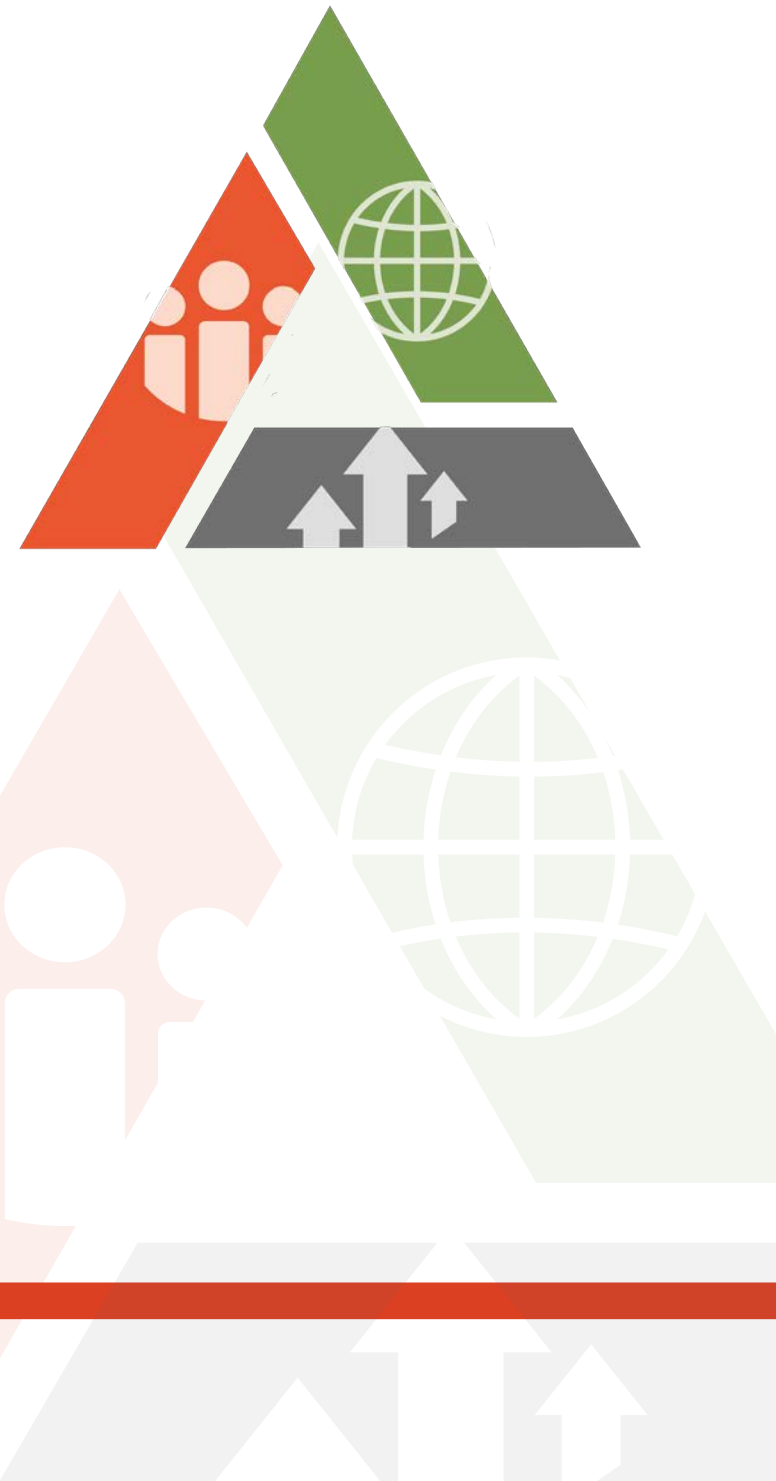


People Planet Performance

Sustainability As Standard
2021

 Tilbury Douglas



Foreword

People, Planet, Performance



Paul Gandy
MD of UK Construction

In recent times the discussion that has existed around what it means to be a sustainable business has shifted; no longer a set of nebulous ideals and 'nice-to-haves', but a roadmap of clear themes, outcomes and measures to ensure benchmarked accountability across the business.

Over many years I've considered the impact of delivering on a sustainability strategy in conjunction with our business commercially. Historically that's been a difficult thing to grapple with, due to the 'grey area' in measuring of this type of value. However as evidence builds and customers become more informed on the subject, so our corporate response has become more focused and relevant.

It's why and how Tilbury Douglas is now launching a new sustainability framework and measuring tool; People, Planet, Performance, or PPP.

This triple-bottom-line inspired title is not new when it comes to describing how corporations think about sustainability, however our strategy for implementation, I am pleased to say, is. We have thoroughly underpinned our approach with tangible evidence-based targets aligned to the Government Playbook. These will allow us not only to deliver excellent added value to our customers, but give us data to analyse our success, drive continuous improvement and make a positive contribution to the communities we serve.

What is People, Planet, Performance?

Tilbury Douglas's sustainability strategy People, Planet, Performance, (PPP) ensures a joined-up approach for our business to create and record sustainable value. PPP is a comprehensive approach to sustainability, providing clarity and governance to Tilbury Douglas project teams and customers. It will enable us to benchmark how we conduct our social, environmental and sustainable business activities. PPP supports our strategy to provide a meaningful long term legacy for our customers, our communities and to our business.

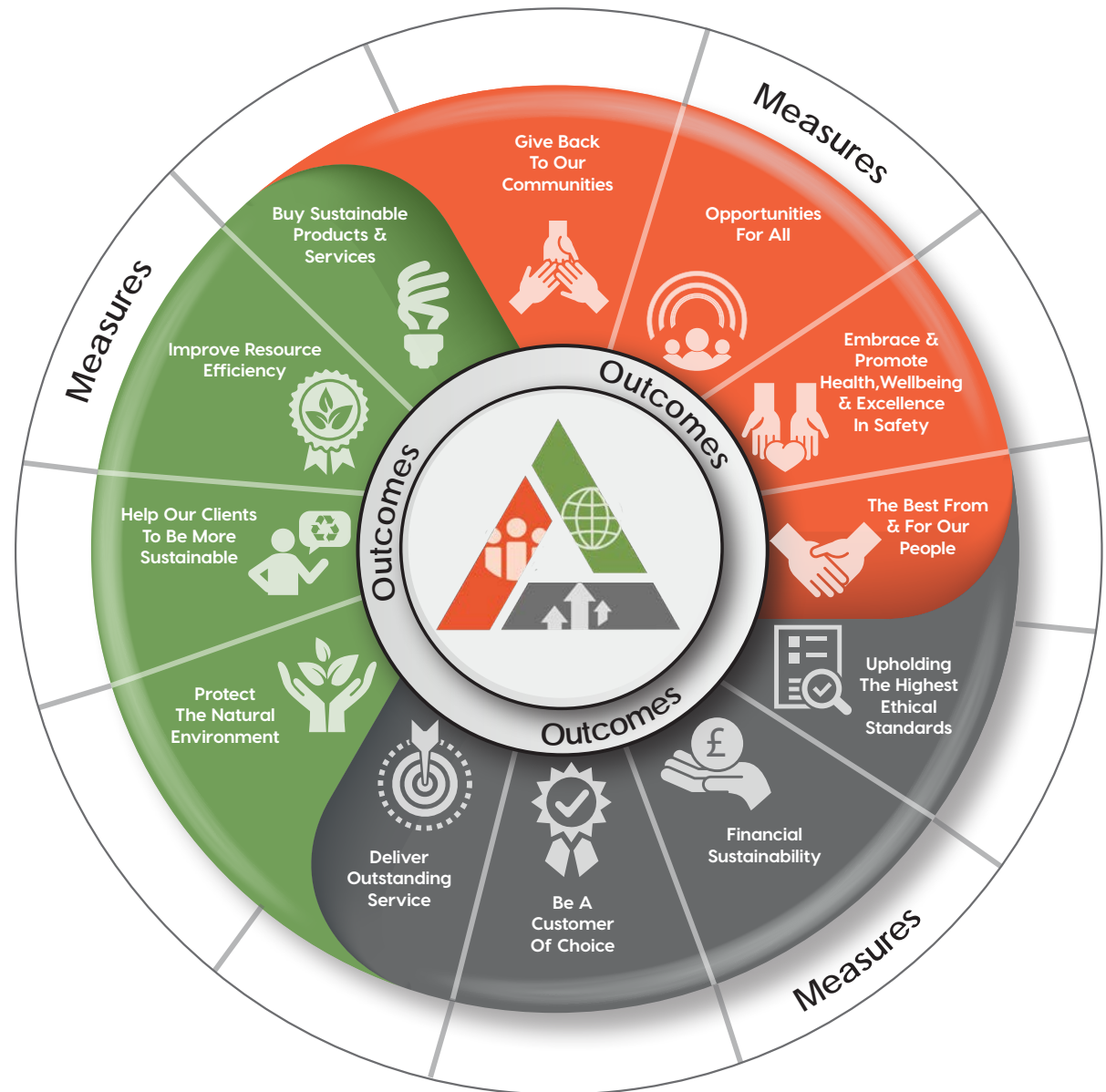
A Comprehensive Approach

The purpose of PPP is to embed sustainability into 'business as usual' operations. Following a materiality assessment, (see page 13) we tailored PPP to be relevant to our business practices and aligned with the needs of our customers. The design of PPP ensures an inclusive strategy, reconciled against key industry guidance as well as government social and environmental priorities. This includes;

- » **United Nations Sustainable Development Goals**
- » **Paris Agreement 2015**
- » **Social Value Act 2012**
- » **United Kingdom's 2050 Net Zero Target 2019**
- » **Construction Industry Training Board**
- » **TOMs National Framework 2020**
- » **Construction Playbook 2020**

Our approach is thorough, while offering simplicity and flexibility to our customers. We ensure all of the fundamental aspects of sustainability are in hand, while providing a platform for a bespoke plan that contributes meaningfully to the communities that we work with.

N.B. The National Themes, Outcomes, Measures Framework, (commonly referred to as TOMs) is a commercial tool for Social Value Measurement. This allows organisations to assess the additional contribution that a project will make to society in terms of fiscal savings, broader economic benefits and value to local communities.





The Benefits of PPP

PPP seeks to benefit:

- » Our customers
- » The communities where we work
- » Our sustainability and commercial resilience as a business

Our Customers

PPP benefits our customers through:

- » Helping customers to easily assess our business against key performance indicators
- » Support in delivery of customers' social value and environmental responsibilities
- » Providing a clear structure for customers to create a social value plan with our project teams
- » Up to date recording and reporting with clear and comparable metrics
- » Allowing for like-for-like comparison of 'Social Value Return On Investment' compared with other capital projects

Our Communities

PPP benefits communities by:

- » Promoting meaningful social value created through bespoke options to support community outcomes
- » Ensuring that the core areas of social value and environmental protection are met in every instance
- » Ensuring long-term accountability and continuity from project to project, encouraging a social value legacy

Our Business

PPP benefits our business by:

- » Having a sustainability and social value agenda that our people are proud of and creates career opportunities in our communities
- » Attracting talent through our proactive approach to sustainability and our opportunities for employees
- » Improving our energy efficiency and reducing carbon overheads
- » Ensuring consistency across our business to continuously improve and refine our social and environmental activities to create more value and less waste in our processes



People

THEME 1

At the heart of our construction business is a long history of delivering social value on projects. We know that prosperity depends on the ingenuity and collaboration of private sector businesses like Tilbury Douglas, which is why we need to be the creators of value, beyond the commercial kind. Our approach is to focus social value locally, driving the local pound and creating value that will ensure high impact and positive ripple effects. This will include spending with local businesses and creating opportunities for local employment. All of this is founded on the passion and engagement of our people and supply chain partners.



APPROACH

Social Value As Standard

When it comes to Social Value, we aim to not only satisfy customer requirements, but inspire project targets. The current status quo leaves social pledges to be defined by the customer; however our approach aims to work collaboratively with our customers to produce goals that bring about meaningful and appropriate social value to every project.

A Culture of Social Investment

PPP sets a clear framework for defining, measuring and reporting social value, ensuring appropriate targets are set and met.

There is however, an important human element to creating social value. Tilbury Douglas's community minded culture underpins our social value plans and is the shining light that is crucial in creating a social value legacy.

Our partnerships with our supply chain businesses are also of key importance. Mutually beneficial relationships, early involvement and clear communication mean that we are able to harness the benefit of business-to-business collaboration to enhance social value outcomes.

**Every employee committed
to community volunteering
through the Give a Day of
Your Time initiative**



HOW WE CREATE POSITIVE SOCIAL IMPACT

Give A Day Of Your Time

Community involvement is in the DNA of our people and a source of pride in our business. Our Give-A-Day-Of-Your-Time initiative encourages every employee to volunteer to support community projects, with their time sponsored by Tilbury Douglas. The initiative has been a roaring success over the years, with 291 days worked in the community in 2019 alone. Staff can volunteer to support projects that we are actively involved in delivering, or alternatively in community projects where they live.

Supporting The Voluntary Sector

Our purchasing teams work hard to uncover opportunities for not-for-profit organisations and to help them compete for contracts to deliver social benefit. We work alongside a number of social enterprises delivering a range of services including providing site staff and recycling materials.

Social Value Delivery Reports

It is important to capture and report the social value we create. We have adopted the National TOMs framework to record social value and also to calculate social value return on investment. We report on social value created during our projects and produce Social Value Delivery Reports for our customers when projects are completed. We also share data internally to encourage best practice across our business.

POSITIVE SOCIAL IMPACT IN ACTION

Focussing on local spend

Spending through local supply chains and with SMEs is one of the key ways that our projects can stimulate positive socio-economic improvement. Our focus on local ensures that the majority of our supply chain spend is with businesses within 30 miles of our sites. Promoting the local pound up-skills and builds capacity in local businesses, as well as creating resilience and diversity in our supply chain.

Our UK Building team in the Midlands achieved 97% local supply chain spend when delivering the Birmingham Nightingale Hospital in 2020. Not only did this stimulate the local economy through an uncertain few months, but it ensured that we could deliver a ground breaking project in an extremely tight programme through a trusted supply chain.

Skills and Employment

Our business depends on the next generation of skilled workforce, and as such we target 5% apprentice employees across the business. In 2020 we had 118 apprentices, which is equivalent to around 11% of our people. We aim for 100% retention across our graduate and apprentice schemes.

Tilbury Douglas has a lot to offer young people embarking on a career in the construction industry, from construction management to civil engineering and quantity surveying. Our focus is on providing meaningful and appropriate training placements that will form the foundations of a healthy and safe career in construction.

Planet

THEME 2

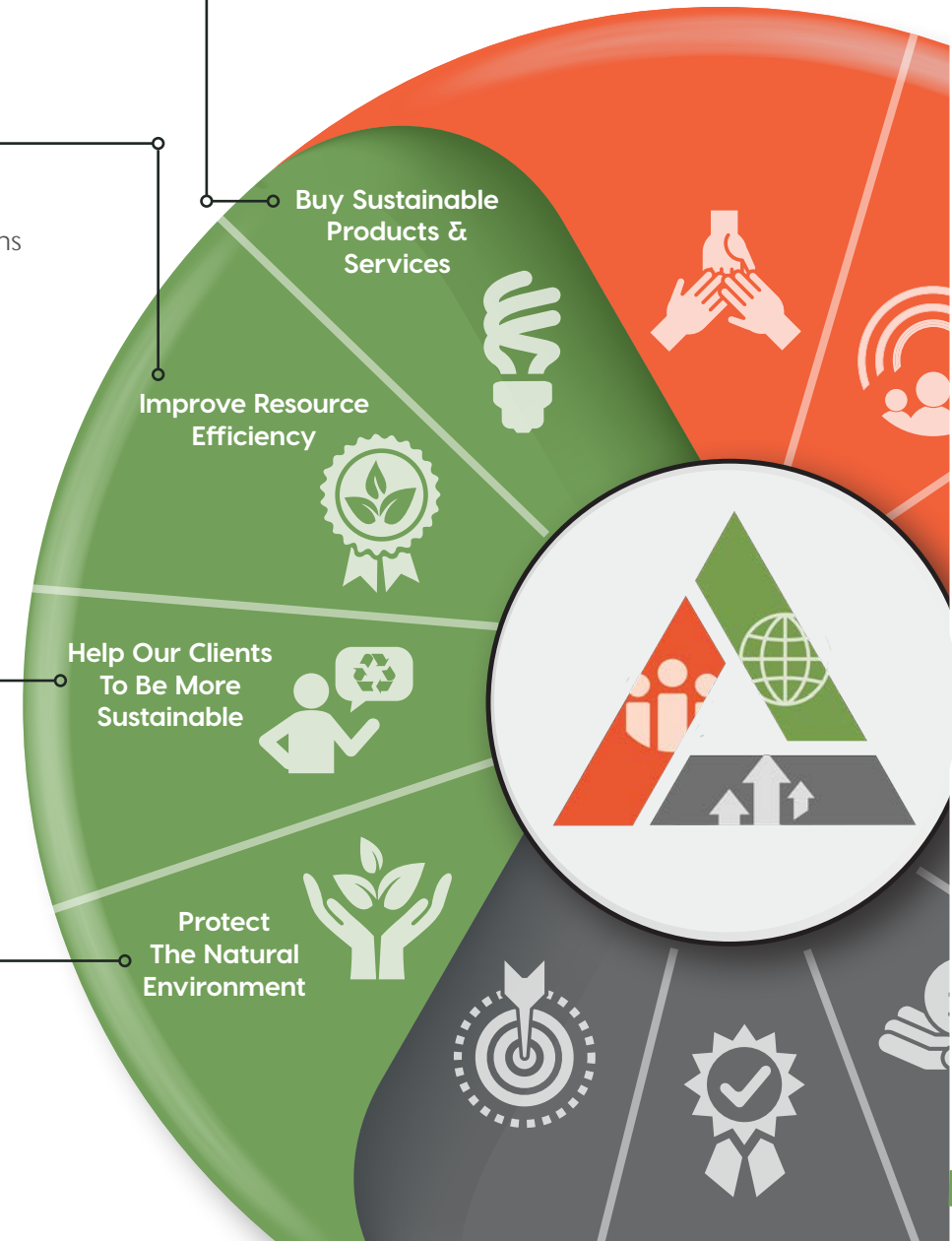
As a construction business, we participate in an environmentally destructive industry. We have a responsibility to address the impact involved, and an opportunity to be part of the solution. With growing pressure on our natural resources, our duty is to ensure all of our business activities either maintain or enhance the resilience of the natural environment in which we and our supply chain operate.

- » Promote train over air travel
- » Achieve year on year reductions of water, electricity and gas consumption
- » Support reduction of waste by following circular economy principles
- » Reduce carbon footprint of our travel and on our sites

- » Support our customers to achieve high level accreditation and standards
- » Promote post occupancy evaluations on every project

- » Prevent environmental incidents on every project
- » Promote car miles saved through green alternatives
- » Support low/zero emission car miles

- » Promote materials procured from sustainable sources on every project
- » Achieve sustainable procurement commitments on all contracts



APPROACH

Achievable Milestones For Long Term change

Our ambitions to become a net zero company, reduce our waste and improve the environments that we operate in are all rooted in global environmental concerns of a climate change and mounting resource challenges.

Tilbury Douglas will be net zero in our own operations by the end of 2023, with a long term goal of being a net zero company, including our wider Scope 3 emissions from our supply chain and end users. To meet our 2023 ambition we will be implementing initiatives to ensure that we reduce our carbon intensity. Where we are unable to reduce our emissions we will invest in offsetting initiatives. We have worked with the Carbon Trust to confirm that our targets align with science based targets, limiting global temperature rise to 1.5°C and well below 2°C.

To reduce our waste, we will be taking an incremental approach to ensure that each phase is properly embedded in the business and works. Additionally, we will be working with our supply chain to ensure our materials are sustainably procured and increase Modern Methods of Construction on our projects.

As well as preventing harm, we will be focusing on improving environmental biodiversity. This will be achieved at multiple levels of business operation, from individual projects, to whole business initiatives.

HOW WE POSITIVELY IMPACT THE ENVIRONMENT

Commitment To Carbon Reduction

We are committed to reducing our absolute and relative carbon emissions and becoming an internationally accredited net zero company, across our own operations and within our supply chain. There will be special emphasis on reducing our emissions from our business fleet, electricity and on-site diesel usage because most of our carbon emissions come from these sources. With our business fleet being our largest source of carbon emissions, we will be looking at ways to upgrade our fleet to include more carbon efficient vehicles, as well as encouraging driving behaviour that reduces fuel use.

Supporting A Circular Economy

Where and what we buy is crucial; not only does material choice influence the embodied carbon on projects, but it promotes greater choice and value within the circular economy, helping our customers to make more sustainable choices. Our purchasing teams work hard to understand the latest options and alternatives in eco-products, creating viability within budgets through economies of scale and ensuring fit-for-purpose.

We only use sustainable timber from FSC and PEFC across our supply chain and we are always looking at opportunities to make better environmental choices. At the Beacon College Academy in Hereford, for example, the damp proof membrane we used was made from 100% recycled material.

Supporting Our Customers To Build Better

We can help our customers realise the environmental potential of their project; be it through recognised standards, or the delivery of better performing projects, constructed from lower impact materials. We have experience in;

- BREEAM
- Passivhaus
- Net Zero Carbon
- Carbon Offsetting
- Environmental enhancements

Accountability

As we deliver our KPIs, we will monitor our performance in real time to ensure we remain on track to meet our targets. We will demonstrate that we are committed to the sustainability and performance of our business with independent certification through the Achilles Carbon Reduce scheme, which is a globally recognised standard (formally CEMARS).

POSITIVE ENVIRONMENTAL IMPACT IN ACTION

In 2020 we reduced
our fleet emissions by

49%



In 2020 we reduced
our total carbon
emissions by

34%

In 2020 we reduced
our construction waste
by

33%



Performance

THEME 3

Our vision is to be a trusted construction partner chosen for our commitment to our customers' needs. To achieve this, we will nurture a culture of continuous improvement throughout our business; challenging our performance and business-as-usual processes to deliver outstanding service.

We are passionate about finding better ways of working, from embracing Modern Methods of Construction (MMC) to the latest digital solutions, with a common aim to enhance customer value and reduce health, safety, environmental and quality risk.

Through increasing the resilience of our financial performance we safeguard our long-term sustainability for employees, shareholders and supply chain and in turn contribute to our customers' success.



APPROACH

Transforming Our Delivery, Together

We are accelerating our digital transformation across every functional area of our business to drive better, faster and more efficient processes. We are investing in fully integrated class leading digital solutions that are focused on improving project delivery. This will enable us to consistently capture our activity, outputs and performance and harness the power of this data to drive continuous improvement in safety, quality, cost, time and sustainability outcomes.

Our business has a reputation for excellence in our chosen markets and we recognise the critical role our supply chain plays in this. We will continue to work collaboratively with our key supply chain partners, including those we are developing to support our MMC ambitions. We will engage them early in our processes, harness innovation and embed the 'Right-First-Time' ethos and culture of continuous improvement right across the project delivery. As a collaborative delivery team, we will use regular customer touch points to ensure we fully understand customer drivers and are taking an outcome based approach to deliver them.

HOW WE IMPROVE PERFORMANCE

Advancing Better Ways Of Working

Tilbury Douglas Construction has consistently been an early adopter of digital construction and Building Information Modelling (BIM). We delivered the first Government BIM Pilot Project in 2012 at HMYOI Cookham Wood, and were the first Tier 1 Contractor to achieve Level 2 BIM certification in 2015. Our focus is to build on this strong track record to further embed digital technologies alongside the use of Modern Methods of Construction in our delivery model. We will do this from design all the way through to off-site manufacturing and on-site construction and assembly. These solutions will drive improved efficiency and quality, make construction safer and will reduce greenhouse gas emissions compared with traditional methods. The use of BIM and digital twins will also support improved sustainability, performance and value for money across the whole lifecycle of the built asset.

Doing The Right Thing

We are committed to upholding the highest ethical standards across our business. This means we adopt a zero tolerance approach to bribery and corruption. We ensure compliance with competition law and engage in ethical procurement and fair working practices to prevent modern slavery in our business and supply chain. We employ a strong governance model, robust risk management approaches, and internally and externally audited processes. These are supported by targeted initiatives and activity to improve awareness and accountability for our actions and ensure we maintain the trust of our stakeholders.

IMPROVING PERFORMANCE IN ACTION

Digital Construction Solutions in Healthcare

We used a wide range of Digital Construction solutions, including 4D BIM and robotic setting out stations, when building the High Energy Proton Beam Therapy Unit for The Christie NHS Foundation Trust in Manchester. These were essential in helping us to overcome the many challenges involved in delivering a complex building. Digital construction allowed us to coordinate the positions of 20,000m³ of concrete, 1,700 tonnes of reinforcement and 10km of conduit for engineering services, cables and pipework within high tolerances into walls 6 metres thick on a site constrained by a live acute hospital. The award winning scheme is now serving the public as the first UK-based NHS high-energy proton beam therapy centre.

MMC in the Water Sector

We have worked closely with our customers to develop innovative solutions during early contractor involvement on our projects across the Water sector, promoting 'no build' solutions wherever possible.

Our recent project at Wolsingham Sewage Treatment Works for Northumbrian Water involved upgrading the existing sewage treatment works with new primary tanks, final tanks and an inlet works screen. Off site build techniques were used across the majority of the solutions, saving 12 weeks on the programme and approximately £600,000.

Northumbrian Water recently commented that; *"Construction aligns with our 'build offsite by default' ethos, using many non-traditional methods of delivering new process units. This has resulted in many innovations, improving construction safety, cost savings and speed of delivery."*



How PPP Works on your Project

At the commencement of each project, your Project Manager will meet with you to discuss our sustainable commitments for your project. Using our PPP guidance on project value and type, we will create targets for social and environmental deliverables on your project. This will be a combination of:

- » **Necessary requirements according to local and national legislation**
- » **Agendas which are important to the customer and locally to the project**
- » **PPP commitments that we have identified as being important, such as local supply chain spend and apprentice and training opportunities**

This flexible approach, underpinned by robust strategy of-fers our customers reassurance and added value.

Implementation and Reporting

Once the targets have been selected and agreed, our project teams will factor the necessary actions into the project programme and facilitate any activities required to begin delivering the PPP strategy on your project. Through our common data environment, A-Site, our Project Manager will update on deliverables on a monthly basis. The reporting can be recalled at anytime, but we would typically send periodic reports as agreed, with a full and final report at the end of the project.

We use TOMs guidance to calculate the social and environmental value of all of our deliverables. TOMs is the most widely used tool to calculate social value, so as a customer this will assist you in having comparable, benchmarked data.

BUILD PPP DASHBOARD

- » Social Value Plan
- » Environmental & Carbon Management Plan
- » Project Plan and Quality Assurances

CONTRACT INTEGRATION

- » Ensure commitments are embedded
- » Develop Supply Chain contract commitments

IMPLEMENTATION

- » Implement into programme
- » Resource sufficiently
- » Set-up monitoring

REPORTING

- » Regular reporting via live dashboard
- » Final presentation report, reconciled with TOMs calculations

CONTINUOUS IMPROVEMENT

- » Holding data
- » Analysing and action
- » Sharing achievements and activities



Development

Materiality Assessment

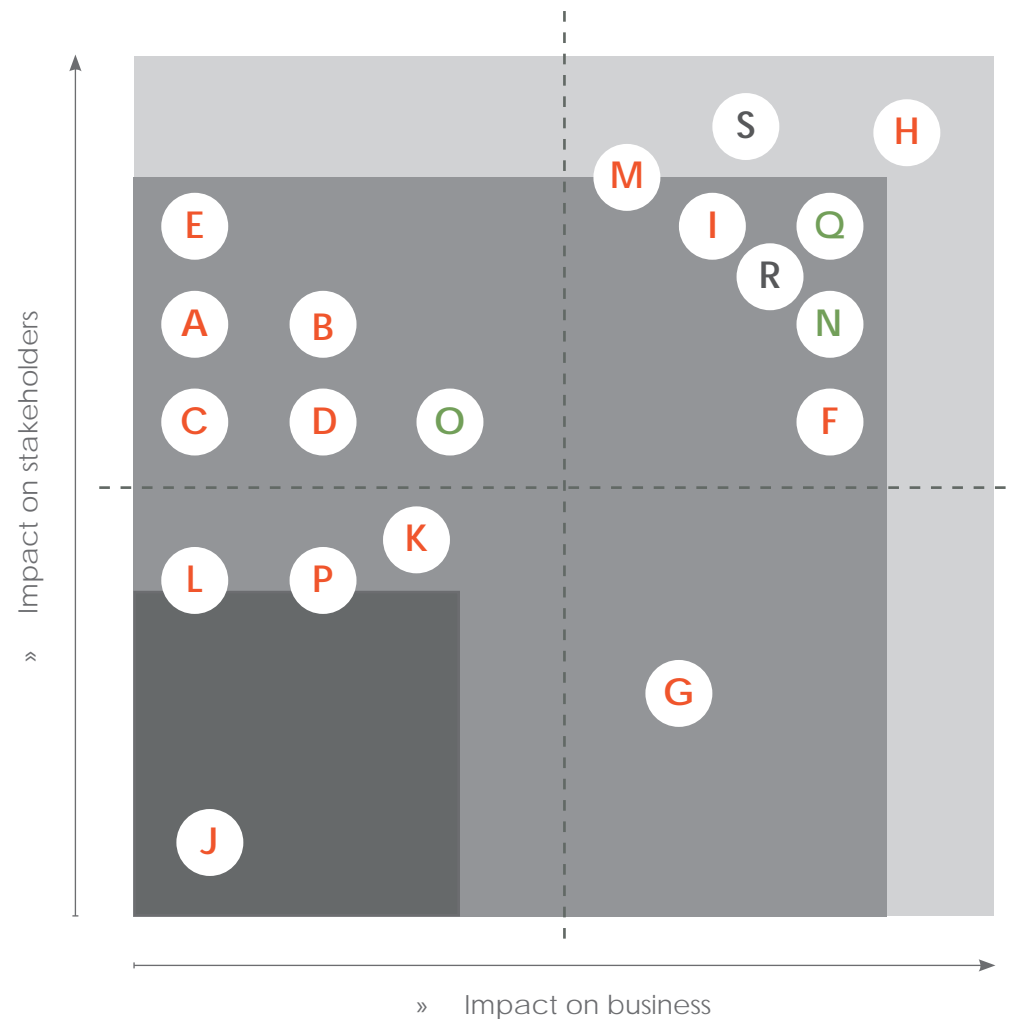
To ensure PPP integrates as ‘business-as-usual’, we focused on identifying what deliverables were important to our business and stakeholders, plotting our priorities.

In the first instance we worked with the TOMs National Framework and the United Nations Sustainable Development Goals as guidance, mapping the impact of each priority against impact on our stakeholders and impact on business; as illustrated right. The priorities with the highest impact for both our stakeholders and business are identified in the top right corner, and are the priorities that predominantly influenced our core focus: People, Planet and Performance.

As we progress, we will continuously review what priorities are most important, and have the biggest impact on our stakeholders, addressing them in our business practices.

Key

- | | |
|-------------------------------------|---|
| » A – Local people | » L - Vulnerable independent living |
| » B – Disadvantaged people | » M – Working with communities |
| » C - Skills for local people | » N – Climate impact reduced |
| » D - Employability of young people | » O – Air pollution reduced |
| » E – Local SMEs and VCSEs | » P - Better places to live |
| » F – Improving staff well-being | » Q - Promote Sustainable procurement |
| » G- Workforce Diversity | » R - Industry, Innovation and Infrastructure |
| » H – Ethical employment | » S - Responsible Consumption and Production |
| » I – Social Value in supply chain | |
| » J - Crime is reduced | |
| » K - Healthier Communities | |





Aligning with United Nations Sustainable Development Goals

In the development of our PPP strategy we ensured that all of our measures and actions support the United Nations Sustainable Development Goals.

We are mindful of all of the UN SDGs, and have selected 12 of the 17 that best align to our targets and where we can have the greatest impact (depicted left).

We have identified our priorities for 2021, which will be continuously measured, reviewed and updated on a regular basis to ensure that our actions remain consistent with the UN SDGs.



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