Our Vision

A business operating today, looking to tomorrow.

Thinking globally, acting locally.
Executive Summary

Osborne recognises that becoming more sustainable will make us and our customers more successful in the 21st century.

Getting the balance right between the 3 pillars of sustainability – economic, social and environmental - will empower our people and other stakeholders in promoting health and wellbeing, enhancing the communities we work in and the wider environment.

Our next 50 years will leave a legacy we can be proud of.
Our Strategy

Osborne is a family owned business which operates to its values of Quality, Integrity, Openness, Caring and Progressive. Our living sustainability strategy supports these values and is central to the long term success of our company and our customers. By 2021 Osborne will be respected for working with our customers, providing solutions that deliver outstanding value responsibly.

We will achieve this through the proactive behaviour of our Board, our people, our supply chain and our customers, to ensure Sustainability is embedded in our culture.

There is considerable momentum in our industry around sustainability. This strategy builds on that momentum and the expectations of our current and future customers. Collaboration and shared goals are fundamental to our joint success.

This document sets out our expected outcomes, key objectives, priorities, activities and how we intend to measure our progress towards that goal.
Getting the Balance Right

Getting the balance right between these conflicting pressures leads to a sustainable business; one which has an integrated approach to balancing social, environmental and economic impacts.

A successful sustainability strategy requires flexibility and agility. To achieve the right balance we must recognise that the pillars should not be addressed in isolation. There are Socio-Environmental, Enviro-Economic and Socio-Economic issues which will vary according to customer and over time. There are few answers which can be seen as absolute. That being said, we must make decisions based on evidence to have the confidence we will be delivering a strategy for a sustainable business.

We believe that balanced, responsible management of the 3 recognised pillars of sustainability – economic, social and environmental – is essential to achieving our vision. A successful sustainability strategy is key to a business which has an active and practical concern for the communities in which they work, their employees and the wider environment. Many of our customers face, or will face, these same challenges and requirements. Osborne must work with them to meet those needs.

By getting the balance right between all 3 pillars we will have a sustainable business; one which has an integrated approach to balancing social, environmental and economic impacts.
Activities

- Special Interest Groups to drive progress
- Communicate the importance of Sustainability to our industry and our customers
- Demonstrate how effective health, safety and wellbeing contributes to a sustainable business
- Commitment to working with outside bodies to inform our progress including the Carbon Trust and MIND
- Communicating and sharing the benefits of working with partners including Reconomy and Smartwaste
- Active membership of the Supply Chain Sustainability School
- Develop, implement and share a comprehensive tool to assess Social Value
- Incorporate sustainability requirements into company governance and decision-making process
- Maintain, develop and implement accreditations and systems that support a sustainable business
- Develop and implement metrics, including targets, benchmarks and comparisons
- Incorporate reporting on sustainability objectives in our Annual Report
Objectives

- To elevate sustainability in company governance and process, including direct board oversight and accountability over environmental and social issues

- To have robust regular dialogues (engagement and education) with key stakeholders to achieve objectives

- To ensure Osborne is a healthy, safe and enjoyable place to work

- To achieve positive environmental outcomes (including biodiversity)

- To support our local communities

- To have meaningful SMART objectives for systematic performance improvements based on accurate data

- To have open, integrated, reporting on sustainability targets, measures and progress
Key Priorities

- Health, Safety and Wellbeing
- Procurement and Resources
- Environmental Protection
- Leadership
- Energy Use
- Design
- Social Value
- Supply Chain Collaboration
- Engagement and Education
- Process Integration

A better society
A better environment
A better business

Sustainability Strategy
Health, Safety and Wellbeing

This is always a priority. With our key customers we want everybody to return home safely, every day, including our supply chain partners and members of the public impacted by our activities. A separate but complementary health, safety and wellbeing strategy is in place which also sets out strategic objectives and focus areas.

Procurement and Resources

We recognise that resources are finite; we only have one planet. These resources must be used sustainably. Building resources can be costly so our efficient use of resources and our sustainable procurement approach will be beneficial to the wider environment and drive business efficiencies.

Environmental Protection and Enhancement

We know that our activities have an impact on the environment, be it local or further afield and that climate change will affect those impacts. We will carry out an environmental risk assessment on all our projects and make sure our plans include adaptations and enhancements to protect our environment.

Design

We are responsible for the design of many of the assets we build or refurbish. We will integrate sustainability into all our projects prior to and during the design stage.

Engagement and Education

We recognise that the key to success of our strategy is the combined buy-in of leaders, workforce and supply chain partners. We will achieve through all parties being informed.
Leadership

We recognise that achieving our vision requires strong, committed and sustained leadership. Our leaders, at all levels, will provide a working environment within which will not only be a great place to work, but one where sustainability is at the heart of everything we do and our accreditations and systems demonstrate and support our commitment.

Social Value

We will ensure our work leaves a positive legacy and benefits the communities affected. Through our Community Engagement Programmes we will connect our workforce with the communities we serve. It will enable communities to engage with Osborne, our employees and our supply chain partners.

Energy Use

Central government has set a target to reduce emissions of CO2 by 80% by 2050, on a 1990 baseline. We will contribute towards this goal by reducing our emissions.

Supply Chain Collaboration

We value the input of our supply chain partners. We recognise that not only are our supply chain partners often best placed to deliver resource efficiencies and to reduce our impacts, but their continued growth, capability and capacity is vital to our business’ sustainability. They contribute at every stage: design, procurement, build and ensure social value and a positive legacy.

Process Integration

We know that all the key activities above must be incorporated into our management processes. These processes will be lean to drive efficiency and increase uptake.
<table>
<thead>
<tr>
<th>Metric</th>
<th>Why</th>
<th>2017/18 Target</th>
<th>2021 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Society</strong></td>
<td></td>
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<tr>
<td>Social Value Quantification</td>
<td>Based on the Harvard Business Review principle that the competitiveness of a company and the wellbeing of the communities around it are mutually dependent.</td>
<td>Initiate implementation of a tool to provide a consistent measure of our social value.</td>
<td>10% improvement on our baseline performance measure.</td>
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<tr>
<td>Employee Engagement</td>
<td>Successful strategy implementation can be a cultural change in an organisation. Overall employee scoring (from 13 categories) is a key measure of engagement with that strategy.</td>
<td>The average score for our key drivers of engagement &gt;3.25</td>
<td>The average score for our key drivers of engagement to be &gt;3.35</td>
</tr>
<tr>
<td>Health, Safety and Wellbeing</td>
<td>This remains a priority. The health, safety and wellbeing of our workforce and others affected by our activities remains a legal imperative but a system designed to improve these areas lends itself to improvement in other areas of sustainability.</td>
<td>AFR of &lt;0.10 LTIFR &lt; 0.50</td>
<td>AFR of Zero LTIFR of &lt; 0.25</td>
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<tr>
<td><strong>Environment</strong></td>
<td></td>
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<tr>
<td>Carbon Footprint – Measured in Tonnes per million pounds turnover</td>
<td>Targets are required of our customers and we must state what measures we intend to take to help combat climate change.</td>
<td>Minimum 2% improvement on 2016/17 figure.</td>
<td>Minimum 15% reduction on 2014/15 benchmark figure.</td>
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<tr>
<td>Supply Chain Sustainability School Active Participation Levels</td>
<td>Engagement with and education of our people and our supply chain is key to a successful implementation of the strategy.</td>
<td>Combined active participation rate of at least 10% by end March 2018.</td>
<td>Combined active participation rate of at least 50% by end March 2021.</td>
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<tr>
<td>Waste – Measured in Tonnes per million pounds turnover</td>
<td>The construction industry remains the most wasteful of all industries in the UK. Reducing waste saves valuable resources and gives business efficiencies.</td>
<td>5% reduction in t/£m turnover from 2016/17 benchmark figure.</td>
<td>20% reduction in t/£m turnover from 2016/17 benchmark figure.</td>
</tr>
<tr>
<td>Order Book Threshold – Rolling 12 Months Secured Work</td>
<td>We must have confidence in secured work to enable other pillar initiatives to take place.</td>
<td>82% of sales target for the next 12 months.</td>
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<tr>
<td>Minimum Cash Balance for Reduced Volatility</td>
<td>A successful sustainability strategy requires funds for investment.</td>
<td>Minimum cash target of 8% of next 12 months sales.</td>
<td>Minimum cash target of 10% of next 12 months sales.</td>
</tr>
<tr>
<td>Group Net Assets</td>
<td>Assurance that our assets outweigh our liabilities and is an indicator of our ability to weather economic storms.</td>
<td>Net assets at 31/3/18 of at least £20m.</td>
<td>Net assets of £25m +.</td>
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<tr>
<td><strong>Business</strong></td>
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