



WILLMOTT DIXON

SINCE 1852



Everybody plays a part

Sustainable Development Review 2015



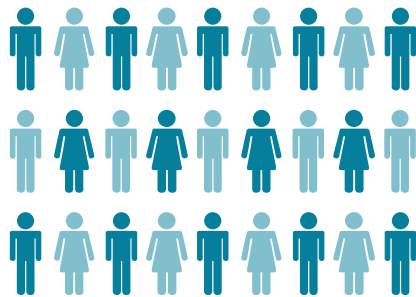
2014

At a glance

PUTTING PEOPLE FIRST

1,546

More than halfway towards our 2015 target of **'enhancing the life chances of 3000 young people'**



59%

of our employees took part in **community activities**



£2.4m

invested in **employee development**



110

management **trainees**



2%

increase in **employee engagement score**



£2.27m

The value of our people's time and skills, donations and other gifts-in-kind to local communities, through the **Willmott Dixon Foundation**



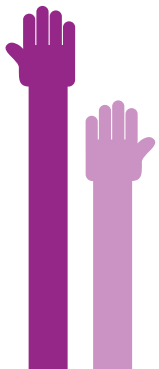
1,700

students and school children **visited our sites**



99%

of Willmott Dixon employees received sustainability training and **committed to making our business more sustainable**



Continued to reduce Group average accident frequency rates

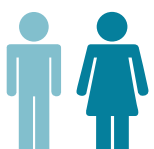


1,632 SUPPLY CHAIN SUSTAINABILITY **SCHOOL**

of our suppliers are members of **The Supply Chain Sustainability School**

1,854

young people **mentored**





RESPONSIBLE BUSINESS



The Queen's Award for Enterprise Sustainable development category

39.90

Average Considerate Constructors score of 39.90 out of 50



Contributed to the Government's Review of the Social Value Act, and recognised for community investment best practice



CLIMATE CHANGE AND ENERGY EFFICIENCY

30%

reduction in carbon intensity compared to 2010, smashing our 2014 15% target



94

Record 94 bicycles purchased through our bike4work scheme



Green Bonus

£23,400 spent rewarding employees choosing low emission cars



18,237

Cycle miles reimbursed



560,293

car share miles reimbursed



Carbon Neutral

business for the third year running



NATURAL RESOURCES

96%

of waste diverted from landfill



10.9m³

waste per £100k project turnover – slight increase on 2013



CIRIA BIG Challenge biodiversity award for Brentford Lock



About Willmott Dixon

Our business

Founded in 1852, Willmott Dixon is one of the UK's largest privately-owned construction, housing and property groups. Group Chief Executive Rick Willmott is the fifth generation of the Willmott family to lead the business.

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



Relationship focused

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



Intrapreneurial and direct

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



Visible and accountable

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



Preserve our environment

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

Sustainability comes with commercial benefits

It has often been suggested that the application of the principles of sustainable development will add cost rather than value to a project. At Willmott Dixon we strongly contest this view. We believe that by adopting best-in-class thinking not only does sustainable development make us more competitive but it also enhances the performance, and reduces the impact, of our built environment legacy.

As custodian of a company that has been working in communities for 163 years, I want to make sure that our business continues to win high-quality projects and contracts. Our expertise in sustainability is helping us do this because our clients place great value on commissioning exemplar buildings that demonstrate locally a response to our shared global challenge. To do so enhances reputation, organisational credibility and asset value; it's an undeniably compelling argument. You can find more details on just some of these projects in this publication.

Sustainable development helps us design and build better buildings by finding improved ways of solving old problems. It's no coincidence that we see a strong link between good sustainability performance and strong commercial success. It provides us with a springboard for the right conversations with our clients where we can dispel the misconception that sustainability comes with an inflated price tag. Our responsibility is to demonstrate to clients how sustainable design and construction can achieve the outcomes which are important to them – for example, lower energy bills, higher achieving students, reduced maintenance costs and stronger communities.

At Willmott Dixon we know that the strength of our community investment work is a key factor for many of our clients. Our annual staff engagement survey demonstrates that working for an ethical company, where they can regularly contribute to community engagement, is also important to our people.

A clear strategy around sustainability and innovation serves to attract people into our company and is a key feature in retaining new starters and long servers alike.

The cost savings of our sustainability programme are undeniable. At the beginning of our 2010-2014 Carbon Management Plan (more about that in this publication) we predicted that our energy costs, without intervention, could be as much as £13m a year by 2014. By the end of last year we had lowered our energy costs to £7.2m – the lowest since 2010.

Our involvement in industry and cross-sector groups is giving us the opportunity to collaborate to deliver other benefits too: for example, addressing some of the big issues our country faces such as fuel poverty, climate change, resource scarcity and social exclusion.

Sustainability is a huge and complex challenge for all of us. But if we are positive and proactive, we can grow our business, and at the same time, make a huge difference.



“Sustainability is a huge and complex challenge for all of us. But if we are positive and proactive, we can grow our business, and at the same time, make a huge difference.”

A handwritten signature in black ink that reads "Rick Willmott". The signature is written in a cursive, slightly slanted style.

Rick Willmott
Group Chief Executive

A milestone in our sustainability journey

2014 was an important year for our Sustainable Development Strategy. It marked the final year of our 2010-2014 Carbon Management Plan (we will be launching a new Energy and Carbon Management Strategy and target in 2015). It was the year we received a range of accreditations and awards, notably a prestigious Queen's Award for Enterprise (Sustainable Development) and a sought-after CommunityMark from Business in the Community who also ranked us as a 3 star business in their Corporate Responsibility Index. We also started feeling the benefits of a range of improvements we had put in place during 2013/14, such as better reporting systems: more frequent and visible data is really helping us to target and drive improvements.

There were plenty of landmark projects too. At the beginning of the year, Kingsgate House was named the world's first project certified by the Programme for the Endorsement of Forest Certification (PEFC). And during the year work began on site to build the exemplar stage of A2Dominion's new EcoTown in Bicester, Oxfordshire, and the UK's biggest non-residential Passivhaus project for Leicester University's Centre for Medicine. We continued work on Keynsham Town Hall, a project remarkable for energy efficiency, and innovative energy performance contracting arrangements. Our Stockley Park fit-out became the first pilot project to achieve an "Excellent" rating at design stage through the new BREEAM UK Non-Domestic Refurbishment and Fit-out 2014 Scheme.

Community investment was another highlight – the £2.27m equivalent of the time, skills, donations and gifts-in-kind, which we invested in local communities, almost doubled our previous year's total. Our business has also shown it is not afraid of a challenge, by pulling out all the stops for our industry-leading community impact target – 'to enhance the life chances of 3,000 young people by 2015' – which we are well on the way to meeting. Over the year we have contributed to a number of forums on the topic of social value, most notably the Government's Review of the Social Value Act, in which we were commended for our approach.

However, sustainable development is a journey, not a destination, and we know there is much more we can be doing. Areas for improvement in 2015/16 include increasing focus on our scope 3 carbon emissions and potable water usage. We will be improving the way we manage waste in the Support Services side of our business – and placing a bigger emphasis on innovation.

In last year's Review, Group CEO Rick Willmott spoke about our decision to continue to invest in sustainable development throughout the recession. Our 2014 achievements show this to be the right decision, because the work we have done has put us in a great position for future growth.



Paul Smith

Divisional Chief Executive, Support Services, and Group Director with responsibility for sustainable development



"In last year's Review, Group CEO Rick Willmott spoke about our decision to continue to invest in sustainable development throughout the recession. Our 2014 achievements show this to be the right decision, because the work we have done has put us in a great position for future growth."

Our 2015 Sustainable Development Review provides an overview of our 2014 sustainability performance, our targets and ambitions. It is structured around the four main themes that we use to make sense of our Sustainable Development Strategy. These are:



Putting people first



Being a responsible business



Tackling climate change and energy efficiency



Smarter use of natural resources

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

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Kingsgate House – a world first

In January 2014 we finished work on Kingsgate House, a striking, seven-storey residential project on the King's Road, West London. The building, which has provided 43 affordable homes, used cross-laminated timber as a natural, low-carbon and renewable alternative to steel and concrete. It was the first major construction project in the world to achieve the Programme for the Endorsement of Forest Certification (PEFC) Project Certification, which means that the 1,092m³ of timber used in its construction is certified as legally and sustainably sourced.

EVERYBODY
PLAYS A PART



How to have the next big idea

Look at any responsible business's sustainable development strategy, and you will find a host of targets and ambitions covering all aspects of sustainability. Most of these involve improving existing activities, systems and processes. This work is immensely important and it's great to see an increasing number of companies embracing the agenda.

But it's becoming increasingly clear to me that these programmes of incremental improvement are not going to be enough to make significant inroads into the multiple, intractable problems that humankind has brought upon itself. We have to get much more creative in finding ways of doing things that work for people, planet and company success.

One of the most enjoyable aspects of my role as non-executive director of Willmott Dixon is the work I do with members of the company's leadership teams. The workshops are designed to promote as much fresh thinking as possible.

Of course, I can't tell them what the next big idea or product is going to be! But what I can say is that Willmott Dixon has all the right building blocks in place to develop an even more applied approach to innovation. Humans are an immensely ingenious species given the right environment and incentives, and in my experience, companies which are strong innovators have a few things in common:

An innovation culture

Innovative companies place a strong emphasis on learning and development. Employees who are taking on new challenges and learning new skills are much more likely to come up with fresh ideas – and businesses can turn up the volume on innovation even further by providing the right spaces (forums, working groups, away-days) where people from different disciplines, business units and functions can work together with a shared mission.

Heroic failure

To innovate is to take risks, and the nature of risk is that it will often go wrong as well as right. Companies which innovate understand this. They support employees when things don't turn out as planned, and make sure they learn lessons which feed into the next ideas.

Empathy

Empathy may sound like an odd trait in the thrusting world of commercial invention, but successful companies encourage their employees to walk a mile in the shoes of customers or clients. Understanding stakeholders' needs, desires and drivers is a great starting point for innovation.

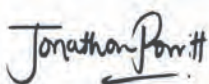
Collaboration

Some issues (how to embrace the circular economy, the sharing economy or the internet of things, for example) are too big for a company to tackle on its own. Businesses which stay ahead of the game are not afraid to collaborate on these issues.

Looking to the future

The best innovators constantly explore how they can adapt and grow what they do to meet the needs of their clients or customers. But they're not just thinking about the present. They use the future as a starting point. They look at what's happening around them, consider possible future scenarios, and identify the associated risks and opportunities.

Einstein once reportedly said, "Life is like riding a bicycle. To keep your balance, you must keep moving." That maxim equally applies to sustainability. The social, economic and environmental changes we are already seeing – global warming, resource scarcity, social inequality – are going to affect everybody's lives in ways which are dramatic and hard to predict. The companies which survive will be those which innovate to address the impact of these changes on their business, customers and communities.



Jonathon Porritt

Writer, campaigner and Non-Executive Director



"The social, economic and environmental changes we are already seeing – global warming, resource scarcity, social inequality – are going to affect everybody's lives in ways which are dramatic and hard to predict. The companies which survive will be those which innovate to address the impact of these changes..."



Constructing one of the UK's lowest energy-consuming public buildings

Bath and North East Somerset Council made energy efficiency a priority for their new civic centre, the focal point of their £36m Keynsham town centre redevelopment.

Working closely with our client we developed innovative contracting arrangements to help us deliver their challenging energy and carbon emissions target. Building performance specialists from our Energy Services team will continue to monitor performance during its first three years of occupation.

Completed in early 2015, Keynsham Civic Centre is on course to achieve a Display Energy Certificate (DEC) 'A' rating in 2017, once it has been in use for two years.

Keynsham Civic Centre was a winner at RIBA's 2015 South West Awards and also received their Sustainability award.



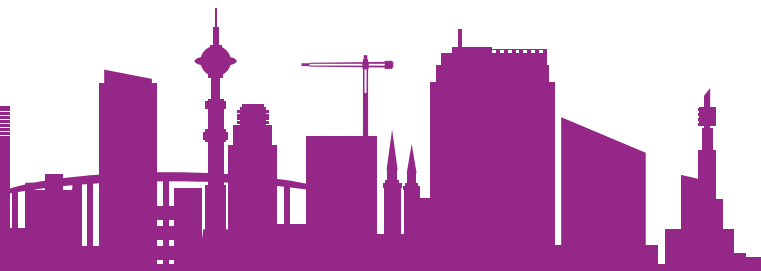
With 750 solar panels, Keynsham Civic Centre can generate 50% of its annual energy requirements.

Innovative contract drives energy efficiency

EVERYBODY PLAYS A PART



Putting people first



Our ambitions

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

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

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

To add social value to the communities in which we work that is aligned to local needs.

Our target

To enhance the life chances of 3,000 young people by the end of 2015.

On track

By the end of 2014 we had enhanced the life chances of 1,546 young people, and we are on track to meet our 2015 target.



98%

of employees agreed with the statement 'I am willing to stop colleagues from working in an unsafe manner'.

Safety

We have a target of zero accidents on site. We continued to uphold our commitment to health and safety across the business through our on-going All Safe campaign, which aims to empower all employees, whatever their level of seniority, to challenge unsafe practices and instil a belief that all accidents can be prevented through dynamic leadership. We measure the success of our campaign through our accident frequency rates, the response rate to the annual staff survey question 'I am willing to stop colleagues from working in an unsafe manner', and through the number of 'observations', or safety issues, which people have felt confident enough to raise. These increased by approximately 200% in 2014. One hundred leaders from the business attended our fourth All Safe conference.



Accident frequency rates*

	2012	2013	2014
Group	0.27	0.26	0.22
Construction	0.27	0.26	0.19
Housing	0.26	0.18	0.16
Interiors	0.31	0.13	0.19
Support Services	0.79	0.73	0.42

*number of reportable accidents per year multiplied by 100,000, then divided by number of hours worked in the year

Clients

Partnering has been part of our culture since the 1990s. We strive to understand our clients' priorities and develop solutions which best meet their needs. We measure how well we are doing through client satisfaction scores and the percentage of contracts delivered under frameworks, or which are repeat business.

78% of our clients say that an excellent sustainable development track record is important when awarding contracts. 80% of our contracts were delivered under frameworks or were repeat business in 2014.

In 2014 we conducted an independent survey through one-to-one interviews with 30 clients. These qualitative interviews have provided us with detailed feedback on performance and areas for improvement, creating opportunities for fresh thinking on how we can improve what we do.

Client satisfaction

Client satisfaction is one of our key performance indicators.

Construction, Housing and Interiors client satisfaction score

2011	2012	2013	2014
86%	84%	86%	87%

Our Construction, Housing and Interiors clients score our performance across 17 categories, which include creativity, quality, value for money and problem resolution.

Partnerships customer satisfaction score

2011	2012	2013	2014
95%	93%	94%	89%

The dip in customer satisfaction in our Partnerships business, which maintains 165,000 homes across the country for 500,000 residents, can be attributed to an exceptional number of new contracts we took on in 2014, many of which involved the TUPE transfer of staff. It can take new people a little time to get used to doing things the Willmott Dixon way.

An early handover

We gave staff and pupils at Birmingham's Ashmount School the best possible start to 2014 by handing over their new building 7 weeks early. The project to build the £9.35m special educational needs school won praise from local MP Nicky Morgan, the then Treasury Secretary, for using local companies and people. Between 70-80% of the £9.35m budget was spent on companies within a 30 mile radius while undergraduates from Loughborough University used it to gain important industry knowledge.



Scape

Willmott Dixon is the sole major works contractor for Scape, a local authority owned construction framework.



Partnering is a key characteristic of the framework.

The framework was designed to save public sector clients time and money, as well as deliver added value:

- ▶ Projects save 200 procurement days compared to traditional procurement routes
- ▶ 95% of projects are delivered on time
- ▶ 99% of projects are delivered on budget
- ▶ Average client satisfaction rates of 86%



Social Responsibility

Sir Albert Bore, leader of Birmingham City Council, presents us with the Charter.

In February 2014, we were the first contractor to sign Birmingham City Council's Social Responsibility Charter. All signatories to the charter had to demonstrate they had action plans to deliver benefits to Birmingham through the charter's six principles. Since 2009 we have trained over 50 apprentices in the city and invested £1m to create the 4Life Academy.

Creating social value in Cardiff

Whether it's public or private sector clients, the contract KPIs they are specifying are becoming increasingly challenging when it comes to community benefits.

We started work on site to build the £45m city campus for Cardiff and Vale College in October 2013. The project completed in the summer of 2015 – but at the beginning of 2015 we had already exceeded those KPIs.

Communities

It is a requirement for all of our projects and branches to have a community engagement and investment plan and for all our regional businesses to have a community strategy which dovetails with that set by the Willmott Dixon Foundation.

The Willmott Dixon Foundation

The Willmott Dixon Foundation guides and reports on all our community activities. Since the Foundation was formed in 2011, we have become regarded as a business leader in the field of social value, and this was recognised in 2014 when we were one of only a handful of companies to receive Business in the Community's prestigious CommunityMark.



Giving our time and skills, donations and other 'in-kind' services

Typical activities our people undertake on behalf of the company include refurbishing community facilities, mentoring, organising site visits and working with schools and colleges on a range of activities designed to improve skills, confidence and ambition.

In 2014 the value of these activities was £2.27m.

59%

In 2014, 59% of our employees took part in community activities as part of Willmott Dixon's community investment programme.



£2.27m

The value of our community investment activities in 2014.

The value of the time and skills of our people, donations and gifts-in-kind

2012	2013	2014
£1.13m	£1.37m	£2.27m

The value of the time and skills of our people, donations and gifts-in-kind by division

Group	Construction	Housing	Interiors	Support Services	Regen/ Holdings
	£2.27m	£0.55m	£0.39m	£0.08m	£1.17m
					£0.08m

"Working with the Willmott Dixon team has allowed our students to have an invaluable experience supporting the construction of this state-of-the-art building... It's not many students that can say they helped build their college!"

Tania Davies, Head of Recruitment, Progression and Entrepreneurship Cardiff and Vale College

	Target	Number achieved	Progress against targets
Weeks of work experience	80	301	391%
Number of apprentices	4	14	350%
% of work secured from the local subcontractors	75%	85%	113%
Number of work placements	200	198	99%



Orchard Village

We have been working on Orchard Village, the large-scale regeneration of Dagenham's former Mardyke estate, since 2009.

This three-phase development is viewed as an exemplary scheme. Sustainable features include green roofs, permeable paving systems, electric car charging points, timber frame construction and district heating. Complementing the environmental benefits is a strong community programme. Residents have been involved in every step of the project. Our community programme has included creating apprenticeships and a pledge of £250,000 for community schemes, which so far has funded a new dance studio and equipment for the local play area.



*Award
winner*

In 2014, for the second year running, Orchard Village won 'Best Social or Affordable New Housing Development' in the Local Authority Building Control's London region awards.

**EVERYBODY
PLAYS A PART**





National Play Day

Twelve Birmingham families enjoyed a sunny summer trip to the beach at Weston-Super-Mare to mark National Play Day.

Our Birmingham Partnerships community team organised the fun-filled day out for people referred by local charities, St Basil's and Acorns Children's Hospice. The youngsters and their families enjoyed donkey rides, building sandcastles and a visit to the sea aquarium, plus (of course) lunch and ice-creams.

"Our local teams have worked closely with Acorns and St Basil's for many years and we really wanted to give some local families the chance to enjoy a special day together. Some of the children had never seen the sea, sand or donkeys before, and it was fantastic to see the joy on their faces."

Melanie Checkley, Customer and Community Partner, Willmott Dixon

EVERYBODY
PLAYS A PART



Fundraising

We organised over 500 fundraising events in 2014 and raised £189,000 for good causes.

Of this, £49,000 was raised by Willmott Dixon employees for their own personal charities through the Foundation's JustGiving page, to which we added an additional £2,827 – the equivalent of the administration costs charged.

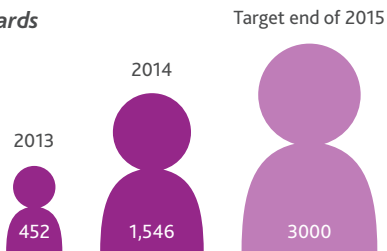


Teams across the country put on Christmas jumpers to raise thousands for Save the Children and FareShare

Enhancing the life chances of 3,000 young people by end 2015

We are one of the first companies to set a community target based not on outputs such as money spent, apprentices employed or hours donated, but on the difference we are making to people's lives.

How are we doing towards our target?



In order to measure this, we created a system which recognises that different interventions can have different impacts. For example, providing work to someone who was previously unemployed is transformational, so this counts as a full point towards our target. Other activities, such as giving work experience or delivering a workshop on CV writing, though important, will improve lives rather than transform them, so these count as a third of a point.

In 2014 we transformed the lives of 497 young people and improved the lives of 1,797. This means we counted 1,096 towards our target. To date, we've made a difference to the lives of 3,187 young people. This brings our total to 1,546 towards our target of 3,000.

Number of apprentices employed



The Willmott Dixon 4Life Academy

The Willmott Dixon 4Life Academy in Perry Bar provided a major boost to Birmingham's construction industry, and the local community, when it opened in 2013. The academy provides training not only for our own employees but for people and businesses in the wider community. The Academy is an approved training centre for City & Guilds and the British Plumbing Employers' Council, and delivers a wide range of career enhancing skills. In 2014 we saw a substantial increase in the volume of training it provided.



Number of training places created through the 4Life Academy

2013	2014
4,250	5,917

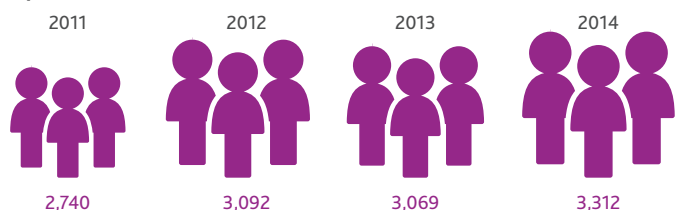


In February 2014 the then Shadow Housing Minister Emma Reynolds visited our 4Life Academy to see how we are investing in skills.

Our people

Willmott Dixon provides employment to over 3,300 people. Despite the difficult economic conditions, our company has grown over the past four years, and the number of people we employ has increased across all parts of our business.

Employees – number of full-time equivalents



Our management trainee programme is a key way in which we are ensuring strong future leadership for our business. Our programme is flexible so that people can enter with or without a degree.

Number of management trainees

2011	2012	2013	2014
108	97	98	110

Attraction and retention

We work hard to attract and retain the best people in the industry and so we continually review all aspects of working life at Willmott Dixon.

Staff engagement is a very important indicator of how our people feel about working with us. We measure this every year through 'Your Say', a confidential, independently hosted survey. 87% of employees in Willmott Dixon responded to the 2014 survey and the engagement of our people continues to increase.

Employee engagement (weighted score out of 100)

2011	2012	2013	2014
74	74	75	77

It has always been a priority for us to ensure that Willmott Dixon is a place where individuals can develop their careers. In response to feedback from the 'Your Say' staff survey, we launched a career development programme, which included a pilot careers week at one of our local offices. In 2014 around a third of roles were filled by internal moves and promotions, demonstrating our continued commitment to career development. Our average service is eight years and nearly 10% of employees have celebrated ten or more years with the company. To improve our benefits offering in 2014 we introduced an extra day's leave for each employee on their birthday, and an extended programme of events designed to improve employee well-being. We also improved the private healthcare offering for longer-serving employees.

Our Role of the Manager programme, developed in order to reinforce our culture and values, is now firmly embedded in the business.

Training and development

In 2014 we invested £2.4m – a record amount – in training and development. This equates to an average of over 3 days per employee. To ensure that our employees have the right set of skills to meet the rapidly changing requirements of our industry, we implemented a comprehensive technical training programme for our Construction, Interiors and Housing people.

In 2014 we introduced 'mobile learning' – bite-sized training that can be accessed when needed via mobile devices. The initiative reduces the need for travel to a specific location. We will continue developing these training modules during 2015.

Amount invested in employee development

2011	2012	2013	2014
£2.3m	£2.3m	£2.3m	£2.4m



We celebrate loyalty through our Ten Year Club and the local company Five-to-Nine Year Clubs, which we established in 2014.

Embedding sustainability

In 2014 we delivered over 4,627 hours of sustainability training to our employees.

We developed a new sustainability induction training module, 'Everybody Plays a Part', a blend of facts, figures, quizzes and interviews with people across the business. 99% of our employees have completed the module and made a personal commitment to integrate sustainability principles into their workplace decision making. A version of the module is now available on YouTube.

2014 also saw us launch new training for those employees who drive on company business. Eco-Driver helped them understand which driving techniques would help them drive more efficiently, and reduce fuel consumption.

In 2014 we revamped our employee profit share scheme, so that sustainability achievements on our construction projects could be rewarded.

Just some of the 3,200 commitments made by employees following our 2014 'Everybody plays a part' sustainability training.

"Usually I'm the last person in the office during the working day. I will pledge to ensure that all lights, office printers, photo copiers and computers in the commercial office are switched off on my departure."

"Invest more time and effort in design and development of temporary and permanent site structures to ensure sustainability is considered in every decision."

"I will inspire our clients to explore low carbon, low energy technologies wherever possible."

"Re-check take-offs to make sure we are not over ordering materials!"

"I'm going to hold regular tool box talks on site with members of the supply chain and operatives to increase their awareness of the importance of sustainable actions."



Trainee challenge

In 2014 we introduced the Willmott Dixon Foundation Management Trainee Challenge. Each of our businesses was tasked with nominating a management trainee to identify, plan and deliver a local community project.



1st

The challenge was won by our Interiors division. Their refurbishment of a community centre also provided work experience for four unemployed young people.



2nd

Second place went to Housing Barnet, who refurbished the Chicken Shed Community Theatre's two dressing rooms as well as the outside space which is used for teaching.



3rd

In third place was our Birmingham Construction business, which carried out improvements to Summerfield Community Centre, in a deprived area of the city.

Diversity and inclusion

We work hard to ensure that our company is one where people are given the opportunity to succeed – whoever they are and regardless of their background.

%	2013	2014	2014 industry average
Female employees	18.5%	18.9%	13%
Workforce from ethnic minorities	6.3%	6.4%	5%

Supply chain

As a managing contractor, we depend on a skilled supply chain to deliver high quality work to our clients, so building strong relationships with suppliers and sub-contractors is vital.

Payment

We are a signatory to the Government's Prompt Payment code.

We aim to support and grow our supply chain by ensuring that fair contract prices and terms are applied and respected. The majority of contracts entered into with our subcontractors include payment terms of 30 days from the date of valuation. Our EarlyPay portal, launched in 2014 for category 'A' suppliers, allows them to be paid before our standard payment terms. EarlyPay is voluntary, and suppliers on 42 day terms who use it can receive their payments 28 days after the valuation date. In the case of suppliers that have 30 day payment terms, they will be paid after just 21 days. 120 preferred suppliers have registered and over £100m of spend has gone through EarlyPay.

Supply Chain Sustainability School



Working in collaboration with other major contractors we were a founding member of the Supply Chain Sustainability School. The school provides a range of the very best resources, at no cost to our suppliers, to help them build their sustainability skills and lead the industry into a brighter, more sustainable future.

During 2014 we facilitated an action learning group focusing on responsible sourcing which enabled eight of our preferred suppliers to map their businesses against the framework standard BES 6001. Following the workshops one of our suppliers has since received certification for their products.

Supply chain awards

In each region we also hold an annual supply chain conference, where we review our performance, set out our forthcoming workload and recognise and reward outstanding suppliers over 10 categories, including innovation, health & safety and sustainability.

Supply chain awards



John Waterman, Willmott Dixon Construction's Chief Operating Officer, presents CMB Engineering with a coveted innovation award for their creative approach to problem solving.



Neal Stephens, MD of our Wales and the West construction office, recognises Mitsubishi Electric for its work to drive efficiencies and quality on site.



University of Nottingham amenities building

We completed the University of Nottingham's amenities building in the autumn of 2014.

Targeting a BREEAM 'Excellent' rating, this impressive three storey building includes air-source heat pumps, an air displacement ventilation system, low energy lighting and solar panels.

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Responsible business

Our ambitions

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

To drive continuous improvement and deliver innovative solutions in collaboration with our clients and supply chain.

To champion whole life assessment as our overarching approach to projects, so that the true cost of a building's use is visible to clients and end-users.



Awards

Queen's Award for Enterprise (sustainable development category)
We joined an elite group of businesses when we were awarded what Vince Cable, the then Secretary of State for Business, Innovation and Skills, described as the "highest accolade a UK business can receive".

Fleet Hero

We won the Energy Saving Trust's 'best private sector fleet' award for our work in reducing our transport-related carbon emissions.

Sustainability Team of the Year

Our Re-Thinking team was named Sustainability Team of the Year at the BusinessGreen Leaders' awards.

Investors in People awards

Our Partnerships business scooped 'best social responsibility' at the Investors in People awards.

Wales Constructing Excellence Awards

Our Wales and West construction team won the Innovation award for their waste reduction strategy.

"I am delighted to see that your organisation has been granted The Queen's Award for Enterprise: Sustainable Development... I know that this success must have involved a great deal of hard work and team effort... Please convey my warm congratulations to everyone who contributed to this excellent result."

The Rt Hon. Michael Fallon MP, then Minister of State for Business & Energy



Fleet Hero

Members of the Re-Thinking team pick up the Energy Saving Trust's 'best private sector fleet' at the Fleet Hero awards.

Benchmarks and accreditations

Investors in People

Our Construction Division achieved a Gold Investors in People accreditation. Our Partnerships, Housing and Interiors Divisions have achieved Silver.



Business in the Community

We achieved 3 stars (92%) in Business in the Community's Corporate Responsibility Index. The Index assesses companies against a diverse range of factors, from the way they manage their environmental impact to how well engaged their board and senior management are with responsible business issues. It also includes how a company treats its employees and supply chain – and much more.

We also achieved Business in the Community's prestigious CommunityMark accreditation – the UK's national standard for leadership in community investment.



Alison Symmers, Head of the Willmott Dixon Foundation, collects our CommunityMark accreditation

Raising industry standards

Grown in Britain

Our work to support this important campaign for British timber went from strength to strength in 2014. The scheme saw a number of important adopters of the scheme, including The Crown Estate and The Forestry Commission. Research carried out by Grown in Britain showed that 92% of major UK contractors would back an industry-wide commitment to use more home-grown timber, and over 60% would specify it in their contracts.

To mark the second Grown in Britain Week, Secretary of State for Environment, Food & Rural Affairs, Elizabeth Truss MP visited one of our sites in Kilburn to see how home-grown timber was being used on one of our projects.



Secretary of State Elizabeth Truss on site with Willmott Dixon

Green Construction Board

Energy Services Managing Director, Rob Lambe, was appointed to the UK Green Construction Board, an organisation which is playing an important role in bringing government and industry together to focus on how to meet the UK's target of a 50% reduction in greenhouse gas emissions by 2025.

Supply Chain Sustainability School

We are a founding member of this collaborative virtual school, and we continue to encourage our supply chain to sign up and take advantage of its free training and tools to improve their sustainability knowledge. 1,632 of our suppliers are members.



Making energy efficiency a major UK infrastructure project



Making the case for more investment in home energy efficiency.

David Adams (left) from Energy Services recently helped launch a ground breaking report in the House of Commons calling for Government action to fund retrofit.

We continued to support the Energy Bill Revolution campaign, and sponsored research which laid out the economic case for the Government to make domestic energy efficiency a national infrastructure project. Modelling conducted by Verco and Cambridge Econometrics, found that investment in home energy efficiency represented high value for money as a form of capital investment by the Treasury, with every £1 spent stimulating £3.20 in increased GDP and £1.25 in tax revenues.

Defending the UK's Climate Change Act

We supported the UK Green Building Council's defence of the UK's world leading Climate Change Act. We signed a letter highlighting the clear rationale for action that the most recent evidence from the IPCC has provided. The letter was published in the Daily Telegraph on 3 November.



An Economy That Works

Through our membership of the Aldersgate Group, we are part of An Economy That Works, an alliance of businesses, NGOs, think-tanks and thought leaders whose fundamental belief is that a healthy economy is only possible if it addresses key social and environmental challenges. The alliance has published a report of the same name which identifies six key characteristics of a sustainable economy that should be measured and become central to government policy.



Social sustainability

We participated in a number of industry and cross-sector groups on social value and signed up to Turn Around to Work – a new work experience programme to help rehabilitate young people who have been in the criminal justice system. We contributed to the Review of the Social Value Act, and were featured as an example of best practice for our community investment work.

Future Champions

Our Cardiff team joined a list of around 100 organisations, including WWF, Brecon Beacons National Park, IEMA and Powys Council as a 'Futures Champion'. The champions played a significant role in shaping The Well-being of Future Generations (Wales) Act, which became law in April 2015.

Big Energy Vision

We are part of this Group, which includes B&Q, John Lewis and Energy Saving Trust, to help householders become more positive, open minded and confident when it comes to controlling their energy usage.

Research and development

In 2014 we funded research projects in a range of areas, including social return on investment, the benefit to the UK Treasury of improving household energy efficiency, and the gap between designed and as-built energy performance.

Considerate Constructors

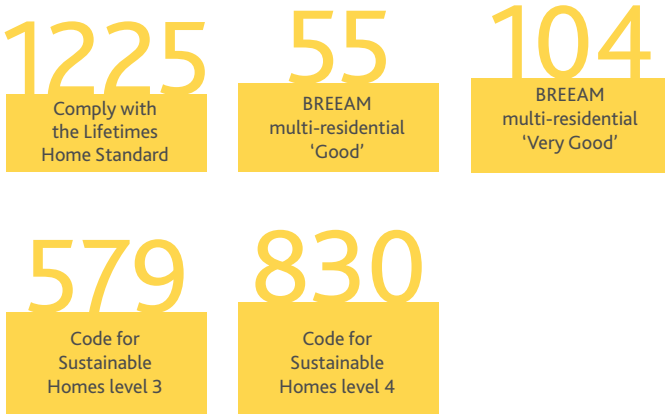
We are associate members of the Considerate Constructors Scheme. Contractors which sign up to the Scheme agree to abide by its voluntary Code of Considerate Practice, which covers site appearance, community engagement, safety, care for the environment and care for the workforce.

Considerate Constructors score – marks out of 50

	2013	2014
Willmott Dixon average CCS score	38.71	39.90
Industry average CCS score	35.16	35.51

Project ratings

Housing units completed in 2014 targeting/achieving ratings



Construction projects completed in 2014 targeting/achieving BREEAM



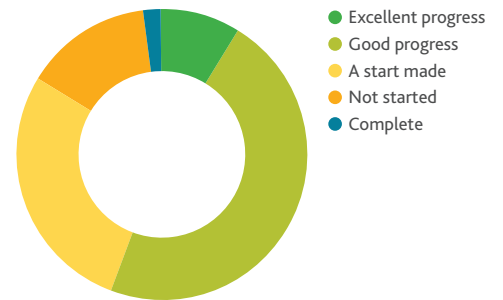
Interiors projects completed in 2014 targeting/achieving ratings



Sustainable Development Strategy 2013-2020

We launched our strategy 'Transforming Tomorrow', in 2013. The strategy sets out our sustainable development ambitions and targets and identifies actions needed to achieve them. The chart below shows our progress against our action plan at the end of 2014.

Progress against our Sustainable Development Strategy

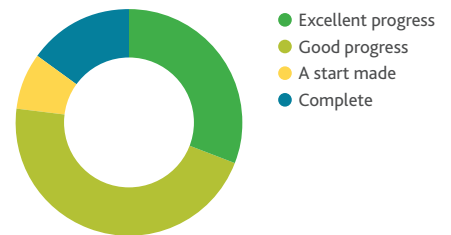


The charts below show our progress within the four themes of our strategy.

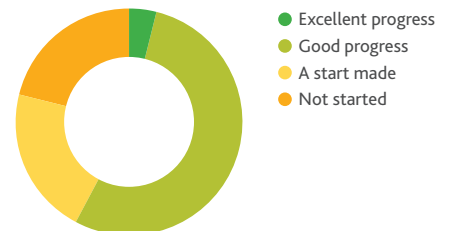
Responsible business



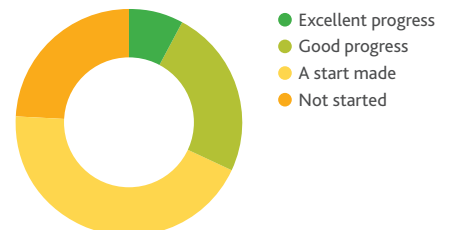
Putting people first



Carbon and energy efficiency



Natural resources



Policy

We recognise the importance of continuing to review and update our policies and procedures to make sure that what we do reflects best practice. In 2014 we updated our policies on sustainable procurement and human rights. We also introduced new policy statements relating to political engagement and business travel and transport.

Improving project sustainability

One of the ways in which we measure and drive sustainability on our construction projects is through our 10 Point Sustainability Plan.

Average 10 Point Plan score across all projects

	2013	2014
Group	4.8/10	4.7/10
Construction	5.1/10	5.0/10
Housing	5.2/10	4.3/10
Interiors	2.3/10	3.4/10

We were disappointed with performance against our own 10 Point Plan. During 2014 the Re-Thinking team consulted with the business on ways to improve performance. As a result, the plan has been refreshed for 2015 and new guidance and training developed. The refreshed plan was rolled out across the business during the autumn of 2014 in a series of staff roadshows.

A Sustainable Development Framework has also been launched in our Partnerships business to help focus their sustainability endeavours.

We have a 10 Point Plan on every project, which includes targets for customer focus, community investment, carbon emissions, waste and water.

Reporting

In 2014 we transformed the way we collect, monitor and report our carbon data, giving us amongst the most comprehensive, timely and transparent data in the sector.

Data on carbon and waste can now be displayed by location, division or business unit. The improved quality and reliability of data has increased confidence in making business decisions.

Further data reporting improvements are planned for 2015, particularly for water, and for waste in our Support Services division.

Governance

We have strong governance and clear leadership in place for the delivery of our Sustainable Development Strategy.

The Willmott Dixon Group's Holdings Board retains overall responsibility for sustainable development and considers the Strategic Sustainable Development Risk and Opportunity Matrix (on p.34 of this publication) annually.

Paul Smith, Group Director with responsibility for sustainable development, holds ultimate responsibility for the delivery of our Sustainable Development Strategy. He also chairs the Re-Thinking Board which is responsible for reviewing and approving Group-wide programmes and initiatives, with escalation to the Holdings Board where necessary. The Re-Thinking team is responsible for coordinating initiatives, communicating best practice case studies, and monitoring and reporting performance across the Group.

Divisional boards and the Support Services Sustainable Development Steering Group coordinate the development and delivery of local initiatives.

Managing Directors, through their nominated Sustainable Development Director, are responsible for reviewing, approving and ensuring the delivery of local initiatives. Sustainable Development Directors, Branch General Managers and Branch Champions monitor and report performance against targets through monthly local Board reports.

Our refreshed 10 Point Plan

	Criteria	Division	2015
1	Sustainability Action Plan	Construction, Energy Services, Housing & Interiors	Action plan in place
2	Customer Focus	Construction, Energy Services, Housing & Interiors	Sustainability workshop and post-occupancy evaluation completed
3	Life Cycle Costing (LCC)	Construction, Energy Services, Housing & Interiors	LCC implemented
4	Responsible Sourcing (Project Procurement Plan)	Construction, Energy Services, Housing & Interiors	45%
5	Community Investment (£/£m)	Construction, Energy Services, Housing & Interiors	£250-500 per £1m turnover
6	Considerate Constructors Scheme	Construction & Housing	Score at least 40/50
		Energy Services	Score at least 38/50
		Interiors	Score at least 37/50
7	Carbon Emissions (during construction)	Construction, Energy Services & Interiors	1,060kgCO ₂ e/£100k
		Housing	1,472kgCO ₂ e/£100k
8	Waste (volume of construction waste)	Construction and Interiors	8.5m ³ /£100k
		Housing	11.8m ³ /£100k
		Energy Services	9.5m ³ /£100k
9	Waste % Diversion (includes CD&E)	Construction, Energy Services & Housing	95%
		Interiors	93%
10	Water use (during construction)	Construction & Interiors	8.7m ³ /£100k
		Housing	9.5m ³ /£100k
		Energy Services	6m ³ /£100k

Climate change / energy efficiency

Our ambition

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

Our target

To reduce carbon intensity by 15% by the end of 2014 (compared with 2010).

Exceeded

2010-2014 emissions intensity cut by 30%

Carbon

2014 was the concluding year of our 2010-2014 Carbon Management Plan. The plan aimed to reduce the intensity (that is, relative to turnover) of our carbon emissions by 15%.

Our substantial reduction in 2014 has meant we have cut emissions intensity over the life of the plan by 30%.

Since 2014 was officially the warmest year globally on record, we carried out further research to ascertain how much of our achievement was down to our actions.

Our calculations, based on Met Office 'degree days' data, shows that approximately a third of our reported reduction in carbon intensity is due to the warmer weather. This means that two thirds of our overall carbon reduction (nearly 20%) can be attributed to operational improvements.

We will launch a new Energy and Carbon Management Strategy in 2015, with a new and ambitious target.



Our carbon performance

Absolute emissions (tCO₂e)

Scope	Notes	2010	2011	2012	2013	2014	Reduction 2010/2014	% Reduction
Scope 1	1	10,998	11,351	12,067	11,557	10,730	268	2.44%
Scope 2	2	4,622	5,327	6,032	4,861	3,339	1,283	27.76%
Total Scope 1 & 2		15,620	16,678	18,100	16,419	14,069	1,551	9.93%
Scope 3	3	2,530	2,515	2,341	2,585	2,819	-289	-11.42%
Total Willmott Dixon emissions		18,150	19,193	20,442	19,004	16,888	1,262	6.95%

Emissions relative to turnover (tCO₂e/£m)

	Notes	2010	2011	2012	2013	2014	Reduction 2010/2014	% Reduction
Total Scope 1 & 2 emissions intensity	1&2	15.8	17.5	15.9	15.8	10.6	5.2	32.91%
Total Group emissions intensity	1,2&3	18.3	18.2	19.8	18.6	12.7	5.6	30.75%

Emissions relative to turnover (tCO₂e/£m) by division

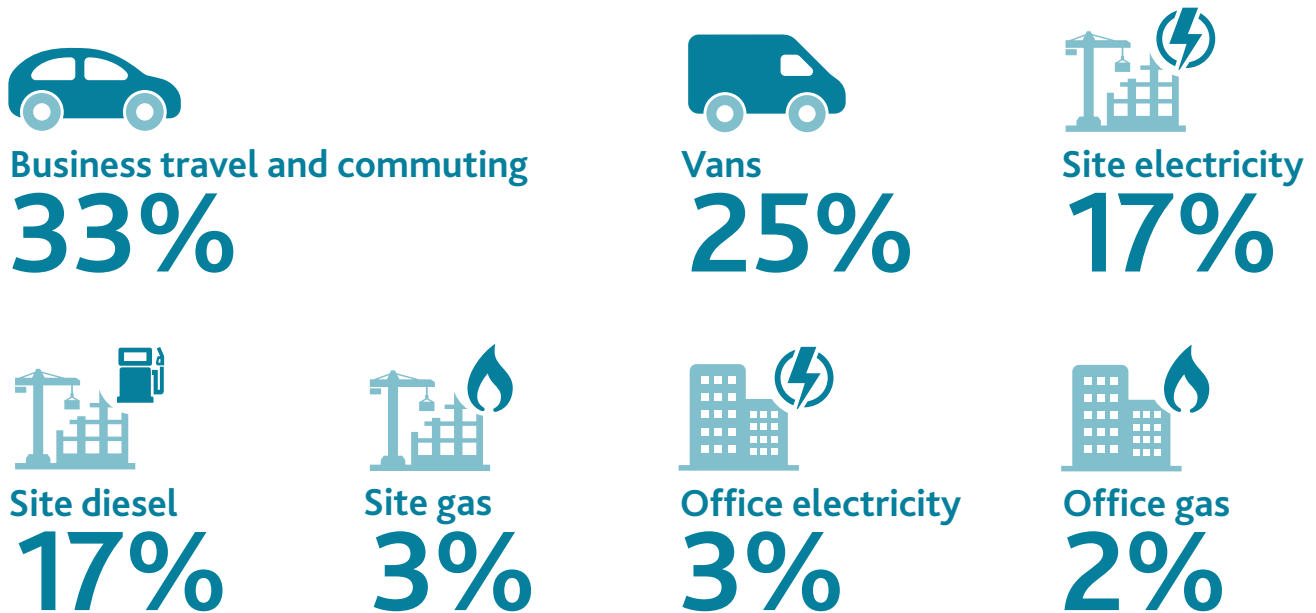
	Group	Construction	Housing	Interiors	Support Services	Regen/ Holdings
Carbon intensity	12.7	8.4	18.0	2.1	37.4	3.4

Notes

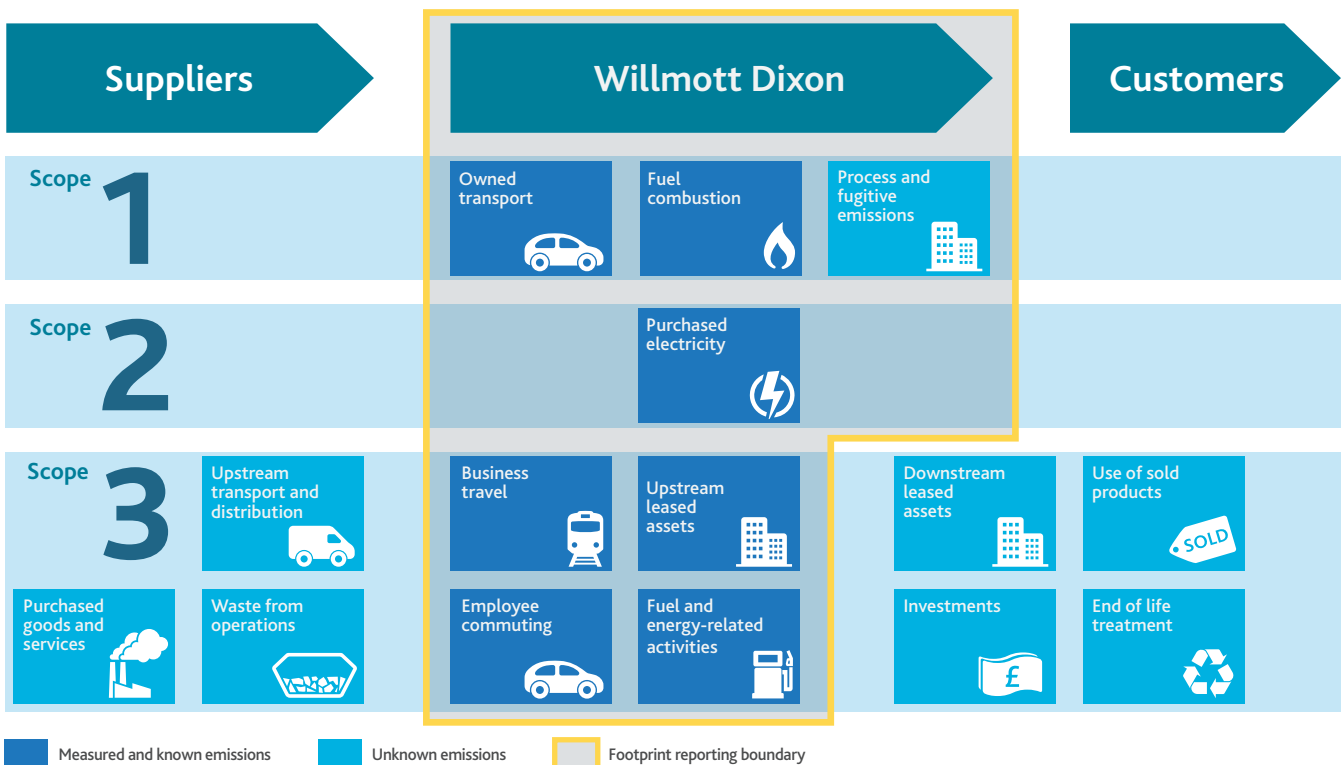
- Emissions from
 - Company vehicles where fuel is purchased/remunerated by Willmott Dixon.
 - Direct fuel combustion by Willmott Dixon, for example, gas in offices and diesel in generators.
- Emissions associated with consumption of purchased electricity.
- Primarily emissions from business travel and commuting in private vehicles – see footprint boundary opposite.



Our emissions by activity



What's included?



Carbon Trust Standard

We were disappointed not to retain the Carbon Trust Standard in 2014. During 2013 and 2014 we did a lot of work to improve the way we collect and report our performance data. In doing so, we unearthed some inaccuracies with our 2011 data. Companies accredited to the Standard must show continuous improvement over a three year period, and our 2011 data was not sufficiently robust to demonstrate this. Our data was nonetheless verified and we are on course to achieve Carbon Trust Standard accreditation again in 2015. We are also delighted to be working closely with the Carbon Trust on an industry-leading pathfinder project to further understand our scope 3 emissions and to help develop a new standard based on supply chain emissions.





Improving fleet efficiency

Our Partnerships business is using new ways of thinking to make their commercial van fleet more fuel efficient. Eco-tyres and speed limiters now come as standard on our vans. We have updated our fleet telemetry system, which enables us to track vehicles, and allocate jobs more efficiently.

In 2014 we started producing miles per gallon league tables which help us identify efficient drivers and those who could improve whilst engendering friendly inter-branch competition.

Our trial of an electric van in Birmingham has been successful and we are now considering using electric vehicles in other locations.

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Carbon reducing initiatives in 2014

Transport

Our commercial van fleet accounts for around a quarter of Group emissions. 2014 initiatives to improve its efficiency included:

- ▶ Updating our van fleet transport management system. JUCE tracks vehicle movements, allowing more efficient allocation of emergency jobs, as well as collating data on mileage, speed and braking
- ▶ Publishing miles per gallon league tables which help us target those drivers needing to improve whilst engendering friendly inter-branch competition, encouraging performance
- ▶ Trialling electric vehicles

Business travel and commuting by car accounts for approximately a third of Group emissions. 2014 initiatives included:

- ▶ Spending £23,400 rewarding employees choosing low emissions company or private cars. Since our scheme began in 2008, we have paid out over £400,000 in green bonuses
- ▶ Retaining the 120g/CO₂ per km emissions limit for cars on our company car list
- ▶ Continuing to phase out fuel cards

We also offer a range of incentives to encourage more sustainable travel. In 2014 these included:

- ▶ Access to our cycle scheme with 94 bicycles purchased in the year
- ▶ Reimbursing 18,237 cycle miles
- ▶ Reimbursing 560,293 car share miles

On site

Nearly 40% of our emissions come from our sites.

Construction site electricity accounts for approximately 17% of our emissions. In 2014 we continued to roll out electrical zoning for site accommodation and out-of-hours master switches to minimise unnecessary electricity use. We increased our use of LED lighting and continued to research the feasibility of using renewables on site.

Site diesel consumption also contributes around 17% of Group emissions. This is a key area for action as powering a site on diesel emits approximately 50% more carbon than using grid electricity. In 2014 we made it a priority to apply for grid connections as early as possible.



Nearly 40% of all our carbon emissions come from our sites

Making homes more energy efficient

In 2014 our Energy Services team helped reduce UK carbon emissions and tackle fuel poverty by fitting energy saving measures to homes in London, Leeds, Manchester and North Wales. The team has won praise for its well-designed and delivered projects. Despite difficult market conditions in the low-carbon retrofit arena, our business continues to grow, winning significant contracts in Hull, Leeds and Bristol.



“Around 7.7m households currently live in fuel poverty. Low carbon retrofit can reduce energy bills by up to 50%, so the work we are doing to improve household energy efficiency can make a big difference to local communities, as well as help to reduce carbon emissions.”

Rob Lambe, Managing Director, Willmott Dixon Energy Services



Keeping people warm and reducing energy bills in north Wales

In 2014 we began work to improve the energy efficiency of homes in Llandysul, Ceredigion. The work involved insulating houses with solid walls, and upgrading boilers – just one of the projects we have delivered under Arbed, the Welsh Government’s huge energy performance programme. Projects like these are helping to reduce global carbon emissions, as well as improving people’s lives and health. Well-insulated homes can save up to £40 a week on heating during cold spells; for some, that’s the difference between heating a house or not. The scheme has won acclaim across the board.

“...a well thought through scheme, with the careful selection of correct products and a level of quality control on site I have rarely encountered.”

Colin King, Building Research Establishment (BRE)

“...we consider the scheme delivered by Willmott Dixon as a benchmark of what we want for the housing stock of Ceredigion going forward.”

Gaynor Troft, Community Wellbeing Manager, Ceredigion County Council

“It was always cold... it didn't matter if my heating was on full blast... now I've got the kids walking around in pyjamas... because it's actually warm in the house...”

Tenant

“...heating-wise we spent quite a lot on coal, we couldn't have the fire out at all. Even in the summer months, it was very cold of an evening. Now we don't have to have the fire on at all.”

Tenant

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Key facts

- ▶ 105 warmer homes.
- ▶ Provided work for 120 local people.
- ▶ Donated time and money to improve the local family centre.
- ▶ Helped local workers gain skills in installing external wall insulation.
- ▶ Used products that protect against the weather, extending the lives of the properties.



Carbon neutral

Willmott Dixon has been carbon neutral since 2012. We offset our unavoidable carbon emissions by investing in projects overseas which reduce carbon by an equivalent amount. We work with our partners, The CarbonNeutral Company, to identify carbon offset projects which bring significant social benefits in line with the Willmott Dixon Foundation's focus on 'community transformation' and 'tackling social exclusion'.



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

Achievements of our 2013 carbon offset projects

Meru and Nanyuki Community Reforestation

Our investment in this project to enable Kenyan small-hold farmers to plant and grow trees reduced global carbon emissions by 6,004 tonnes and helped improve the lives of 1,264 people.

Ghanaian cookstoves

Replacing inefficient and dirty cookstoves with new, clean ones provides significant health benefits as well as reducing emissions. Our investment in this project has subsidised the sale of 270,000 cookstoves impacting the lives of an estimated 29,415 people in Ghana's most populated areas. It has also reduced global emissions by 6,003 tonnes.

Bandeira e Capelli, Brazil

This project replaced unsustainable wood-fired kilns in brick and roof-tile factories with ones which use renewable biomass waste. Through our investment, we have reduced global emissions by 6,003 tonnes, and enabled three factory workers to take part in a literacy programme, as well as provided extra resources to local children.



Our 2014 offset projects

To offset our 2014 carbon emissions, we will continue to invest in Bandeira e Capelli and the Meru and Nanyuki Community Reforestation projects. Since there were no credits available for the Ghanaian cookstoves project, we have, instead, added a Ugandan cookstoves project to our 2014 offset portfolio.

Improved Ugandan cookstoves project

Nearly all Ugandans rely on solid fuels such as charcoal or wood for cooking. These emit high levels of CO₂ and air pollution. This project subsidises the sale of cleaner, more efficient cookstoves, and provides finance for those who cannot afford upfront costs. The project is improving the health of the local community as well as reducing carbon emissions.



Subsidising clean cookstoves in Uganda is just one of the projects in which we have invested to offset our 2014 carbon emissions.



Sustainability as standard

Pearsewood Primary was one of six school expansion projects in Bexley, Kent that we completed in time for the beginning of the 2014 autumn term.

Sustainability was a consideration from the outset for these schools. We used standard module sizes to reduce wastage (the projects diverted 98% of construction waste from landfill). The buildings used a low carbon cross-laminated timber frame and natural ventilation was a key part of the design. Good insulation ensured that the buildings' large domestic boilers only need to run for two months of the year.

"...I've got to say that I would unreservedly recommend Willmott Dixon as builders because I have worked with several builders in several schools in several headships and these have undoubtedly been the most efficient, the tidiest, the most polite – and for bringing the project in on time and on budget, I can't fault them."

Angela Barry, Executive Head Teacher,
Northumberland Heath and Pearsewood Primary Schools

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Solar energy

The six schools all feature PV panels – one feature which is helping them to be more energy efficient.

Natural resources



Our ambition

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

Our headline target

To reduce construction waste intensity by 15% by the end of 2015 compared to 2012.

On track

we are on track to meet our 2015 waste intensity target



Waste

In 2014 we focussed on ways to prevent waste being produced in the first place – for example, by working with suppliers and product manufacturers to design out waste. We have also been promoting material efficiency, encouraging re-use of materials, and establishing re-use zones, with dedicated storage to prevent damage.

In our Partnerships business we have been increasingly looking to repair instead of replace: repairing the seals on double glazed units or replacing parts in a thermostatic shower reduces waste and can be more cost effective too.

We continued to focus on diverting our construction, demolition and excavation waste from landfill where possible.

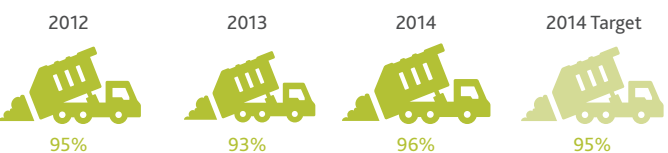
Improving the accuracy of our waste reporting was a big focus for us in 2014, and, in tandem with this, we have started encouraging the waste companies we work with to report in accordance with PAS 402.

The year also saw us increase our focus on the waste performance in our Partnerships business (repairs and maintenance). Here reducing waste and diverting it from landfill represents particular challenges because of the business' highly mobile and dispersed workforce. With this in mind, during 2014 we launched Waste Management Plans for all our of our branches, and have set up a new business waste task group to drive through best practice. We have set up new processes to capture and report Partnerships' waste.

Construction waste per £100k of project turnover



Landfill diversion rate



Although the waste intensity on our Construction, Housing and Interiors projects increased slightly in 2014, we remain on track to achieve our 2015 target of a 15% reduction against a 2012 baseline.

Waste by division

2014 construction waste per £100k of project turnover



2014 landfill diversion rate – by division



Wood recycling



Our involvement with the National Community Wood Recycling project is giving waste wood a new lease of life and at the same time helping local communities. It's also saving us money – we estimate that in 2014 we saved £14,000 compared to traditional disposal costs. This award-winning social enterprise collects waste wood from our sites and turns it into new products and reusable materials, and at the same time provides work experience for disadvantaged people who want to get their lives back on track.

Timber

In 2014 Willmott Dixon partnered with the BRE and two British hardwood sawmills in a research project led by Grown in Britain. The project considered how to improve the durability of home grown hard-woods so that they can be used externally – for example as cladding or decking.

For example, ash is not usually considered suitable for external uses but the research demonstrated that thermal treatment altered the wood's cellular structure, making it much more versatile. This is important because there is a significant amount of ash likely to come into the UK timber market in the near future as a result of ash die-back disease.

We also committed to WWF's Forest campaign, pledging to buy timber and timber products from sustainable sources and to publicly report our performance.

We require our supply chain to provide us with the necessary data at the end of each quarter to complete the UKCG timber reporting requirements. In 2014, of the timber reported, 93.9% was verified as coming from legal and sustainable sources.



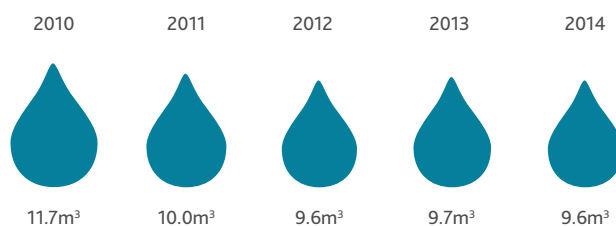
Thermally modified ash

Water

The water intensity figure in this report differs from that which we reported in our 2014 Annual Report and Accounts.

Since the release of the Annual Report and Accounts we have carried out further auditing and analysis. As a result we have been able to pinpoint and correct some erroneous data and are now confident that the figure we report here is a more accurate reflection of our water usage. Using this experience, we plan to improve the robustness of our data capture and reporting in the coming year.

Water intensity (m^3 per £100k project turnover)



Biodiversity

In early 2014 we signed a nationwide agreement with The Wildlife Trusts, the UK's largest people-powered organisation caring for nature. This established a framework for accessing the ecology consultancy services offered by Wildlife Trusts around the UK. Site teams were encouraged to consider how to enhance biodiversity on site, through information and posters.

BIG Challenge Award



We won the 'small scale temporary' category at the CIRIA BIG Challenge awards for the wildflower buffer strip at our Brentford Lock site.

Sustainable procurement

In 2014 we updated our Group Sustainable Procurement Policy to ensure it keeps pace with developments in the market and the growing expertise of our supply chain as well as the knowledge we gain from each project we deliver.



Converting a Grade II listed Newcastle building into a new police HQ

This BREEAM Very Good rated construction project, completed in May 2014, involved converting a Grade II-listed building, refurbishing an occupied office, and constructing a new-build office linking two existing buildings – while working on a constrained city centre site just one metre from the East Coast Main Line. The 1904 Grade II-listed warehouse, home of the custodial suite, was one of the UK's first reinforced concrete structures.

The concrete repairs required propping of the structure, hydro-demolition of the damaged concrete, and use of cathodic protection to ensure the corrosion process was prevented or delayed.

"A scheme of this size and complexity would have been extremely onerous and time-consuming for us, were it not for Willmott Dixon and project manager David Dixon in particular. He kept us informed of all the issues, and we never felt that there was a problem; he always came to us with solutions."

Sandra Puntton, Development Manager, Property & Design Gateshead Council

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Key facts

- ▶ BREEAM Very Good.
- ▶ Grade II listed refurbishment of former warehouse.
- ▶ Constrained city centre construction site.
- ▶ Close proximity to live railway.
- ▶ Refurbishment of occupied premises.
- ▶ Value engineering saved client £2m.



BREEM 'Very Good' for City of London refurbishment

Our work for the City of London Corporation on 85 Gresham Street brought a building which was last refurbished in the 1980s up to modern-day standards. The project, which is in the heart of the Guildhall Conservation area in the City of London's finance district, had to be delivered under tight environmental controls – for example, noise was limited to specified times of the day, meaning that effective project management was essential. The new building management system, with added monitoring capabilities, ensures enhanced energy optimisation and has helped the project achieve its BREEM 'Very Good' rating.

We are now a trusted partner of the City of London Corporation and together we have created a standardised specification model for future property fit-outs.

**EVERYBODY
PLAYS A PART**





Aberfeldy

Our regeneration of the Aberfeldy Estate in Poplar, East London, demonstrates how public-private sector collaboration can be highly effective in tackling large scale regeneration projects.

With Prime Place and be:here acting as developers, alongside Willmott Dixon Housing as contractor, the Group's range of experience is being fully utilised. Started in 2010, this joint venture with Poplar HARCA will see the existing estate replaced, over a number of phases, with 1,176 new mixed-tenure homes being built by 2020. The development also includes a new park, shops and a health centre. With private sale, private rent and social housing in tenure-blind blocks, the development provides a range of homes to suit local needs.

The inclusion of some of the very first 'designed for rent' homes by be:here enabled the first phase of the project to increase from 105 to 338 homes, significantly reducing the timetable for the delivery of the wider regeneration. Funded with institutional investment, these private rent homes are viewed as being at the forefront of the emerging private rental sector.

"I'm a big admirer of Willmott Dixon... I wanted to visit one of their sites as they are at the forefront of so many positive things happening in housing. It was great to see for myself how this area of East London is being transformed by this new investment."

Kris Hopkins MP on his visit to Aberfeldy

EVERYBODY
PLAYS A PART



Risks and opportunities

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

RISK	POTENTIAL CONSEQUENCES	MITIGATION IN PLACE	POTENTIAL OPPORTUNITIES AND BENEFITS
PUTTING PEOPLE FIRST			
Failure to attract, support and invest in our staff.	A workforce with insufficient skills to meet the needs of an evolving market. Poor morale leading to lower quality work and higher turnover. A workforce unrepresentative of the communities in which we work.	We benchmark ourselves against other employers in our sector so that our employee offer remains competitive. We have an industry-leading training and development programme. We create succession plans as part of our People Assets Programme. We report key workforce indicators monthly to Holdings Board.	To be an employer of choice and attract and retain high calibre people. To build on our skilled, diverse and motivated workforce to ensure our clients are delighted with our work.
Failure to protect the health, safety and wellbeing of our employees and those with whom we work.	Increased insurance premiums and costs associated with legal action. Increased levels of sickness absence. Loss of reputation.	Our comprehensive health & safety and well-being programmes are reported to, and driven by, Holdings Board.	To increase our reputation as a responsible contractor. To improve the health and well-being of our employees.
Failure to meet clients' expectations.	Loss of repeat business. Loss of reputation with partners and stakeholders.	We agree project goals early through client launch workshops. We gather feedback through surveys, questionnaires and post-occupancy evaluations, and apply learning in future work. We report regularly on agreed contract and sustainability frameworks' performance indicators.	To delight our clients and make us a contractor of choice. To increase our competitiveness in bids and tenders. To leave a legacy of sustainable buildings.
Failure to meet the expectations of our suppliers/ subcontractors and of the communities within which we work.	Loss of loyal suppliers, lowering standards on our projects. Loss of market differentiation as a contractor offering exceptional social value.	We pay the majority of our supply chain within 30 days of valuation date. We have an early payment facility for top-tier contractors. We recognise excellence in our supply chain through local awards schemes. We are delivering our Group headline target of "enhance the life chances of 3,000 young people by 2015". We have an industry-leading apprenticeship scheme and spend and employ locally where we can.	To have a supply chain that is prepared to go the extra mile and deliver outstanding work for our clients. To improve the well-being of local communities. To raise our reputation as a responsible business. To leave a positive economic legacy in local communities.
TACKLING CLIMATE CHANGE AND ENERGY EFFICIENCY			
Failure to reduce carbon emissions and adapt our operations to the effects of climate change.	Increased energy costs and carbon emissions. Increased cost of construction. Extreme weather leads to increased costs due to programme extensions and inability to carry out work.	We are reducing our impacts through delivery of our: ► Sustainable Development Strategy headline targets ► Energy and Carbon Management Strategy ► Local and Group carbon targets and action plans ► Sustainability Frameworks and 10 Point Plan We are committed to remaining carbon neutral and will regain the Carbon Trust Standard accreditation. We research new products, techniques and technologies. We have project environmental plans in place which ensure contingencies are in place in case of extreme weather.	Increased margins and cost certainty. Increased shareholder value through cost management. Innovation will raise Group and industry standards. Increased credibility through our low-carbon track record.
Failure to ensure that our projects are adapted to the effects of climate change.	Buildings fail in extreme weather-related events, leading to loss of reputation and market share. Fall behind on legislation, technological advancements and design methods.	We consider life cycle costing, heating, cooling, water stress and flooding on our projects. We remain at the cutting edge by investing in R&D.	Increased awareness of whole life costing, life cycle analysis and as-built performance, leading to more sustainable investment decisions and resilient built environment. Increased collective understanding and capability to respond through R&D. Improving the quality of the UK's built environment and increased market share.
NATURAL RESOURCES			
Unacceptable impact on the natural environment from our operations and our suppliers.	Increased waste disposal, water resource and materials' costs. High costs associated with legal action and increased insurance premiums. Reputational and regulatory risks relating to adverse environmental impact.	We are reducing our environmental impacts and our use of natural resources through compliance with our 10 Point Plan and by delivering our Sustainable Development Strategy and Headline Targets. We report waste performance monthly to Holdings Board. We are a pathfinder for the Carbon Trust's Supply Chain Standard. We continue to educate and increase the capacity and ability of our supply chain to meet needs of evolving market – for example, through our support of the Supply Chain Sustainability School.	Reduced operating costs and reduced environmental impact of our operations, our products and their performance in-use. Enhanced reputation as a leader in sustainable construction operations and increased shareholder value through cost management. A supply chain which continuously improves and collaborates in delivering innovative solutions and highly performing buildings.
Failure to procure goods and services responsibly.	Reputational damage as a result of sourcing harmful, illegal or unethical goods and services.	We procure in line with our Sustainable Procurement Policy. We preferentially procure products which demonstrate compliance with a recognised responsible sourcing scheme. We collaborate with our competitors to drive out unsustainable products and raise standards.	Improved product differentiation and added value enabling us to become a supplier of choice Peace of mind for us and our clients.

Independent verification statement



Introduction

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

Scope and methodology

The KPI period assessed is from 1st January 2014 to 31st December 2014, covering all Willmott Dixon businesses.

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

Assessment of achievement

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

KPI	Level of Achievement		
Carbon footprint	16,888 tCO ₂ e		
Total waste diverted from landfill	95.86%		
Construction waste generated	10.87m ³ /£100k		
Average Considerate Constructor Scheme (CCS) score	39.90		
Value of community investment (company contribution)	£2,266,099		
Health and safety		AFR	AIR
	Capital Works*:	0.17	184
	Support Services:	0.42	418
Average training days per employee	3.13		

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 2014 performance.

Limitation and exclusions

Excluded from the scope of our work was:

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

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

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

Statement of Independence

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

Bureau Veritas

March 2015

* Capital Works was how we referred to our Construction, Housing and Interiors divisions, prior to a restructure in autumn 2014.

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