

Enhancing our World

Osborne
Sustainability
Strategy

Osborne



A better
environment



A better
society



A better
business

Foreword

The effect of humanity has never been greater on our world. Unsustainable resource use, climate change, pollution and biodiversity loss all threaten our way of life. The resulting food insecurity and poor health will increase social inequality. As we recover from the global Covid-19 pandemic, we must all play our part in building back better, greener, fairer and faster.

The built environment is estimated to contribute to 40% of the UK's total carbon footprint (UK Green Building Council). Waste statistics collated by Defra showed that in 2016 63% of the total waste stream in England was attributed to construction, demolition and excavation waste with 5 million tonnes still going to landfill.

Our impact is large, however our potential to improve our planet is great. As a sustainable business, we recognise the impact of what we do goes far beyond the physical build. How we behave, how we treat others in our work and public communities, how we learn, develop and innovate has far reaching impacts on society and our planet.

We invested in our communities well before the term social value became mainstream. Employing locally, raising charitable funds, donating our time and skills and running training and education schemes has always been part of our culture.

Our initial sustainability strategy began our journey, enlightening the business and setting benchmarks.

We have shown great agility, as we continue to adapt to the fast changing landscape of sustainability. We operate for a sustainable future that not only preserves but enhances our world. This is underpinned by our core values; Quality, Integrity, Openness, Caring and Progressive.

As the climate crisis has become more urgent and as inequalities in society become more apparent in the aftermath of the Covid-19 pandemic, our stakeholders understandably ask more of us to tackle these issues. Our business strategy has evolved to meet these expectations and to further integrate our values. It identifies the actions we will take to elevate our positive impact on the environment and society; benefiting our customers, communities and business resilience.

Any Sustainability Strategy must be built around the Sustainable Development Goals set by the United Nations General Assembly in 2015. A successful Sustainability Strategy must prioritize which of these 17 goals a responsible company can achieve. Our path to net zero carbon is one such priority, (brought clearly into focus by the Government's Build Back Better Council). Building back better, greener, fairer and faster is the essence of construction sustainability.

Jay Johnston
Head of SHE

"We operate for a sustainable future that not only preserves but enhances our world"





Our Vision

Chosen for our world enhancing sustainable performance.

- Investing in and collaborating with the **communities** we serve.
- Being an **employer of choice**.
- Achieving **Net Zero Carbon** by 2035.
- Protecting and enhancing our **environment** for present and future generations.



How will we achieve this vision?

The outcomes of materiality assessments with all stakeholders help to identify key mutual goals.

These goals are translated into strategic objectives which will be achieved through a combination of live action plans, senior management oversight and measured progress.

Everyone has a part to play to reach these objectives and are supported by communication and training.

This strategy sets out our strategic objectives, expected outcomes and the key results we intend to measure our progress against.



Strategic Objective

Investing in and collaborating with the communities we serve

The construction sector provides 10% of employment in the UK. It is transient in nature, temporarily inhabiting a variety of communities. These aspects create a huge influence, touching many communities and lives. It also means we have a moral responsibility to create a positive impact, becoming more important as social inequality grows in the UK.

The introduction of the **Social Value Act** focused industry efforts. However improving people's lives has always been the status quo for Osborne.

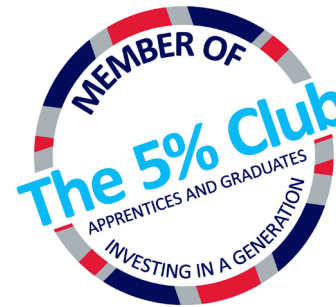
This takes many forms but is always appropriate to the needs of the community. It fosters good community relations vital for a successful project and provides a sense of wellbeing for our employees. They range from educational talks and projects, refurbishing/providing community facilities, fundraising, local employment and spend, trainee schemes, collaborating with charities and community events.

For example, in celebration of 50 years as a family owned company we wanted to build a lasting legacy for children and their families.

Our people put forward many exceptional schemes and Demelza Children's Hospice 'Space to Grow' project was selected as the perfect fit.

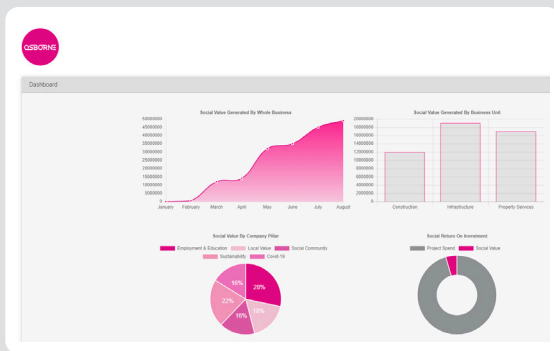
The two-week build period went like clockwork with an army of volunteers from Osborne, Demelza and our suppliers pulling together to build the facilities needed to continue delivering outstanding care.

We strive to give back to the communities in which we work and have committed to donate 1% of profit to charitable causes each year.



Delivering positive outcomes and legacies for the communities we work in, employees and supply chain.





Measuring Our Impact

Our communities are as important to us as the buildings we leave behind. That's why we create opportunities to improve local communities, providing a positive social and environmental impact.

Social value is considered in all aspects of our business from local recruitment, local supply chain partners, upgrading community facilities, equipment and material procurements, providing works placement, appointing apprenticeships to supporting a local cause. Creating positive outcomes for people and their local area is our key driver and is aligned to our core values and culture.

To capture the huge scope of our social and environmental impacts we have adopted Thrive Impact UK as our partner to efficiently measure our performance.

Thrive enables us to capture data, understand the financial value and seamlessly demonstrate this to our stakeholders with live transparent reporting/ data.

Covid-19 has had a devastating effect on the world, businesses, communities and individuals and now more than ever we need a sense of social solidarity to fight back and build our communities again. The Government has issued a PPN06/20 in response to Covid to ensure that public procurement is doing its bit to contribute to society.

We are well equipped to support the Government Framework as Thrive has consulted with Social Value experts to adopt the framework in its entirety.



Our Commitment to Social Value

We are totally committed in supporting our clients to improve people lives through creating opportunities. Our social value programmes are developed with our supply chain partners to deliver positive outcomes that we can calculate and understand the financial value as well as the local personal benefit.

Thrive will ensure that our social value data will be captured, enabling us to provide governance around how we collect this information and report on the impact. Our Social Value Steering Group (SVSG) will meet quarterly to review outcomes and review opportunities to improve our standards and to consider the pillars of social value, their impact and review targets.

TARGET:

- Increase our social value year-on-year by 10% of T/O per annum.



Strategic Objective

To become an employer of choice

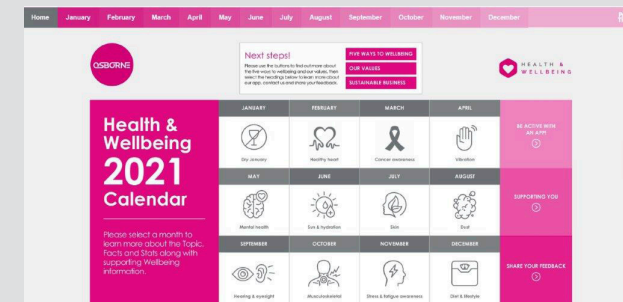
Our vision recognises that in order to position ourselves as the very best choice for our customers, we have to constantly innovate to drive increasing productivity and services for our customers and the end users of their assets. It is for this reason that we strive to offer the very best opportunities for our people to learn, develop and reach their full potential.

Our Learning Organisation culture is the foundation of driving continuous improvement and innovation, openly sharing our learning from mistakes and successes, continually improving operating procedures, behaviours, personal feedback and best practice. We continually invest in our systems and technology to support our people in providing our special and different approach.

For example, our Learning Management System (LMS) provides access to learning and development opportunities for all our people.

We also have an **Improvement Opportunity (IO)** App which is used to capture near misses, close calls and generate business improvement ideas which are reviewed by IO panels to share learning.





Health & Safety and Wellbeing

Health and safety excellence reduces risk and supports successful project delivery. We seek to lead the industry in all aspects of health and safety and wellbeing. Our specific aims are set out in the SHE Strategy. The ultimate ambition being to become a **High Reliability Organisation**.

Whilst safety remains of fundamental importance in everything we do, we recognise that health and wellbeing are of equal standing. This has been brought to the fore by the wellbeing challenges Covid-19 has presented.

As part of our ongoing commitment to the health and wellbeing of our people, each year the SHE Team updates our interactive **Health and Wellbeing Calendar**. Each month provides information on specific health and wellbeing topics including Toolbox Talks, useful websites, videos, posters and a Facts and Stats Section.

During these recent testing times due to the Covid-19 pandemic, the merits of our employee assistance programme have come to the forefront. We offer free advice and counselling through our **AXA Employee Assistance Programme** including access to an online GP (Doctor at Hand). Further support is provided through the 86 trained **Mental Health First Aiders** located throughout the business.

We recently collaborated with the RHS to create a 'Conversations Change Lives Bench'. The aim of the initiative was to promote and support people's positive mental health wellbeing at RHS Garden Wisley.

Our mature and progressive safety culture is supported through our **Stop Think!** initiative, including a monthly publication and behavioural change programme.



Our ISO 45001 certification reflects the robustness of our Safety Management System and provides assurance for our stakeholders. Continual review occurs through our programme of audit and inspection.

Our safety performance is shared internally for learning via a comprehensive digitalised monitoring and reporting system allowing for easy identification of trends. Any areas for improvement are quickly addressed including rapid production of bespoke internal LMS modules and Stand Downs where needed.

TARGET:

● Zero Harm





Education Skills and Training

We are committed to providing everyone with learning and development opportunities, so they can be successful in their role. Our Learning Organisation culture is the foundation of driving continuous improvement and innovation, maintaining our competitive edge.

The introduction of a new LMS has expanded online training and improved access. We aim to build upon this success by increasing the average training days. We understand engaged employees make for an innovative and healthy workforce, driving innovation and ensuring business and programme continuity.

As well as six monthly engagement surveys, action plans and learning opportunities, we provide our people with Community Days for personal development.

TARGET:

- Increase the average number of Community Days to support our employee engagement.

Inclusion

One of our strengths is our creativity, fuelled by empowered vibrant and diverse teams. We understand that creating an environment that treats people fairly, respects individuality and ensures inclusion, forms an engaged, healthy and productive workforce.

Our policies and procedures make these a business priority. Through our partnership with the Supply Chain Sustainability School, we have 20 Fairness Inclusion and Respect Ambassadors helping to maintain this positive culture.

The Osborne Women's Network provides a space for all employees to meet and discuss how we can support each other for success within the construction industry.

We support the LGBT community and work with institutions to create inclusive and accepting cultures. These institutions empower advocates and agents of positive change to offer inclusive, equal and inspiring environments for LGBT people.

TARGET:

- Maintain an above industry average for BAME inclusion and gender ratio



Sustainable Procurement

We cannot achieve our vision without the support of our Supply Chain. As partners of the Supply Chain Sustainability School our suppliers benefit from free access to online sustainability educational tools. We also set our suppliers mandatory Learning Pathways, with preferred suppliers targeted to reach Gold status.

The construction sector employs a significant proportion of the global workforce which is flexible and temporary in nature. Right to work checks are carried out on all Osborne projects. Long convoluted supply chains also inhibit transparency. Both these make clarity about the workers living and working conditions difficult. It is the reason construction is number two on the list of economic sectors in the EU most prone to labour exploitation.

Our Modern Slavery Statement and Policy and Sustainable Procurement Policy set out our company actions including collaborating with our supply chain, providing learning and vetting suppliers for compliance.

All our materials are procured responsibly ensuring we are legally compliant. 100% of the timber Osborne buys is FSC or PEFC certified. We seek to procure local materials to reduce our carbon emissions and support the local community. Engaging with SMEs benefits both parties, 70% of our spend is with SMEs. We work with social enterprises such as Community Wood Recycling (CWR).

We are also signatories of the Prompt Payment Code and Construction Supply Chain Payment Charter.

To provide further sustainable procurement assurance, we are seeking to implement both BES 6002 Ethical Labour Sourcing and ISO 20400 Sustainable Procurement standards.

TARGET:

- BES6002 end of 2021 and ISO 20400 by 2024



Strategic Objective

Protecting and enhancing our environment

The construction industry is responsible for providing the structures we use to travel, work, recover, learn and thrive in. We understand how we construct and operate them can affect many elements of our lives and the environment.

Carbon and Air Pollution

Reducing our carbon and energy use and waste will improve air quality, tackle climate change and preserve and enhance our environment. It is good for business too, reducing waste and energy costs and supporting our stakeholders ambitions. This is reflected in the Government's Build Back Better Council. Building back better, greener, fairer and faster.

The construction of the built environment is responsible for 40% of global carbon emissions. Carbon levels have never been higher during human history. These cause the mean global temperature to rise causing climate change. The last decade, 2011-2020, is the warmest on record (World Meteorological Organization).

If climate change is not addressed and the global temperature increase not kept to well below 2C°, we will change our way of life forever.

Its numerous effects include rising sea level, extreme weather events such as flooding, biodiversity loss, famine, food and resource scarcity and social inequality. Scientific evidence suggests if we do not reduce carbon emissions within the next 10 years, global warming and its effects may be irreversible.

In addition, poor air quality resultant from the combustion of fossil fuels is the largest environmental risk to public health in the UK and is estimated to have caused in excess of 28,000 deaths. It is a priority it is tackled to safeguard our communities.

TARGET:

- Commit to the use of science-based targets in 2021 with full development by 2023.
- Zero Carbon by 2035.





Action against carbon emissions starts with measuring. We have commissioned an annual independent verified carbon footprint report since 2014. We also partner with the **Carbon Trust** to identify areas where we can save energy and reduce operational carbon.

Reducing operational carbon starts with energy efficiency. All our projects' cabins are **Eco Cabins** - highly insulated with PIR lights and low energy installations and energy metered.

Our projects pursue connection to mains as soon as possible to benefit from the decarbonisation of the UK grid. Hybrid energy solutions, battery and renewables are employed to reduce our carbon emission and air pollution.

Green travel plans are in place to support our staff to use public transport for business travel as well as video conferencing technology. The company car scheme includes numerous hybrid options. We provide EV charging points at our main office.

Solarpods are currently active on our sites. These are solar panel hybrid generators which have saved on average £2000 of fuel and around 8 tonnes of CO₂ per site per month in the summer months.

Like many other initiatives, Solarpods are an example of a **Green Premium** (Bill Gates). A Green Premium is the additional cost of choosing a more sustainable option. While the more sustainable option may cost more in the short-term, it can actually reduce costs in the long-term. In line with the Construction Leadership Council's Zero Carbon Change Programme, we will refocus client engagement and consumer marketing to educate and shift behaviours to lower carbon options.

We have also partnered with Innovaré – market leaders in offsite construction technologies. Together, we have rethought and re-engineered the process of creating new social housing, from initial feasibility to delivery, combining our construction project delivery expertise with **Flexihomes** – a new, innovative systemised housing design concept. The component-led solution delivers energy efficient, high quality and affordable homes completed to a dependable timescale and budget.

To ensure everyone has the knowledge to deliver the carbon strategy, our LMS includes numerous carbon reduction modules. We are well on our way to meet 1 tonne tCO₂e/million turnover reduction by 2022 against 2015/2016 baseline.

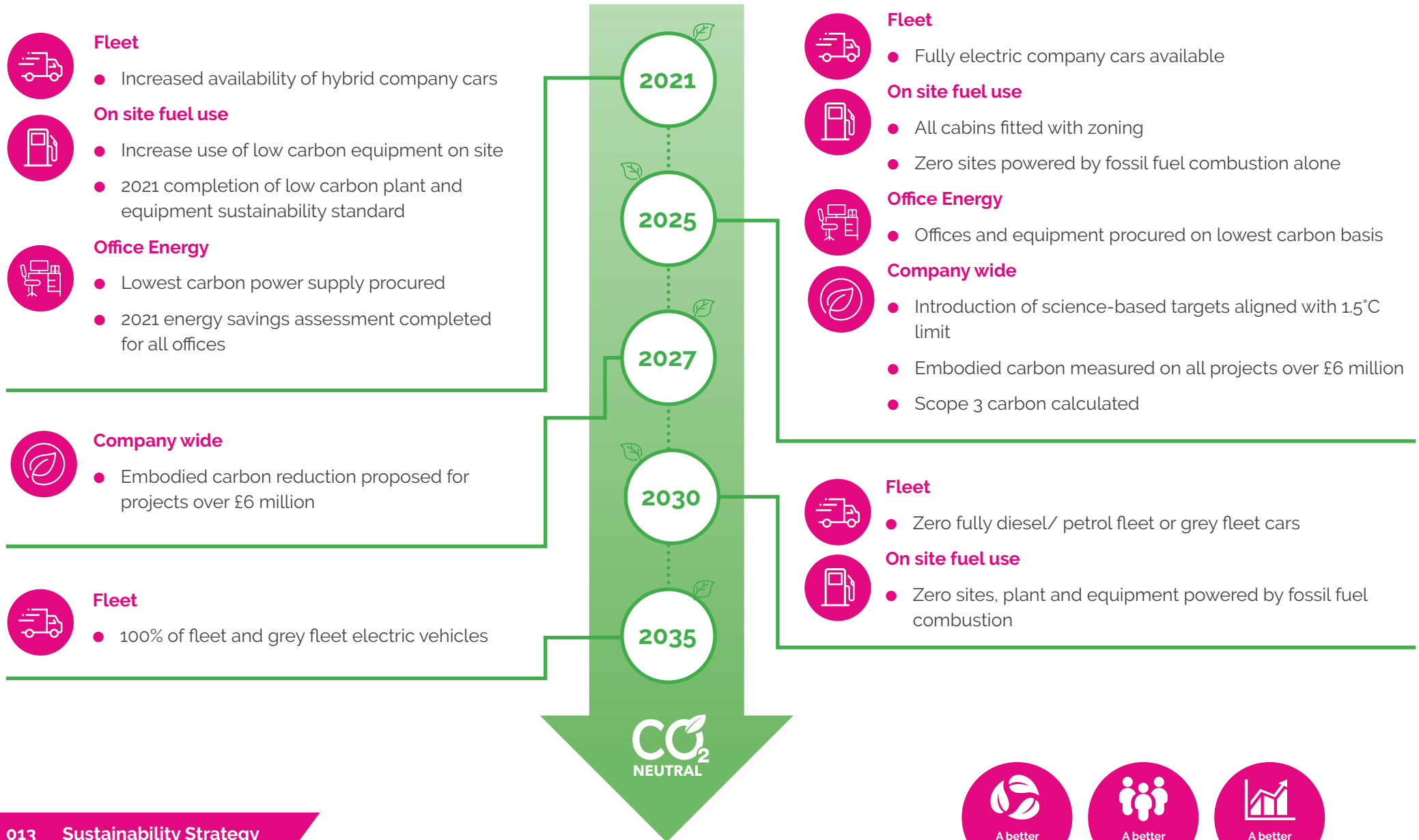
Osborne recognises the significance and urgency of the carbon challenge and is expanding its operational carbon reduction activities to be **Net Zero Carbon by 2035**. In the coming years our fleet, sites and buildings will no longer be powered by fossils fuels, and our buildings and equipment will become more energy efficient

TARGETS:

- We will be adhering to the construction industry's zero carbon change programme, Co₂nstructZero.



Operational Carbon Reduction Strategy Net Zero 2035





Waste

The UK construction industry is the largest consumer of material every year and results in 100 million tonnes of waste. Defra reports in their February 2018 edition of UK Statistics on Waste that in 2014 the UK generated 202.8 million tonnes of waste. Construction, demolition and excavation (CDE) was responsible for 59% of that number.

Some waste is landfilled, an expensive and potentially very polluting process. Landfills produce methane – a climate change gas 30 times more potent than CO₂. Leachates are produced which have the potential to contaminate the ground and ground water sources, affecting our personal and ecosystem health.

We have engaged with an innovative supply chain that allows for transparent **waste reporting** by way of a portal. This allows instant access to waste data, digital permits and licenses and waste transfer notes aiding legal compliance.

Using SmartWaste allows us to live report on waste and to plan to prevent waste. Every project has a Site Waste Management Plan administered through SmartWaste.

We utilise innovative **Modern Methods of Construction** (MMC) where possible. We have the capability to manufacture offsite solutions, such as SIPs, through our company, Innovare. This enables us to reduce waste, as well as CO₂ emissions.

Our work with the Supply Chain Sustainability School and ASBP Plastics Group allows us to be at the forefront of understanding the plastic issue in construction and raising awareness of **plastic alternatives**.

We are **ISO 14001 accredited** reflecting our robust approach to environmental management. To enable everyone to play their part in waste reduction, our in-house learning management system provides several waste modules.

We follow the principles of the Waste Hierarchy and Circular Economy principles. Our main aim is to reduce. We achieve this principally by design – reusing, designing, offsite construction and using less material where possible.

We have reduced our tonnage waste by 20% on the 2016/2017 baseline year and continue to monitor our performance.

TARGET:

- Achieve a 5% waste reduction YOY.



Biodiversity

Biodiversity refers to the variety of life on earth which form ecosystems. These provide us with ecosystem goods and services humans depend on such as clean water and air, soil, food, materials and medicine.

The positive effect green spaces have on wellbeing is well documented. Ecosystems weakened by the loss of biodiversity are less likely to deliver these.

The 2019 State of Nature report (The National Biodiversity Network) found 41% of UK species are declining and one in 10 is threatened with extinction. The 25 Year Environment Plan sets out the UK government's actions to help the natural world regain and retain good health.

To protect our environment our projects are environmentally assessed. An Environmental Management Plan is produced to ensure protected species preserved, invasive species are controlled, biodiversity is preserved and environmental risks are minimised to safeguard our natural environment. Environmental inspections are completed to ensure adherence to environmental laws and the environmental management plan.

TARGET:

- Assess our projects for biodiversity units, enabling us to measure our performance more accurately and set more ambitious targets.

Water

Less than 1% of all the earth's water is available to us as fresh water. This finite resource is under increasing pressure as the world's population grows by another third by the end of this century. Demand will further increase by a more developed water hungry society.

We recognise this precious natural resource must be conserved. Our Eco Cabins are designed to save water they include push button taps and waterless urinals. Water harvesters are also found on many of our projects.

It is mandatory for all our projects to record and monitor water use via SmartWaste portal, which features live reporting. Water minimization and protection actions are included in our Environmental Management Plan (EMP). Legal compliance and adherence to the EMP is observed during our environmental inspections. Water protection and water use reduction is promoted via our suite of learning modules.



Targets



Social Value

Increase our social value YOY by 10% of turnover per annum.

These targets are supported by our overall strategic objectives and will be achieved through a more detailed action plan with measurable progress.

Health & Safety and Wellbeing

Zero harm.

Education Skills and Training

Increase to 4 training days and 0.5 Community Days to support our employee engagement.

Inclusivity

Maintain an above industry average.

Sustainable Procurement

BES6002 end of 2021 and ISO 20400 by 2024

Carbon

Net Zero by 2035.

Waste

Achieve a 5% waste reduction YOY.

Biodiversity

Assess our projects for biodiversity units, enabling us to measure our performance more accurately and set more ambitious targets.





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