Morgan Sindall
Corporate policy

Social Value

<table>
<thead>
<tr>
<th>Revision no.</th>
<th>Date</th>
<th>Details of change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rev 1</td>
<td>Sep ’16</td>
<td>First Issue</td>
</tr>
</tbody>
</table>
1.0 Purpose
The purpose of this policy statement is to communicate to all Morgan Sindall stakeholders our common approach to creating the maximum social value in the communities where we operate, thereby enhancing the social, environmental and economic wellbeing of those communities.

2.0 Scope
The policy applies to all of Morgan Sindall’s stakeholders including all employees, (established and temporary), customers, subcontractors, consultants and any third party.

3.0 Statement Details
The Public Services (Social Value) Act 2012 is legislation that enables organisations to link procurement activities to the value for money guidance laid out in the HM Treasury Green Book (Appraisal and Evaluation in Central Government).

Morgan Sindall believes that the commercial operations of our business can be tailored to enhance the social, economic and environmental wellbeing of the communities where we operate, more wholly fulfilling and supporting the social value objectives of our customers.

This policy statement articulates how, through greater community inclusion, we can work with our own employees, our customers, subcontractors, consultants, local communities and other third parties to enhance the social, economic and environmental wellbeing of our customers.

4.0 Introduction
Morgan Sindall is a construction company that operates within local communities across the whole of the UK. In alignment with the Public Services (Social Value) Act 2012 it is our belief that our value to communities lies in, not only the provision of an improved and efficient built environment and national infrastructure, but also in our approach to delivering high levels of social value to the communities where we operate.

Social value is the improvement through procurement of the social, economic and environmental wellbeing of the area so that communities can thrive. We have organised our core business functions to address the unique social value requirements of our individual customers, hence they form part of our tender, contract and delivery requirements.

5.0 Morgan Sindall Approach
The key functions within Morgan Sindall that drive the culture and values towards improving social, economic and environmental wellbeing in communities are our training, development, diversity and inclusion, recruitment, employee wellbeing, community investment and sustainable procurement activities which are governed by our recruitment, workplace, community investment, employment and procurement policies.

These policies and our Total Commitment to Enhancing Communities are brought to life every day, on every project, by our people in our offices and on our projects. We take individual and collective pride in the positive impact that we have on peoples’ lives and focus on mitigating and obviating community risks and concerns around our construction activities. We believe that these positive impacts are an intrinsic part of making the industry an attractive place to work as well as supporting the core objectives of our customers to improve social, economic and environmental wellbeing in communities.

6.0 Our Own Workforce:
We are intent on increasing the diversity of our own workforce to improve our own resilience, our ability to innovate and ensuring that we better reflect the communities in which we work. As social mobility increases, global borders are eroded and digital technology challenges traditional boundaries, it is imperative for us to maximise the values held within those social groups that are not prevalent in the construction industry.

Every employee is encouraged to give their time, energy and skill to make a contribution to our community investment and charitable giving activities and we support the donation of this time within their normal working hours.
We have a social value steering group that leads our community inclusion activities across the organisation and coordinates the knowledge sharing, specialist support and inclusion of relevant third parties that increase the potential for enhancing communities. Morgan Sindall Labour Desk provides agency labour to support our own teams in the delivery of our projects. We have designed the processes and procedures within the Labour Desk to ensure that we remove any behaviours that represent modern slavery and to ensure that fair and equal pay rates are awarded to all individuals working for us via the Labour Desk.

7.0 Learning and Development Outreach:
We are fiercely proud of the diverse career opportunities that are offered by the construction industry. We have an extensive outreach programme and work with numerous third parties to attract new talent into the industry at all levels. We believe that by consistently demonstrating rich life chances as early as possible and at any stage of a person’s life, we dramatically increase the potential for individuals to be economically active and make a contribution to society.

8.0 Subcontractors:
We recognise that a great proportion of a customer’s procurement activity is passed down to our subcontractors and that in order to maximise the social value for our customers, they are included in the processes and procedures adopted to achieve this. We have invested in a local multiplier measurement tool, called LM3 which measures the economic impact of our subcontract choices and reports the economic growth within a given area created by these choices. We similarly can report to our customers on the number of PLCs, SMEs and Not For Profit organisations, including social enterprises, that comprise the supply chain. We can also report on the workforce diversity and majority diversity ownership of the companies within our supply chain. Our procurement strategies are governed and guided by our adherence to BS8903 : 2010. To further improve our capability to respond to our customers’ unique social value requirements we have invested in developing the LM3 tool so that the economic and diversity metrics can be analysed and reported through the procurement phase, rather than retrospectively. This allows our customers to make a value for money based decision on the design and delivery of projects.

9.0 Third Parties:
Morgan Sindall has identified a powerful role to play in enabling and supporting external organisations whose core objectives are the delivery of social value by including them in the delivery of our core functions. We actively engage and promote stronger relationships with third party organisations that might enhance the social value objectives associated with procurement activity.

10.0 Measuring and Reporting:
We report internally on learning and development, supply chain, diversity and inclusion and workforce inclusion, diversity and wellbeing, these internal KPI’s are monitored at Board level. Best practice is shared and celebrated internally and externally with all stakeholders. We report externally via Morgan Sindall Group on the economic impact we create within communities and on being a good neighbour through the Considerate Constructors Scheme. Our subcontractor performance is monitored using the LM3 tool and by the number of engagements with the Supply Chain Sustainability School.

11.0 Legacy:
By integrating our core functions of employment, subcontracting, inclusion and training we can identify where we are most able to deliver maximum social value to our customers. Our social value programmes draw information from each of these areas to create positive interventions that are targeted and purposeful. We are intent on leaving a lasting legacy by improving the social, economic and environmental wellbeing of the individuals in the communities where we operate.

Signed …………………………………………
Nick Fletcher
Managing Director - Infrastructure

Signed …………………………………………..
Pat Boyle
Managing Director - Construction

September 2016