration.

To champion life cycle costing as our overarching approach to projects, so that the true cost of a building's use is visible to customers and end-users from the outset.



Tackling Climate Change and Energy Efficiency

To reduce our carbon footprint, maintain carbon neutrality and work towards de-coupling carbon emissions from business growth.

To reduce our Scope 3 emissions



Smarter Use of Natural Resources

To reduce the intensity of construction waste, achieve zero construction waste to landfill and contribute to the circular economy.

To mitigate the negative impact of our business on the environment and leave a positive legacy.



Putting People First

To leave a lasting legacy in communities, helping them to thrive and prosper by enabling and creating a sustainable built environment.

To inspire young people, particularly those who are socially-excluded, by providing opportunities for them to improve their life chances.

To have a workforce that is diverse, safe, healthy, challenged and contented.

To add social value to the communities in which we work, which is aligned to local needs within the context of wider social environment.

To help supply chain partners develop the skills, capacity and engagement to enable them to be a reflection of our company.

2020 Targets



Carbon

To reduce carbon emissions intensity by 50% compared with 2010

Waste

To reduce construction waste intensity by 60% compared with 2012

Community

To contribute at least 5,820 to the Willmott Dixon Foundation target of having enhanced the life chances of 10,000 young people (compared with 2012)



Being a Responsible Business

High level actions

Reduce the gap between design and as built performance, with a view to completely eliminating the performance gap after 2020, to ensure our buildings meet expectations

Carry out post-contract reviews of sustainability in construction and use the learning to inform future projects.

Use our financial data innovatively to mitigate risks and realise opportunities and efficiency.

Deliver our 2020 Digital (BIM) Strategy to maximise efficiency.

Realise the opportunities to beneficially impact the health and wellbeing of the people that use the buildings that we construct.

Consider establishing an external stakeholder forum to gain learning from customers.

Open our supply chain up to a wider variety of organisations and develop increasingly collaborative relationships to ensure we get the best from supply chain partners.

Undertake an annual review of progress and changes in technology to ensure we take advantage of them.

Review our sustainability risks and opportunities as part of our annual business planning processes.

Develop a methodology that enables us to measure and report on the Total Value of our activities

Responsible Owner

Energy Synergy Team

LCO Directors of Operations and Preconstruction

Chief Finance Officer

Head of Digital with the support of the National Product Director

LCO Preconstruction Director with the support of Re-Thinking

Re-Thinking

National Supply Chain Manager supported by LCO Commercial Director

WDC EDiit Team/ WDI Head of Process Improvement

COOs

Re-Thinking



Tackling Climate Change and Energy Efficiency

High level actions

Reduce our carbon emissions intensity by 50% by 2020 compared with 2010, to ensure efficient use of energy and enable us to maintain Carbon Trust Standard certification.

Work with our supply chain partners to reduce their carbon emissions intensity, to ensure that we maintain our Carbon Trust Supply Chain Standard certification.

Continue to use ECA to reduce cost of energy and enable us to have 100% of our office and site electricity from renewable sources by 2020.

Offset our unavoidable emissions in order to remain carbon neutral.

Develop a real-time system for monitoring electricity consumption to enable us to identify areas for improvement.

Take into account the impact of long-term climate change on the design of homes and buildings to avoid overheating.

Use external quality marks, awards, accreditations and memberships to compare ourselves against the best and to drive our continuous improvement.

Responsible Owner

LCO SD Director

Re-Thinking with the support of Supply chain managers

LCO Preconstruction Director

Re-Thinking

Re-Thinking

LCO Preconstruction Director with the support of Re-Thinking

Re-Thinking in consultation with WDC and WDI Boards



Smarter use of Natural Resources

High level actions

Reduce construction waste intensity by 60% by 2020, compared with 2012.

Achieve 100% diversion of non-hazardous construction waste from landfill.

Work with suppliers to increase off-site manufacturing, to reduce waste and increase efficiency.

Baseline our operational water usage and set targets for its reduction.

Use lifecycle costing approaches to enable benefits to be realised for our customers and ourselves.

Increase the biodiversity around our sites in accordance with our Biodiversity Strategy, to add value within communities.

Continue to improve our Sustainable Procurement Policy and our compliance with it, to ensure that the goods and services we buy are legal, sustainable and ethical.

Develop standard sustainability clauses into all supply chain and consultant contracts to ensure that our sustainability goals are shared and achieved.

Responsible Owner

LCO Directors of Preconstruction and Operations

LCO Directors of Preconstruction and Operations

Preconstruction Director supported by EDiit Team and Central Purchasing

Re-Thinking

LCO Preconstruction Director

LCO SD Director

WDC & WDI Supply Chain Managers

LCO Commercial Director



Putting People First

High level actions

Attract the next generation to work in construction so that we continue to have the best people in our business.

Become more accessible and increase customer interaction to learn from feedback.

Continue to enhance the life-chances of young people in line with our headline targets.

Increase the added social value from our operations and services so that we can contribute to a prospering society.

Increase gender diversity across our businesses so that we attract and retain good people.

Deliver our People and Learning and Development Strategies.

Continue to improve our approach to ethical labour and work collaboratively with our industry peers to tackle modern slavery in the sector.

Support our supply chain partners' understanding of sustainability and so contribute to improved understanding across the industry sector.

Achieve Health, Safety and Environment objectives to ensure that our workplaces are safe and the environment protected.

Responsible Owner

HR/ Local Gender Diversity Groups

Customer Service Mangers

Social Value / Community Managers

Social Value / Community Manager

HR / Local Gender Diversity Groups

HR

WDC National & WDI Supply Chain Managers

WDC National & WDI Supply Chain Managers

Head of HSE



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