

Building a Sustainable Future

2018 Sustainability Report



Our vision

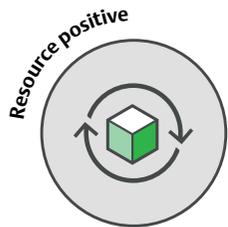
Our sector provides value to millions of people, but uses many resources in the process. That's why BAM is putting sustainability at the heart of our business, adopting a proactive approach to sustainable developments through our Net positive strategy.

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, in 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.

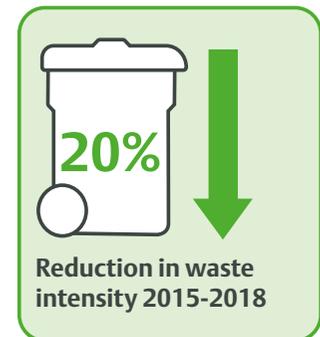
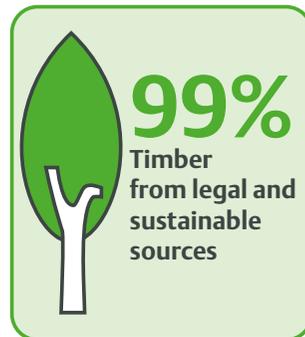
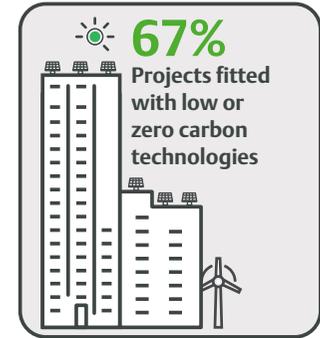


By 2050, we want to have a net positive impact on society by making a difference to the lives of people we come into contact with. We want to enhance the lives of one million people by 2020, through providing opportunities for education and employment and through engaging with community groups and charities.



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.

2018 highlights



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:

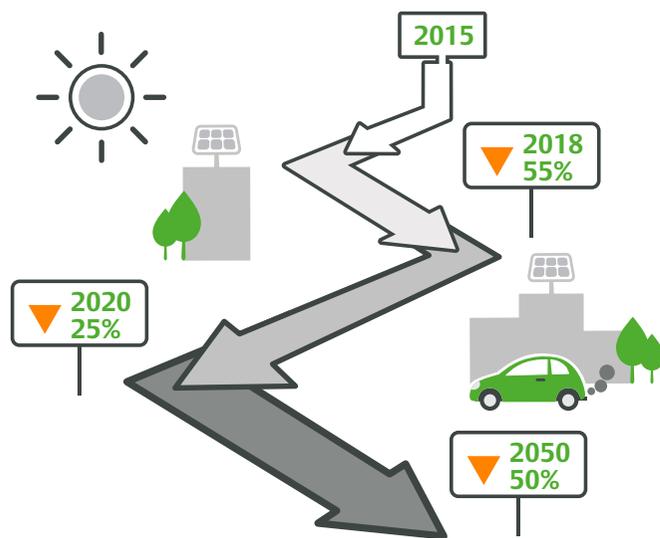
- Reduce the energy we use by digitalising our business and by improving the efficiency of our operations
- Use as much power, fuel and heat from renewable or non-polluting sources as possible
- Work with our clients and supply chain to reduce their emissions
- Bring low or zero carbon products and services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



Our performance

In 2018 our emissions were 11,546 tCO₂e and our normalised emissions were 12.2 tCO₂e/£1m turnover. This represents a reduction of 27% against our 2015 baseline and 55% compared with 2008 levels, removing 18,000 tCO₂e from our business. We are on track to achieve our 2020 target (a 25% reduction compared with 2015) and have set a new science-based target to reduce emissions by 50% based on 2015 levels.

Following our work with the Carbon Trust to assess our 'scope three' emissions, we've also committed to reduce emissions from our supply chain and of the buildings we deliver for our clients.



BAM's CO₂ reduction journey

Low carbon construction

Construction projects are the largest source of BAM's direct emissions, so we set CO₂ reduction targets for every project, focusing on using less energy and fuel. This has resulted in our projects becoming more efficient and we're using 46% less energy per £1 million turnover than in 2010 (and our average kWh/£1m continues to decrease).

This is a result of using energy monitoring and management tools, and using more efficient equipment, lighting and accommodation. Our central energy management team continues to work with sites to help plan, manage and reduce energy and fuel use and to test new technologies which offer greater efficiencies.

Reducing wider impacts

Our targets have been largely based on the carbon emissions BAM creates directly, but we know that we also need to work with our supply chain and clients to take account of the wider impacts that buildings have, and reduce their emissions too.

For example, to deliver low carbon buildings, we are increasingly looking beyond design targets, towards the actual performance of buildings in use (e.g. achieving Display Energy Certificate ratings). We work with our clients to carry out post occupancy evaluations (through a soft landings approach), to ensure their buildings perform as well as possible. BAM Energy also finance, install and manage renewable energy installations and carry out energy efficiency improvements for clients (on both new and existing buildings).



We're using 7,700 kWh per £1m turnover, 46%, less energy than in 2010

Within the industry, we continue to try and encourage the take-up of net zero carbon buildings. We are also working with suppliers (such as Hanson) to reduce embodied carbon impacts.

Low carbon transport

Transport is vital to our business but travel leads to emissions, and unnecessary travel leads to higher costs and affects employee wellbeing. Since 2008 we've worked hard to reduce these impacts. Our staff now spend less time on the road, which is good for the environment and their wellbeing. In 2018 both total business miles and average business miles per employee reduced by 4% and 3% respectively.

The average efficiency of our company car fleet is now 101 gCO₂/km, although this will rise in the short term due to real-world emissions tests. We continue to aim for reductions by introducing more electric vehicles into our fleet and avoiding travel altogether, for example through our roll-out of Skype for Business.



Average efficiency of our company car fleet

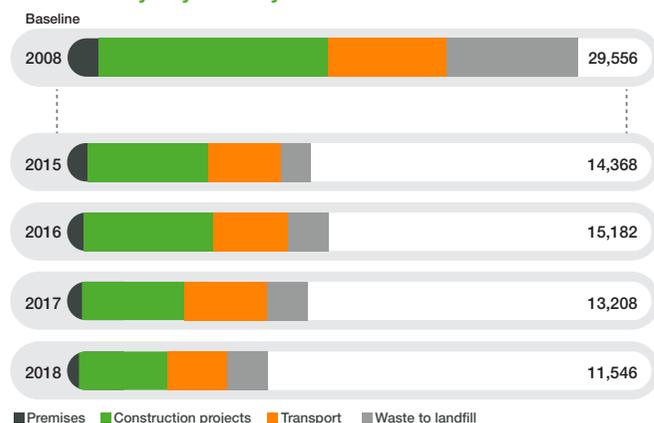
BAM Construct UK CO₂ summary 2018

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

Emissions by key activity area

Our 2018 emissions were 11,546 tCO₂e, this is a decrease of 13% compared with 2017. Despite a reduced turnover, significant reductions in both electricity and fuel use means we have reduced our normalised emissions (tonnes per £1m turnover). 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 by our CEMARS certification.

Emissions by key activity area

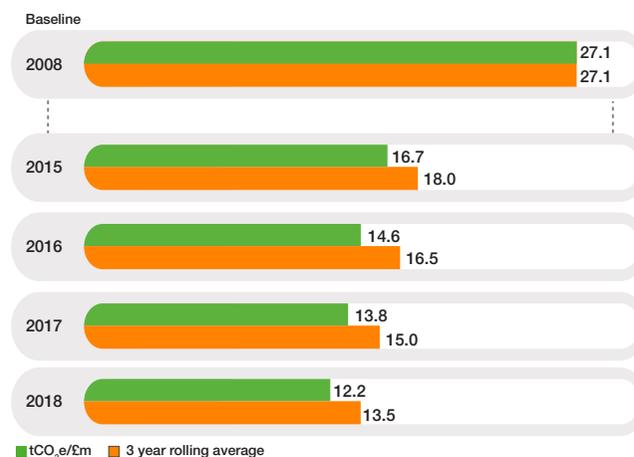


Emissions by individual source



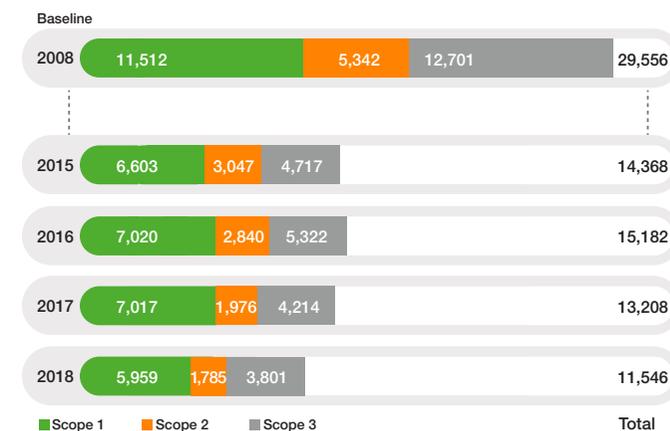
Emissions normalised against turnover

The continued downward trend of our normalised emissions shows we are performing well.



Emissions by scope

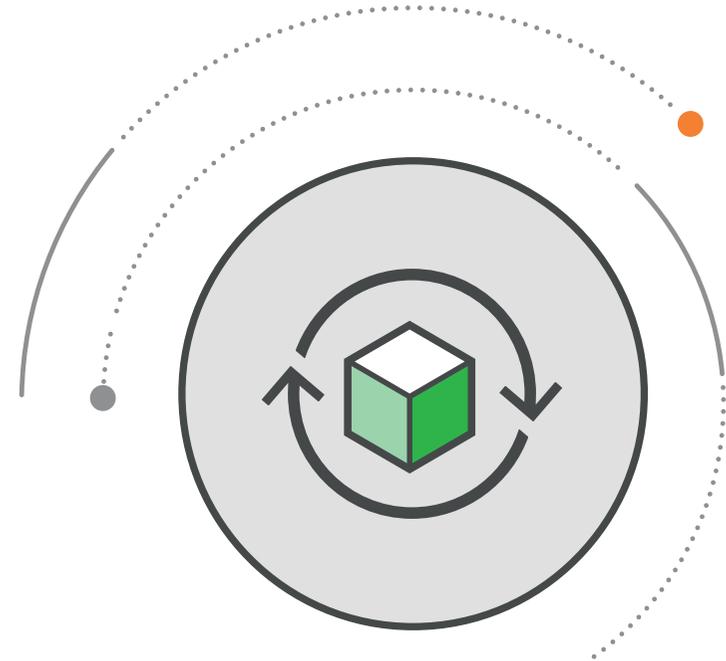
'Scopes' are a way of defining emissions. 'Scope one' includes purchased fuel and diesel used by BAM. 'Scope two' includes electricity purchased by BM. 'Scope three' includes other indirect emissions, for example our grey fleet, air travel and waste sent to landfill.



Resource positive

Resources are vital to all our lives - whether it's the water we drink, air with 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

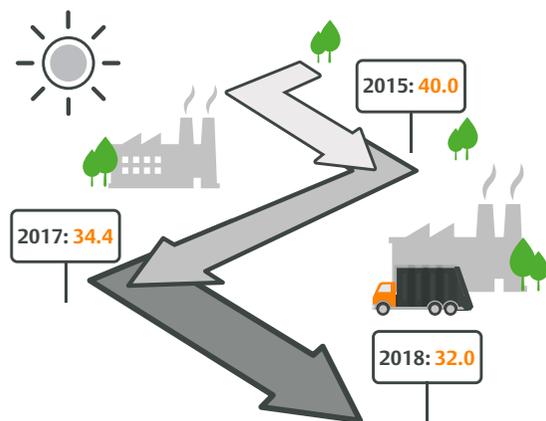


Eliminating waste

We aim to eliminate wasteful construction practices and deliver projects that will produce less waste in operation. BAM, and the industry as a whole, is more efficient than it ever used to be. We are an industry leader: we share our experiences and drive the performance of the construction industry by working with the UK Building Council, Supply Chain Sustainability School and Build UK.

As a priority, we try to prevent waste through the way we design and build, but we also continue to track the quantity of waste removed from sites. We always aim to maximise reuse and recycling, and as a last resort, recovery and landfill. This is done by using specialist waste transfer stations that achieve the highest possible value from the waste materials taken from our sites. There are also a growing number of suppliers offering takeback schemes for their materials, using our waste as a feedstock for the production of new product.

To align with new targets across Royal BAM Group, BAM Construct UK is now recording waste removed from our sites in tonnes (we previously reported in m³), making use of data from our waste management contractors. We have also set a new target against a new 2015 baseline. In 2015 the three year rolling average has been calculated as 40 tonnes/£1million turnover. The three year rolling average for 2018 was 32.0 tonnes/£1million turnover, a 20% reduction. If this performance is sustained, a 25% reduction should be achieved by 2020. The proportion of waste diverted away from landfill in 2018 was 93%.



BAM's waste reduction journey

The right materials

We aim to choose safe, healthy and natural materials to create spaces and buildings that are good for people and the environment. When purchasing materials, we focus on the positive impact we can have by selecting suppliers with high standards. We will always have a preference for sourcing products which are natural, safe and ethical; taking into consideration their impact on the environment and people, both locally and internationally. Increasing the use of digital construction will help us evaluate the environmental life cycle costs of the materials used in our buildings. This will help influence the construction sector as a whole, as a greater understanding of a product's environmental impacts will allow more informed product choices.

In 2003, we made a commitment to procure 100% certified legal and sustainable timber by 2020 (current UK chain of custody schemes are certified by the Forest Stewardship Council and the Programme for the Endorsement of Forestry Certification). In 2018, more than 99% of new timber delivered to our sites was from verified legal and sustainable sources, with more than 94% having full FSC or PEFC chain of custody.



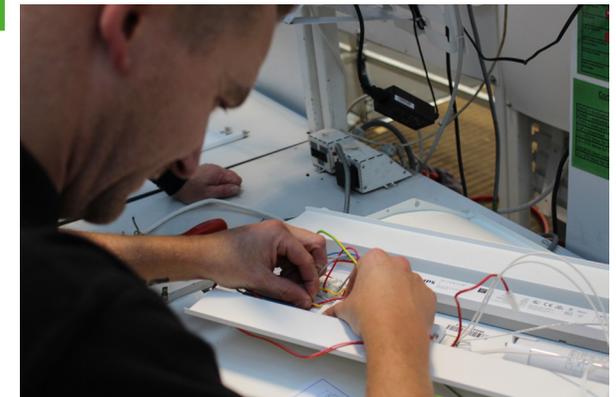
Of new timber from legal and sustainable sources

We also have experience delivering partial and full project certifications, including 30 Broadwick Street, which was certified with FSC Full Project Certification (TT-PRO-006105, 2017). We proudly support the UK sustainable timber market by procuring Grown in Britain certified timber when it is available.

Driving forward the circular economy

Focussing solely on reducing waste will not deliver a net positive future. That is why our aim is not to just do things better, but to do new things. We need a shift in the way buildings are designed and made, taking steps towards a circular economy. Achieving this step-change needs more collaborative working between designers and contractors, supplychain and clients.

To drive the circular economy forward, we were one of 16 partners working on the 'Buildings as Material Banks', an EU Horizon 2020 project to develop industry tools, which hopes to catalyse a move to circular buildings. During 2017 we worked with our supply chain through a series of four workshops to upskill and engage on circular economy opportunities within their businesses.



In 2018, one supplier, Whitecroft lighting, worked with us to refurbish instead of replace old, inefficient lighting. This has led to a new service and also new 'circular' lighting solutions that can be offered to existing and new projects.

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
- Maximise the social and economic impact we have through local employment and sourcing



Enhancing lives

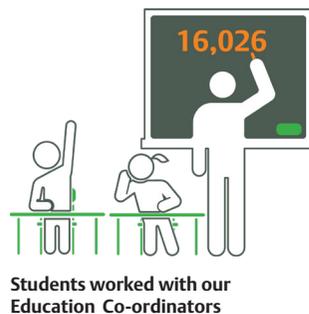
We aim to have a positive impact on people's lives by supporting and delivering projects that make a positive difference. Our enhancing lives activities can be categorised as pro bono or in-kind, fundraising or donations, volunteering, opportunities for social enterprises or small businesses, training, employment, and health and wellbeing. Since 2010, BAM has invested £4,130,852 into local communities through these types of activities, which is defined and measured as connect, improve or transform.



Since 2015, we have enhanced the lives of approximately 180,000 people through our work

Enhancing education

In 2018, BAM Education Co-ordinators worked with 16,062 students providing support in lessons related to science, technology, engineering, maths, arts and business; offering employability sessions, conducting site visits and work experience and providing CPD sessions for teachers and lecturers.



Students worked with our Education Co-ordinators

During 2018 we developed a new digital education and work experience resource for schools and young people. The new platform launches in 2019 and will guide work experience placements at BAM through potential careers in the industry, as well as provide a suite of resources for teachers to use in schools.

Employee engagement

We know our employees feel passionately about many charities and organisations; that's why we give two working days of paid leave each year to our employees to participate in voluntary activities. 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. Since its launch, we have funded more than 40 volunteering projects in support of hospices, SEN groups, community centres, local schools and the Prince's Trust.



In 2018, our employees volunteered 5,687 hours to support community projects across the country

Each year our early career employees take part in our Enhancing Lives Challenge, introducing them to our net positive approach and enhancing lives activities. During 2018, they volunteered, fundraised and developed our education offering, enhancing the lives of 4,257 people. The overall impact was significant, with more than 2,542 students engaged from 44 schools, colleges and universities and the money raised went to nine different charities across the UK. The 1,323 hours volunteered by our early career employees meant they were able to support 20 charities and community groups, including the Cheetham Hill Advice Centre (CHAC) in the North West where the volunteers and staff have said their morale and working life has improved as a direct result of the work carried out.

Our national charity partnership is chosen by our employees and in 2018 we raised £81,500, enabling CLIC Sargent to give support to 1,048 young people and 39 nurse school visits to talk with teachers and pupils.



Our annual BAM bikes challenge raising money for CLIC Sargent

Early careers

Apprenticeships are a great way to bring new talent into the industry. We have a bespoke Construction apprenticeship programme, rotating construction apprentices through multiple placements prior to them completing their degree, and giving them the best of both worlds. During their study blocks, we also provide a number of BAM-led sessions delivered by our colleagues, to complement and support apprentices' learning.

A lot has changed at BAM since we first introduced this programme, including the way we target new talent. In 2018 we launched new social media channels, including our Instagram, @BAMConstructEarlyCareers, to better engage with our target audience and give a taste of what it's like to work for BAM. This has been a huge success, with 1,500 followers and 17% of our 2018 intake coming from these channels. Since we reviewed our paid engagement channels, the number of early career applications is up 48% and hires is up 800%. This includes an increase of 400% in females recruited onto our construction apprentice programme.

We use a 'referral code' to track talent through our recruitment process, allowing our community engagement team to directly refer young people they come into contact with.



Get in touch

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

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We are part of Royal BAM Group.

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