



WILLMOTT DIXON

SINCE 1852



FORTEM

People who care



Standing up for sustainability

Sustainable Development Review 2017



2016: a sustainable year in brief

5,373
More than halfway towards our 2013-2020 target to 'enhance the life chances of 10,000 young people'

74%
of our people took part in activities which supported their local communities

Carbon neutral
since 2012

5% Club
6.6% of our employees are in formalised apprenticeships, sponsored students, or on graduate development schemes

£2.1m
The value of our community investment through the Willmott Dixon Foundation

71
directly employed apprentices

13%
reduction in carbon emissions intensity compared with 2015

108 g CO₂/km
Average company car emissions

Retained
The Carbon Trust Standard

The Carbon Trust's Supply Chain Standard
We remained the only company in our sector to achieve this – the world's first accreditation for companies monitoring and managing supply chain emissions

Sustainable Company of the Year
Construction News

22,700
the number of students who attended our school and college workshops

889
The number of work experience opportunities we provided

1st
We were first in our sector to achieve BIM (Building Information Modelling) company-wide BRE Global Level 2 Certification

80
100
World-leading employee engagement score

13%
Our Considerate Constructors Scheme average score across all projects was 13% higher than the industry average

Best major contractor to work for
Construction Enquirer Awards

95%
of construction waste diverted from landfill

14%
reduction in construction waste relative to project turnover compared with 2015

Average 10 Point Plan performance
We drive sustainability on our construction projects through our 10 Point Plan.

2014	2015	2016
4.7	5.9	6.9

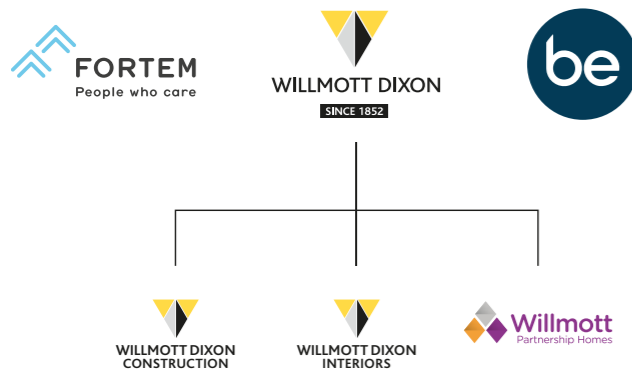
(Scores are out of 10)

About Willmott Dixon

Our vision

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

Our business



Willmott Dixon was founded in 1852. Group Chief Executive Rick Willmott is the fifth generation of the Willmott family to lead the business.

Entering 2017, Willmott Dixon de-merged its residential development business and its property maintenance and energy services business. Both companies have been re-branded – as Be Living and Fortem respectively. Both remain sister companies of Willmott Dixon with shared ownership, and with increasing levels of autonomy and independence.

This Review reports on the combined sustainability performance of all three sister companies.

Our 2017 Sustainable Development Review provides an overview of our 2016 sustainability performance. It is structured around the four main themes in our Sustainable Development Strategy.

- Putting people first**
- Tackling climate change and energy efficiency**
- Smarter use of natural resources**
- Being a responsible business**

If you have any views or comments on this report then we would be delighted to hear from you. Please send your feedback to:

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or email re-thinking@willmottdixon.co.uk

Our values



Human touch

- ▶ Health and safety always comes first
- ▶ Recognise 'it's all about people'
- ▶ Complementary teams are the most efficient
- ▶ Promote from within where we can
- ▶ No better place to develop a career
- ▶ Challenged but contented
- ▶ Enhance diversity



Relationship focused

- ▶ Like-minded customers are critical assets
- ▶ Align behaviour with business goals
- ▶ Build long-term loyalty
- ▶ Make the supply chain a reflection of the company



Intrapreneurial and direct

- ▶ Investors in great ideas
- ▶ Promote change for the better
- ▶ Ask "is this in the company's best interest?"
- ▶ Stretching performance, robust measurement
- ▶ Incentives for all, success shared



Visible and accountable

- ▶ Value and promote our brand and heritage
- ▶ Community engagement matters
- ▶ Be recognised as industry leaders and market influencers
- ▶ Encouraging 'localism'
- ▶ Clear vision effectively communicated
- ▶ Demonstrable professional and ethical integrity



Preserve our environment

- ▶ Committed to on-going waste reduction
- ▶ Determined to reduce our carbon footprint
- ▶ Procuring resources on a sustainable basis
- ▶ Awareness and adoption of best practice

Welcome to our 2017 Sustainable Development Review

Rick Willmott
Group Chief Executive
and Chair of
Willmott Dixon
Re-Thinking



"I have no doubt that our sustainability achievements have played an increasingly important role when it comes to winning work."

By the end of 2015 we had exceeded our headline targets for Carbon, Waste and Community Investment – and in early 2016 we set new targets to 2020 in line with our Sustainable Development Strategy. Our targets rank among the most ambitious in the industry – and, as this Review shows, we are already well on the way to meeting them.

I am clear that our strong performance is entirely down to the hard work of our people – whether it's site teams coming up with new ways of being more resource-efficient, management trainees developing initiatives which are changing lives for the better in local communities, or individuals making carbon-conscious choices when it comes to travel.

I want to make sure that our people continue to understand the importance of sustainability to our bottom line, as well as the planet, and to develop the skills they need to play their part. So nurturing and growing our sustainability culture remains a priority for us. In 2016 we launched the Willmott Dixon Good Business Awards, to recognise the people, projects and initiatives which are helping to make us more sustainable. And we held our inaugural sustainability conference, where each of our local companies committed to make an even bigger contribution to our sustainability endeavours.

2016 saw us hand over the keys to projects of national importance, which are setting new standards for sustainability, including a home for the Met Office's new supercomputer and the fit-out of the Design Museum's new building in Kensington.

Prestigious awards helped to consolidate our reputation as a sustainability leader in 2016. And I have no doubt that our sustainability achievements have played an increasingly important role when it comes to winning work – most notably, once again securing a place on Scape, one of the UK's most coveted public sector frameworks.

2017 will see us continue our work to build stronger, more collaborative relationships with our supply chain partners. And we will be setting targets to help us improve the gender diversity of our business – while our gender diversity is better than the industry average, we know we need to do more to make our business the number one employer in our sector for women as well as men.

Entering 2017, we completed a restructure to move our property development and property maintenance businesses out from under the Willmott Dixon umbrella, to become 'sister' companies, rather than subsidiaries. While these changes have been implemented to allow greater financial, operational and strategic independence, property developer 'Be', and maintenance company, 'Fortem' remain committed to sustainable development, and 2017 will see our Re-Thinking team working with both companies to develop bespoke strategies which will add value and increase competitiveness.

Since this publication is a review of 2016, prior to the restructure, it includes the performance of both Fortem and Be.

2016 Awards



Sustainable Company of the Year Construction News

The judges were impressed with our long-standing commitment, our unwavering ambitions for the future and that all our performance data was verified externally.



Best Major Contractor to Work For Construction Enquirer



Women in Construction Awards

The Women in Construction awards saw Sustainability Director, Julia Barrett, pick up the Green Leadership trophy, while Assistant Project Surveyor, Sarah Mills, scooped the Rising Star accolade for transforming young lives in Croydon with her Lives not Knives campaign. We fielded more finalists at these awards than any other company.

Willmott Dixon Construction was 14th in the Sunday Times' prestigious Top 100 Companies list – the highest in the sector.



The annual list ranks the very best workplaces after extensive online feedback from thousands of staff in hundreds of companies on a number of key areas of contentment.

Willmott Dixon Construction was also awarded the 'Giving Something Back' crown. Judges were impressed with work to improve the life chances of 10,000 young people and singled out how the programme to provide buddying, mentoring and apprenticeships is really making a difference.



Named Education Investor's Constructor of the Year for the third year running



Our Sunesis range of off-the-shelf buildings won the 'Product Innovation' category at the Offsite Construction Awards. Sunesis offers a suite of designs for inspirational new school buildings delivered to fixed costs and timescales.



Apprentice Initiative, 2016 Constructing Excellence, London and South East



Construction Manager of the Year

Our people received industry recognition at the Construction Industry Oscars! Mike Walmsley took gold for Royton Leisure Centre in the £7-10m category, while Mark Pitman won gold for Fusion in the new build £14-20m category. Joining them was Mark Wolverson who picked up silver for St Matthews in the new build £5-7m category.



Low Carbon Construction Award

Hebburn Central won the Low Carbon Construction Award at the British Construction Industry Awards.



Southern Construction Framework – Contractor of the Year



Hebburn Central sweeps the board

This BREEAM Excellent Community Hub which we built for South Tyneside Council has scooped a fantastic array of awards. The facility incorporates a 25 metre swimming pool, library and learning centre. This new 'all in one' attraction is popular with local residents, and is intended as a catalyst for Hebburn's regeneration.

- ▶ British Construction Industry Awards Winner – Low Carbon Construction
- ▶ Best Public Service Building at the LABC Northern Awards
- ▶ RIBA National Award
- ▶ British Construction Industry Award winner
- ▶ Civic Trust Award 2016 - Community Impact and Engagement
- ▶ Constructing Excellence North East – Project of the Year



The future of construction is already here

Jonathon Porritt
Writer, campaigner
and Non-Executive
Director



Back in 2015, a Chinese construction company erected a 57-storey skyscraper in just 19 days, relying very heavily on off-site construction. In early 2016, Legal & General (the insurance people) launched a modular housing business with the aim of making a big contribution to the country's chronic housing shortage. Skanska has used 3D printed cladding shrouds on one of their London projects, and is working with Loughborough University to find ways of utilising the technology further. And in November, private developer, Pocket Living, started work on Europe's largest residential modular tower in Wandsworth.

It's not hard to see where our industry is heading.

Modularisation, standard design and offsite construction are not new. For many years, companies like ours have been using pre-manufactured components such as timber frames or doorsets, which are then finished and sealed on site.

But with the mainstreaming of 3D printing and digital technologies, the case for offsite construction – from closed panel systems, where wood, steel or concrete panels arrive finished and plastered, to whole buildings transported to site on the backs of lorries – is becoming harder to ignore – both from a financial and sustainability perspective.

Our sector currently faces some really tough challenges. Building to time and to budget remains an industry-wide problem, exacerbated by rising costs in building materials (of up to 10% per annum), resource scarcity and a persistent skills shortage. With 8% of the UK's construction workforce currently from the EU, and 64% of the UK's building materials imported from the EU, Brexit is going to make these challenges all the more pressing.

Cutting corners to keep costs down is a dead stupid way of addressing all these challenges.

I've written in this publication before about the gap between the predicted energy consumption of buildings at design stage, and their actual performance in use – the industry's very own VW emissions scandal. I believe that off-site construction is, if not the whole answer, then a very significant part of it. It's indisputably quicker, arguably cheaper, and makes more efficient use of natural resources and skilled, site-based labour. It has the potential to produce higher quality buildings, greatly reduce defects and waste, and make a real difference around energy performance.

“There are huge opportunities for companies able to provide more affordable and much more sustainable solutions, and this industry is certainly ripe for disruption. So let's make sure we're part of the revolution!”

The problem is that, as an industry, we're still very hesitant about embracing change. We tend to be pretty risk averse because margins are so tight. And many still hang on to the old orthodoxy that each project should be seen as unique, which makes it all but impossible to scale up new ideas.

In my opinion, it's the status quo that's impossible. Remorseless rises in traditional construction costs are driving renewed interest in alternative approaches. A few years ago, a modular home was twice as expensive to build as a traditional one. Now it's competitive, especially in areas where build costs are particularly high, factoring in the financial savings of reduced build times. And it's a particularly attractive method of construction for those who are not driven by short-term fluctuations in property prices – for example, housing associations and private rental developers.

Willmott Dixon has made a good start in challenging the status quo. Our Sunesis range of pre-designed schools and CODE custody suite solutions continue to demonstrate that high quality products can be delivered to guaranteed timescales and fixed costs. And last year, our Homes business signed three-year strategic agreements with leading off-site manufacturers Fusion and Robertson Timber Engineering.

I'm also heartened by the fact that our businesses are genuinely committed to creating a more innovation-friendly culture, which rewards rather than punishes risk-taking. In recent months, I've seen an important move away from a bespoke project approach to a longer-term perspective. But if we're to retain our position as an industry leader, keeping up momentum on this cultural change is absolutely critical.

And looming over our relatively manageable challenge here in the UK is the even more pressing situation globally. The population of the world's urban areas is increasing by 200,000 people per day, all of whom need affordable housing and sustainable infrastructure. The global construction market is forecast to grow by more than 70% by 2025. On the one hand, that's good news, but not if all that growth is delivered in the same old costly, wasteful and unsustainable way.

There are huge opportunities for companies able to provide more affordable and much more sustainable solutions, and this industry is certainly ripe for disruption. So let's make sure we're part of the revolution!

Jonathon Porritt



Sustaining the future – by preserving the past

Taking old buildings and turning them into facilities for future generations, is the ultimate in re-use.

The Alexandra Palace is just one of the iconic buildings we have been restoring to former glory in 2016. We're turning the Palace's derelict East Wing into an immersive birthplace of TV experience. The renovation has lifted the lid on a goldmine of Victorian-era architecture that hasn't been seen for decades.

“It's been a jaw dropping experience to see inside such a famous venue that has been untouched for decades... The Victorians built Alexandra Palace to entertain, inform and educate visitors. Our job is to keep the Palace doing just that.”

Steve Harnett, Operations Manager



Putting People First



Our customers

Our ambition

- ▶ 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 lives
- ▶ To nurture a workforce that is safe, healthy, challenged and contented
- ▶ To add social value to the communities in which we work that is aligned to local needs

Our target

To have enhanced the life chances of 10,000 young people by 2020 (2012 baseline)

Modern slavery

In 2016 we developed a plan to ensure that we play our part in stamping out slavery, servitude, forced labour and human trafficking throughout our supply chains. The plan includes carrying out even more robust checks on site personnel and potential supply chain partners, reviewing our sustainable procurement policy and updating all our contract documents. With funding from the CITB we have developed training videos for the industry to help prevent illegal working. We are also training all our employees, so that they can spot the warning signs and report any suspected incidences of modern slavery.

Our 2016 achievements

- ▶ The value of our community investment was £2.14m
- ▶ 74% of our people took part in community activities
- ▶ More than halfway towards our target 'to have enhanced the life-chances of 10,000 young people'
- ▶ 6.6% of our people are in formalised apprentice, sponsored student or graduate schemes
- ▶ Employee engagement score: 80/100
- ▶ £3.4m invested in learning and development
- ▶ 71 directly employed apprentices
- ▶ Almost 50% decrease in our accident frequency rate on 2015

Health and safety

Safeguarding the health, safety and welfare of our employees, those who work with us and anyone affected by our works, is always a top priority. Our core belief is that no one should suffer from ill health or an accident at work.

In 2016 we achieved a significant reduction in our accident frequency rates. This is as a result of our on-going work to establish a culture where everyone is prepared to speak up and challenge unsafe practices.

The statistics below include sub-contractors as well as those directly employed by Willmott Dixon.

Group health and safety performance		
	Fatal	Accident frequency rates*
2014	0	0.22
2015	0	0.23
2016	0	0.12

*number of reportable accidents per 100,000 hours worked

Partnering has been part of our culture for the last two decades. This means going beyond the letter of the contract, or project specification, to understand and support our customers' aims and aspirations. Nowhere is this truer than in our approach to sustainable development.

We think sustainable solutions should add value not cost. For example, by using life cycle costing we identify components and materials which can reduce customers' on-going maintenance costs. We can add value to our contracts by supporting our customers' ambitions for their local communities – through work experience placements, apprenticeships, and spending and employing as much as we can locally.

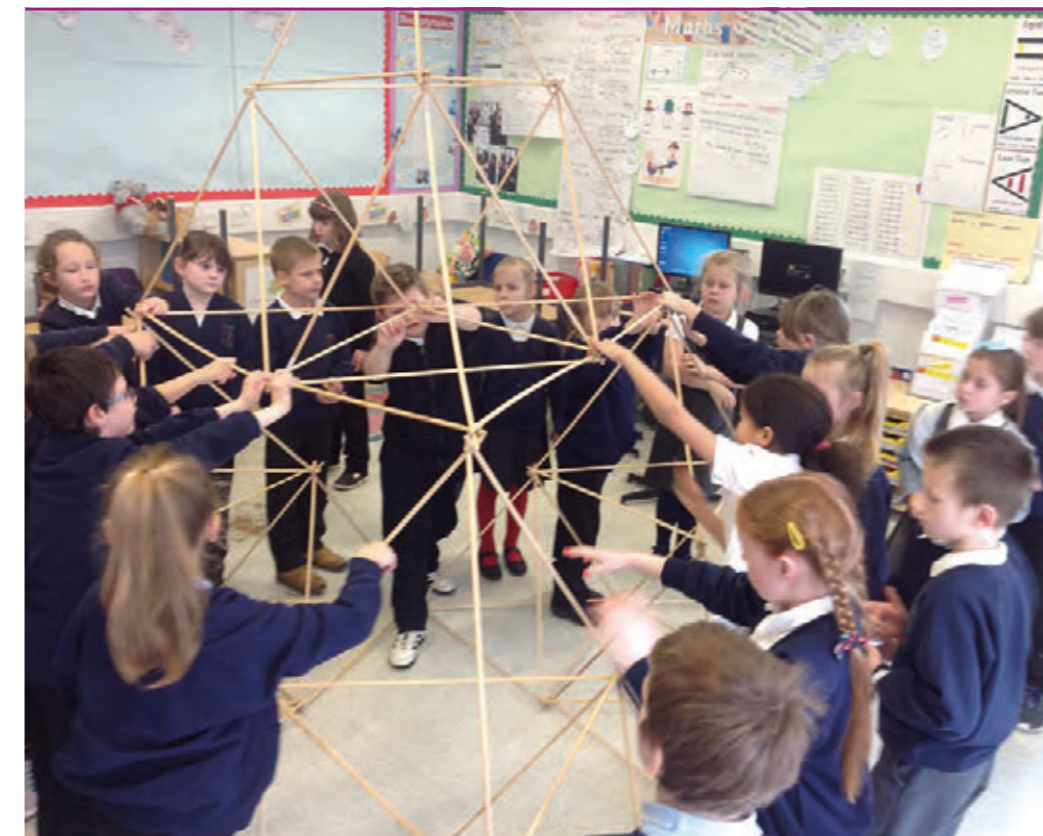
A culture of continuous improvement

In 2016 Willmott Dixon Construction launched a new customer feedback portal – a central hub for information on our performance on projects at all stages of the project. The portal is key in helping our business identify common issues, so that we can learn from what we do.



Building long-term relationships

Leicestershire County Council is one of our longest-standing customers. The 86 projects we have successfully delivered with them include schools, police stations and a new City Hall. Sustainable initiatives, such as the use of prefabricated modular components to reduce build time and cut waste, have delighted the customer, contributing to the team's outstanding 9.08/10 satisfaction rating.



An innovative approach to social value

Supporting the local community through educational initiatives is particularly important to our customers with Welsh Assembly funding. So in 2016/17, we added three teachers to our community team, who have helped align our workshops (aimed at inspiring the next generation into construction) to the national curriculum. This has helped us get much better engagement from local schools, and exceed our KPIs for targeted recruitment and training.

Our communities

The Willmott Dixon Foundation

The role of the Willmott Dixon Foundation is to set the strategic direction, measure, monitor and guide community activities across the businesses. Established in 2011, our Foundation's Board is made up of senior leaders across our three sister companies, and is chaired by Willmott Dixon's Chief Executive, Rick Willmott. The Foundation demonstrates our commitment to finding ways of adding social value to every contract.

Community investment and adding Social Value

To us, community investment and social value means creating a positive impact for society and local communities. We focus much of our activity on three areas:

- ▶ Youth unemployment and inspiring young people
- ▶ Social exclusion
- ▶ Community transformation

Our people carry out a range of activities designed to improve the skills, confidence and aspirations of young people. They renovate community areas and facilities, provide mentoring and work experience, organise fundraising events and other activities supporting good causes. In 2016, the value of the time, donations and gifts-in-kind, which we gave to local communities, was £2.14m. We've always been clear that it's not about the money, but about the impact we have had. So while this figure is slightly lower than in 2015, the volume of activities we delivered, and the impact these have had, has greatly increased. This suggests that we are getting better at delivering social impact, and delivering a 'bigger bang for our buck'.

Measuring what matters

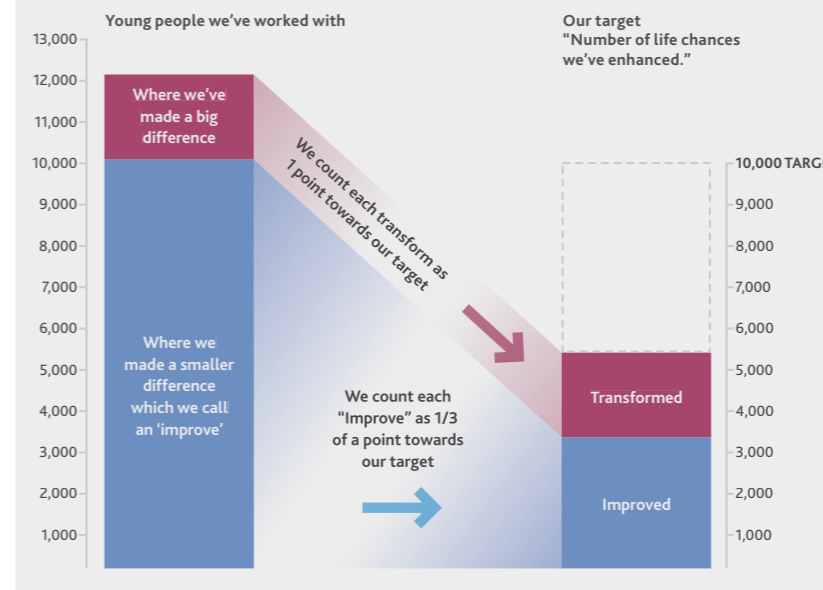
The value of a business's community activities has traditionally been expressed through the cost to the company – for example, the cost of staff time – or the activities that take place – such as the number of apprenticeships. Using these measures as targets, however, risks encouraging teams to favour undemanding interventions over ones which will make the most difference. We robustly collect the data on the time our employees spend mentoring young people or renovating a community hall, but we strongly believe that it is the impact of what we do that matters most. So in early 2013, we set ourselves a unique social value target based on impact: to have 'enhanced the life chances of 10,000 young people by 2020'. This focuses and encourages our teams to develop activities which are genuinely life-changing.

Our methodology is based on the fact that we know that some interventions – for example, assisting with CV writing or mock interview practice – are helpful, but unlikely to have the same impact that an extended period of work experience would. And for some young people facing significant barriers to work – for example, someone in the criminal justice system – the impact of a successful intervention is likely to be significant – not just for the young person but for society as a whole.

So on this basis, if an activity genuinely transforms a young person's life chances, we count that as one point towards our target. If we help a young person along the way – as with interview skills – we count this as one third of a point (see the infographic below). And some activities – such as attending careers fairs where we don't have significant in-depth one-to-one discussions – we don't class as meaningful interventions. This means that we don't include these interactions in our target at all – even though we know that sometimes these short conversations can lead to changes in attitude and motivation.

In 2016 we transformed the life chances of 599 young people, and improved the lives of another 3,987, which, when added to our achievements in previous years means we are over halfway towards our target.

Progress against our Young People Target



As part of our work to meet our target we:

- ▶ Provided over 889 work experience opportunities
- ▶ Held one-to-one individual discussion sessions with 630 young people
- ▶ Completed 775 mock interviews
- ▶ Undertook site visits for 9,124 people
- ▶ Delivered school/college workshops to 22,700 students
- ▶ Our people also supported 378 community events

In our staff survey, 74% of our people said that they had taken part in these and other activities in support of their local communities over the past year.

"Improving" or "Transforming" life chances?



This graphic demonstrates the many factors we take into account when deciding if an intervention has enhanced or transformed lives.

"I believe our company has a purpose beyond profit... we have the scale to create a huge and lasting positive impact on our society. This is not only done through what we build and maintain; it's achieved through the fantastic efforts of our people who make a major contribution to enhancing their local communities."

Rick Willmott, Group Chief Executive



A culture of continuous improvement

Willmott Dixon was one of only a handful of organisations – and the only one from the private sector – to give a presentation at a high profile event at Portcullis House in September 2016. The event was the launch of the Social Value Maturity Index. The Index is designed to help local authorities identify what they need to do to meet their obligations under the Social Value Act, and drive social value through bids and tenders. It was developed by a task group consisting of local authorities and we supported from a supplier perspective.

Alison Symmers, Head of the Willmott Dixon Foundation, gave a talk to a VIP audience which included public sector chief executives and heads of procurement, as well as MP Chris White, the force behind the Social Value Act.

Enactus

In 2016 we became a silver sponsor of Enactus UK, an organisation which supports talented students to deliver social value projects. Sponsorship means that we provide business support, mentoring and resources to get projects off the ground. Supporting Enactus helps students develop vital skills which give them the edge in the job market. And it helps us drive social value through groups of engaged, committed and entrepreneurial young people.





Challenging our young people to make a difference

Our Management Trainee Challenge helps our future leaders understand the importance of social value. Every year a final year trainee from each local office takes up the challenge of planning and delivering a community project on behalf of the Willmott Dixon Foundation. In 2016, Kristian Kerr's winning challenge brought together colleagues, supply chain partners and out-of-work young people to build a new summer house and nature garden for a children's hospice in Middlesbrough. Through the combined efforts of all of the 2016 Trainee Challenges, local communities have benefitted from time, gifts and donations worth over £600k, and at least 130 of our valued supply chain partners contributed goods and services.



Inspiring offenders in and beyond

Many offenders leave prison with out of date skills. This can lead to difficulties finding employment and, in some cases, re-offending. Our Cobham team has been helping prisoners at HMP Elmley acquire new skills and training, so that they are 'Ready For The Gate'.

The team has provided CITB Health and Safety training, culminating in a CSCS test. Supply chain partners provided opportunities to prisoners on release, attending careers events at the prison, and providing extra support – transport, lunch, and pay – in their first week of employment.

In 2016, 24 prisoners on the programme passed the CITB training and CSCS test, 12 prisoners found employment on release, and two prisoners found apprenticeships.



School for a School

Our innovative Sunesis schools are providing first-class learning environments for children across the UK. But we wanted to go one step further, and give the same opportunities to children in other countries. The School for a School initiative means that for every Sunesis school we build, we also fund the building of a school in the Cameroon, where over 50% of children are too poor to go to school.



IT team helps young people find work

Over half of our IT team got involved in initiatives designed to help young people develop their employability skills. Many of the team previously had little experience of delivering social value, so they based their approach on the kind of activities they would have appreciated when they were just starting out. All of the young people they worked with have since found employment.



Company bike ride raises £100,000 for medical charity

Over 200 of our people took part in our first-ever company cycle ride across Hertfordshire and Cambridgeshire. The event netted £100,000 for Action Medical Research. The route celebrated our company's roots, with cyclists going through Bassingbourn, the village where John Willmott founded our company in 1852. His direct descendant Rick Willmott led the riders, with the route also taking recent projects like The European Bioinformatics Institute and a new Sunesis school in Biggleswade.

Supporting people into the industry

It is important that businesses like ours play a part in developing workers of the future. Below are some of the ways in which we are attracting talented new recruits.

Management trainee programme

Our management trainee programme is a key way in which we are supporting people into our industry. People can enter the programme with or without a degree and we are keen for people to join us from other sectors if they are seeking a change in career. We want to encourage more women into our business, so in 2016 we set a target of 33% female management trainee intake. We achieved 29% and aim to exceed 33% in 2017.

Degree apprenticeships

We are part of a consortium of contractors offering new degree apprenticeships. These are giving around 80 school leavers or recent entrants to the industry the opportunity to complete a six year apprenticeship leading to an honours degree, without the student debt.

Management trainees and apprentices directly employed					
	2012	2013	2014	2015	2016
Management trainees	97	98	110	161	153
Directly-employed apprentices	64	63	60	59	71

To encourage people to consider a career within the construction industry we are increasing the number of work experience placements we provide and we are attending more careers fairs and events at educational establishments. We have also set up an information portal on our Intranet called "Attracting the Next Generation", which provides our people with the information and tools to make these activities and placements more meaningful and successful.



Trainee of the year

Andrew Stevenson, Assistant Health, Safety and Environment manager for Willmott Partnership Homes, beat off stiff competition to be named our 2016 Trainee of the Year. Andrew only joined us two years previously after 15 years in the armed forces, latterly commanding an IED (Improvised Explosive Device) search team in Afghanistan.



Trainee of the year, Andrew Stevenson

Members of the 5% Club

In 2015 we joined the 5% Club. As members of the club, we pledged that by 2020 at least 5% of our workforce will be in formalised apprentice, sponsored student or graduate development schemes. At the end of 2016, 6.6% of our employees fulfilled those criteria.



These apprentices from our Cobham office are enrolled on a shared apprenticeship scheme, and have become valued team members.

Being an employer of choice

We know that engaged, happy employees are more efficient and productive, and play an important role as ambassadors for our company. So we measure their levels of engagement with the business annually, through our staff survey, and with regular, pulse checks, in between. 92% of our employees responded to our 2016 staff survey, and our staff engagement score was 80/100. Whilst this is exceptionally high for any organisation we continue to seek ways of ensuring that we remain an employer of choice. All feedback from the survey is analysed and employees' suggestions for possible improvements are incorporated into forward plans.

Annual 'Your Say' Staff Survey employee engagement score (weighted score out of 100)

2012	2013	2014	2015	2016
74	75	77	79	80

In 2016 we improved our family benefits – most notably our maternity, paternity and adoption leave policies. We updated technology to make life easier for our people and to enable them to work more flexibly.

To support the well-being of our people, we improved our private healthcare offering and piloted mental health first aid schemes in parts of the business.

Willmott Dixon Interiors and Willmott Partnership Homes achieved Gold Investors in People 2016 and Willmott Dixon Construction was re-accredited with Gold. Construction and Interiors also achieved Investors in People's Health and Well-being accreditation.

Our Construction people were surveyed for the Sunday Times Best 100 Companies survey in October 2016. They awarded us three stars in December 2016 – their top accolade for companies which they deem 'extraordinary'.

Gender balance and diversity

We have always worked hard to ensure that people in our company are given the opportunity to succeed – whoever they are and regardless of their background. However, while our statistics show our diversity to be better than the industry average, we need to do more to ensure that our workforce is truly reflective of the people and communities for whom we work. So in 2016 we started on a journey to improve our diversity – concentrating, in the first instance, on gender. We set up a Gender Diversity Steering Group to identify how we can better attract and retain women, and break down some of the barriers and stereotypes preventing women from entering the industry. To start this exploration, we ran a series of workshops with men and women in our company to understand what people liked about working for us, and what more we needed to do to establish ourselves as the number one choice for women as well as men. In 2017 we will analyse the results and put an action plan in place.

In 2016 we became a member of the Women's Business Council STEM working group, the only representative from the Construction industry.

Gender balance and diversity

	2013	2014	2015	2016
% female employees	18.5%	18.9%	19.0%	21.4% (12% industry average)
% workforce from minority ethnic backgrounds	6.3%	6.4%	6.7%	7.1% (5.2% industry average)

In April 2016 we were awarded the RICS - Inclusive Employer Quality Mark. They categorised us as "role model" status.

Learning and development

We continue to lead the industry in the amount we invest in our people's learning and development. The £3.4m we spent in 2016 represents over £1,000 per employee.

Total amount spent on learning and development

2012	2013	2014	2015	2016
£2.3m	£2.3m	£2.4m	£2.9m	£3.4m

During 2016 we developed a new online training portal and a variety of new training videos to allow our people to access training more easily. This focus on development will be extended further during 2017 with the introduction of our new Learning Management System.

We developed 'Coaching for Empowerment' and 'Skills Coaching' programmes which have been rolled out across the business. These programmes support the empowerment agenda for our drive to be 'No.1 by reputation'. A new training video: 'A Coaching Approach' has been developed to support these workshops.

Environmental and sustainability training

In 2016 we continued to embed our sustainability and environmental training framework across the business. The framework, based on the IEMA Skills Matrix, identifies the skills individuals need for each job role, and identifies the correct training for them.

Our environment team has been trained to deliver CITB-accredited Site Environmental Awareness Training (SEATS) and we have set a target to deliver SEATS training to 100% of our workforce by 2018.

In 2016 our people received 8296 hours of environmental and sustainability training.

Inspiring our people

It is the hard work and dedication of our people on sites and in offices, up and down the country, which helps us deliver on our sustainability commitments. In 2016 we ran a programme of events to celebrate and share their achievements.

Business leaders and sustainability, environment and community teams came together in May for our first sustainability conference. At #TransformingTomorrow, they had the opportunity to share best practice and hear from a range of inspiring speakers.

We also launched our first set of sustainability awards. The Willmott Dixon Good Business Awards recognised the many unsung heroes around our business. The winners were announced at the conference.

The coveted top prize of 'Sustainability Champion of the Year' went to Willmott Partnership Homes' Environmental Manager, Melissa Corser, whose fearless advocacy of sustainability has brought about huge improvements on sites in the Midlands.



Melissa Corser was crowned Sustainability Champion of the Year at the 2016 Willmott Dixon Good Business Awards. Find out more on p.25

Our supply chain partners

Sustainable supply chain partners

Our supply chain partners are responsible for delivering our projects on site. Their expertise, professionalism and engagement are critical to what we do. We seek to work with supply chain partners who share our values of trust, integrity and continuous improvement, so that we can deliver the very best for our customers.



In 2016 Willmott Dixon Construction launched their 'Better Together Academy' and 'Product Academy'. The purpose of these two academies is to improve the products and service that we provide through true collaboration, and the academies provide a forum to bring together our people and our supply chain partners to discuss issues and learn about key topics within our business, such as sustainability, Building Information Modelling and social impact.

Pre-enrolment

We developed a pre-enrolment system in 2014 with the aim of providing consistent information to our supply chain partners' people before they come onto site. The system also creates a personal training profile for everyone who undertakes pre-enrolment, so that we can ensure that they have current CSCS cards and other trade- and industry-specific qualifications. This means that operatives don't need to carry certification at all times, and reduces the need for photocopying on site. Our pre-enrolment system is currently being linked to a site access system. The system is updated annually to ensure it is fully up to date with industry best practice. To date over 112,000 people have used the system.

Supply Chain Sustainability School

We are a founder member of the award-winning Supply Chain Sustainability School, which provides free sustainability training and resources for suppliers and sub-contractors.



Employing supply chain partners who are local to our projects is a key way in which we increase the social value we bring to local communities.



C & L Timber Kits, a carpentry and joinery company in the north-west, won the 2016 sustainable supply chain award at the Willmott Dixon Good Business Awards. This SME's passion for sustainability is evident in everything that they do – from providing training opportunities and supporting apprentices, to helping us reduce waste by providing a 'take-off' service.

Thanks to our generous supply chain partners

Our supply chain partners up and down the country play a pivotal role in our social value activities. In 2016 they donated nearly £425,000 in cash, staff time and other gifts-in-kind in support of our efforts. To the hundreds of supply chain partners up and down the country, who have gone above and beyond, thank you for your generosity.

Supply chain donations through the Willmott Dixon Foundation

Staff Time (hrs)	Donations (£)	Gifts-in-kind (£)
4,858.65	153,251	270,780

Giving young people a start in life

Many of our supply chain partners play a big part in delivering our ambition to help young people into work. Winters Electrical is just one example of these.

We introduced 18 year old Roland to Winters Electrical, after he had attended a residential course run by Willmott Dixon Interiors. 'Good to Go' was designed to help unemployed young people find careers in construction. On completing the course, Roland decided he wanted to become an electrician, so he enrolled on a four week work experience programme on one of our sites, where he was supported by Winters Electrical.

They were so impressed by his enthusiasm and commitment that they offered him a full time position working with their company. He has now enrolled onto their apprenticeship programme where he will fulfil his ambitions to become a qualified electrician.

Special thanks to supply chain partners Mick Browne and the Winters Electrical team for their commitment to mentoring and supporting the careers of young people like Roland.



Future-proofing office space against rising energy costs

In 2016 we demonstrated our energy efficiency expertise by turning a 1980s office block into an energy efficient work place. Summit House was our fourth project for the Low Carbon Workplace (LCW), a consortium that includes Stanhope, Threadneedle and The Carbon Trust.

The Low Carbon Workplace buys old property to modernise and improve Energy Performance to at least a B rating. This future-proofs the property against rising energy bills and new environmental regulations such as the minimum energy performance standard – set to restrict the letting of buildings rated F or G from 2018.



Tackling Climate Change and Energy Efficiency



Our ambition

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

Our target

To reduce carbon intensity by 50% by 2020 (compared with 2010).

Our 2016 achievements

- ▶ 13% reduction in carbon emissions relative to turnover compared with 2015
- ▶ Carbon neutral for the 4th year running
- ▶ Retained The Carbon Trust Standard
- ▶ Remained the only company in our sector to achieve The Carbon Trust's Supply Chain Standard – the world's first accreditation for companies monitoring and managing supply chain emissions



Accurate reporting

Our new expenses system is helping us report our footprint more accurately, because it captures carbon from train travel.

Our performance

In 2016 we achieved a 13% reduction in carbon emissions relative to turnover, and we are well on track to meet our 2020 target.

Our site teams have played their part by using less diesel and implementing energy efficiency measures in welfare cabins. Fortem, our property maintenance business, have started to use electric vans. We've changed the way we reimburse employee mileage, replacing fuel cards with mileage payments, and this has reduced our business travel footprint.

In previous years, we have not included business mileage by train in our footprint, because we had no means of collecting this data. However, in 2016 we launched a new expenses system where we were able to capture this information. So our 2016 carbon emissions now contain an additional 320 tonnes of carbon emissions, from train travel.

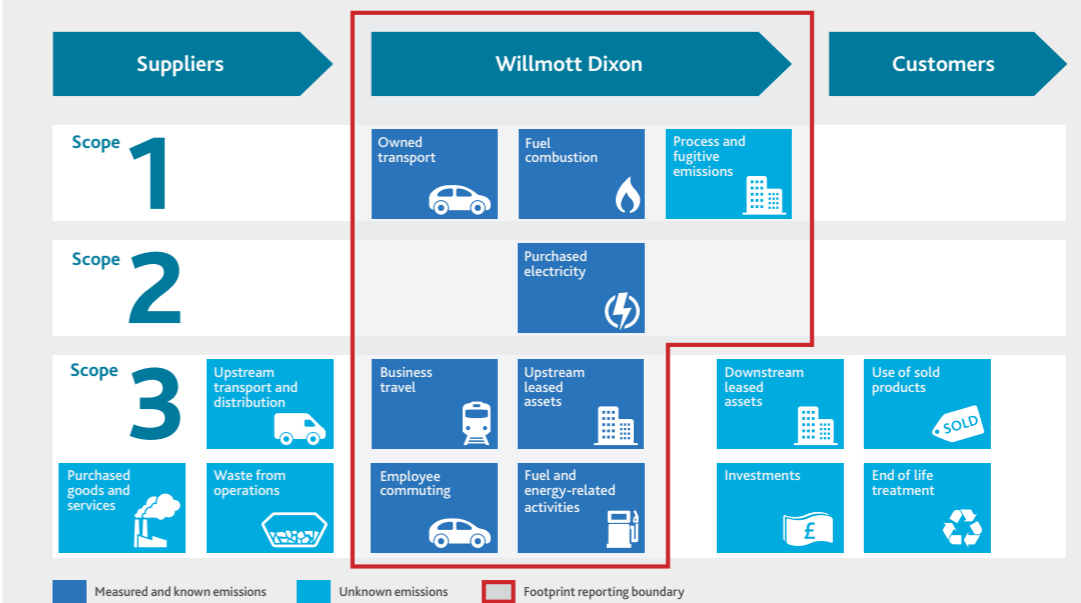
Absolute emissions (tCO ₂ e)								
Scope	Notes	2010	2011	2012	2013	2014	2015	2016
Scope 1	1	10,998	11,351	12,067	11,557	10,730	10,205	7,555
Scope 2	2	4,622	5,327	6,032	4,861	3,339	3,546	2,549
Total Scope 1 & 2		15,620	16,678	18,100	16,419	14,069	13,751	10,104
Scope 3	3	2,530	2,515	2,341	2,585	2,819	3,038	3,316
Total Group emissions		18,150	19,193	20,442	19,004	16,888	16,789	13,420

Notes:

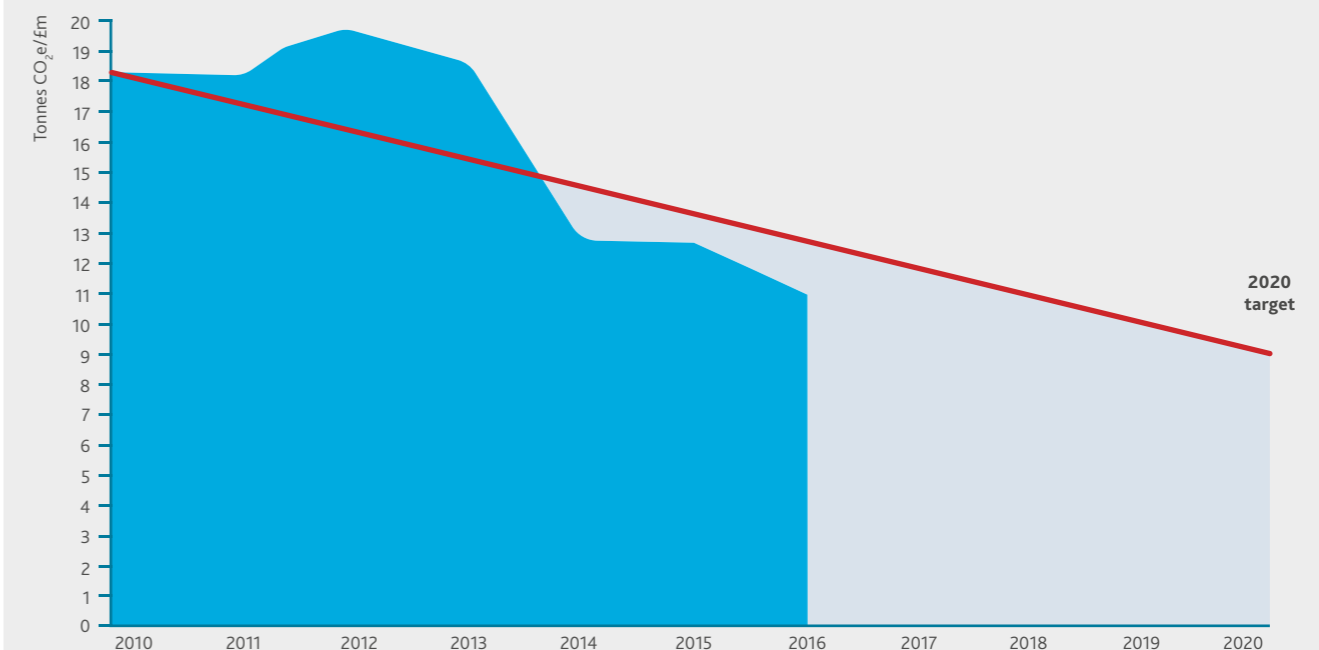
- Emissions from:
 - company vehicles where fuel is purchased or reimbursed by Willmott Dixon.
 - direct fuel combustion by Willmott Dixon, for example, gas in offices and diesel in generators.
- Emissions associated with consumption of purchased electricity.
- Primarily emissions from business travel and commuting in private vehicles – see 'The scope of our reporting' diagram.

Emissions relative to turnover (tCO ₂ e/£m)									
	Notes	2010	2011	2012	2013	2014	2015	2016	% reduction 2010-2016
Turnover (£'000s)		989.5	1,059.0	1,044.9	1,038.5	1,258.7	1,326.3	1,223.3	
Total Scope 1 & 2 emissions intensity	1&2	15.8	17.5	15.9	15.8	10.6	10.3	8.2	48
Total Group intensity	1,2&3	18.3	18.2	19.8	18.6	12.7	12.6	11.0	40

The scope of our reporting



Progress against our 2020 carbon emissions intensity target



“Climate change is a major threat to our planet and I believe every company is responsible for limiting its own impact on the environment to reduce global warming.”

Rick Willmott, Group Chief Executive

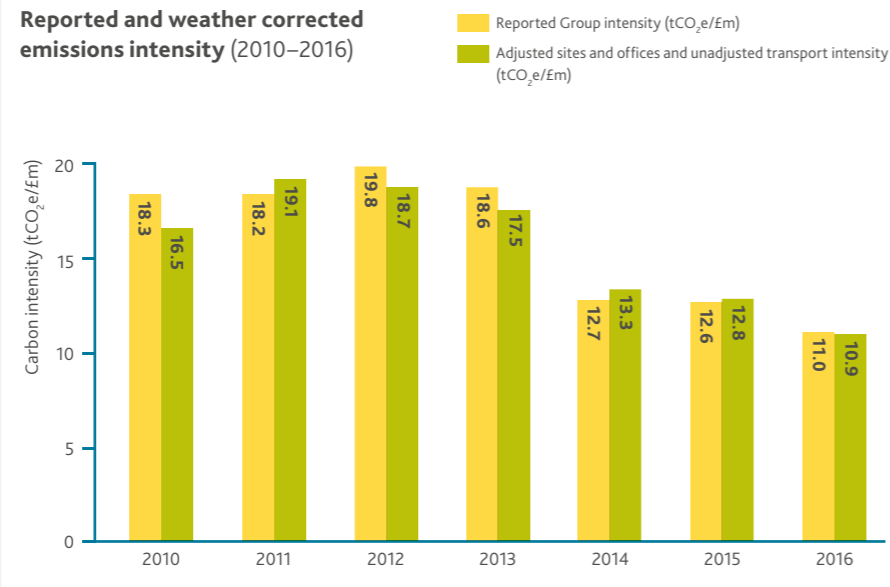
Has the weather affected our carbon emissions performance?

Climate change is already impacting on our weather, and the last three years have set new highs when it comes to temperature. So using Met Office data we have adjusted our figures to compensate for the warmer weather.

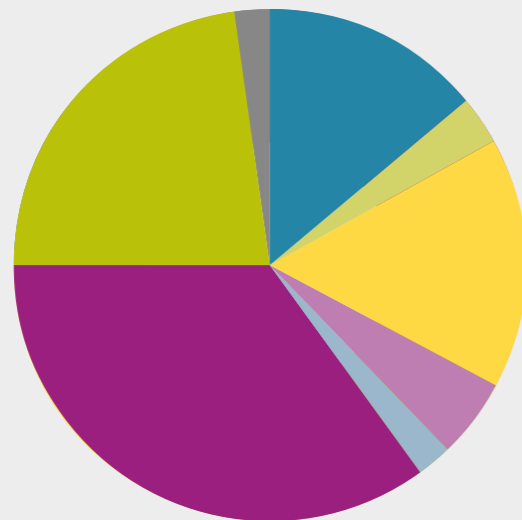
The graph opposite shows our reported performance in yellow, while the green bars show what our performance looks like when data relating to areas likely to be affected by the weather are adjusted (for example, office and site cabin heating).

This exercise shows that since 2010, little of our improvement is attributable to warmer weather and that nearly all (99%) of our reductions can be attributed to operational improvements. This also indicates that between 2015 and 2016 our performance has improved in real terms by 14.8%.

Reported and weather corrected emissions intensity (2010–2016)



Carbon emissions by activity



- Car 31%**
(4,738.12 tCO₂e)
- Van 26%**
(3,088.49 tCO₂e)
- Site diesel 16%**
(2,094.77 tCO₂e)
- Site electricity 14%**
(1,920.09 tCO₂e)
- Office electricity 5%**
(628.70 tCO₂e)
- Site gas 3%**
(340.32 tCO₂e)
- Office gas 2%**
(221.19 tCO₂e)
- Train 2%**
(319.43 tCO₂e)

How have we cut carbon?

- ▶ Paid out £17,000 in bonuses for employees choosing low emissions company or private cars
- ▶ Continued to offer generous car share and bicycle mileage reimbursements
- ▶ Offered employees public transport commute mileage at the same rate as car commute mileage
- ▶ Broadened the choice of electric cars on our company car list and continued to offer substantial bonuses for employees choosing them, to cover the cost of installing home-charging points
- ▶ Continued to prioritise electrical zoning and out-of-hours master switches in our site cabins
- ▶ Used hybrid generators
- ▶ Used electric vans
- ▶ Promoted agile working
- ▶ Reduced average company car emissions from 110g CO₂/km to 108gCO₂/km

Going green on office energy

In 2016 we teamed up with SmartestEnergy to power all those offices where we are responsible for energy procurement, with electricity from renewable sources such as solar, wind and hydro-electric.

It follows our backing of the Aldersgate Group's 2014 campaign to improve electricity labelling, allowing companies to see the carbon implications of energy purchasing. 2017 will see us power our sites with renewable energy.



Recognition for benchmark building

Certified as the UK's largest non-residential Passivhaus building, and with a BREEAM Excellent and EPC A rating, Leicester University Centre for Medicine scooped some of the year's most prestigious sustainability awards, including:

- ▶ ENDS Environmental Impact awards – Built Environment
- ▶ S-Lab Awards – Sustainable Science Building
- ▶ The ProCon Leicestershire Awards Sustainable Development of the Year Award
- ▶ The Global Good Awards – Building Sustainably



Carbon Trust certification

We continue to hold the Carbon Trust Standard. Companies which achieve the Standard must show continuous improvement over a three year period.

In 2016 we continued our pioneering work on The Carbon Trust's certification for companies managing emissions from their supply chain.

Tackling the performance gap

Reducing the gap between a building's expected energy performance and its performance in use is a key challenge for our industry. In 2016 we began trialling a new approach which we have developed on a number of our new projects.

'Energy Synergy' takes a holistic approach to energy performance, improving processes throughout the project – from the right design and materials, through to ensuring that our sub-contractor partners have the knowledge and capacity to build energy efficient buildings.

In addition, we now carry out a short post-occupancy evaluation on each construction project, and a more in-depth study on selected key projects to learn lessons that will help us improve future performance.



Partnership for better building performance

In September we joined a cross-industry 'Design for Performance' initiative led by Verco and the Better Buildings Partnership. As part of the initiative we are carrying out an in-depth energy study of the Gatwick Diamond office development in West Sussex. Good energy performance and low cost of ownership is a key issue for our customers. This pilot trial will help us understand how we can better assure these benefits.

A carbon neutral company since 2012

In 2016 we invested in three carbon-reducing projects to offset our 2015 carbon emissions.

Working with Natural Capital Partners we chose projects which provide additional social benefits to local communities, in line with the aims of the Willmott Dixon Foundation.

All the projects we invest in undergo rigorous investigation to certify that they achieve measurable and permanent reductions in emissions. We self-declare our carbon neutrality according to PAS 2060 guidelines.

These are the projects in which we invested:



Kitambar Renewable Biomass Fuel Switch project

This project has helped the Kitambar ceramics factory in north-eastern Brazil to switch their fuel source of forest wood to renewable biomass, protecting endangered ecosystems. Five local people benefitted from our investment in this project in 2016.



Improved Ugandan cookstoves project

Nearly all Ugandans rely on solid fuels such as charcoal or wood for cooking, which emit high levels of CO₂ and air pollution. This project subsidises the sale of cleaner, more efficient cookstoves, and provides finance for those who cannot afford upfront costs. In 2016 nearly 13,000 people benefitted from our investment in this project.

Meru and Nanyuki Community Reforestation

This project encourages Kenyan smallholder farmers to plant and grow trees, and improves the well-being of local communities. In 2016 our investment helped to improve the lives of 719 local people.



#MelissainUganda

When Willmott Partnership Homes Environment Manager, Melissa Corser, was crowned 2016 Sustainability Champion of the Year, little did she know that she would soon be swapping her daily routine of site visits for inspections of a very different kind.

As champion, Melissa's main duty involved visiting the Ugandan Improved Cookstoves Project, one of three projects in which we are investing to offset our carbon emissions. Melissa's account of her visit raised understanding of carbon offsetting across the company and beyond, and was shared many times on social media.

"I saw first-hand how such a simple idea can make a big difference to people's lives. I will certainly be using the information I learnt in the training I deliver to my colleagues. Hopefully this will help them understand the bigger picture of climate change and how we all can play a part in minimising our impacts, not just within the UK but across the world."



Be

Sustainable developments, sustainable communities



Be is a developer of homes for sale and private rent and has the opportunity to create not just sustainable developments, but sustainable communities. All Be's developments are on brownfield sites.



For us, sustainability is about long term stewardship, and creating places which support vibrant, healthy and happy communities."

Nic Simpkin
Chief Executive
Be



Cheshunt School

Be's development know-how is giving Cheshunt School an exciting future by providing wholesale improvements to school facilities. These include building a new technology block and community sports hall, funded by creating new homes on an adjacent site owned by the school.

The cost of the improvements will be met by Be's development of 88 homes within the school site in Broxbourne.

In 2016 Be's Management Trainee, Elliott Walker, engaged contractors, the school, its pupils and the Woodland Trust in creating a landscape buffer between the school and the new houses. Pupils had the opportunity to connect to nature, by planting saplings, and they will be involved longer term through the resourcing and creation of a school gardening club. The initiative has created a lasting green legacy for the school and the soon-to-be Be residential community.



Moberly and Jubilee

Be is developing over 100 homes on two sites owned by Westminster City Council, and renewing the Moberly and Jubilee leisure centres in the process.

The local communities will get new leisure facilities at no cost to the tax payer as they are funded by the homes Be is creating at both sites.

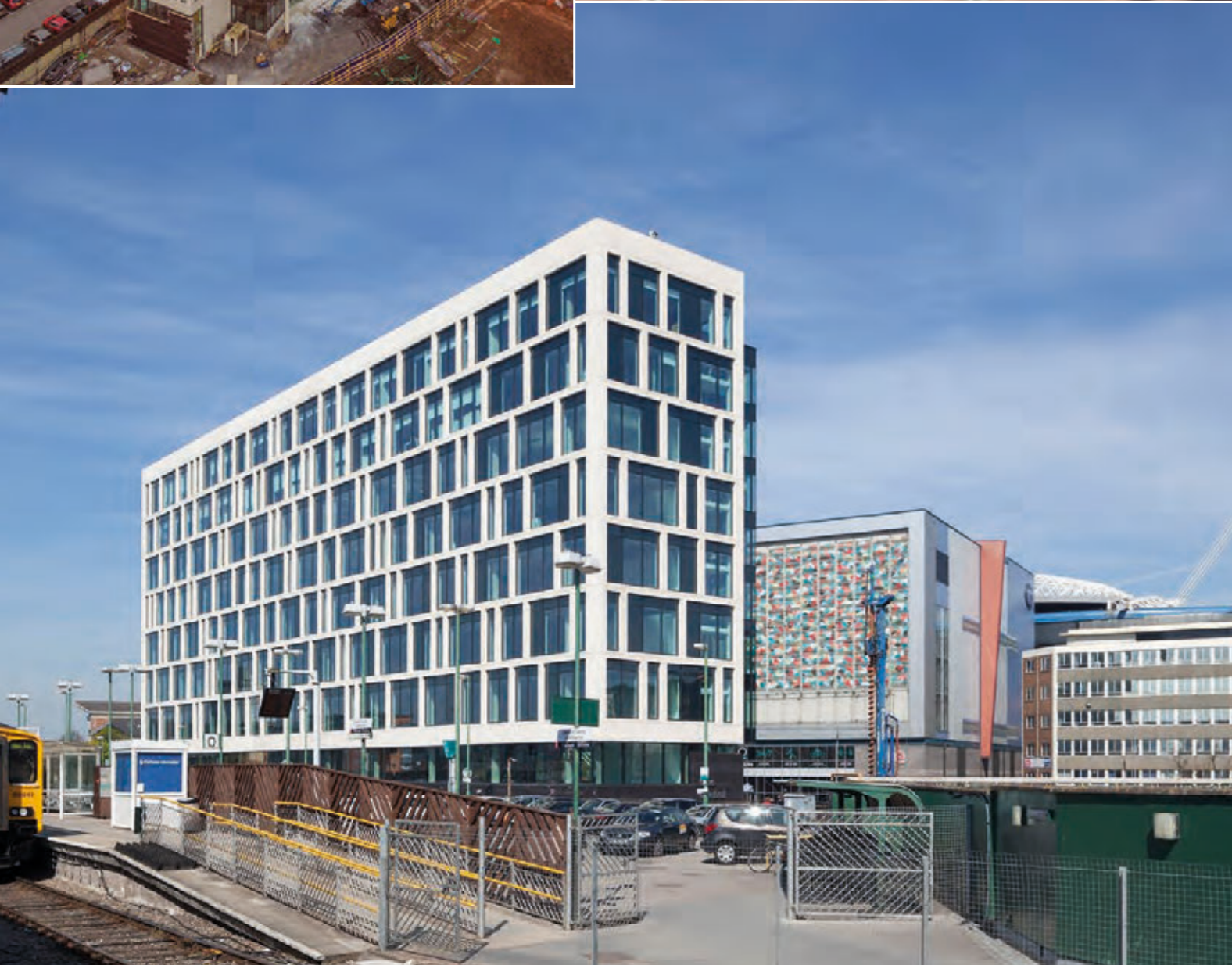


Aberfeldy

Be's regeneration of the Aberfeldy Estate in East London demonstrates just how effective public-private sector collaboration can be. Started in 2010, this joint venture with Poplar HARCA will see 1,176 mixed-tenure homes (affordable homes, homes for sale and for rent) being built by 2020, along with a new park, shops and a health centre. Be completed around 120 homes in Aberfeldy in 2016.

Reducing waste through supply chain incentives

Our team from our Wales and West office, building One Central Square in Cardiff, used a strategy that incentivised supply chain partners to reduce the waste they produced on site. The project's waste performance of 3.4m³/£100k of project value beat its target by more than 50%, and is certainly one of the best our projects have ever achieved. This BREEM Excellent building went on to be awarded RICS Wales' 'Commercial Project of the Year'.



Smarter use of Natural Resources



Our ambition

To reduce the intensity of construction waste and achieve zero waste to landfill

Our target

To reduce construction waste intensity by 60% by 2020 compared with 2012

Our 2016 achievements

- ▶ Reduced construction waste intensity relative to project turnover by 14% compared with 2015 and by 47% since 2012
- ▶ One of the first companies in our sector to develop a biodiversity strategy

By the end of 2016 we had reduced our construction waste intensity by 47% compared with our baseline year of 2012. This means that we are well on the way to meeting our 2020 60% waste intensity reduction target.

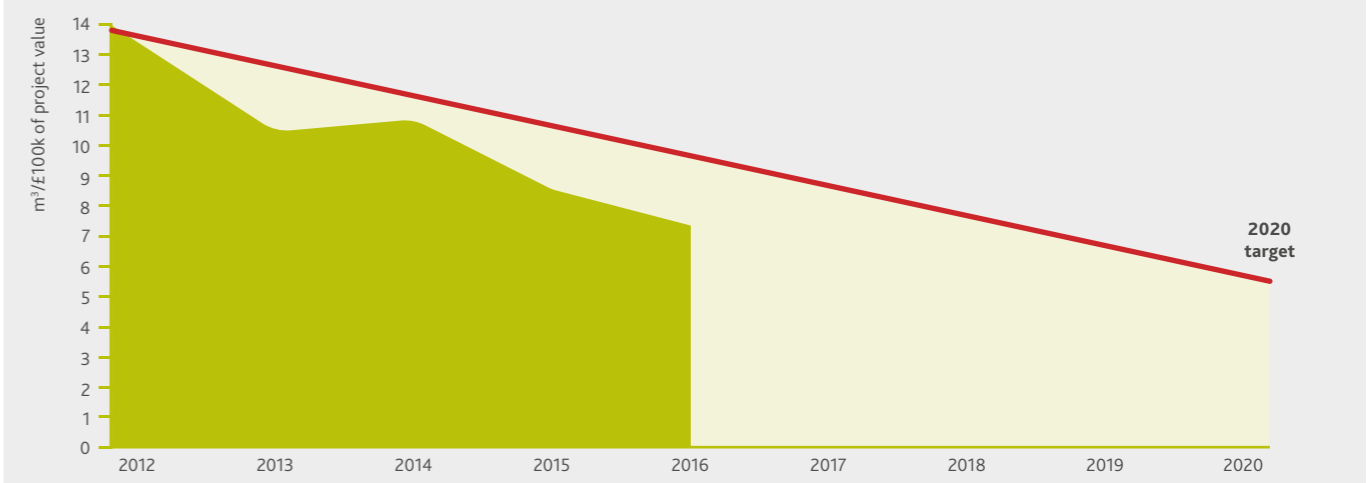
We have achieved this through a range of interventions, including:

- ▶ Our award-winning approach to waste management, which uses supply chain incentives to reduce project construction waste and associated costs by up to 50%
- ▶ Designing out waste by working with manufacturers and supply chain partners early on to identify products and components which will reduce waste on site
- ▶ Creating a waste tool, using four years' worth of project waste data, which helps project teams predict construction waste, and mitigate accordingly
- ▶ Using real-time analysis of project waste data to identify issues and address problems early

Construction waste per £100k of project value

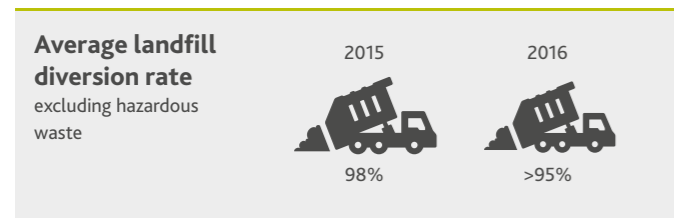


Progress against our 2020 construction waste target



42%

reduction in waste intensity since 2012



Our ambition to achieve zero waste to landfill suffered a setback in 2016, when Bureau Veritas, our external auditor, was unable to verify our landfill diversion data. Whilst our internal reporting indicated a performance of nearly 99%, we were unable to provide all the evidence required. The auditor was therefore only able to verify that we had exceeded our target of 95%. This outcome has prompted us to review and improve our management systems, particularly in response to the Government's recent regulatory review on the licensing conditions for landfill.

Timber

We have retained WWF's top score of three trees for sustainably-sourced timber.

Working with National Community Wood Recycling

Community Wood Recycling is a network of social enterprises which collects and reuses wood waste in the most environmentally-friendly ways, creating permanent jobs and training opportunities for a wide range of disadvantaged people, including ex-offenders, those with mild mental health or learning difficulties, and people who have come through drug and alcohol abuse. In 2016, the 2,720 tonnes of wood they collected from us helped to support 23 jobs and 95 training places. None of the wood they collect goes to landfill.



Wood recycling impact estimates for Willmott Dixon



Using offsite products to reduce waste and improve quality

In 2016 our Partnership Homes business signed three-year strategic agreements with leading suppliers of timber frame and light-gauge steel frame systems. We aim to be building 1,000 homes a year by 2017 using these off-site products which will help reduce waste as well as time, cost and defects.



Biodiversity

In 2016 we became one of the first companies in our sector to develop a Biodiversity Strategy. The Strategy will help to ensure a robust approach, not only at site level but also in relation to the supply chain partners we work with. A more consistent approach will help us capture our progress and achievements and learn from what we do. Each of our local company offices now has its own Biodiversity Action Plan, and local biodiversity champion.



Protecting our ecological heritage

When nesting peregrine falcons were found on site during the refurbishment of Bolton Albert Hall, our Manchester team responded quickly. Working with The Wildlife Trusts, the RSPB and the Raptor Society, they came up with a plan to minimise the disturbance to the nesting birds. The plan included toolbox talks to all those working on site, regular monitoring by the RSPB, deploying just a few people to work on the roof at any time and dispensing with the usual high visibility gear. The approach was successful in protecting this endangered species, while preventing a costly 12 week delay to the project.



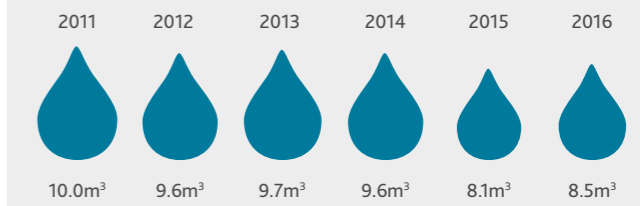
Working with The Wildlife Trusts

Since 2014 we have worked with The Wildlife Trusts under an innovative framework. Central to our partnership is an agreement through which we procure ecology consultancy from The Wildlife Trusts' network of 24 professional consultancies. Since the consultancies are all owned by the Wildlife Trusts, all the profit they make is gift-aided back to the parent Trust, which means, in effect, that it goes back into supporting local wildlife. In 2016 we spent £114,508 on consultancy services provided by The Wildlife Trusts.

Water

We set water intensity targets for each construction project via our 10 point sustainability plan – the method by which we drive sustainability on our projects. In 2016 our overall water intensity increased slightly.

Water intensity
(m³ per £100k project value)



Fortem is a leading provider of repairs, maintenance and low-carbon retrofit services.

Fortem4Life Academy

5,000+

The number of employees, clients, supply chain partners and local residents equipped with new and additional skills each year from the Fortem4Life Academy in Birmingham

Developing the next generation of workers

66 apprentices

28 management trainees

33,500 hours of work experience

23,000 Promoted work opportunities to over 23,000 young people

At Fortem we are always looking for ways of being more efficient, and reducing the environmental impact of what we do.

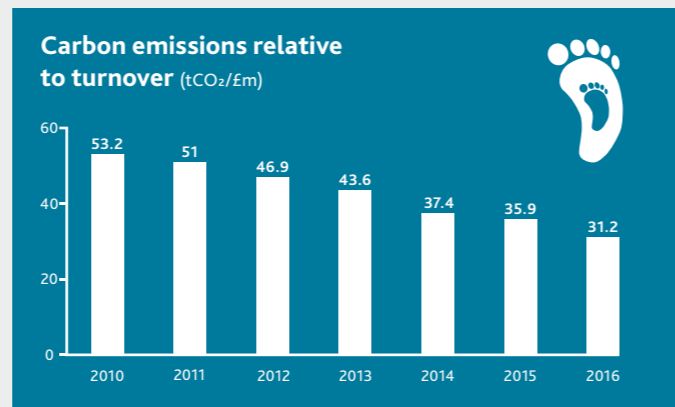
Mick Williamson
Managing Director
Fortem

Social value target

Fortem's 2013-2020 target is 'to enhance the life chances of 4,190 young people. The company's total for 2016 was 511. Since 2013 they have enhanced the life chances of 1,854 young people, meaning that they are 44% of the way towards their target.

Accident frequency rate

0.4 reportable accidents per 100,000 hours worked.



£1.2m

invested in local community projects through volunteering, supplying materials and fundraising

6,000

low energy retrofits completed

Customer satisfaction

92%



A more sustainable fleet

A considerable proportion of Fortem's carbon footprint comes from transport. Previous years have seen the business reduce its emissions through route optimisation, driver league tables and the use of sophisticated tracking systems. Electric vehicles are becoming an increasingly important part of their carbon reduction strategy.

Supporting Rotherham's Abbey School

In 2016, people from Fortem helped to equip pupils from Rotherham's Abbey School with skills for independent living. The Abbey School is a special school for children with learning difficulties. The team turned the school's vacant caretaker's house into an open plan space where children and parents can play together. It has become an invaluable venue for social care meetings, particularly where families may find it threatening to attend meetings in a school setting.

The project gave apprentices from Fortem's northern region vital training. It helped 83 young people gain construction experience and 74 families now have a 'home' facility that will allow them to interact together.

"The house has truly inspired the children in so many ways and has been an opportunity to bring together our families and our recognition of being a good school."

Luci Windle, Headteacher, Abbey School



Our ambitions

- ▶ To leave a sustainable legacy across the built environment by collaborating across the sector to improve environmental standards, design and building quality, and influence government
- ▶ To drive continuous improvement and deliver innovative solutions in collaboration with our customers and supply chain partners
- ▶ To champion whole life assessment as our overarching approach to projects, so that the true cost of a building's use is visible to customers and end-users

Our 2016 achievements

- ▶ We continued to promote a more sustainable built environment – both within the industry and beyond
- ▶ Our Considerate Constructors Scheme average score was 13% higher than the industry average
- ▶ 52 of our projects were recognised with a Considerate Constructors' award – more than any other contractor

Considerate Constructors Scheme

We are associate members of the Considerate Constructors Scheme, and register all our sites. Constructors signing up to the scheme agree to abide by its voluntary Code of Considerate Practice, which covers site appearance, community engagement, safety, care for the environment and care for the workforce. We set stretching year-on-year Considerate Constructors Scheme targets in our 10 point sustainability plan.



Our average Considerate Construction Scheme score across all projects during 2016 was 40.58 out of 50 – 13% higher than industry average.

Considerate Constructors Score average marks out of 50 across all projects				
	2013	2014	2015	2016
Willmott Dixon average score	38.71	39.87	40.29	40.58
Industry average score	35.16	35.51	35.59	36.00



Open Doors Week

We opened up 25 sites to the public during Open Doors Week, and 500 people from local communities found out more about how our buildings are constructed and the diverse range of skills and professions needed on site.

Environmental systems

We have revised and enhanced our Environmental Management Systems in order to meet the new ISO standards. Our new system is simpler, with forms integrated within our corporate data systems, making it more efficient and easier for project teams to use. The system was tested during 2016 and resulted in BSI certification for Fortem Energy Services in September 2016. This is providing assurance of our system's credibility as a blueprint for our other companies as they transition to ISO14001:2015 during 2017.

We aim for 100% compliance with our Environmental Management Systems, so we are pleased to report that there were no breaches of environmental legal duty by any of our companies during 2016. We continue to encourage our people to report any potential environmental issues they spot (observations), because we know that a culture of openness, where everyone recognises risk and sees it as their responsibility to address it, is the best way to prevent incidents on site.

Industry leadership

We continued to push for policy changes to support a more sustainable built environment, through our membership of industry and cross-sector groups, including The Aldersgate Group, the UK Green Building Council, IEMA, Build UK, Construction Youth Trust and Forum for the Future.

We actively supported a number of campaigns, such as 'Right Waste Right Place' and the Construction Youth Trust's '#notjustforboys'.

Our people spoke on sustainability topics at a range of forums, including EcoBuild, UK Construction Week, CIH Housing 16, CIBSE Technical Symposium and the UK Passivhaus conference.

Our HR Chief Officer joined the Women's Business Council to help maximise opportunities for women in our industry.

Governance

The Willmott Dixon Holdings Board, Be Living Board and Fortem Board retain overall responsibility for sustainable development in their respective companies and review the Strategic Sustainable Development Risk and Opportunity Matrix annually.

The Re-Thinking Board, chaired by Rick Willmott, is responsible for reviewing and approving Group-wide programmes and initiatives.

Company Boards coordinate the development and delivery of local initiatives.

Managing Directors, through their nominated Sustainable Development Directors, are responsible for reviewing, approving and ensuring the delivery of local initiatives.

Sustainable Development Directors monitor and report performance against targets through monthly local board reports. **Reporting**

We continued to improve the way we collect, monitor and report our data. In 2016, the business launched milproject – a new reporting tool which enables us to benchmark our projects against a range of performance indicators, making site environmental performance instantly visible to project teams and customers.



Customers benefit as we adopt technology across entire company

In 2016 we became the first contractor to achieve company-wide BRE Global BIM Level 2 Certification. This means that all our customers can now benefit from the latest 3D technology, which helps improve design and quality.

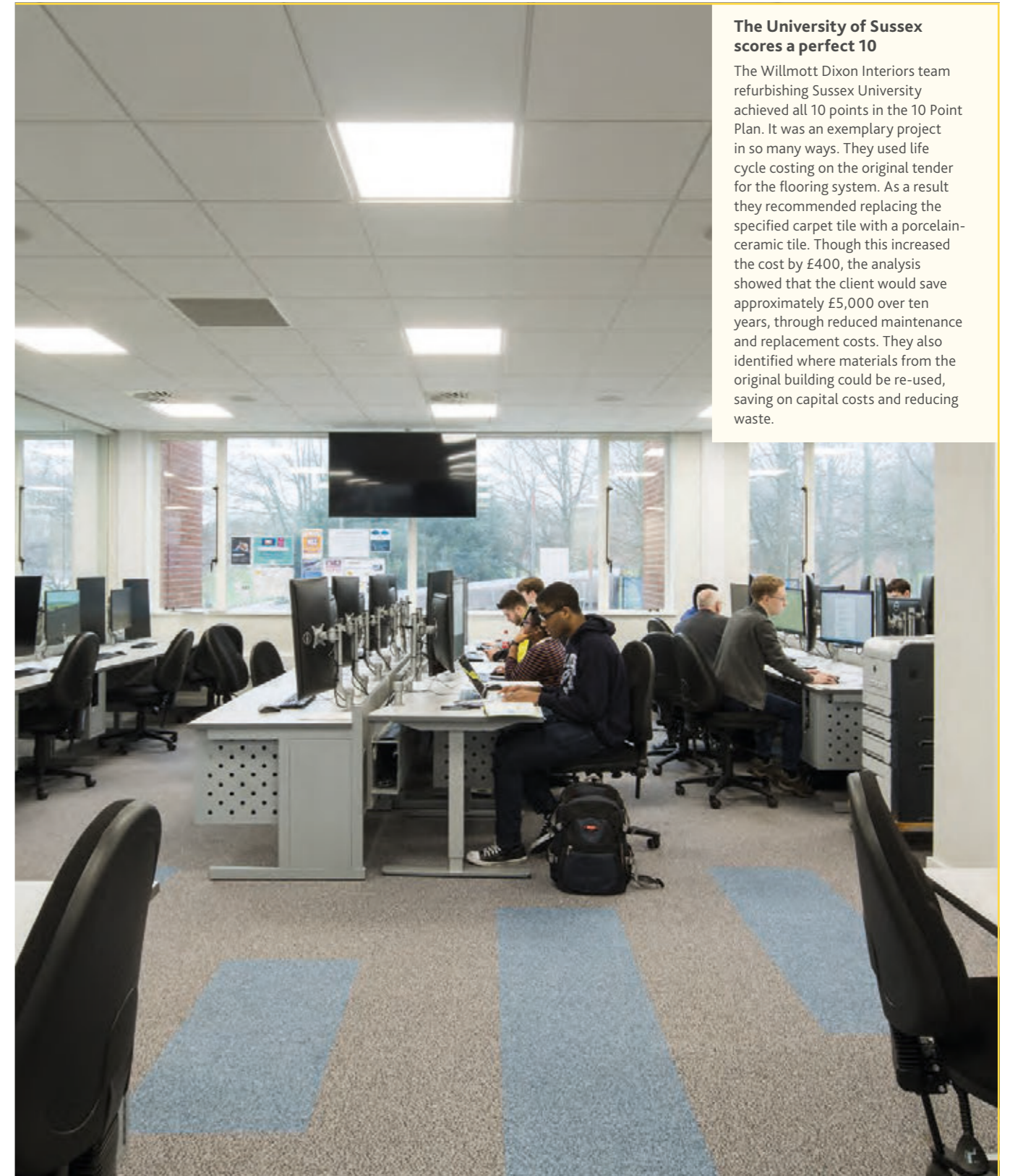
10 Point Sustainability Plan

To support our Sustainable Development Strategy, each construction project uses the Willmott Dixon 10 Point Sustainability Plan. This plan sets project-level goals and targets, supporting our company-wide targets (which are widely considered to be among the most challenging in the industry). Each project is expected to achieve at least six out of the ten points.

The table below shows our 10 Point Plan criteria. Targets get more challenging each year.

Average 10 Point Plan score across all projects, out of 10				
2013	2014	2015	2016	
4.8	4.7	5.9	6.9	

Criteria	Division	2016	2017	2018
1 Sustainability action plan	Construction, Partnership Homes & Interiors	Yes	Yes	Yes
2 Customer focus	Construction, Partnership Homes & Interiors	Yes	Yes	Yes
3 Life cycle costing (LCC)	Construction, Partnership Homes & Interiors	Yes	Yes	Yes
4 Responsible sourcing (project procurement plan)	Construction, Partnership Homes & Interiors	50%	55%	60%
5 Community investment	Construction, Partnership Homes & Interiors	Achievement of community investment plan and contribution to LCO Young People Target	Achievement of community investment plan and contribution to LCO Young People Target	Achievement of community investment plan and contribution to LCO Young People Target
6 Considerate Constructors Scheme	Construction & Partnership Homes	41	41	42
	Interiors	39	40	41
7 Carbon emissions (during construction)	Construction & Interiors	1,028kgCO ₂ e/£100k	996kgCO ₂ e/£100k	964kgCO ₂ e/£100k
	Partnership Homes	1,429kgCO ₂ e/£100k	1,385kgCO ₂ e/£100k	1,342kgCO ₂ e/£100k
8 Waste (volume)	Construction	7.82m ³ /£100k	7.21m ³ /£100k	6.60m ³ /£100k
	Partnership Homes	9.61m ³ /£100k	8.91m ³ /£100k	8.20m ³ /£100k
	Interiors	6.54m ³ /£100k	6.25m ³ /£100k	5.96m ³ /£100k
9 Waste % landfill diversion	Construction & Partnership Homes	95%	96%	96%
	Interiors	95%	96%	96%
10 Water use during construction	Construction & Interiors	8.7m ³ /£100k	8.3m ³ /£100k	7.9m ³ /£100k
	Partnership Homes	9.5m ³ /£100k	9.0 m ³ /£100k	8.6m ³ /£100k



The University of Sussex scores a perfect 10

The Willmott Dixon Interiors team refurbishing Sussex University achieved all 10 points in the 10 Point Plan. It was an exemplary project in so many ways. They used life cycle costing on the original tender for the flooring system. As a result they recommended replacing the specified carpet tile with a porcelain-ceramic tile. Though this increased the cost by £400, the analysis showed that the client would save approximately £5,000 over ten years, through reduced maintenance and replacement costs. They also identified where materials from the original building could be re-used, saving on capital costs and reducing waste.

Willmott Dixon Construction 2016: a sustainable year in brief

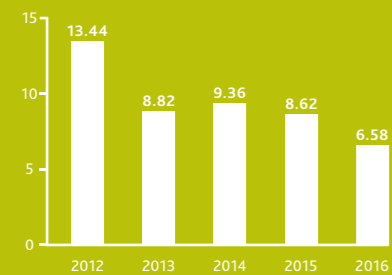


Chief Operating Officer, John Waterman, continued to develop his unique, customer-focussed approach to construction, called 'Building on Better'. The year saw the business grow its reputation for building outstanding buildings – particularly in science, education and heritage sectors.

95%

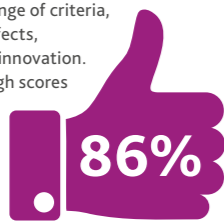
Willmott Dixon Construction diverted more than 95% of construction waste from landfill.

Construction waste relative to project turnover (m³/£100k)



Customer satisfaction

Customers score Willmott Dixon Construction on a range of criteria, including quality, defects, communication and innovation. Their consistently high scores show why the business remains the number one choice for so many customers.



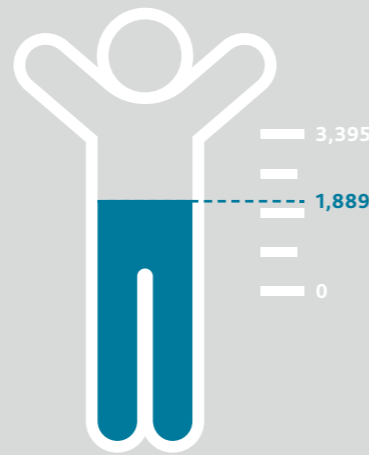
The world has enough ordinary – ordinary buildings, ordinary relationships, ordinary ambitions. At Willmott Dixon we want to do something extraordinary.

John Waterman
Chief Operating Officer
Willmott Dixon Construction



2013-2020 social value target

At the end of 2016, Willmott Dixon Construction were 56% of the way towards their target to enhance the life chances of 3,395 young people.



Average 10 Point Plan performance

We drive sustainability on our construction projects through our 10 Point Plan.



(Scores are out of 10)



73%

73% of Willmott Dixon Construction people took part in community activities.

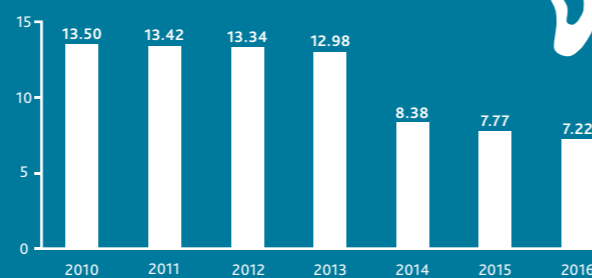


Accident frequency rate

0.06
reportable accidents per 100,000 hours worked.



Carbon emissions relative to turnover (tCO₂/£m)



Average Considerate Constructors Scheme score

40.9

Nearly 14% higher than the industry average.



A world-leading science facility

After completing the world's leading satellite testing facility at Harwell Science Campus in Oxfordshire, and the world's quietest building in Cambridge, in 2016 we increased our reputation as a constructor of specialist science buildings still further by building a home for the Met Office's new 'supercomputer'. The computer gives it unrivalled expertise in climate models and weather forecasting, making the UK a world leader in meteorology.

This futuristic Exeter building is designed for BREEAM "Excellent" certification and sustainability is an important part of the project. The south-facing elevation has been turned into a living wall containing 3,500 plants.



Willmott Dixon Interiors

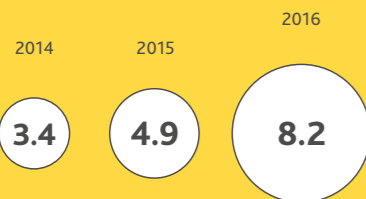
2016: a sustainable year in brief



Average 10 Point Plan performance

We use the 10 Point Plan to help drive sustainability on our construction projects.

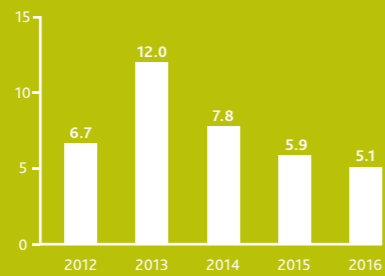
In 2016, Interiors achieved an unprecedented 10/10 for its refurbishment of Sussex University.



(Scores are out of 10)



Construction waste relative to project turnover



Sustainability sits at the heart of what we do, and together, with our business strategy of Everything Completed with Pride, we turn existing buildings into great environments fit for the 21st century."

Mike Hart
Chief Operating Officer
Willmott Dixon Interiors

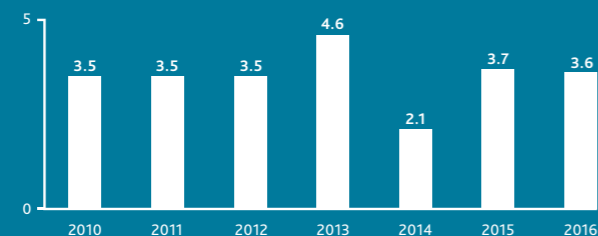


Accident frequency rate

0.06
reportable accidents per 100,000 hours worked.



Carbon emissions relative to turnover



95%

Willmott Dixon Interiors diverted more than 95% of construction waste from landfill.



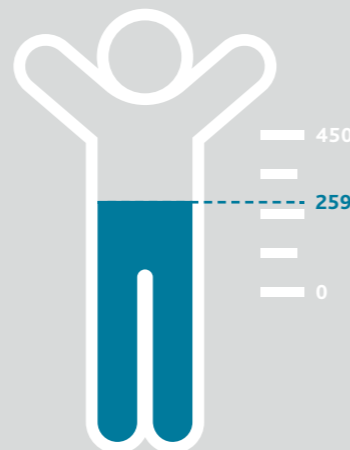
Average Considerate Constructors Scheme score

40.9

Nearly 14% higher than the industry average.

2013-2020 social value target

At the end of 2016, Willmott Dixon Interiors were 57% of the way towards their target to enhance the life chances of 450 young people.



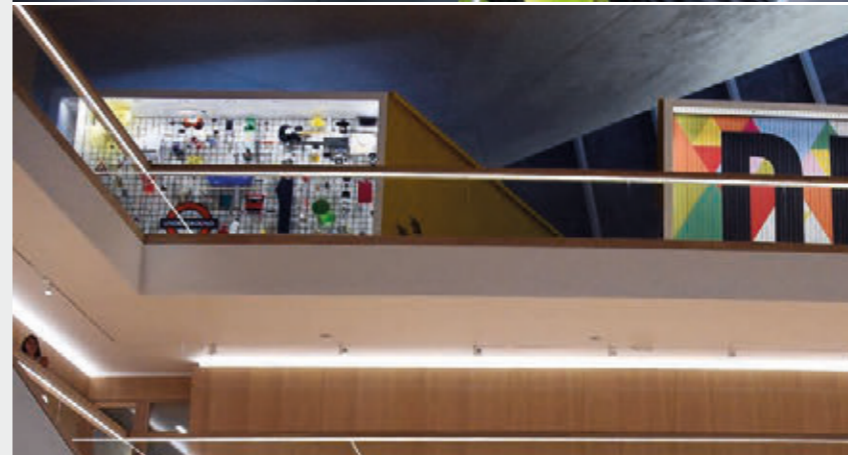
94%

94% of Willmott Dixon Interiors people took part in community activities.



Customer satisfaction

Interiors achieved an average of 93% excellent customer satisfaction scores across all projects.



A building fit to showcase our rich cultural heritage

Our fit-out skills played a crucial role in creating a new home for Design Museum in Kensington. This world-class space aims to be a new cathedral of design, showcasing how it makes a difference to our quality of life.

The Design Museum, which achieved a BREEAM rating of "very good", includes a range of state of the art sustainability features.

The project received an impressive 'exceptional' rating against the Considerate Constructors Scheme's Code of Considerate Practice.



Willmott Partnership Homes 2016: a sustainable year in brief



School pupils learned joinery skills by making bird boxes



The scheme was recognised with a Bronze Considerate Constructors Scheme award for the positive impact it has had on the local community. It scored a perfect 10 out of 10 in the 'respect for the community' category.

Adding value to local communities

In 2016 Willmott Partnership Homes started work on Limelight, a new community hub and extra-care scheme in Old Trafford, a stone's throw from Manchester city centre.

It's a good example of how a contractor can use the project as a catalyst for creating social value.

By employing local people to work on site, and local companies to provide goods and services, the team delivering the scheme has been able to help create over 200 local jobs, apprenticeships and training places and helped to boost the local economy by £320,000.

"This scheme demonstrates a true partnership between all stakeholders and with our commitment to community engagement this project will leave a lasting legacy beyond bricks and mortar."

Stuart Belfield, Operations Director, Willmott Partnership Homes

Key facts

- 4** Trafford residents employed directly
- 24** new employees taken on through supply chain
- 55** apprenticeship placements
- 25** local residents attended a trade taster session
- 50** local residents received mentoring during work experience and/or apprenticeship placements
- 795** students attended workshops delivered on site
- 30** local residents gained CSCS cards, including individuals from the social enterprise CleanStart, which supports ex-offenders
- 49** learning days offered to the local residents
- 132** local residents have taken up training opportunities and achieved qualifications
- 9** Community Challenge events completed
- Over **200** students from Trafford have taken part in site visits



Old Trafford school girls created artwork for the project's hoarding.



Lots of people visited the site as part of Open Doors Week.



Young people were engaged in a community garden activities.

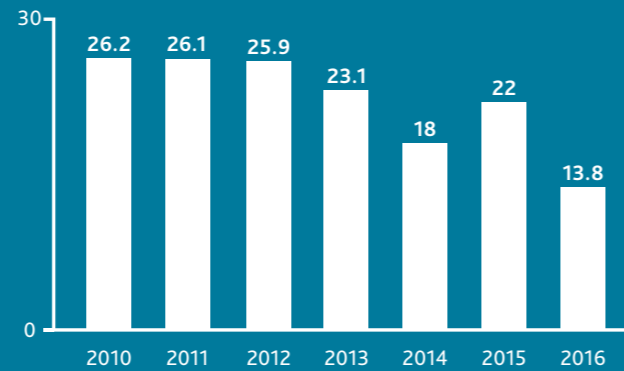
Accident frequency rate

0.11

reportable accidents per 100,000 hours worked.

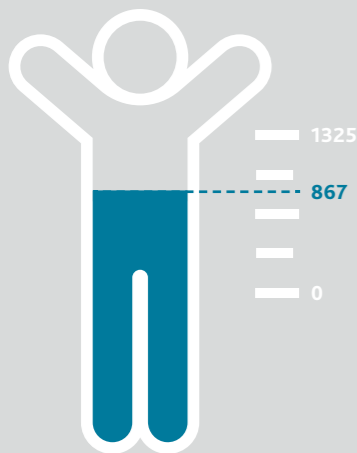


Carbon emissions relative to turnover (tCO₂/£m)



2013-2020 social value target

At the end of 2016, Willmott Partnership Homes were 65% of the way towards their target to enhance the life chances of 1325 young people.

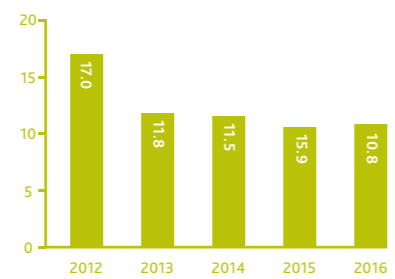


Average Considerate Constructors Scheme score

40.1

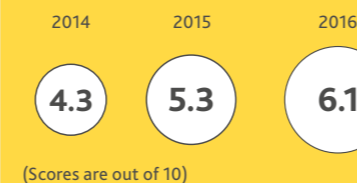
Nearly 11% higher than the industry average.

Construction waste relative to project turnover (m³/£100k)



Average 10 Point Plan performance

We drive sustainability on our construction projects through our 10 Point Plan.



(Scores are out of 10)

64%

64% of Willmott Partnership Homes people took part in community activities.



95%

Willmott Partnership Homes diverted more than 95% of construction waste from landfill.



Sustainable Development Risks and Opportunities 2017

Our aim: to become a sector leader in sustainable development by mitigating risks and maximising opportunities.

As a responsible business we identify potential risks to our business so that we can put in place mitigating actions. Addressing potential risks early creates opportunities for us to improve what we do and helps us stand out from the crowd.

	Risk	Potential consequences	Mitigation in place	Potential opportunities and benefits
Putting People First	Failure to attract, retain, develop and promote high calibre employees, which are representative of the communities in which we work.	A workforce with insufficient skills, knowledge and experience to meet the needs of an evolving market. Lower quality work and higher turnover.	We continue to ensure that our employee offer remains attractive and competitive. Our work on gender diversity will help us be an employer of choice for both men and women. We offer industry-leading, accredited training and development to employees at all stages of their careers. We promote the construction sector to young people as an excellent career choice.	Our engaged, skilled and diverse workforce will protect our business from industry skills shortages, and help give us a competitive advantage.
	Failure to protect the health, safety and wellbeing of our employees and those with whom we work.	Increased insurance premiums and costs associated with legal action. Increased levels of sickness absence.	We have comprehensive health and safety programmes in place. Our health and safety performance is reported regularly to our Company Boards. We have a range of benefits and initiatives in place to support employee well-being, and are constantly seeking to improve these.	Raised reputation as a responsible contractor. Improved employee and supply chain partner health and well-being.
	Failure to meet customers' expectations.	Loss of repeat business. Loss of reputation with partners and stakeholders.	We agree project goals early through launch workshops. We are leading the sector through our focus on "as built" performance and closing the performance gap. We report regularly on agreed contract and sustainability frameworks' performance indicators. We invest in R&D and continue to review our offering to meet the evolving needs of our customers.	We are a contractor of choice for our delighted customers. Increased competitiveness in bids and tenders. We lead the industry in innovation, business models and use of new technologies.
	Failure to nurture and develop a supply chain with the skills, capacity and engagement to deliver projects to the standards we set.	Loss of loyal suppliers, lower standards on our projects.	We already offer better payment terms than the industry average. We recognise excellence in our supply chain through local awards schemes and in 2017 we have plans in place to build better, more collaborative relationships with our supply chain partners. We continue to encourage our supply chain partners to develop skills and knowledge through the Supply Chain Sustainability School.	Opportunity to work more closely with supply chain partners and have greater control over some supply chain practices. Stronger relationships should improve our resilience to labour shortages. Supply chain partners prepared to go the extra mile and deliver outstanding work for our customers.
Tackling Climate Change and Energy Efficiency	Failure to reduce carbon emissions	Increased energy costs and carbon emissions. Loss of reputation if we fail to meet our 2020 target for carbon intensity.	We are reducing our impacts through delivery of our Sustainable Development Strategy headline targets, our Energy and Carbon Management Strategy and our local office and project KPIs. We are committed to remaining carbon neutral and maintaining the Carbon Trust's Carbon and Supply Chain Standards. We continue to research and adopt new products, techniques and technologies.	Increased shareholder value through cost management. Innovation will raise Group and industry standards. Increased credibility through our low-carbon track record.
	Failure to ensure that our projects are resilient to the effects of climate change.	Buildings fail in extreme weather-related events, leading to loss of reputation and market share.	We consider life cycle costing, heating, cooling, water stress, flooding and resource scarcity on our projects.	Increased awareness of whole life costing, life cycle analysis and as-built performance, leading to more sustainable investment decisions and resilient built environment. Improved quality of the UK's built environment and increased market share.

	Risk	Potential consequences	Mitigation in place	Potential opportunities and benefits
Smarter use of Natural Resources	Failure to minimise and mitigate our impact on the natural environment.	Increasing cost of waste disposal, water resource and materials. High costs associated with remediation and rectification, legal action and increased insurance premiums.	We are reducing our environmental impacts and our use of natural resources through compliance with our 10 Point Plan and by delivering our Sustainable Development Strategy and Headline Targets. We report waste performance monthly to Holdings Board. We are working to deliver our Biodiversity Strategy. Duty of Care and Waste Controls through our supply chain partners.	Reduced operating costs and environmental impact of our operations, our products and their performance in-use. Enhanced reputation as a leader in sustainable construction operations and increased shareholder value through cost management.
	Failure to procure goods and services responsibly.	Fines and loss of reputation if our supply chain partners are found to be employing people or sourcing goods and services illegally or unethically.	We procure in line with our Sustainable Procurement Policy. We preferentially procure products which demonstrate compliance with a recognised responsible sourcing scheme. We collaborate with our competitors to drive out unsustainable products and raise standards. We plan to become an early adopter of the Ethical Labour Standard.	Improved product differentiation and added value enable us to become a supplier of choice. Peace of mind for us and our customers. Opportunity to work more closely with our supply chain.
Being a Responsible Business	Lack of transparency of reporting performance against compliance obligations and involuntary commitments.	Reputational damage, disengagement of employees and supply chain. Reputational risk if we compare poorly with competitors, or are unable to evidence due diligence.	All performance data is published in the annual Sustainable Development Review and Annual Report and Accounts and this data is independently verified. We continue to scan the horizon for changes to reporting obligations and develop action plans for areas where we need to improve. We engage with government departments and key stakeholders so that we report in a timely and accurate manner.	We have one of the most robust systems in the industry for gathering, collecting and reporting data, giving us the chance to be seen as an example of best practice.
	Lack of participation in industry issues and proposed legislative changes affecting our sector.	Loss of profile and reputation as a leader in sustainable development. Loss of opportunity to influence market conditions.	We engage with a range of advocacy groups, including Aldersgate Group, UK-GBC, Forum for the Future. We regularly respond to Government consultations and engage with key decision makers on issues affecting the sustainability of the built environment.	Increased profile whilst other organisations may withdraw from addressing agenda due to diluted UK policy position. Opportunity to demonstrate our commitment to sustainable development and social value to employees, customers and suppliers.
	Challenging UK economic environment impacts on our profitability.	Government focus on reducing the deficit will reduce public spending. Increased costs through wage inflation and exchange rate inflation. Changes to property tax and rates for foreign investment.	Our approach to community investment and sustainable buildings are all part of the considerable added value that we can offer customers. Our innovative approach to funding and land deals is helping to unlock capital projects for our public sector partners. We continue to seek efficiencies through improved systems and processes.	Rises in earnings and disposable income increase opportunities and business confidence, resulting in commercial and industrial real-estate, boosting demand throughout the industry. Focuses our business on the need for innovation and new ways of working.
	We fail to manifest our company values through our actions and decisions.	Loss of unique position as an industry leader in environmental and social sustainability. Stakeholders lose trust in our business.	We are well on the way to achieving the headline targets in our Sustainable Development Strategy. We report transparently on our performance. There is mandatory training for all staff on key issues such as bribery and corruption, competition law and sustainability, and our manager training helps managers champion company values to their teams. Employee communications regularly reinforce company values.	Reinforcing our commitment to the company values helps to differentiate us in the marketplace. Builds trust with customers, supply chain and other key stakeholders.
	Failure to plan for extreme or unusual circumstances.	Extreme weather, fire, or flu pandemics could lead to loss of productivity and increased costs due to programme extensions.	We have project environmental plans in place which ensure contingencies are in place in case of extreme weather. We have business continuity plans in place.	Tested business continuity plans will minimise our exposure to financial risk and will maintain strong customer relationships.

Independent verification statement



Introduction

Bureau Veritas UK was commissioned by Willmott Dixon to verify performance against selected sustainability Key Performance Indicators (KPIs), thereby providing assurance to stakeholders on the accuracy and reliability of this data.

Scope and methodology

The KPI period assessed is from 1st January 2016 to 31st December 2016.

Verification of performance data was carried out through a process of document review, data sampling, interrogation of supporting databases and associated reporting systems and telephone and email exchanges.

Assessment of achievement

The table below reflects Willmott Dixon Key Performance Indicators as verified by Bureau Veritas:

KPI	Verified Performance
Carbon footprint	13,420 tCO ₂ e
Total waste diverted from landfill ^a	>95%
Construction waste generated ^{b&c}	7.38m ³ /£100k
Average Considerate Constructor Scheme (CCS) score	40.58
Value of community investment (company contribution)	£2,135,572
Health and safety	AFR AIR 0.12 1.51
Average training days per employee ^d	3.47

Bureau Veritas opinion

Based on our investigations, it is our opinion that the above table is a reliable reflection of progress against these KPIs.

Bureau Veritas is confident that no material information has been withheld which could affect stakeholders' ability to make informed judgments on Willmott Dixon's 2016 performance.

Limitation and exclusions

Excluded from the scope of our work was:

- Any information not directly linked to the selected KPIs;
- Company strategy and position statements (including any expression of opinion, belief, aspiration, expectation or aim)

A limited sample of site specific source data and records were reviewed as part of this assessment.

This statement should not be relied upon to detect all errors or omissions that may exist within the data sets reviewed.

Statement of Independence

Bureau Veritas is an independent professional services company that specialises in quality, health, safety, social and environmental management advice and compliance with over 180 years history in providing independent verification and assurance services. Bureau Veritas has implemented a code of ethics across its business which ensures that all our staff maintain high standards of integrity and independence. We believe our verification assignment did not raise any conflicts of interest. Our team completing the work has extensive knowledge and experience of conducting verification over sustainability information and systems.

Bureau Veritas

March 2017

^aRefers to Construction, Partnership Homes and Interiors Divisions

^bRefers to Construction, Partnership Homes and Interiors and Fortem Energy Services Divisions

^cBased on m³ per £100k of project value

^dBased on average number of employees throughout 2016

Collaboration

We work with many organisations to share knowledge and tackle issues which are important to our industry, local communities, and the planet.





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