

Building a Sustainable Future

BAM Construct UK 2020 Sustainability Report



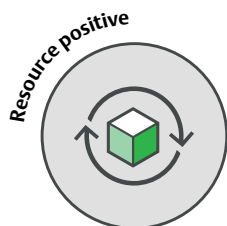
Our vision

Our sector provides value to millions of people, but uses many resources in the process. That's why BAM is putting sustainability at the heart of our business, adopting a proactive approach to sustainable developments through our Net positive strategy.

It is BAM's mission to build sustainable environments that enhance people's lives. BAM aims to have a net positive impact on climate change, resources and people by 2050, through an approach that encourages innovation and offers new opportunities. Put simply, it means doing things above and beyond business as usual.



By 2050 we want to have a net positive impact on the climate. We will work towards this goal by reducing our own carbon emissions and providing products and services to reduce the emissions of others.



We aim to be resource positive by 2050 by rethinking the way we design and build projects. By doing this, we want to eliminate waste over the lifecycle of a building to preserve raw materials and resources. We will also use safe, healthy and natural materials.






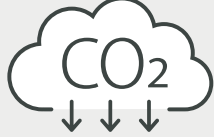











By 2050, we want to have a net positive impact on society by making a difference to the lives of people we come into contact with. We aim to enhance the lives of people we come into contact with and create social value.



Our Net positive strategy aligns with the UN Sustainable Development Goals (SDGs). These 17 goals serve as a roadmap for good growth by 2030. Although our business potentially affects all SDGs, we have identified seven to focus on, as these best fit with the impacts our activities have.

Sustainability Highlights 2020

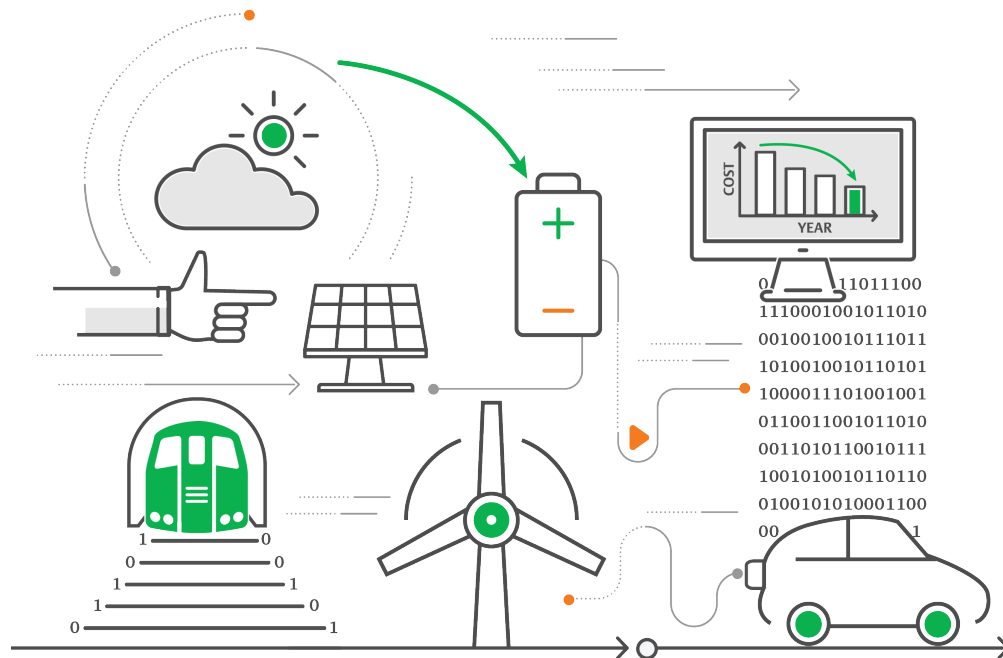


 <p>CDP A list for climate leadership</p>	 <p>FM team awarded SFMI Gold award for the fourth year running</p>	 <p>£368m revenue through BREEAM projects, 100% meeting or exceeding targets</p>	 <p>66% CO₂e reduction since 2008 – 22,000 tonnes CO₂e removed from business annually</p>	 <p>Member of Social Value Portal, rolling out across UK projects and targeting at least 10% social value add</p>
 <p>99% legal and sustainable timber sourced</p>	 <p>achieved Platinum award from Carbon Reduce for 10+ years continued UK emission reductions</p>	 <p>30% reduction in construction waste since 2015</p>	 <p>89% waste diverted from landfill</p>	 <p>£150m worth of social value on just eight of our projects</p>
 <p>£339,294 community investment during 2020</p>	 <p>123 Students supported throughout COVID through our Virtual work experience platform</p>	 <p>100% of projects achieved 35 or higher for CCS</p>	 <p>Signed up to the World Green Building Council's Net Zero Carbon Building Commitment</p>	 <p>British Heart Foundation announced as our new charity partner</p>

Climate positive

Climate change is receiving more attention than ever before as people become more concerned about the need to cut carbon emissions. That is why BAM has a long-term ambition to have a positive impact on the climate, both by reducing our own carbon emissions and helping others to reduce theirs too. It is part of our Net positive strategy, and means we will:

- Reduce the energy we use by digitalising our business and by improving the efficiency of our operations
- Use as much power, fuel and heat from renewable or non-polluting sources as possible
- Work with our clients and supply chain to reduce their emissions
- Bring low or zero carbon products and services to market to scale-up our positive impact



Globally BAM has a target to reduce scope 1 & 2 CO₂ emissions by 50% and scope 3 emissions by 20% by 2030. This is approved by the Science-Based Targets initiative (SBTi) so are aligned to a 1.5°C scenario.

In the UK, we are a founding partner of the UKGBC Advancing Net Zero Carbon Buildings Program, and have signed up to the World Green Building Council's Net Zero Carbon Buildings Commitment to only occupy and develop net zero buildings by 2030.

Achieving carbon reduction

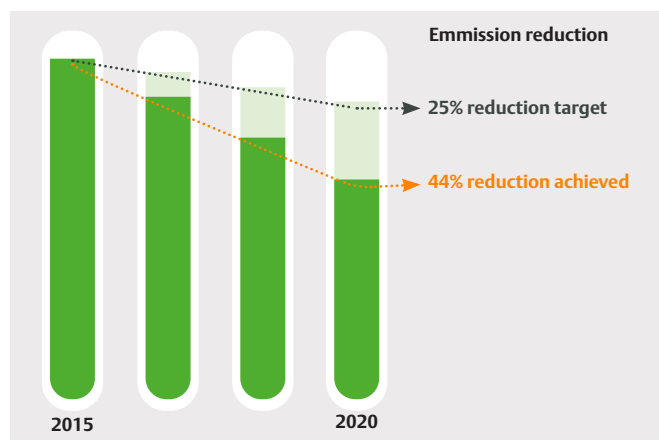
In 2020 our emissions were 7,321 tCO₂e and our normalised emissions were 9.2 tCO₂e/£m turnover. This represents a reduction of 44% against our 2015 baseline and 66% compared with 2008, removing 22,000 tCO₂e from our business. With further decarbonisation actions being deployed, including sourcing only 100% renewable energy, improving energy efficiency on sites and decarbonising our fleets, we're well on track towards net zero carbon operations.

Low carbon construction

Construction projects are the largest source of BAM's direct emissions. However every project is different and so we set specific CO₂ reduction targets for each one, focussing on using less energy and fuel. In order to achieve these project targets and reduce energy intensity on site, our projects continue to use energy monitoring and management tools, as well as more efficient equipment, lighting and accommodation. We are now using 43% less energy per £1 million turnover than in 2010.

Low carbon buildings

We know that carbon reduction is about more than just efficient construction. Beyond our direct impacts, we are increasingly focussing on the embodied carbon of the materials going into a building and also the carbon emissions from the use of the buildings. As a founding partner of the UKGBC's Advancing Net Zero Program,



we're actively supporting an industry transition to net zero carbon buildings.

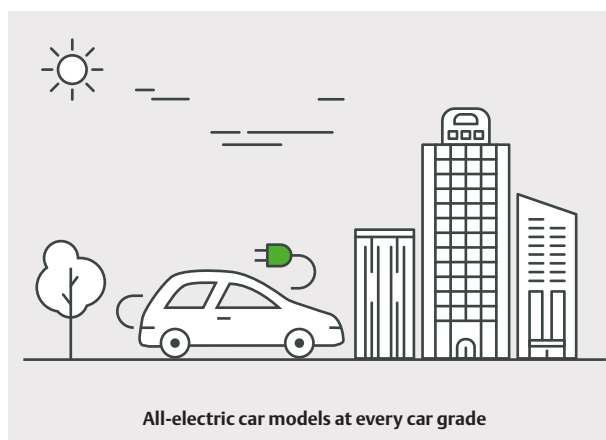
During 2020 we signed the World Green Building Council's Net Zero Carbon Buildings Commitment to only occupy and develop net zero buildings by 2030. We are increasingly taking a design-for-performance approach and working with our supply chain to identify lower carbon materials options.

BAM Energy also finance, install and manage renewable energy installations and carry out energy efficiency improvements for our clients.

Low carbon transport

In 2020, the COVID-19 pandemic highlighted the benefits that a flexible working approach can bring to reduce transport-related carbon emissions. Through the introduction of a new flexible working policy we aim to retain continued business and commuting mileage reductions, building on our pre-COVID year-on-year reductions.

We also continue to decarbonise our fleets, with our company car fleet average sitting at 98kgCO₂/km and the introduction of all-electric models to every car grade during 2020. We will take the next positive step towards zero emissions by phasing out purely fossil fuel vehicles by 2025.



In March 2021, we handed over Lincoln Medical School to the University of Lincoln - a standout project that intends to achieve net zero carbon in operation by following the approach provided by the UKGBC Framework Definition.

We will also continue to work with the University for two years post completion, remotely monitoring building performance via a BAM Digital Twin that has been produced for the building.

BAM Construct UK CO₂ summary 2020



Our emissions inventory and carbon management plan have been independently audited and are certified through the international CEMARS scheme.

Summary

Our 2020 emissions were 7,321 tCO₂e, this is a decrease of 26% compared with 2019. Turnover was impacted by COVID during 2020, but our normalised emissions still reduced by 13% (in part due to reduced travel from COVID restrictions).

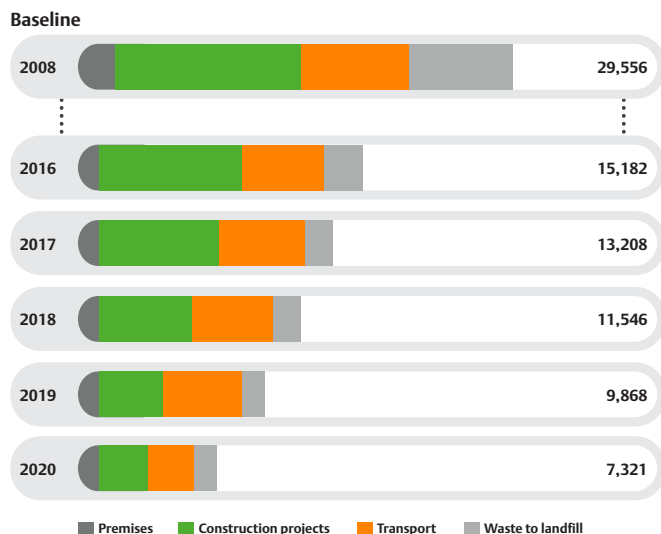
Emissions by key area

We track emissions by key activity. This includes premises (fixed offices and depots), construction sites (electricity, gas and fuel), transport (cars, commercial vehicles and air travel) and waste sent to landfill, as required for our CEMARS certification.

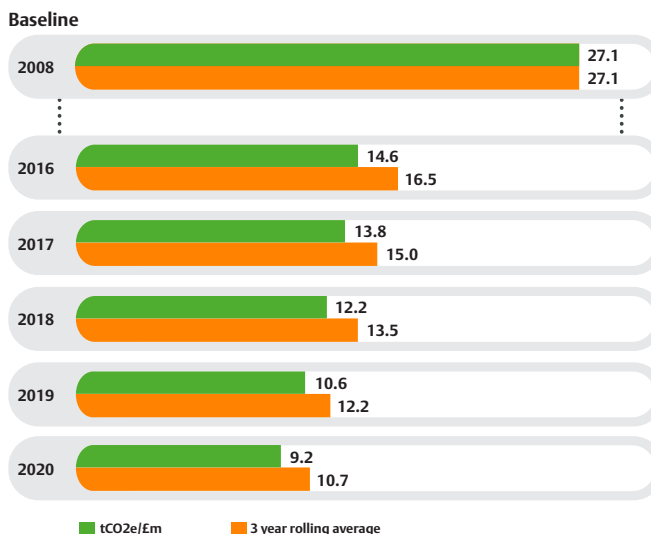
Emissions by individual source (tonnes of CO₂e)

Electricity (inc. free issue and T&D losses)	1,806
Gas	111
Gas oil	1,668
Diesel	671
Petrol	7
Company car (business)	147
Car allowance (business)	1,267
Company car (commuting)	13
Car allowance (commuting)	270
Air miles (domestic)	58
Waste to landfill	1,303
100% renewable energy	-1,200
Total	7,321
Market based total	6,121

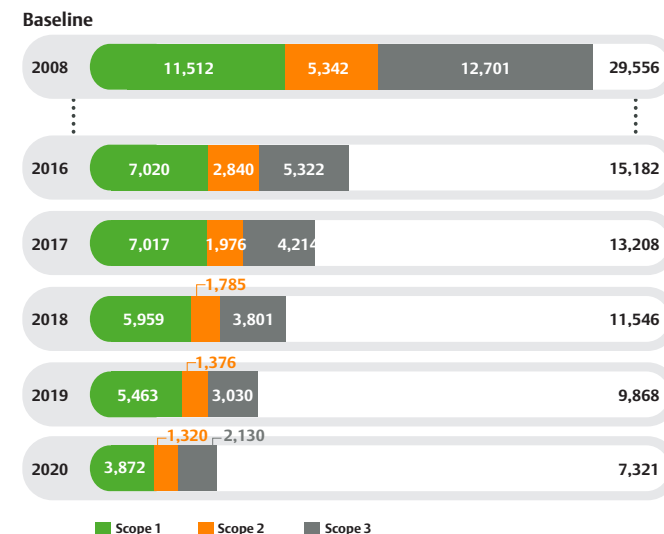
Emissions by key activity area



Emissions normalised against turnover



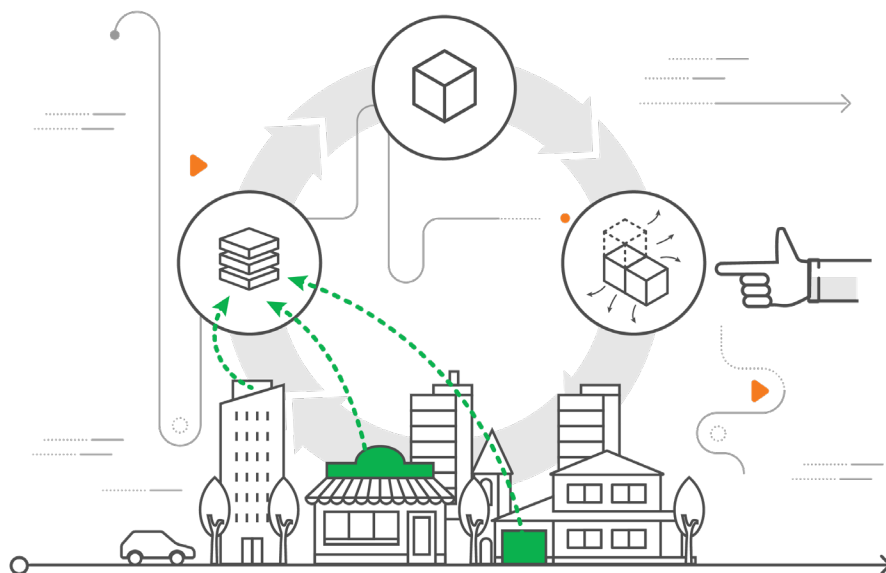
Emissions by scope - 'Scopes' are a way of defining emissions



Resource positive

Resources are vital to all our lives - whether it's the water we drink, air we breathe, or materials we use to make our buildings. But buildings use large amounts of materials in their construction and generate lots of waste over their whole lifecycle. That is why as part of our Net positive approach we will:

- Eliminate wasteful construction practices and deliver projects that produce less waste in operation, aspiring to zero construction and office waste (to landfill and incineration) by 2025
- Procure materials from certified responsible sources, including procuring 100% certified sustainable timber
- Be part of the circular economy, by using products and materials that can be easily maintained, reused or repurposed in the future, avoiding low grade recycling



Our collaborative relationship with Whitecroft Lighting continues. At Stone Lodge School, early engagement at design stage with Whitecroft Lighting resulted in a switch to their new Vitality range.

This range of lighting products are Cradle to Cradle® certified, completely removable, reusable, replaceable and have a recyclable cartridge, contributing to a circular economy.

Eliminating waste

Our long term goal is for zero avoidable construction waste. This starts from tender stage, when we work with design teams and clients to consider resource efficient and modern methods of design and construction. We continually engage with our suppliers to encourage the use of reusable packaging and use closed loop recycling systems. On site, our project teams are trained to follow the waste hierarchy, and we use material reuse networks where available.

BAM Construct UK records waste removed from our sites in tonnes, making use of data from our waste management contractors. We also track the volume of waste produced so we can see reductions in low density materials like packaging and plastics.

Since 2015 our waste intensity from construction has reduced by over 30%, from 35 to 23 tonnes/£1m. The proportion of waste diverted from landfill reduced in 2020 to 89%, partly due to the late release of Environment Agency data, meaning worst case scenarios have been assumed for some waste transfer stations.



The right materials

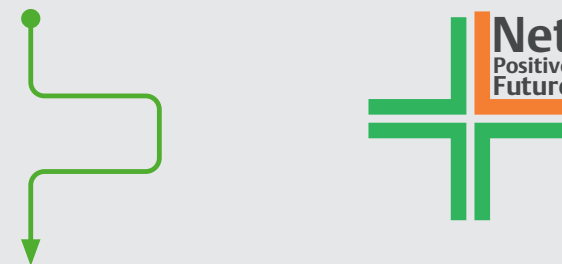
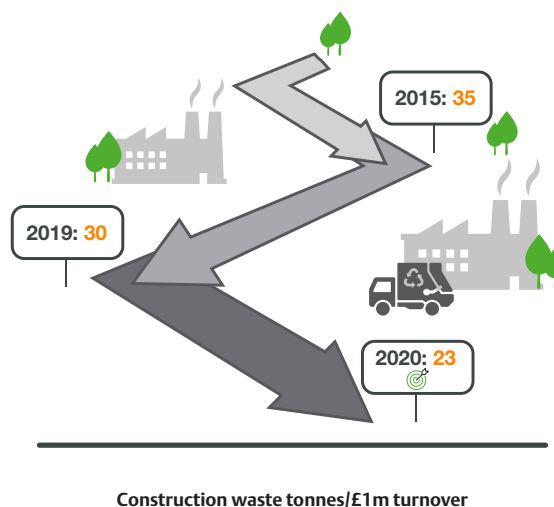
In 2003, we made a commitment to procure 100% certified legal and sustainable timber by 2020 (Forest Stewardship Council and the Programme for the Endorsement of Forestry Certification). In 2020, more than 99% of timber delivered was from verified legal and sustainable sources.

We aim to choose safe, healthy and natural materials to create spaces and buildings that are good for people and the environment. This helps us to provide WELL ready buildings for our clients, such as Atlantic Square in Edinburgh.

Driving forward the circular economy

BAM is committed to collaborating with others to make better use of resources, now and for the future. Over the last year BAM have participated in the UKGBC Circular Economy Forum, working in partnership with individuals from across the value chain to share learnings, find solutions and make progress on live projects.

This resulted in collaboration with the EU project, CIRCult, to interview demolition contractors highlighting challenging aspects of deconstruction and creation of a draft deconstruction plan framework.



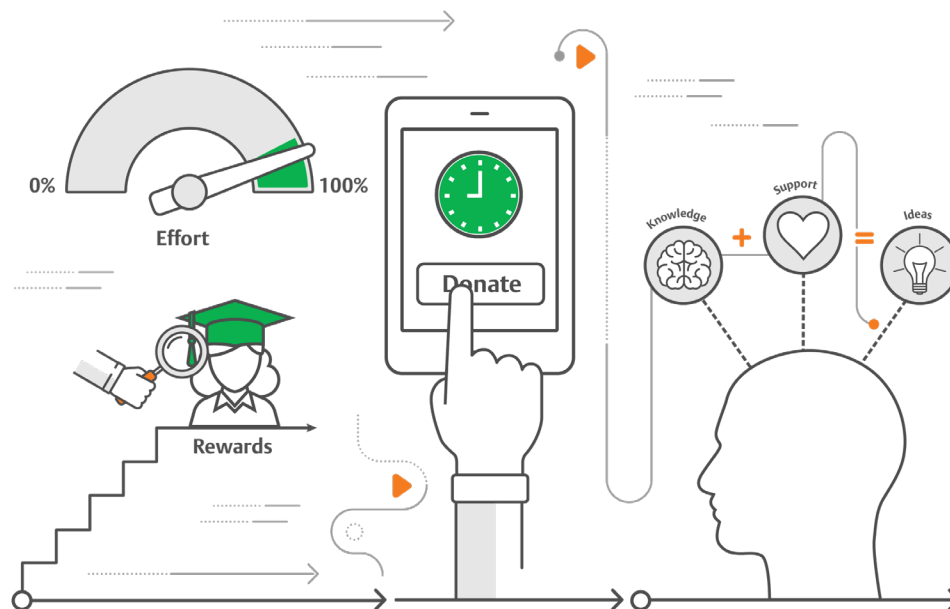
BAM recently completed the King's Cross Sports Hall, it is constructed out of 838m² of timber (690m³ of CLT and 147m³ glulam, from 100% PEFC chain of custody sources). But it is more than just a leisure facility – it has been designed to have multiple uses and is highly adaptable for a long lifespan.

For the first two years the lower floor will serve as a location for the Construction Skills Centre, providing local people with access to training and jobs while a new facility is constructed for them. This floor will then transform into the new community sports hall for LB Camden, complementing the gym and fitness suite on the first floor.

People positive

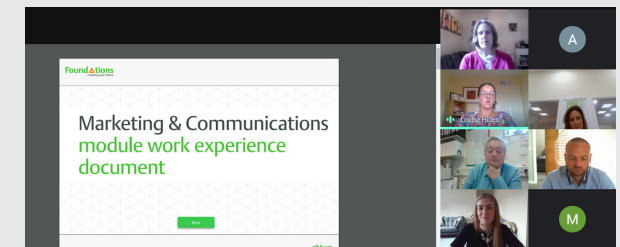
Our group-wide commitment is to enhance the lives of one million people by 2020 through the way we do business, not the business we do. To achieve this, BAM Construct UK is focusing on creating a positive impact through activities in local communities. Our enhancing lives programme aims to:

- Create life-enhancing opportunities to help people be socially mobile
- Educate and inspire a new generation of diverse people to join our industry
- Inspire and motivate BAM's people and provide them with opportunities to improve the lives of others
- Engage in positive value-adding partnerships with charities and community groups
- Maximise the social and economic impact we have through local employment and sourcing



Foundations

Creating your future



In 2021 we launched our Virtual Work Experience. COVID-19 removed opportunities to offer in-person work experiences, however our virtual platform provided a ready-made solution to introduce young people to the world of construction and learn about the range of different roles and opportunities available.

Enhancing lives

Our Net positive sustainability strategy is fundamental to how we enhance the lives of people in our communities, and ultimately create long-term social value.

We work collaboratively with our employees, supply chain, clients and array of other stakeholders, building relationships so we can understand their social and economic priorities. Our Enhancing Lives programme then encompasses the array of activities that we believe will have a positive impact on communities.

Future skills and employment

We encourage a diverse group of people to enter our industry by continuing to remove any and all barriers for disadvantaged people, providing skills, work placements, curriculum support and employment opportunities.

In a normal year, our Education and Community Co-ordinators would provide in-person lesson support, employability sessions, conduct site visits and work experience, and provide CPD sessions for teachers and lecturers. But 2020 was not a normal year. Fortunately, in 2018 we developed a new digital education and work experience resource for schools and young people, which allowed us to continue to host virtual work experience weeks throughout the pandemic.

Supporting communities

We know our employees feel passionately about many charities and organisations; that's why we continue to encourage our employees to use their two working days of paid leave each year on projects and activities that enhance lives. In addition to this, employees can apply for a £1,000 grant for a team voluntary project – allowing them to not only to give their time, but also purchase materials and resources. To date, teams of staff have worked on over 60 community-volunteering projects, giving over 9,666 hours of support.



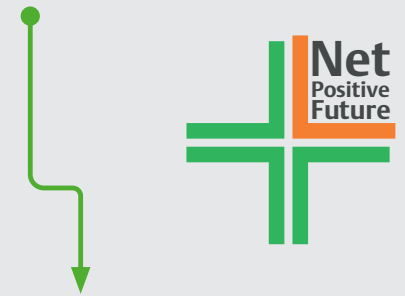
Our national charity partner is chosen by our employees, and after reaching out to our employees to help us find a new charity partner, we were pleased to be able to announce that The British Heart Foundation was our new charity partner 2020-2022, with the aim of raising £100,00 for them through the partnership period.

We chose to partnership with them not just because they're tackling some of the most common health impacts in our society, but because they could provide the opportunity to work with us to make a real difference to our employees, for example through rolling out CPR training.

Creating added social value

All of our enhancing live activities create added social value and this is an area we are growing going forward. In 2019 BAM became a member of the Social Value Portal and we continue to use the national Themes, Outcomes and Measures (TOMs) to assess, measure and report the social value impact of projects we deliver.

Using Social Value Portal allows us to develop a consistent language that we use internally, with our clients and wider stakeholders, thus enabling us to tell a story about how our projects are adding social value locally. This in turn will allow us to target greater added value as we gain a greater understanding of the depth of impact different activities have.



Our Midlands region has worked with the West Midlands Police Prince's Trust Team Programme for many years, including giving ongoing support to St Paul's Community Trust and their work at Balsall Heath City Farm in inner city Birmingham.

BAM volunteers have visited the farm many times, including in 2020, donating time and materials to help create pathways, community benches and raised planters for a community growing project. To date, the Balsall Heath City Farm community projects have generated £22,754.14 of social value through hours of support into work, volunteering and materials donations.



Get in touch

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For live updates, visit our sustainability microsite, which is regularly updated.

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