



WILLMOTT DIXON

SINCE 1852

Transforming Tomorrow

Sustainable Development Review 2013

EVERYBODY
PLAYS A PART



2012 Awards for Sustainable Development

What House Awards

Silver: Best Partnership Scheme at Dee Park

Sustain Magazine Awards

Winner: Best Construction Project – Peartree Way and Cotney Croft Code for Sustainable Homes Levels 5 & 6

RICS Wales Awards

Winner: Gwent Records office in Building Conservation category

Winner: Royal Welsh College of Music & Drama in Design and Innovation category

Housing Design Awards

Winner: Bridport House in Mayor's Housing Design award for Community Consultation

LABC Building Excellence Awards

North
Winner: Houghton Primary Care Centre for Best Sustainability Design

Commended: NET Park for Large Commercial Development and Best Partnership with Gateshead Council

South
Winner: Orchard Village for Best Social Housing Development in London

Energy Saving Trust Fleet Hero Awards

Winner: Fleet Hero of the Year for Best Private Sector Fleet

Building Better Healthcare Awards

Winner: Houghton-le-Spring Primary Care Centre for Best Innovation in Sustainability

Environment and Energy Awards

Highly commended: Sustainable Business of the Year category

Constructing Excellence Awards

Winner: Houghton-le-Spring Primary Care Centre for the Legacy award in Sustainability

Business in the Community Corporate Responsibility Index 2012

Gold Standard

Housing Excellence Awards

Winner: Contractor of the Year

Affordable Home Ownership Awards

Winner: The Spectrum Development, Rayners Lane for Best Regeneration Project

BREEAM Awards

Winner: 1st BREEAM Outstanding Health Facility – Houghton Primary Care Centre

Winner: 1st Zero Carbon 'In Use' School (Design Stage) – Ashmount Primary School

Considerate Constructors Scheme

Gold Awards for:

Backwell School 6th Form and Lecture Hall.

Middlesbrough BSF – Acklam Grange School

Stockwell Park High School

Mardyke Estate Renewal

Retroexpo Awards

Winner: North Somerset Council Town Hall in category of Public Building Retrofit of the Year

CIOB Committed to Construction in the East Midlands Awards

Winner: Willmott Dixon in Health and Safety category

Winner: Willmott Dixon and Scape in Innovation category for Sunesis

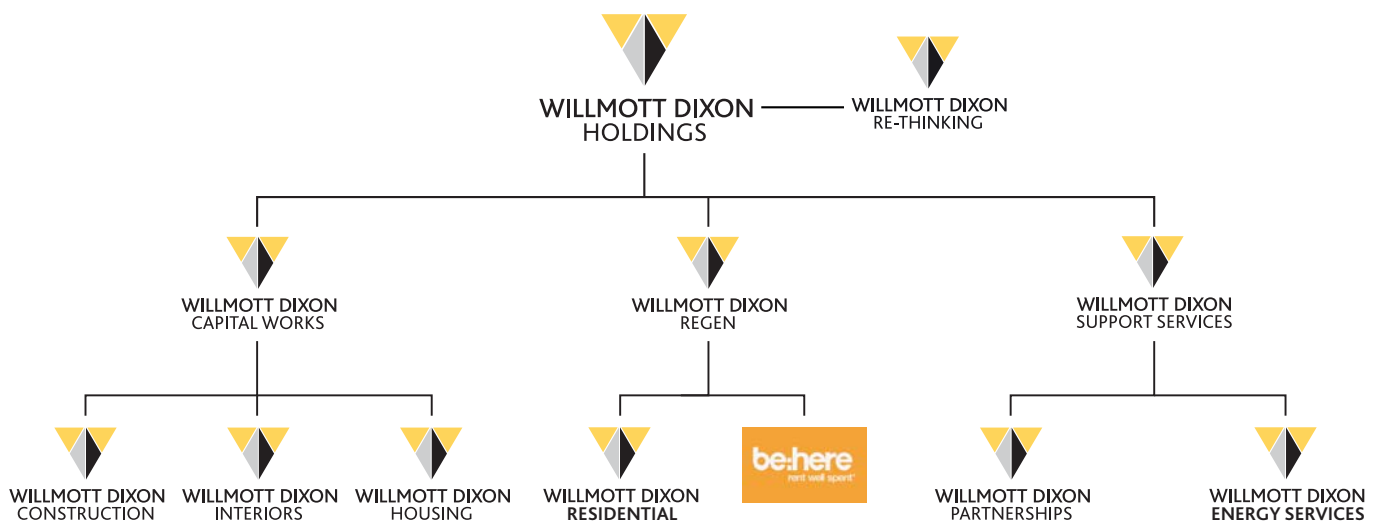
North East Constructing Excellence Awards

Winner: Sustainable Project of the Year - Houghton Primary Care Centre

What we do

Willmott Dixon is a privately owned business

Founded in 1852, Willmott Dixon has grown to become one of the country's most recognisable brands in the construction and support services sectors. Group Chief Executive Rick Willmott is the fifth generation of the Willmott family to lead the business, aided by some of the sector's most astute business people and supported by a complementary team of specialists across all Group companies.



WILLMOTT DIXON CAPITAL WORKS

Major contracting, house building, interior fit-out and refurbishment through the following brands:

Construction
Non-residential projects over £1m across 15 sectors.

Interiors
Design and fit-out of non-residential accommodation.

Housing
Building all types of residential accommodation.

WILLMOTT DIXON REGEN

Specialising in assembling, funding and developing long-term mixed-use housing regeneration projects, often through joint ventures with public and private sector partners.

Residential
New homes to buy.

be:here
Bespoke city centre apartments designed for the private rental market.

WILLMOTT DIXON SUPPORT SERVICES

Repair and maintenance services to social housing and corporate clients.

Partnerships
Providing facilities maintenance services to over 500,000 residents in 165,000 homes.

Energy Services
A specialist division focussing on low carbon retrofit for commercial, public and domestic buildings.


WILLMOTT DIXON RE-THINKING

An internal sustainability and innovation consultancy, developing the Group's sustainable development strategy and supporting its implementation.

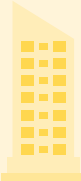
Our vision

We will build on our history and reputation to add value to clients 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 values

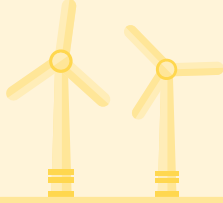


Human touch


- 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
 - Support diversity
- 

Visible

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

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



Relationship focussed

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

Welcome to our annual review of Willmott Dixon's performance in relation to sustainability.

I hope this report will demonstrate the progress we continue to make in managing a substantial organisation in a challenging market, whilst retaining the cultural, sustainable and ethical attributes upon which we pride ourselves.

2012 saw us officially become a carbon neutral business and we have made good progress in becoming more energy efficient across the company, which we anticipate will reduce our projected energy costs by around £3 million a year by 2014. We have also invested the equivalent of £1.1 million in local communities under the auspices of the newly established Willmott Dixon Foundation.

Another highlight has been the founding of our 4Life Academy in Birmingham. The Academy will provide specialist training for over 2,000 people a year to equip them with lifelong skills in a whole range of construction and low carbon related areas.

I've really enjoyed working with colleagues on projects in this review, and I am very proud of our achievements to date. We recognise, however, that there remain significant challenges ahead and, to ensure that we stand the best chance of succeeding in our sustainable development endeavours, we have set even more stretching targets for the Group in 2013.



Rick Willmott
Group Chief Executive
Willmott Dixon

**EVERYBODY
PLAYS A PART**

“I've really enjoyed working with colleagues on projects in this review, and I am very proud of our achievements to date.”





Jonathon Porritt
Non-Executive Director
Willmott Dixon

EVERYBODY
PLAYS A PART

“2012 has seen Willmott Dixon continue to make a real difference in a variety of ways – from reducing the carbon emissions of the buildings we construct, maintain and refurbish, to finding innovative solutions to sustainability conundrums; from helping to provide local employment to developing ground-breaking partnering and funding arrangements.”

If there were ever any doubts about the urgent need for more sustainable development, events over the past couple of years should be enough to finally lay them to rest.

At the end of 2011, the world population reached 7bn. In early 2013, levels of carbon dioxide in the atmosphere reached a record 400 parts per million – the highest for millions of years.

In the UK, difficult economic conditions have been felt by people up and down the country, exacerbating the impact of rising energy bills, and bringing more and more households into fuel poverty.

Challenging times for the construction industry, however, have seen budgets contract, increasing the temptation to reduce investment in sustainable development, especially when saving money is clients' top priority.

But companies, faced with these pressures, need to think carefully. The banking crisis and heated exchanges over corporate tax arrangements have fuelled a growing public mistrust of large corporations, and sparked debate about whether businesses should play a more active role in the social, economic and environmental development of the communities they serve. The 2012 Public Services (Social Value) Act articulated some of this thinking.

Our Transforming Communities paper (p28) responded by outlining some practical ways in which service providers can leave positive legacies in the communities in which they serve. The paper reflects the many years of experience Willmott Dixon has of investing in communities. In 2012 our social investment was captured for the first time through the company's new Foundation, a vehicle which is already providing strategic direction to our community activities, and sharpening the focus on the linked areas of social exclusion and anti-social behaviour.

2012 has seen Willmott Dixon continue to make a real difference in a variety of ways – from reducing the carbon emissions of the buildings we construct, maintain and refurbish, to finding innovative solutions to sustainability conundrums; from helping to provide local employment to developing ground-breaking partnering and funding arrangements.

It's not all been plain sailing. There have been challenges along the way, and we've not made as much progress on some of our targets as I would have wanted. But this Review demonstrates how Willmott Dixon continues to make a positive impact on communities, the built environment, the construction sector and, increasingly, on policy-makers.



Willmott Dixon at a glance

History: Founded 1852.

Family: Rick Willmott is the fifth generation to lead the company.

Turnover: £1bn.

Sustainability: First carbon neutral construction and support services company in the UK.

Forward looking: Investing over £1m each year in R&D.

People: Investing over £2m annually on staff training. Employing nearly 100 management trainees and 64 apprentices.

Thinking locally: 60% of project spend within 35 mile radius.

Community: Investing the equivalent of over £1m a year in local communities.

Leading responsibly

Chris Durkin is our Group Director for Sustainable Development. Here he answers questions about some of our key sustainable development issues and challenges.



Chris Durkin
Divisional Chief Executive,
Willmott Dixon Support Services

**EVERYBODY
PLAYS A PART**

“Being the first company in our sector to achieve the Carbon Trust standard was another milestone for us, as it recognised our ongoing commitment and investment in our carbon management programme.”

What does sustainable development mean to you?

For me, Sustainable Development is all about achieving social and economic progress while protecting resources – and by resources I mean people, as well as materials, fuel and ecology.

It's a principle which guides us at Willmott Dixon. For us, Sustainable Development is about leaving a positive legacy, in the buildings we construct and maintain, the projects we develop, the communities we serve and in the industry as a whole. This means that sustainability considerations affect everything we do – how we manage our offices and sites, how we procure goods and materials, how we design buildings, how we treat staff and suppliers, how we work with clients and local communities, and how we raise awareness and promote change at a national level on issues we are passionate about.

What are Willmott Dixon's key achievements for 2012?

2012 has been a great year. The £1.1m that we invested in local communities through the Willmott Dixon Foundation represents a massive achievement. Adding social value is something we've always done, but the launch of the Foundation means we are able to capture the good work, and set a strategic direction for what we do going forward.

Being the first company in our sector to achieve the Carbon Trust Standard was another milestone for us, as it recognised our ongoing commitment and investment in our carbon management programme.

Our £1m commitment to our 4Life Academy, which opened in January 2013, is a key way in which we have responded to Birmingham City Council's strategic priority to improve the skills of residents. It's our way of putting something back into an area where we repair and maintain 60,000 properties, and deliver some of the West Midlands' most high-profile construction projects, including the BREEAM Excellent Birmingham Institute of Art and Design for Birmingham City University.

How does sustainable development fit with business growth?

There is a strong economic case for investing to reduce our energy consumption and emissions. We estimate that, without intervention, our direct energy costs would rise from £6m in 2010 to £13m by 2014. A more sustainable approach is clearly a more profitable one. For Willmott Dixon, sustainable development is an area where we really do stand out from the crowd, and we are known for operating at its cutting edge. A review of our performance against our main competitors by Bureau Veritas in December 2012 showed that our reputation was well-deserved: our sustainability KPIs rank among the best in the industry.

There is real potential in the energy market for those specialising in energy efficiency. As an authorised Green Deal provider we anticipate significant business opportunities over the coming years, as well as a chance to make a difference to the UK's aging and energy-inefficient housing stock.

And finally, the company, over the last 160 years, has based its business practices on doing not just what is commercial, but what is ethical too. Sustainable Development is at the heart of everything we do because it is fundamental to our values.

This in turn helps give clients confidence in our organisation. It builds relationships with stakeholders, and helps to develop a workforce who are engaged and passionate about the work they do.

What are the challenges for the next 12 months?

Reducing our emissions by 15% by 2014 is a big one. The current economic climate means that costs have fallen and margins are squeezed. In these tough times, clients want the "biggest bang for their buck", so we are building more for less, and in higher density. We report our carbon emissions relative to turnover, and because we are delivering more square footage per £m, it means we are going to have to work that much harder to achieve the reduction.

Making sure that we achieve the best social value on our community investment is another key issue. All resources are tight, so we must target them effectively. How we measure the impact of our social investment is another key question – and one which businesses and academics continue to ponder.

The final challenge is how we can continue to articulate sustainability benefits – particularly those relating to carbon and materials over the life of the asset – to clients who are under huge financial pressure.

Sustainability is a big topic. How do you explain and structure what you do so that it makes sense to staff, clients and suppliers?

For us, sustainability fits into four key themes:



Putting people first



Responsible business

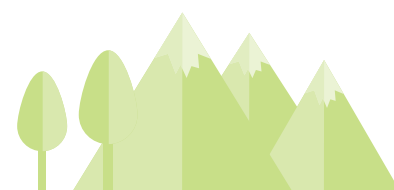


Tackling climate change and energy efficiency



Smarter use of natural resources

This Review is structured around these four key areas.



Tell us what you think

If you have views or comments on this report, then we'd be glad to hear from you. Please send your feedback to:

e-mail:
re-thinking@willmottdixon.co.uk

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Rick Willmott,
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Letchworth Garden City,
Hertfordshire, SG6 4GY.

You can find electronic copies of this report and further information about us at www.willmottdixon.co.uk




WILLMOTT DIXON
PARTNERSHIPS

“From reporting this repair to completing it was less than a week.”

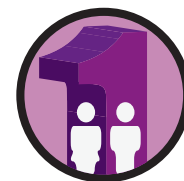
“Very friendly and professional.”

“Pleasant young man who worked well got the job done quickly and left my sink clean.”

“The handy-person was a very pleasant man, very helpful. My well-being was his prime concern. Top man.”

“The decorator was polite and helpful at all times. He kept me informed on times to expect him each day.”

Putting People First



Building positive relationships – with clients, communities, staff and suppliers – is key to our success in creating and maintaining sustainable built environments. Putting People First is a vital part of our culture and this section demonstrates some of what we do.



Headlines

Invested the equivalent of over **£1.1m** in local communities, through the Willmott Dixon Foundation – the equivalent of 7.2% of our pre-tax profits.

Invested **30,000** hours of staff time in local communities.

Provided **850** weeks of work experience.

Directly employed **64** apprentices (41 in 2011) and invested over **£500,000** in their training. We also supported our supply chain to provide apprenticeship opportunities.

Committed **£1m** to a new 4Life training academy in Birmingham

Staff raised **£96,000** for good causes.

Scored an average of **35.5 out of 40** for our sites under the Considerate Constructors scheme – against an industry average of 33.2.

Spent over half of our budget for our Scape projects within 20 miles (88% within 60 miles) – that's the equivalent of over **£200 million** re-invested in the economies of local communities.

Created **3,413** apprentice placement weeks, and involved **4,984** pupils in workshops.

Employed **97** management trainees.

Invested **£2.3m** in training our employees (around £760 per employee).

A **16.3%** decrease in van fleet accidents since 2009.

A **15.7%** reduction in car fleet accidents since 2009.

A significant reduction in our Accident Frequency Rate (AFR) – down from 0.24 to **0.17**, and a reduction of 10 reportable accidents from 38 to **28**.

75% of construction projects included a specific project plan for community engagement.

30,000

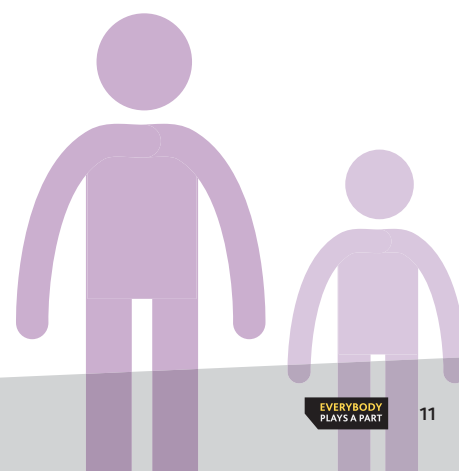
hours of staff time invested in local communities

850

weeks of work experience

64

apprenticeships



Clients

80%

In 2012, 80% of the contracts we delivered through frameworks were repeat business

Building enduring relationships with our clients is a key priority for us. We will go the extra mile to ensure our clients are delighted with the projects we deliver. We understand the financial pressures that many of our clients are facing, and we work in partnership to find creative solutions that really add value.



“This is an excellent example of how Regen is able to work closely with the public sector to creatively fast-track, design, fund and deliver much needed community facilities through intelligent use of land assets.”

Andrew Telfer
Divisional Chief Executive,
Regen

EVERYBODY
PLAYS A PART

Working with clients to find innovative funding solutions

In the current austere climate, many local authorities do not have the money to upgrade public facilities. But they do have land assets that can be used to generate the wealth needed to afford new public amenities. They just need a third party to make it happen. This is where our development division, Regen, comes in.

In October 2012 we entered into an innovative partnering arrangement with Westminster City Council, which will see us knocking down two existing sports centres in need of modernisation, building 120 homes on the two sites, and then building a single, larger replacement sports centre. Willmott Dixon benefits from the gross development value of the deal, and the council benefits from future uplift in sales values of the homes during construction, as well as any surplus land value from both sites. Work starts on site in 2014.



Artist's impression of the Westminster development

“Few councils are in the position of being able to build multi-million pound new sports facilities in the current financial climate. But together with Willmott Dixon, we will create a £17m sports centre for residents of Queen's Park. This will all be done at absolutely no cost to the taxpayer, so represents incredible value for money.”

Steve Summers
Deputy Cabinet Member for Sport and the Olympics
Westminster City Council

Improving sustainability through BIMM

Building Information Modelling is a tool that we use to improve the sustainability of our projects. It helps us manage buildings at all stages of their life-cycle, from initial design to end of life. It captures and coordinates information to help us deliver better quality projects, and gives clients the information they need to manage an asset once it's been built.

In 2012 we used BIMM (here at Willmott Dixon we add an additional 'M' for 'management') during the pre-construction phase of Carlton Vale, a £7m, 50-unit high-rise residential scheme in Kilburn, North London. The Central BIMM Team carried out clash analysis between the structural and M&E designs. The analysis showed 416 clashes – for example, where structural openings had not been left in the structural slabs to accommodate vertical pipes. Had the clashes not been rectified at the drawing stage, it is estimated that the cost of putting them right on site would be around £10,000.

Willmott Dixon were early adopters of BIMM, which is going to be a Government requirement on all public sector construction projects by 2016. In 2012 an average of 27% of our projects used BIMM elements.

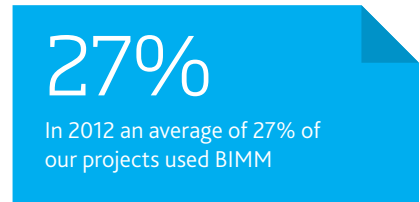
Delivering client satisfaction

Capital Works

In Capital Works, our clients score our performance across 17 categories, which include creativity, quality, value for money and problem resolution. We benchmark our performance against other construction companies through the Constructing Excellence key performance indicators and we regularly compare performance across operational teams. For projects completing in 2012 we achieved an average overall satisfaction score of 84%.

Partnerships

In 2012 the average customer satisfaction score across our Partnerships branches was 93.12%.



“Willmott Dixon delivered the Town Hall on time and on budget and worked seamlessly with our Property and Asset Management team. We have been impressed by their professionalism and commitment to help us provide an excellent cost-efficient public facility.”

Clr Nigel Ashton
Leader, North Somerset Council

“I think they take their relationships with clients seriously, putting in a lot of effort... they genuinely care about getting the results that I care about. An all-round good outfit. I would recommend Willmott Dixon without a doubt.”

Steve Smith
Head of Property Services
Warwickshire County Council

“Innovation is a critical issue – they’re bringing to Rotherham ideas that they’re using elsewhere. In terms of going the extra mile I’ve got to say that the workforce is very proactive and positive.”

Dave Richmond
Director of Housing and Neighbourhoods
Rotherham Metropolitan Borough Council

Clients



Scape

Our long-term partnering approach helped us retain the country's most-prized sole contractor framework, Scape, from 2013. Scape is a local authority-controlled company, which currently procures on behalf of around 180 public sector clients, ranging from large London boroughs to small free school trusts across the UK. Our collaborative approach has enabled us to develop building solutions which are saving our clients around 14p in every £1 spent on projects procured through the framework.



“We know that cost is a big factor for our public sector clients. And we know that procuring public buildings can be risky and stressful: according to the National Audit Office and Constructing Excellence over 50% of public buildings are delivered late and cost more than first thought. Our work with Scape means that a lot more schoolchildren up and down the country can benefit from having first-rate, sustainable learning spaces.”

Peter Owen
Managing Director at Willmott Dixon
Midlands office

EVERYBODY
PLAYS A PART



Oakfield primary school

“Rather than try and ‘make do and mend’, for a little bit more we got something much better – a modern flexible teaching and learning space, which minimises its impact on the environment both now and in the future. And we got it quickly too which saved money.”

John Harmon
Assets Strategy Manager
Warwickshire County Council



Sunesis – helping our clients save money

Sunesis is a new standardised building system developed jointly by Willmott Dixon and Scape. It uses off-the-shelf designs to reduce costs and construction time. Compared to traditional design and build, standardised designs can be built for up to 30% less. Procurement time and fees are reduced and, of course, coming from Willmott Dixon, sustainability comes as standard.

In November 2012, Pupils at Oakfield Primary School in Rugby moved into their brand new Sunesis school.

The old Oakfield Primary School was built in the 1950s, and was much too small for its growing population. Originally, Warwickshire County Council planned to extend the school at a cost of around £2m, but for an extra £200,000 they were able to buy a brand new Sunesis school. The 1,172m² building cost £2.2m and was built in just 32 weeks.

The Sunesis model allows councils to access a range of prices and options. Clients can customise their chosen building, adding in features like photovoltaic panels, rainwater harvesting and cladding, in much the same way as people choose the options on a new car.

The new school has been a hit with pupils and staff alike, and now new Sunesis schools are being built and planned at sites across the country.

The Sunesis range includes standardised systems for leisure, care and health.



30%
Sunesis allows for a saving of up to 30% on traditional design and build costs

“We are absolutely delighted... the construction team have listened to our needs and ideas from the beginning.”
Heather Fielding
Headteacher
Oakfields Primary School

“There’s no other comparable product that can deliver a fully designed school to meet the fast track programme.”
Cllr Wright
Portfolio holder for Resources and Corporate Governance
Warwickshire County Council

“Adopting this approach has significantly reduced the time that the authority has spent in design and procurement. Simply put, it’s a far better way of doing business.”
Oliver Gill
Strategy and Capital Programme Manager
Southampton City Council

“A valuable response to the challenges of delivering new schools.”
The Design Council CABE,
the Government body which promotes design and architecture for the public good

EVERYBODY
PLAYS A PART



£1.1m

In 2012 our total investment in local communities was the equivalent of £1.1m - over 7% of our pre-tax profits

Communities

As a responsible business we want to make a positive difference in the community. So we seek to add social value to every contract we deliver. The nature of our community activities varies enormously, according to the community's needs. In 2012 we provided local employment, work experience and apprenticeships, refurbished community buildings, spent millions of pounds locally, opened a £1m skills academy, arranged trips to the seaside for inner city children – and a lot more besides. The total value of our investment was the equivalent of £1.1m.

We also have a strong tradition of supporting good causes. Last year Willmott Dixon gave £320,000 in money and gifts in kind and our staff raised nearly £100,000 for UK charities. Our supply chain was active in its fundraising through our Foundation, too, raising over £30,000.

Supporting the local community

We employ over twenty people whose role is to liaise with communities and organise volunteering activities.

We also encourage staff to play an active role in their communities. We believe that our organisation benefits from the strong relationship focus that employees gain from these activities.

Supporting the local economy

We want to promote an environment where money is earned and spent locally, where people make a greater economic contribution to their community and where social infrastructure supports community cohesion.

We aim to provide work and skills opportunities wherever we can. For each project delivered through the Scape framework, we develop an employment skills and community engagement plan, detailing how we will initiate and support educational, environmental, social and economic activities.

In 2012 over half of the budget for our Scape projects was spent within 20 miles (88% within 60 miles) – meaning the equivalent of over £200 million was reinvested in local communities. 55% of our labour force lives within 20 miles of site. For each project we establish a contact within Jobcentre Plus for each project and create 4 job opportunities for every £1m spent. Through Scape we have created thousands of apprentice placement weeks, and involved 4984 pupils in workshops.

Providing skills and local employment

In 2012 the recession continued to hit young people particularly hard. Providing skills and local employment was one way in which we helped to transform communities.



Partnerships apprentices

Communities

“I am sure this scheme, together with others already on the way, will be the catalyst for the economic growth not only for Redcar but for the Borough as a whole.”

Lee Savage
Head of Economic Growth
Redcar & Cleveland Borough Council

Spending locally

Our team in Redcar have put local spend at the top of the agenda. In November 2012 they took delivery of steel for the £31m Leisure and Community Heart project.

Most of the steel for the project has been sourced from the nearby Teesside Beam Mill at Lackenby, famous for providing beams for Canary Wharf, Heathrow Airport's Terminal 5 and the new World Trade Centre in New York. The remaining circular section beams have been processed in Hartlepool.



Rick Willmott opened the new Willmott Dixon Parents' Suite at Rotherham Hospital

Leaving a long-term legacy

In July 2012 our Rotherham Partnerships team transformed the local special care baby unit. Tired and outdated facilities were replaced with bright and modern rooms, providing a welcoming place for families to stay overnight with their babies.

Angela Griffiths, ward manager, said: “We can't thank Willmott Dixon enough, they are a brilliant company. It's been a pleasure to work with the team and they have left behind a legacy that will be welcomed by parents and babies for years to come.”



The Lord Mayor opens the refurbished Bartley Green Scout Hut

Investing in the community

Our Birmingham Partnerships team invested £10,000 in time and materials to transform a decaying former WW1 barracks that was home to a Birmingham Scout group. The south Birmingham branch jumped to the aid of the 100 year old Bartley Green Scout Hut after an urgent appeal. They refurbished the toilets, constructed a new disabled access, redecorated the hut and built a new outdoor barbecue area. Then they arranged for painting and decorating students from South Birmingham College to get 'hands on' experience by repainting the building's weather-worn exterior.

“Willmott Dixon... have performed miracles... The improvements have delivered benefits for the local community and will help to ensure the future of Bartley Green Scout Group.”

Andrew Hitch
Group Scout leader

Getting young people started on the right track

There are high levels of unemployment in Dee Park in Reading, where we are working on a regeneration project. During National Apprenticeship Week in 2012 we took on a number of new apprentices.

Studying plumbing and working part-time in a shop, Shannon (18) was struggling to find an apprenticeship: "It's been really hard. I spent months calling plumbing companies but got nothing. Now I'm learning loads at work, my supervisor is really good and everyone is always willing to help me. I'm the only girl on site at the moment, but I would definitely encourage more girls to go into trades and the building business."

“In these days of high youth unemployment it is essential that local schemes like the Dee Park regeneration should offer opportunities for young people...”

Councillor Jo Lovelock
Chair of the Dee Park Board and
Leader of Reading Borough Council

A new 4Life Academy for the people of Birmingham

In 2012 we committed £1m to the development of a new training academy which will give up to 2,000 people a year lifelong skills.

The 4Life Academy, which opened in January 2013, supports the development of our 22 Birmingham apprentices, as well as benefiting the wider community. Students can take courses on technical trade skills, emerging technologies, health and safety, supervisor skills and energy efficiency, as well as employability skills such as IT and CV writing. A series of community programmes and DIY sessions will also be run at the centre.

The Willmott Dixon 4Life Academy will also act as a national centre of excellence for the company across the UK. It demonstrates our firm commitment to the West Midlands, where we employ nearly 1,000 people and are responsible for the long-term repairs and maintenance of 60,000 properties for Birmingham City Council.

The Willmott Dixon 4Life Academy is now working with City & Guilds and the British Plumbing Enterprise Council (BPEC) after we became one of the first construction companies approved as a registered BPEC training centre provider.



“The new Willmott Dixon 4Life Skills Academy is good news for Birmingham, providing the next generation with the vital skills and training needed to build Birmingham and the West Midlands.”

The Rt Hon Jack Dromey MP



Back of the net for our Cardiff fund-raisers

In 2012 Willmott Dixon staff from Cardiff organised a five-a-side charity football at Ebbw Vale Leisure Centre. Our event, which saw the supply chain enter teams along with our own, raised £1,500 for a specialist community palliative care team serving valley communities within South Wales.



“Willmott Dixon Partnerships is one of the most inspirational businesses that I have ever worked with. The company has a set of core values that underpin the culture and the impact of these is huge. During the assessment I found many inspiring examples that demonstrate the company’s core strengths and its commitment to people’s development and progression.”

Simon Baylis, the specialist who led Partnerships’ 2012 Investors In People assessment

Staff

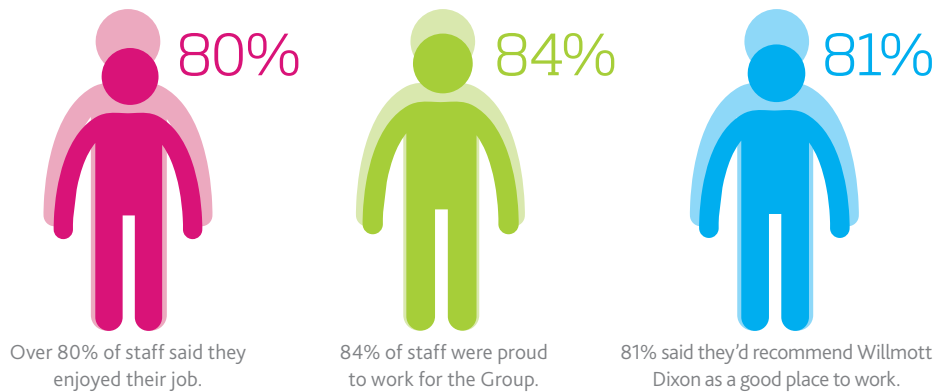
Our success depends on the skill, knowledge, integrity and commitment of our staff. So we make sure they have the training they need to help us remain industry leaders. We give them the opportunity to reach their full potential. We recruit those who best exhibit the Willmott Dixon values, and we provide a working environment that makes them want to stay and give of their best.

At Willmott Dixon we employ and invest in young people to ensure that our company will have a strong supply of skills and leaders in years to come. We employed 97 management trainees in 2012, and directly employed 64 apprentices – increasing our 2011 average by over a third.

In 2012 we continued to increase the amount of money we invested in training our staff.

Our aim remains to be the best company, across all of our industry sectors, in which to develop a career. 2012 saw strong results from our staff survey.

Staff survey results



Developing our apprentices

In 2012 we invested over £500,000 in training our 64 directly employed apprentices. Students who have undertaken work experience with us are encouraged to apply for apprenticeship vacancies. Apprentices are often offered training to become company Construction Ambassadors, working with schools and youth centres to talk to young people about careers in the industry. All apprentices are normally offered permanent employment on completion of their training.



Construction Manager of the Year Awards

Two of our employees received gongs at these prestigious awards. This is what the judges said:

GOLD
Philip Cracknell,
Haggerston School, London E2

"Phil's value engineering was instrumental in making the £1m savings needed to bring the budget back in sight. With umpteen balls to keep in the air, Phil showed himself an assured juggler. He thought on his feet, motivated the team, reassured the client and users, and always found solutions."

SILVER
Andrew Miles MCIQB,
General Offices, Ebbw Vale, Gwent

"Andy's commitment was total. He went beyond the call of duty, particularly in community engagement. Patient and confident, he never lost sight of the ultimate project goals, and delivered on all the promises."

“What I do know... is that when our staff are tempted to join other organisations for promises of more money and enhanced prospects, they often subsequently return to Willmott Dixon where they know they can rely on our word and our commitments.”

Rick Willmott
Group Chief Executive
Willmott Dixon

**EVERYBODY
PLAYS A PART**

Staff

“They [Willmott Dixon] developed Michael’s apprenticeship programme by drawing on his strengths, which is an excellent example of job carving, whereby the employee and company both get the very best out of the relationship.”

Suzanne Eusman, Specialist disability and employment lead for Autism Plus



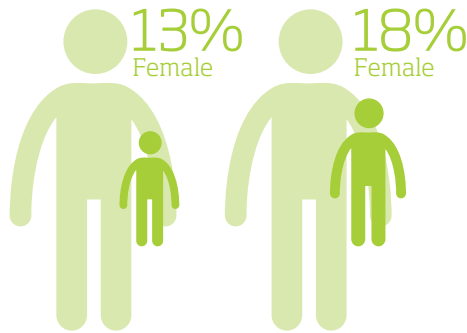
Equality, diversity and inclusion

We have always believed that diverse, complementary teams are the most effective. Our equality, diversity and inclusion charter sets out our commitment to ensuring Willmott Dixon remains a place where employees feel challenged, contented and included.

Our workforce remains significantly more diverse than construction industry averages.

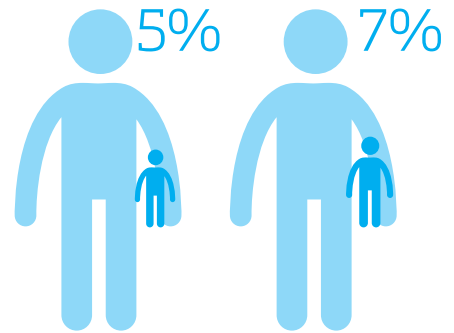
In early 2012 we won the right to use the two ticks disability symbol to show that we are positive about employing people with disabilities. As an industry member of the UK Contractors’ Group’s Diversity Group, we are committed to raising standards across the industry.

Staff gender profile



National average Willmott Dixon 2012

Staff from minority ethnic backgrounds



National average Willmott Dixon 2012

Health and safety is everyone’s responsibility

Our aim is to prevent all accidents. In 2012 we rolled out the Willmott Dixon All Safe campaign – a cultural ethos for all staff and suppliers that it is everyone’s responsibility to behave and operate safely. Through a programme of toolbox talks, branding and site inductions, it’s instilling a mind-set that any short-cuts or unsafe practices will not be tolerated, and that it’s everyone’s responsibility to ensure situations are flagged up and dealt with.

Our All Safe programme is based on four key principles:

Value	Belief	Attitude	Behaviour
No one should suffer pain	All accidents can be prevented	Everyone has a zero tolerance of unsafe behaviour	Everyone looks out for themselves and others



SafeDriver

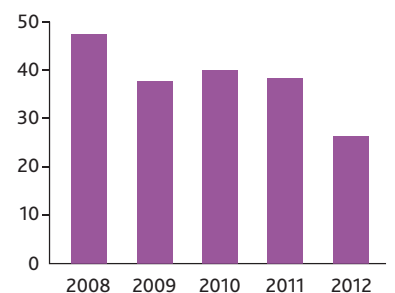
We launched our SafeDriver programme in the autumn of 2010 to improve driver safety and reduce accidents. In 2012 we saw a 16.3% decrease in van fleet accidents and a 15.7% reduction in car fleet accidents, compared to our 2009 benchmark

Our record of 28 reportable accidents in 2012 compares well to the industry average.

We continue to prioritise health and safety by:

- Using robust procedures implemented through our Group-wide OHSAS18001 certified health and safety management system.
- Using policies, training programmes and targeted communication.
- Encouraging the sharing of lessons learned.
- Regularly reviewing our practices and policies.
- Providing training to ensure our supply chain contractors have the correct level of competency.

Total reportable (RIDDOR) injury accidents



Suppliers

We want to make sure that the goods, works and services we procure are as sustainable as possible. So we engage regularly with our suppliers to keep up to date with their latest products and innovations. We aim to support them with information, advice and training to help them provide us with what we need.

In 2012 we were one of the few contractors to sign the Government's Prompt Payment Code. We recognise that consistent payment to our supply chain is essential to help them manage their cash flows and ensure they are able to continue delivering work for us.

In 2012 we provided additional reassurance for our supply chain through a new online portal where they have 24/7 access to their account status and history via a secure area of our website.

The Supply Chain Sustainability School

Understanding and navigating the sustainability agenda is critical if contractors and suppliers are to remain competitive. But it can be a challenge – especially to smaller businesses.

That's why we have collaborated with a number of other major contractors in support of the Supply Chain Sustainability School. The school was launched in June 2012, with a grant from the Construction Industry Training Board (CITB). Its aim is to provide a consistent approach to sustainability, and reduce the burden of training. This will enable suppliers to access new markets and support the UK sustainability agenda, and help companies like Willmott Dixon deliver better buildings for clients.



Suppliers questioned the panel of experts at a recent Supply Chain Sustainability School event

Rewarding excellence

We offer a variety of awards to encourage our suppliers to come up with sustainable solutions. This picture shows Armstrong Ceilings UK winning a sustainability award from our Interiors Division for the take-back scheme they ran on our £10.6 million fit-out of the new London School of Economics building. The scheme allowed us to recycle the ceiling tiles which would otherwise have been sent to landfill.



Roy Gleiwitz, Business Development Manager for Armstrong Ceilings, collects the award

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Responsible Business



As an industry leader in sustainable development we believe we have a key role to play in strengthening the sector as a whole. We want to raise standards, increase collaboration, boost building design, influence public policy, and increase the social value of construction and maintenance contracts. As industry leaders, we also need to set an example. This section shows how we are working across and beyond the sector to raise standards, and how we ensure that our operations meet the highest standards.



Headlines

Launched the **Willmott Dixon Foundation** to provide a strategic direction for our social investment.

Published '**Transforming Communities**' – a report which articulates how public sector organisations can use their buying power to drive jobs and growth into local communities.

Continued to invest **£1.3m** a year in research and development.

Increased our presence on **influential** industry groups.

Became a **corporate member** of the Institute for Environmental Management and Assessment (IEMA).

Increased our reporting capabilities by **developing better systems** for monitoring and measuring our performance.

One of the **top five sustainable house builders** in the UK, based on the national sustainable housing benchmark, NextGeneration.

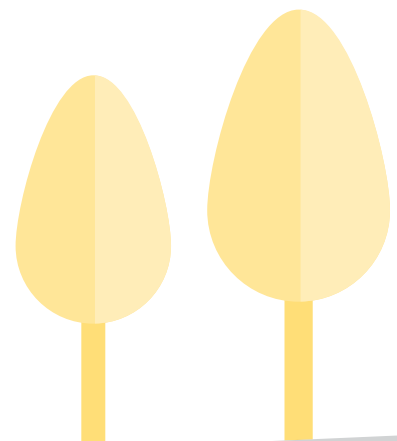
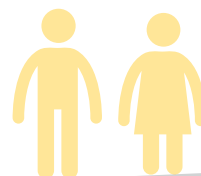
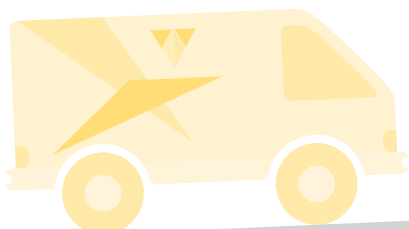
100% of projects were registered with Considerate Constructors' Scheme.

£1.3m

In 2012 we continued our commitment to investing £1.3m a year in research and development

IEMA

We became a member of the Institute for Environmental Management and Assessment (IEMA)



Leading sustainable development in the UK



The Willmott Dixon Community Healthcare Campus at the Building Research Establishment

£100k

We spent nearly £100,000 on research at our demonstration building at the BRE

“Next Generation benchmarks the sustainability performance of the UK’s largest 25 home builders and Willmott Dixon are consistently among the best performers in this field. They are to be commended for their part in leading the way for sustainability in the sector.”

Philip Hirst, Associate Director - Upstream Sustainability Services, Jones Lang LaSalle

Research and innovation

Research and development is essential to the success of our industry, so we invest around £1.3m in R&D every year, and we are involved in around 20 initiatives and collaborative projects. We have used the findings from these projects on our current sites across the UK, for example, to increase understanding of the energy performance gap between predicted and actual performance. We have also undertaken extensive work to understand the life-cycle embodied carbon impacts on our Sunesis Keynes standardised school design.

We spent nearly £100,000 on low carbon research at our healthcare demonstration building at the Building Research Establishment (BRE) in Watford, including the installation of a translucent building-integrated photo-voltaic glass roof.

We continue to support and invest in the development of Passivhaus approaches in the UK. We are a founder member of the Passivhaus Trust, and a member of its technical panel, making us one of the few companies with the expertise to deliver large-scale Passivhaus projects.

Re-Thinking how we work

We are one of the few construction companies with their own dedicated sustainability consultancy. Our Re-Thinking team, which has extensive experience in environmental and social science, drives performance by identifying sustainable solutions, sharing best practice, ensuring that we monitor and report our sustainability performance with rigour. The team also works directly with policy makers and influencers.

Supporting groups which share our values

We support social enterprises, charities and action groups which share our aims. These include:

The Prince’s Trust: We support this charity by providing work experience opportunities and funding to socially excluded young people.

Construction Youth Trust: We provide work experience to disadvantaged young people aged 14-30, helping them into education and employment in the construction industry.

The Future Melting Pot: We work with this charity, which gives young people a voice and a positive platform, particularly to those who find it hard to engage meaningfully with traditional businesses and networks.

Energy Bill Revolution: We support the campaign to persuade Government to use the money it gets from carbon taxes to help make homes more energy efficient, bringing people out of fuel poverty, cutting carbon emissions and creating jobs.

Action for Children: We are currently developing a partnership with Action for Children, a charity which supports vulnerable and neglected children and young people.

Shaping the future of the built environment

Willmott Dixon is active in some of the sector's most influential and important organisations, keeping us up to date on industry-wide developments and giving us the opportunity to develop and share ideas.

We work with, and have strong links to, the following organisations:



Aldersgate Group

Rob Lambe, Managing Director for Re-Thinking and Energy Services, is a Director of the Aldersgate Group, an alliance of leaders from business, politics and society that drives action for a sustainable economy.

The Green Construction Board

Rob Lambe is Chair of the Knowledge and Skills Group for this body, which comprises Government and industry representatives, working collaboratively to drive forward the actions set out in the Low Carbon Construction Action Plan.



UK Green Building Council (UKGBC)

Divisional Chief Executive John Frankiewicz is a trustee of the Green Building Council, a membership organisation which campaigns for a sustainable built environment.



Forum for the Future

We work with this independent non-profit organisation which works globally with business and government to inspire new thinking, build creative partnerships and develop practical solutions.



UK Contractors' Group (UKCG)

Rob Lambe chairs the Environmental sub-group of the UK Contractors' Group (UKCG), and Principal Sustainable Development Manager Steve Cook chairs the UKCG's Materials Task Group. The UKCG is the primary association for contractors operating in the UK, representing over 30 leading contractors.



Business in the Community

We are a member of this business-led charity which brings together over 330 of the most senior business leaders from UK and global companies to help build resilient communities, diverse workplaces and a more sustainable future. We achieved Gold status in their Corporate Responsibility Index in 2012.



Grown in Britain

Steve Cook, Principal Sustainable Development Manager is heading up a group of the country's leading contractors who are looking at how they can create more demand for home-grown timber.



Next Generation

We are a member of this group which benchmarks many of the UK's largest home-builders, overseen by a high level Executive Committee of the World Wildlife Fund UK and the Homes and Communities Agency.



Carbon Trust

We continue to engage with this organisation on managing and reducing our emissions. The Trust provides advice to businesses, governments and the public sector.



Energy Saving Trust

We work with this social enterprise which provides advice on reducing carbon emissions, using water more sustainably and saving on energy bills.



Considerate Constructors' Scheme

We are registered with this non-profit organisation, and our sites comply with their codes of considerate practice.



Constructing Excellence

We are a member of this organisation, which aims to improve industry performance in order to produce a better built environment.



“For Local Enterprise Partnerships to fulfil their potential in supporting local economic development, both public and private sectors need to do more to build trust and cooperation... It’s about building mutual recognition of the respective strengths of both public and private sectors in creating development opportunities that create growth and jobs.”

John Frankiewicz
Divisional Chief Executive
Willmott Dixon Capital Works



Putting the case for the construction sector

In July 2012, Capital Works CEO John Frankiewicz shared a platform with Government ministers at the Government Construction Summit. He talked about the importance of the construction industry’s role in UK Plc and set out how construction can be a catalyst for wider economic growth.

A new public-private model for economic growth

In 2012 we ran a year-long programme of events for local government focussing on localism, encouraging councils to discuss the challenges they face in the current economic climate, and to explore potential solutions.

Asked about their views on barriers to local development, 25% of councillors pointed to financial constraints and 18% cited housing. Nearly half of councillors pointed to low levels of skills in the local workforce as the main barrier for inward investment, with 41% also highlighting concerns over transport links. Low levels of education (31%) were a concern, as was a lack of suitable property options (30%).



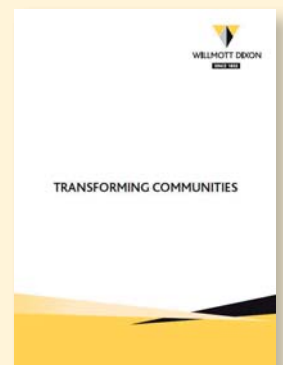
Localism event with John Frankiewicz, Jonathon Porritt and Sir Howard Bernstein



Education Minister Lord Hill visits Oakfield School, Rugby

Transforming Communities

In 2012 we published ‘Transforming Communities’ – a report which outlines how private sector organisations can add social value through the contracts they deliver. It’s a view based on Willmott Dixon’s 160 years’ experience of investing in local communities. The publication was sent to over 2,000 of the UK’s key decision makers and was featured in numerous publications.



Leading a sustainable business

The Willmott Dixon Foundation: a strategic approach to giving

In 2011 we established the Willmott Dixon Foundation as the vehicle through which we add social value. In 2012, the Foundation brought a more structured approach to our long-established programme of community investment. It has made us consider where we as a business can add particular value, and is informing our thinking about how we measure the success of that investment.

Tackling social exclusion and antisocial behaviour is an area where we think we can make a particularly strong contribution. A large part of our social investment focusses on enhancing communities. Much of our engagement is with young people – schools, open days, work experience. We believe that skills can change lives and we invest heavily in training – both for our staff and in the wider community. We are committed to increasing apprenticeships year on year.

Raising awareness and promoting change will become an increasingly important part of the Foundation's work. We want to lead the way in showing how businesses like ours can transform the communities in which they work. We want to show that social exclusion can be overcome when young people are given skills, opportunities and aspiration. We hope that if we do this, we may be able to inspire others to do the same.

A 2012 review of the Foundation can be found at www.willmottdixongroup.co.uk/foundation-review

“I believe how companies engage with their communities, using their resources to drive skills and jobs that leave real legacy, is going to be critical for businesses over the next decade.”

Chris Durkin
Divisional Chief Executive,
Willmott Dixon Support Services

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Business in the Community

In March 2012 we achieved the Gold standard in the Business in the Community's Corporate Responsibility Index, with a score of 93%. Companies that achieve Gold are able to demonstrate openness and transparency through effective public reporting of their environmental and social issues, corporate responsibility programmes and performance. They also expand and adapt their risk management processes by incorporating relevant aspects of corporate responsibility risk and opportunity, and their strategy is articulated in an effective manner, including clear and measurable targets.

Sharing innovation and best practice

The diverse nature of our work means that Willmott Dixon is divided into divisions, so that people can specialise in a particular area. But we also want to share innovation across the Group. So we have a number of forums which bring together specialists who seek to improve corporate performance by sharing knowledge. These include:

- Sustainability Forum
- Environmental Forum
- Health and Safety Forum
- Community Forum
- Commercial Strategic Team
- Pre-con Strategic Team
- Operations Strategic Team

2013 sees the development of a new network of sustainability champions within our Partnerships Division, to drive best practice.



The Willmott Dixon Environment Forum meets to share best practice

BUSINESS IN THE COMMUNITY



“New technology and innovation means that sustainability is a fast moving area. Through the Sustainability Forum I can share the lessons learned from the projects I have worked on, and acquire new knowledge.”

Richard Bartlett
Sustainability Manager, Willmott Dixon

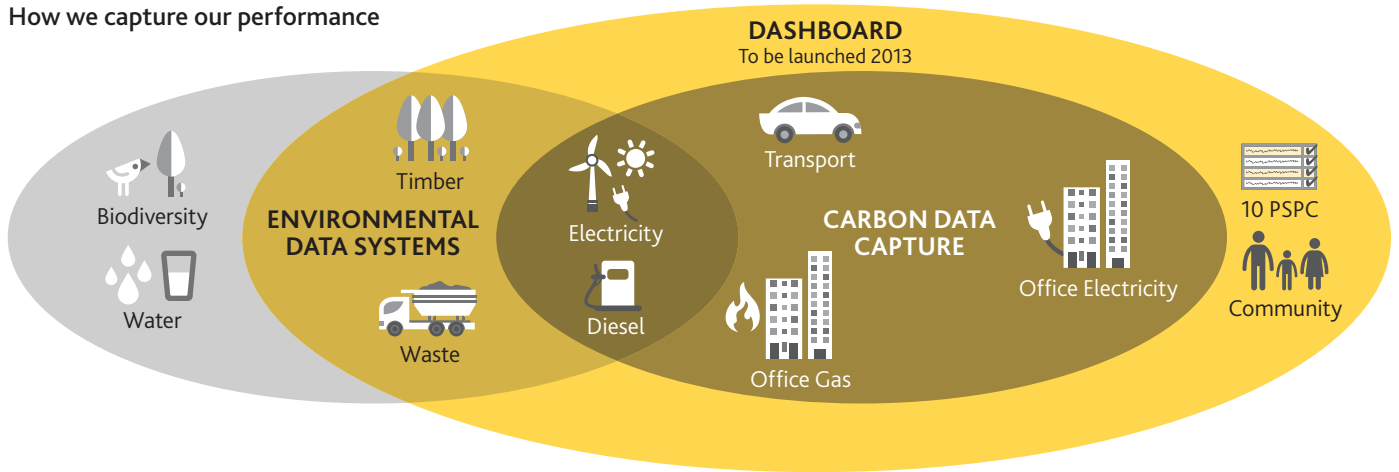
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Capturing our performance

We have robust systems in place to help us capture our performance, and in 2013, we will launch a new dashboard which will make reporting more accessible and transparent within the business.

- **Environmental Data System**
Captures environmental data for our sites, including waste, energy, water, diesel and biodiversity.
- **Carbon Data Capture**
Captures emissions data from our sites, offices, transport and energy usage.

How we capture our performance



The 10 Point Sustainable Project Criteria (10PSPC)

This helps us measure all our capital works schemes against a range of social, economic and environmental sustainability indicators.

We set more exacting standards each year, to drive improvement. Bonus payments based on regional performance provide an incentive for staff.

		2010	2011	2012
1	Client commitment to a sustainable project	Yes	Yes	Yes
2	BREEAM rating	Excellent	Excellent	Excellent
	Code for Sustainable Homes	Level 3	Level 4	Level 4
3	Sustainability action plan	Yes	Yes	Yes
4	Energy Performance Certificate rating	B	B	A
		B	B	B
5	Recycled content by value	>25%	>25%	>25%
6	Waste diverted from landfill	>85%	>90%	>95%
7	Sustainability health checks & post-occupancy evaluation	Yes	Yes	Yes
8	Life-cycle cost and life-cycle assessment undertaken	Yes	Yes	Yes
9	Considerate Constructors Scheme undertaken	>34	>34	>34
10	Community project	Yes	Yes	Yes

We use the criteria during project launch workshops to identify the relevant sustainable development issues. From there we develop a sustainability action plan which helps provide a clear understanding of actions and responsibilities, and then we audit each project annually.

All site inductions include information on our sustainability strategy and policy objectives relating to waste, energy, water, ecology and sustainable procurement, and each site has a member of staff to ensure sustainability measures are implemented, and to drive best practice.

In 2012, the average performance of Capital Works projects measured against this challenging matrix was 67%. At the end of 2012 we reviewed the plan and set new, more challenging targets.

A similar model will be launched within our Partnerships Division in 2013.

Auditing our fleet

We are signed up members of the Energy Saving Trusts' 'Motorvate' scheme. Each year our fleet performance data and reporting processes are externally audited by the Energy Saving Trust.



Managing our environmental impact

The processes we use to manage our environmental impact at each stage of our project processes, from design through to handover, are underpinned by our ISO 14001 certified Environmental Management System. In 2012 our Capital Works projects were regularly audited. The BSI auditors were satisfied with our implementation of both the ISO 9001 and 14001 management systems.

Considerate Constructors

The Considerate Constructors scheme measures the impact of works on the environment, the community and the workers. In the assessment of our house building business during 2012 by NextGeneration we had the highest average score on the scheme. In 2012, across our Capital Works business as a whole, our schemes scored an average of 35.5 points out of 40, against an industry average of 33.2. This compares favourably to our 2011 achievement of 35.1.



Capital Works Considerate Constructors' Scores for 2012

Considerate	Environment	Appearance	A Good Neighbour	
4.42	4.48	4.44	4.45	
Respectful	Safety	Responsible	Accountable	Total score
4.44	4.49	4.38	4.38	35.47

Corporate members of IEMA

In December 2012, our environmental sustainability leadership was recognised by the Institute of Environmental Management and Assessment (IEMA), who accepted us as Corporate Members. Membership means that we can work in partnership with IEMA on training programme accreditation, horizon scanning and policy development. Corporate Membership also brings practical guidance for environmental sustainability professionals.



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1st

In 2012 we became the first
carbon neutral company in
our sector



Tackling Climate Change and Energy Efficiency



Here at Willmott Dixon we are leading the way in low-energy building design, low-impact construction, energy-efficient repairs and maintenance and retrofit.

At the same time, we recognise that we need to address the carbon emissions resulting from our operations. We continually seek more energy-efficient working practices, to help us reduce our carbon emissions, and help us save money on our energy and fuel bills.

Our work and investment into reducing emissions was recognised in 2012 by the Carbon Trust. We were the first company in our sector to achieve the Carbon Trust Standard. We were also the first company in our sector to declare carbon neutrality in accordance with PAS 2060.



Headlines

Became the first construction company to achieve the **Carbon Trust Standard**.

Offset our 2012 emissions to become the **first carbon neutral construction and support services company**.

Overall carbon intensity increased by **6.5%** from 2011 to 2012.

A **5g CO₂/km** improvement in fuel efficiency for our car fleet.

£57,000 paid out as a green bonus to 104 employees for choosing lower carbon cars.

10,000 miles claimed under our bicycle reimbursement scheme.

142,000 miles claimed under our car sharing mileage reimbursement scheme.

Invested **£240,000** in fitting a range of energy improvement measures across our office estate.

87% of our housing units comply with Life Time Home Standard.

88% of construction projects completing in 2012 achieved at least an EPC B rating with many achieving an A rating.

Post-occupancy evaluations are planned for **86%** of non-domestic construction projects completed in 2012.

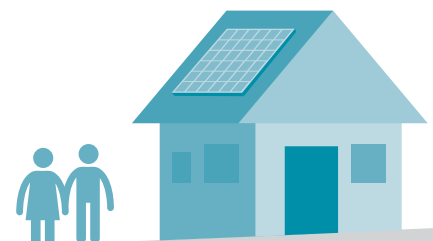
We assessed the energy performance of over **4,000** homes in the social housing sector and provided them with energy performance certificates.



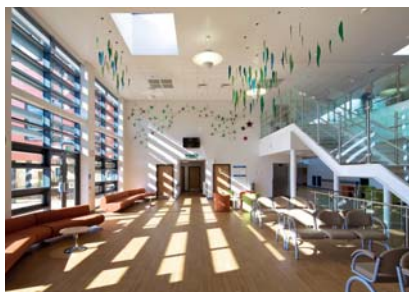
“The built environment accounts for around 50% of all UK emissions. So companies like ours can play an important part in helping our country meet its target of reducing greenhouse gas emissions by at least 80% by 2050.”

Rob Lambe
Managing Director
Energy Services and Re-Thinking

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New build



Houghton-le-Spring Primary Care Centre, Sunderland, the UK's first BREEAM outstanding health facility

The greatest positive impact we can have on climate change is through the energy-efficiency and effectiveness of the buildings we construct, refurbish and maintain. We remain committed to researching and developing low-carbon building design and we continue to research, develop and employ innovative construction solutions and technologies.

We always aim to improve the sustainability of our developments without incurring further costs to the project. So we work with clients to develop sustainability strategies which are achievable within project constraints.

On the buildings we construct we include features which encourage the use of more sustainable forms of transport, such as cycle spaces and on-site electric car charge points. For some of our projects we also include the option of a residents' shared car club.

Our development arm be:here builds large-scale developments for rent by working professionals. Home office working provision comes as a standard feature in each unit they build.

Post-occupancy evaluations are planned for 86% of non-domestic construction projects underway in 2012.

Dwellings built and planned in 2012 complying with environmental assessment standards

Certification	Level	Number of units
Eco Homes	Good	32
	Very Good	129
	Excellent	8
Code for Sustainable Homes	3	977
	4	1353
	5	18
Passivhaus		53
BREEAM Multi Residential	Very Good	340
	Excellent	265
Total units		3175

Non-domestic projects achieving BREEAM in 2012

Level achieved



Helping Camden Council raise the bar on sustainability

When Camden Council asked us to help them achieve their vision of a sustainable Camden that adapts to a growing population, we jumped at the chance.

Our clients wanted us to build a 53-home development that will be the UK's largest residential scheme so far to meet the Passivhaus standard. As a founder member of the UK Passivhaus Trust we were well placed to deliver the UK's largest Passivhaus residential project.

Passivhaus is a German concept which sets a very high standard for energy use. Once completed, to anyone walking past, Camden's Chester Balmore will look no different to any other development. But underneath, it's a different story. Chester Balmore uses a lot of insulation, very low thermal bridging and very high levels of airtightness. It's a challenging project which has seen us undertake very careful energy software modelling, working closely with our in-house team of Passivhaus designers.

Chester Balmore is due for completion in late summer 2013.



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“With rising energy prices, consumers will soon be demanding more energy efficient buildings, so Passivhaus is something we expect to see more of in the future.”

Ben Shuster, Energy Solutions Engineer and certified Passivhaus designer

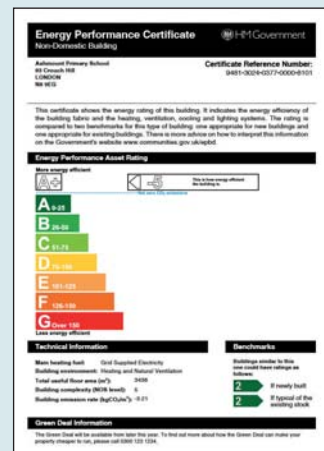
Building a carbon-negative in-use school in North London

This learning and recreational environment built in Crouch Hill for Islington Borough Council has an A+ energy performance certificate (EPC) rating. The school is rated BREEAM Outstanding. BREEAM is the most widely used environmental assessment method for non-domestic buildings.

So how did we achieve this rating?

All the buildings on the site were designed to be low energy and low carbon. We used very high levels of insulation. All classrooms use an 'e-stack' low energy ventilation system which provides heat recovery in winter and safe night-time cooling. We installed controls to monitor and respond to CO₂ and temperature levels. We used low-energy lighting systems and electrical goods. We reduced the need for artificial lighting by orientating the building southwards to maximise natural daylight, and by using solar glazing and shading tailored to the orientation of each elevation.

A gas powered combined heat and power (CHP) network delivers heat and power to the buildings and park lighting. During winter, a biomass boiler provides top-up heating. Excess heat is used to heat an adjoining blocks of flats.



There are not many buildings out there with an EPC A+ rating!

Building a BREEAM outstanding school

The multi-award-winning Hope Academy is one of the most highly specified education buildings in the UK and Europe. It achieved a BREEAM Outstanding rating.

Wind turbines provide the school's off-peak electricity, photovoltaic panels generate energy, and heating and hot water are supplied by renewable biomass sources on site.

The wind turbines installed during the construction phase powered the site and works. The resultant site was zero-carbon – a very rare occurrence for the construction industry.

A partnership with the Lancashire Wildlife Trust ensured that external areas provided wildlife and habitat areas, both for species protection and as learning environments for the students.



Retrofit



Retrofitting existing buildings is a key way in which we can help reduce the UK's carbon emissions.

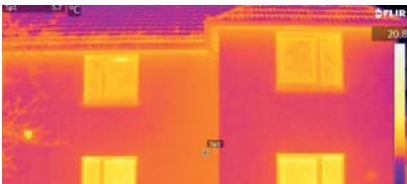
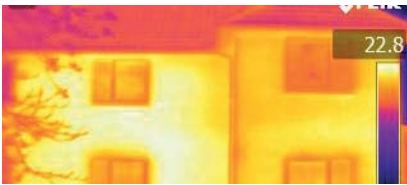
It is estimated that around 80% of homes standing today will still be in use by 2050. Estimates suggest that we will need to retrofit one house every 45 seconds for the next 37 years in order to meet the Government's de-carbonisation target.

The retrofit market therefore represents significant opportunities to the construction industry.

In-house energy expertise

Our team of energy services experts is dedicated to achieving low carbon solutions for property – and saving our clients money on energy costs. They work on all types of property – commercial and domestic, publicly and privately owned.

The low-carbon retrofit solutions we provide include thermal fabric improvements, draught-proofing, renewable technologies, lighting and heating. As a registered Green Deal Provider, we are well positioned to deliver works either under the Green Deal or through ECO (Energy Company Obligation) funding.



Thermal imaging of house before (top) and after (above) retrofit

Addressing the performance gap

The gap between projected actual thermal performance is a key issue for construction companies. A recent survey of 24 houses revealed percentage discrepancies of between 5% and 200% between predicted and measured thermal performance.

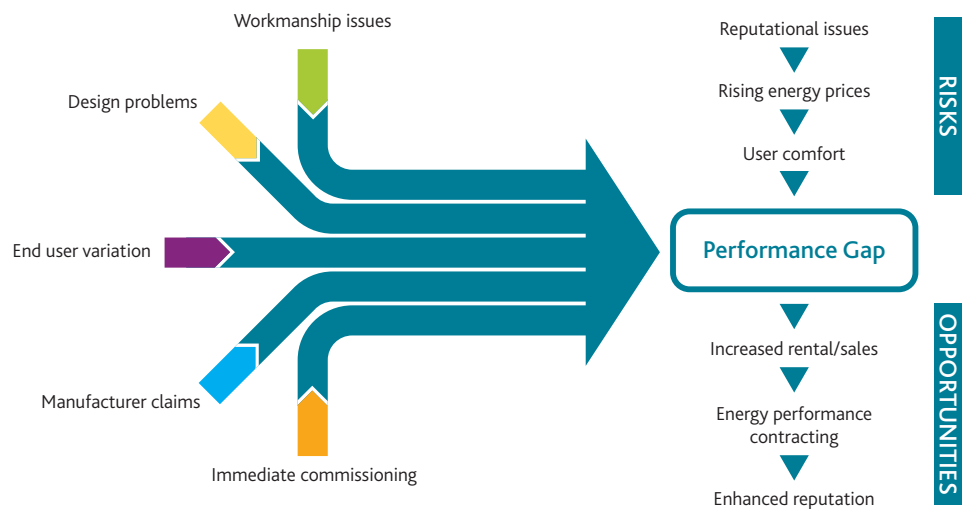
We continue to lead research in this area, and have identified a number of potential reasons for the performance gap in all phases of a building project. We continue to identify where we can strengthen our processes to make sure that our buildings perform as designed.

The Green Deal

At a policy level we have been integral in the development of Green Deal and ECO, the energy efficiency subsidy initiative. In April 2012 we signed an agreement with Government to be a Pioneer Green Deal Provider. So when The Green Deal was launched in January 2013 following a four month pilot phase, it marked a key milestone for our new Energy Services company. Retrofitting properties, through the Green Deal, and through other funding mechanisms, is an area in which we expect to see real growth over the coming years.



The performance gap



Public building retrofit project of the year: North Somerset Council Town Hall

North Somerset Council's Town Hall, winner of the 'Public Building Retrofit Project of the Year 2012', was the first retrofit in the country to achieve an EPC rating of 'A'. We achieved this by transforming a 1970s building into a dynamic open plan layout which incorporates the local library, council offices and the hub for police enquiries.

We used a number of different technologies. We used cold aisle containment units to control the temperature of the IT servers. We made sure the building used as much natural light as possible, supplementing this with active LED lighting. The central atrium was used to combine conventional methods of temperature control with natural ventilation. 240m² of photovoltaics provide 8% of the building's energy needs. The heat pump heating/cooling in ground floor areas provides 7.4% of the building's thermal energy demand.

The building's total carbon emissions are expected to reduce by 60%, saving approximately £700,000 a year in energy bills.



Alasdair Donn receives the 'Public Building Retrofit Project of the Year' award

Installing energy efficient measures

We have extensive experience in managing energy efficiency retrofit schemes across a range of programmes. These have included ECO, CERT & CESP, Renewable Heat Incentives, Feed-in Tariffs and other funding sources.

A recent example is the work we are doing for the Welsh Government. Through the three year ARBED programme, which started in 2012, we are installing energy-efficient measures to more than 2000 homes. Another example is the work we are doing through our RE:NEW framework with the London Authority, where we visited over 8,000 homes in North and West London, finding homes which required further insulation, heating and low energy measures, and encouraging the household to take up those measures.

Certified installer of micro-generation technologies

We are an approved installer for a range of micro-generation technologies under the Micro-generation Certification Scheme. This means that the qualified tradespeople who work in our Partnerships Division can install and maintain technologies and heat from renewable sources.

Energy performance certificates

Through our Partnerships contracts, we carry out maintenance and repairs whenever there is a change in tenants, to make sure the home is up to standard. We also have to provide the new tenants with an Energy Performance Certificate (EPC). In 2012 our Partnerships Division issued 4000 certificates. The work provides the team with more opportunities to reduce the carbon emissions of the stock, by identifying retrofit opportunities, and by engaging with householders, giving them energy saving tips.

Post-occupancy evaluations

Post-occupancy evaluations are a key way in which we gain greater understanding of the end-user energy consumption on our projects. Our comprehensive evaluation combines an occupant survey, interviews and a range of energy consumption data, to identify what lessons can be learned. The resulting report provides us with invaluable insight and information to feed back into the design and build of future projects.



Micro-generation solar panels

Our operations



Working with the Carbon Trust has helped us strengthen our approach to managing the carbon emissions associated with our operations. It has helped us define clear reporting boundaries, in line with the reporting requirements of the World Business Council for Sustainable Development Greenhouse Gas Protocol.

In 2012 our reported total carbon emissions rose by 6.5%, relative to turnover, compared with 2011. The quality of the data we collected in 2012 was significantly better than that of 2011, which we think partly explains this disappointing increase. However, we know that business factors contributed too. On average, the construction industry has seen a 7% reduction in costs since 2010. An independent assessment has also confirmed that our Sunesis projects are 20-38% cheaper than similar projects currently being delivered across the UK. We are proud of the value for money that we provide, but the fact that we are delivering more square footage per £m of turnover has increased the intensity of construction activities, and therefore also our carbon footprint.

Going forward, we have set ourselves a target of reducing our emissions by 15% by 2014, compared to a 2010 baseline, and we have a Carbon Management Plan in place which sets out how we will do this.



We invested in a project to switch a factory in Brazil from fossil fuels to renewable, locally sourced biomass

A carbon-neutral business

As a responsible business we aim to reduce our carbon emissions as much as possible. In 2012 we worked with Climate Care to identify where we could invest in projects to offset the emissions that we produced. The projects we chose aligned to the values of our Foundation. They included supporting a geothermal power project in Indonesia, and a project to switch two factories in Brazil from fossil fuels and firewood to renewable, locally sourced biomass. Our offset strategy was developed with recognised PAS 2060 principles, enabling us in 2012 to be the first carbon neutral construction and support services company.

Absolute emissions

CO ₂ e emissions (tonnes)	Performance		Percentage Change
	2012	2011	2011/2012
Scope 1	12,067.7	11,351.3	+6.3%
Scope 2	6,032.7	5,327.4	+13.2%
Total Scope 1 and Scope 2 emissions	18,100.4	16,678.7	+8.5%
Scope 3 emissions	2,341.8	2,515.2	-6.9%
Total emissions	20,442.2	19,193.9	+6.5%

Emissions relative to turnover

CO ₂ e intensity (tonnes/£m turnover)	Performance		Percentage Change
	2012	2011	2011/2012
Total Scope 1 and Scope 2 emissions	17.5	15.9	+10.4%
Total emissions	19.8	18.2	+8.4%

On site

Rising costs make energy a major overhead on site, so we have introduced a number of initiatives to help us reduce consumption. For example, our new projects now use Eco-Cabins, which have more insulation, double glazing and more energy-efficient lighting.

We are now considering how we can understand and monitor our energy usage better, with a view to installing energy monitoring equipment across our major sites in 2013.

In the office

In 2012 we invested £240,000 in a range of energy improvement measures. These included installing energy metering and monitoring equipment, providing real-time information and reporting, and a behavioural change programme. We are now developing real-time energy performance reporting to help us manage consumption and motivate staff. The projected savings from these measures represent a 55 tonnes per year reduction in total carbon emissions.

We are a growing business, and the amount of space we need is increasing. So we are making sure that future leases or extensions to existing leases take into account sustainability considerations.

On the move

We have more than 850 light commercial vehicles for tradespeople providing repairs and maintenance to over 500,000 social housing tenants across the country. We also have a 780-strong car fleet. This makes vehicle mileage a key area when it comes to reducing carbon emissions.

In 2012 our average company car efficiency was 123g CO₂ /km – an improvement of 5g CO₂ / km on the 2011 total.

This is due to a range of measures including:

- Green Bonus incentives for employees with cars with lower emissions,
- limiting the company car list to vehicles with lower emissions,
- encouraging the use of bicycles through salary sacrifice schemes and mileage reimbursement,
- driven business mileage limits and fines for offices where employees exceed them,
- adjusting fuel reimbursement rates to reflect company car CO₂ emissions,
- incentivising car sharing for business trips and commuting,
- ensuring employees are aware of the tax band implications for the full number of years of a company car lease.

In 2012 our Partnerships Division developed a system for monitoring the fuel efficiency of its fleet. We also researched the use of alternatively fuelled vehicles. While, at the moment this is not a commercially viable option, we have implemented a number of initiatives to drive down emissions, including piloting an in-vehicle driver behaviour monitoring system and better route optimisation.



Eco-Cabin



Jubilee Great Switch-off poster



Fleet

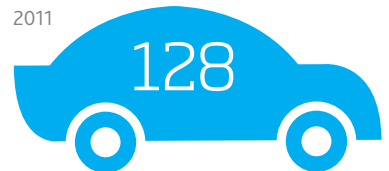
Company car emissions

(g of CO₂ per km)

2012



2011





Creating a sustainability showcase

In 2012 we began work on The World Wildlife Fund's new £15 million headquarters, The Living Planet Centre, in Woking. The environmentally intelligent building uses state-of-the-art sustainable building technologies, enabling the organisation to showcase its global work through the building itself.

The client's brief was for a building that was sympathetic to its natural surrounding while attaining the highest sustainability standards. The client challenged our team to meet carbon as well as financial targets, by setting a carbon budget. This helped reduce the embodied carbon of the building by over 40%, compared to a standard high performance office building.

The project gave us the chance to implement a number of new sustainability initiatives. Procurement was a key area of focus. We were able to certify 98.5% of building materials as responsibly sourced. We now look set to achieve the full FSC project certification, helping towards a BREEAM rating of outstanding. The lessons we have learned on this project have influenced the development of our Group Sustainable Procurement Policy, and are having a positive influence across our business.

“It's fantastic we can work with Willmott Dixon to create an outstanding example of a sustainable building.”

David Nussbaum
Chief Executive, World Wildlife Fund UK



Smarter Use of Natural Resources



The construction industry as a whole consumes more materials than any other industry. Resource efficiency is vital if we are to minimise the negative impact of our activities. A key part of our Sustainable Development Strategy focusses on reducing the amount of materials we use and the volume of waste we produce.

95%
In 2012 we diverted 95% of construction waste from landfill

Headlines

95% of waste diverted from landfill.

Water consumption per £100,000 of turnover fell **4%** from 10m³ to 9.6m³.

Developed strategic arrangements with **27** manufacturers for materials recycling.

Started work on The World Wildlife Fund's new **£15 million** headquarters, The Living Planet Centre, in Woking – a major sustainability showcase for the UK.

Issued a new **sustainable procurement policy** to ensure that we make the right choices in the sourcing of products and materials.

9.6m³
Our water consumption per £100,000 of turnover fell 4% from 10m³ to 9.6m³



EVERYBODY PLAYS A PART

“We work with our supply chain to reuse materials and reduce water consumption.”

Martin Ballard
Group Environment Manager





Our Group Sustainable Procurement Policy

We estimate that 80% of our turnover – about £3.2m each day – is spent on the procurement of goods, works and services. We need to make sure we spend this money responsibly.

In late 2011 we engaged with our suppliers, subcontractors and manufacturers in the development of the Willmott Dixon Group Sustainable Procurement Policy.

The resulting 2012 policy sets out how we will reduce our consumption of primary resources, and use materials with fewer negative impacts on the environment.

We procure with a preference for material and products which are certified as responsibly sourced. Our approach to sustainable procurement is in line with the principles contained within BS 8903. The standard provides a framework against which we have set our measurable aims and objectives for improvement over the procurement of goods, works and services.

We have set out clear guidance to staff and suppliers around responsible sourcing in our Sustainable Procurement of Materials and Products Implementation Matrix.



Super-eco housing in Hounslow

The Greenway on Staines Road in Hounslow is an 18-unit mix of social housing and affordable homes built to the Code for Sustainable Homes Level 5 standard. It's also one of the first housing schemes in London to meet the Mayor's Housing Design Guidelines, which specify a minimum size for living space and corridor width, and expect every home to have space to store a bicycle.

The development also features:

- A rainwater recycling system that could reduce water consumption to around half the current national average.
- Allotments and a mini orchard.
- Active cooling control which uses a cooling loop within the concrete floor slabs linked to an underground circuit of pipes to remove heat from the building when it gets too warm.

Now they are occupied, our Energy Services team are monitoring the homes for energy consumption and heat loss over a two year period. The results will be shared across the housing sector to inform future eco-friendly building work.

“A fantastic project... [with] precisely the qualities I want to see in housing developments right across the capital.”

Boris Johnson, Mayor of London



Timber

Our 2012 Sustainable Procurement Policy commits us to procuring timber which is legally and sustainably sourced. We are now undertaking two project certifications, so that our construction projects can be certified to either FSC or PEFC, via third party audits. We also continue to work with our suppliers and sub-contractors on a timber reporting system to provide assurance that only legal and sustainable timber is being supplied.

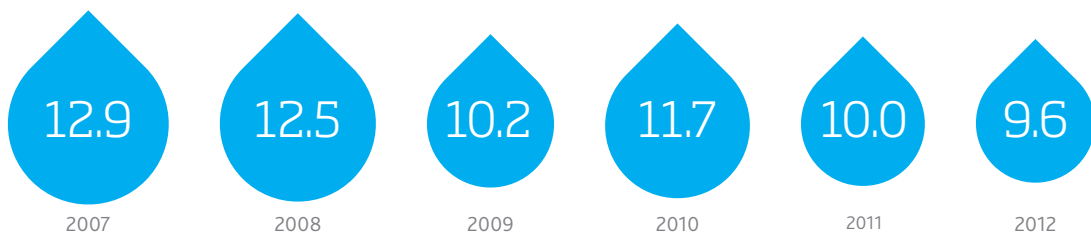
Willmott Dixon is chairing a contractors' task group which is supporting 'Grown in Britain.' This industry-led and Government-backed campaign aims to stimulate demand for more home-grown timber. Buying British timber will help support and develop the country's woods and forests, enhancing biodiversity, creating jobs and supporting local economies.

Water

2012 saw us continue to reduce the amount of water we use. Our consumption per £100,000 of turnover fell 4% from 10m³ to 9.6m³.

The heavy rain in 2012 was a challenge on many of our construction sites – careful management was needed to avoid flooding. However, it also meant that we could try new methods of using harvested rainwater.

Water usage (m³/£100,000)



Harvesting rainwater, to make a splash in Gosport

There was heavy rain during the build of Gosport Leisure Centre, so we decided to use rainwater to test the structural integrity of its swimming pools.

The site team diverted half the roof's run off directly into the pools. Both pools were completely filled using this method prior to tiling works. Once any leaks had been identified, the water was reused for other site activities such as tool cleaning and landscaping.

The rainwater harvest saved us using a massive 435m³ of treated mains water. The initiative had other benefits too – it reduced the risk of flooding on site which would have led to significant project delays.



Gosport Pool

Biodiversity

We take great care to identify and protect the plants and animals living on and around our sites, and where necessary, take measures to minimise our impact. The case study below provides a typical example of those measures in action.

Protecting Dingy Skipper habitat

Before we started to build the new Penrhos Community Primary School, an ecological survey identified the presence of a rare butterfly called the Dingy Skipper.

We worked with Butterfly Conservation, creating and enhancing conservation zones, planting seeds to provide plants which would support the butterflies. We appointed a biodiversity champion to ensure that the habitat areas were inspected and protected during the project.

Inductions and toolbox talks ensured that all trades were aware of the protection zones, and the importance of not disturbing them. Once the school building was complete, we handed the butterfly monitoring programme we had developed over to the school along with a section in their maintenance manual on how to manage the habitat and the wild flower banks.



The rare Dingy Skipper butterfly

Diversion of waste from landfill



Waste

At Willmott Dixon we believe in setting targets that challenge us. Back in 2008 we said that in 2012 we would send no waste to landfill at all. This target included construction, demolition and excavation waste. This was the most ambitious target in our sector.

Our 2012 achievement – of 95% of waste diverted from landfill – falls a little short, but it still ranks among the best result in the industry. So how did we achieve it?

We worked with product suppliers to apply the waste hierarchy to the management of waste materials and encourage re-use ahead of recycling and recovery. For example, we encouraged the re-use of discarded furniture and the repair and repatriation of pallets.

We collected detailed data which helped us understand which waste streams were the most difficult to divert from landfill, and worked with a number of manufacturers to trial and implement takeback schemes.

We studied our designs very carefully so that we were more precise about the quantities of materials we procured in the first place. This is an area that we expect will improve significantly with the application of BIMM.

We developed a new pre-demolition audit process which helped us work with contractors to identify more efficient ways of managing demolition arisings.

We worked with waste service providers who report in accordance with PAS 402: Waste Resource Management Specification for Performance Reporting, or are working towards this standard. This helped us provide certainty in our waste management performance calculations, including diversion from landfill and material recovery rates. We also required that our trade contractors operate to the same standard.

We will remain committed to carrying out Site Waste Management Plans, even if they cease to be a legal requirement. We are continuing to work towards our target of zero waste to landfill.



Kingspan recycling

Kingspan

In 2011, we developed a takeback scheme with Kingspan Insulation. It was so successful that we made the scheme available to all sites, and began talks with other manufacturers to develop similar schemes.

In 2012 the scheme was developed still further by our Energy Services team when they fitted external wall insulation to 78 domestic dwellings on behalf of the energy company, E-ON. All waste offcuts from the works were segregated, bagged up on site, and collected by Kingspan at the same time as they delivered new insulation. Kingspan collected 3600kg of offcuts – equivalent to 12 x 12 yard skips. The scheme saved £2,060 on the cost of a traditional disposal method, and it also helped us divert a large quantity of material from landfill.

Excavation waste being recycled at Keynesham

As part of the regeneration of Keynesham town centre, we were able to re-classify some of the excavation waste under the CL:AIRE protocol and use the material to support the slab for the new buildings. This diverted 5,320m³ of material from landfill, saving 592 lorry movements, and £127,000 in disposal costs.

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 relates to 1 January 2012 to 31 December 2012, covering all Willmott Dixon Group businesses.

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

Assessment of Achievement

The table below presents Willmott Dixon KPI performance as verified by Bureau Veritas:

KPI	Verified Performance
Carbon footprint	20,442 tCO ₂ e
Total waste diverted from landfill	95%
Construction waste generated	13.9m ³ /£100k
Average Considerate Constructor Scheme (CCS) score	35.47
Value of community investment	£1,131,890
Average training days per employee	3.6

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 2012 performance.

Bureau Veritas has made a number of recommendations which the Group should address, in order to improve its approach to managing and reporting sustainability activities. These recommendations are provided as a separate management report.

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 (e.g. waste transfer notes) 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 UK Ltd

London, April 2013





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Paper stock: Revive 100% Recycled Silk (Cover 350gsm, inner pages 150gsm)