

Welcome to your CDP Forests Questionnaire 2019

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

Morgan Sindall Group plc is a leading UK construction and regeneration group operating through six divisions (set out below). The Group employs circa 6,600 people.

Construction

Construction & Infrastructure

Provides infrastructure services in the highways, rail, aviation, energy, water and nuclear sectors, including tunnel design and construction services in education, healthcare, defence, commercial, industrial, leisure and retail. BakerHicks offers a multidisciplinary design and engineering consultancy services.

Fit Out

Overbury specialises in fit out and refurbishment in commercial, central and local government offices, retail banking and further education. Morgan Lovell provides office interior design and build services direct to occupiers.

Property Services

Provides response and planned maintenance for social housing and the wider public sector.

Regeneration

Partnership Housing

Lovell delivers housing through mixed-tenure and contracting activities. Mixed tenure includes building and developing home for open market sale, affordable rent, private renting or shared ownership in partnership with local authorities and housing associations. Contracting includes the design and



build of new home and planned maintenance and refurbishment for clients who are mainly local authorities, housing associations and the Defence Infrastructure Organisation.

Urban Regeneration

Works with landowners and public sector partners to transform the urban landscape through the development of multi-phase sites and mixed-use regeneration, including residential, commercial, retail and leisure.

Investments

Provides the Group with construction and regeneration opportunities through long term strategic partnerships to develop under-utilised public land across multiple sites.

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	January 1, 2018	December 31, 2018

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

GBP

F0.4

(F0.4) Select the stage(s) of the value chain which best represents your organization’s area of operation pertaining to forest risk commodities.

	Stage of the value chain
Timber	Manufacturing

Palm Oil	Not applicable
Cattle Products	Not applicable
Soy	Not applicable
Other - Rubber	Not applicable
Other	Not applicable

F0.5

(F0.5) Do you produce, use, or sell materials or products that contain any of the forest risk commodities?

	Produce/use/sell	Disclosing
Timber	Yes	Yes
Palm Oil	No	
Cattle Products	No	
Soy	No	
Other - Rubber	No	
Other	No	

F0.6

(F0.6) Are there any parts of your direct operations not included in your disclosure?

No

F0.7

(F0.7) Are there any parts of your supply chain not included in your disclosure?

Yes

F0.7a

(F0.7a) Identify the parts of your supply chain not included in your disclosure.

Exclusion	Description of exclusion	Potential for forests-related risk	Please explain
Specific supplier(s)	Subcontractor Supply	Potential for forests-related risk but not evaluated	We have no control over our subcontractors procurement route. However, we encourage where possible that they procure from sustainable sources

F1. Current state

F1.1

(F1.1) How does your organization produce, use, or sell your disclosed commodity(ies)?

Forest risk commodity

Timber

Activity

Using for construction

Form of commodity

Sawn timber, veneer, chips

Paper

Boards, plywood, engineered wood

Primary packaging

Secondary packaging

Source



Contracted suppliers (processors)
Contracted suppliers (manufacturers)

Country/Region of origin

Austria
Brazil
Canada
Chile
China
Finland
France
Germany
Indonesia
Italy
Latvia
Malaysia
New Zealand
Poland
Portugal
Russian Federation
South Africa
Sweden
Thailand
United Kingdom of Great Britain and Northern Ireland
United States of America

% of procurement spend

1-5%

Comment

Being a Construction and Regeneration business our company procures timber in relation to concrete formwork, structural timbers, flooring, cladding, manufactured joinery items including windows, doors & furniture. Paper is also used in communication and marketing materials. To determine the percentage of revenue dependent on timber, it has been calculated that in 2018, our timber products purchases made up approximately 5%, £124 million of our total spend of £2.5 billion.

F1.1a

(F1.1a) Indicate from which State/region(s) and municipality(ies) your disclosed commodity(ies) originate.

Forest risk commodity

Timber

Country/Region of origin

Brazil

State/Region

Specify state/region

Paranagua

Municipality

Specify municipality (1)

Paranagua

Please explain

We purchase for use in construction via an importer Brazilian Elliotts plywood. This product is certificated by FSC Mix 70%.

Forest risk commodity

Timber



Country/Region of origin

Malaysia

State/Region

Specify state/region
Kedah

Municipality

Specify municipality (1)
Kedah

Please explain

We purchase for use in construction via an importer of Malaysian plywood. This product is certificated by FSC Mix 70% & 70% PEFC Certificated.

F1.2

(F1.2) Indicate the percentage of your organization’s revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

	% of revenue dependent on commodity	Comment
Timber	1-5%	Being a Construction and Regeneration business our company procures timber in relation to concrete formwork, structural timbers, flooring, cladding, manufactured joinery items including windows, doors & furniture. Paper is also used in communication and marketing materials. To determine the percentage of revenue dependent on timber, it has been calculated that in 2018, our timber products purchases made up approximately 5%, £124 million of our total spend of £2.5 billion

F1.3

(F1.3) Do you own or manage land used for the production of your disclosed commodity(ies)?

Forest risk commodity

Timber

Own and/or manage land?

Don't own or manage land

Type of control

Description of type of control

Country/Region

Land type

Size (Hectares)

Do you have a system in place to monitor forests-related risks?

Type of monitoring system

Description of monitoring system

Recent infraction(s)

Explanation of infraction

F1.4

(F1.4) For your disclosed commodity(ies), indicate if you collect data regarding your own compliance and/or the compliance of your suppliers with the Brazilian Forest Code.

Timber

Do you collect data regarding compliance with the Brazilian Forest Code?

Yes, from suppliers

Please explain

We source products via an importer or distributor that have full FSC or PEFC Chain of Custody only and check that our supplier's PEFC and FSC Certificates are valid and in date. This means all our Brazilian purchases are in compliance with the Forest Code.

F1.4b

(F1.4b) For your disclosed commodity(ies), indicate which Key Performance Indicators (KPIs) you use to measure the compliance of your suppliers with the Brazilian Forest Code and their performance against these indicator(s).



F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Timber	Consumption data available, disclosing

F1.5a

(F1.5a) Disclose your production and/or consumption data.

Forest risk commodity

Timber

Data type

Consumption data

Volume

27,191

Metric

Cubic meters

Data coverage

Partial commodity production/consumption

Please explain

We collect data quarterly from our supply chain to ensure that we are in strict compliance with our Group Timber Policy. We ensure all timber products purchased for either temporary or permanent inclusion in our projects shall be certified as legally and sustainably sourced, as defined by the UK Government Central Point of Expertise on Timber (CPET). We give preference to timber and timber fibre products from suppliers with

independently certified Chain of Custody controls. The two principal schemes preferred by the Group are, in priority order, the (Forest) Stewardship Council "FSC" and the Programme for the Endorsement of Forest Certification "PEFC". We also recognise and comply with GIR (Grown in Britain). We work with our suppliers and our supply chain to achieve documented evidence that the wood is from legal and sustainable sources. Where necessary we will take action to influence the procurement processes. We specify on all purchases of timber materials the requirement for the products to be either FSC or PEFC certified and purchased in line with legal requirements such as the EU Timber Regulations. We are only able to give "Partial commodity production/consumption" figures as we currently do not have full vision of our subcontractors, although they are required by us to comply with our Timber Policy

F1.6

(F1.6) Have you identified sufficient sources of sustainable materials to meet your current operational needs? If yes, what are you doing to ensure the security/continuity of this supply?

Timber

Sustainable source identified

Yes

Primary action to ensure supply

Supplier improvement plans to increase capacity of supply

Please explain

We work closely with our major suppliers. We engage with them on forward planning especially on the larger, more complex schemes and those on extended contract periods (at least 24 months). In turn they supply us with market updates on current and future availability in relation to world events such as storms, earthquakes and the markets demand for materials used in the regeneration and rebuilding.

We look to only purchase responsibly-sourced timber and not that which is harvested illegally or sourced from protected forest areas. We aim to understand the forest impacts of our sourcing as close as possible, and do this through the knowledge and oversight of our main suppliers .

We look to only purchase responsibly-sourced timber and not that which is harvested illegally or sourced from protected forest areas. We work with our supply chain to understand the areas we we are sourcing from as close as possible.

F1.7

(F1.7) Has your organization experienced any detrimental forests-related impacts?

No

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber

Value chain stage

Supply chain

Coverage

Partial

Risk assessment procedure

Assessed in an environmental risk assessment

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used to identify and assess risks

Internal company methods

Please explain

Partial because we can only mitigate risk on our direct supply and not subcontractors. Our main risk is non compliance of certificated product either by bogus means or availability. We request copies of all the environmental policies in the supply chain & details of checks carried out. We also seek declaration from the supplier of species and evidence of known legal forest origin and that the wood is not from a recent forest conversion. Dependent upon the risk we may request that the evidence is provided by an independent and credible third party.

F2.1b

(F2.1b) Which of the following issues are considered in your organization's forests-related risk assessment(s)?

Availability of forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

Quality of forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

Impact of activity on the status of ecosystems and habitats



Relevance & inclusion

Relevant, always included

Please explain

Regulation

Relevance & inclusion

Relevant, always included

Please explain

Climate change

Relevance & inclusion

Relevant, sometimes included

Please explain

Impact on water security

Relevance & inclusion

Not considered

Please explain

Tariffs or price increases

Relevance & inclusion

Relevant, always included

Please explain

Loss of markets

Relevance & inclusion

Relevant, sometimes included

Please explain

Brand damage related to forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

Corruption

Relevance & inclusion

Relevant, always included

Please explain

Social impacts

Relevance & inclusion

Not considered

Please explain

Other, please specify

Relevance & inclusion

Please explain

F2.1c

(F2.1c) Which of the following stakeholders are considered in your organization's forests-related risk assessments?

Customers

Relevance & inclusion

Relevant, always included

Please explain

Employees

Relevance & inclusion

Not considered

Please explain

Investors

Relevance & inclusion

Not considered

Please explain

Local communities

Relevance & inclusion

Not considered

Please explain

NGOs

Relevance & inclusion

Relevant, sometimes included

Please explain

Other forest risk commodity users/producers at a local level

Relevance & inclusion

Not considered

Please explain

Regulators

Relevance & inclusion

Relevant, always included

Please explain

Suppliers

Relevance & inclusion

Relevant, always included

Please explain

Supply chain risks are assessed in an environmental risk assessment. We can only mitigate risk on our direct supply and not subcontractors. Our main risk is non-compliance of certificated product either by bogus means or availability. We request copies of all the environmental policies in the supply chain & details of checks carried out. We seek a declaration from the supplier of species and evidence of known legal forest origin and declaration that the wood is not from a recent forest conversion. Dependent upon risk we may request that the evidence is provided by an independent and credible third party.

We rely on our supply chain to conduct risk mitigation, for example, deforestation which may lead to illegally harvested timber entering the supply chain, and natural resource depletion resulting in commodity supply chain / end user impacts. We also request monthly updates on long and short-term availability due to world events such as storms, earthquakes and the markets demand for materials used in the regeneration and rebuilding.

Other stakeholders, please specify

Relevance & inclusion

Please explain

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Timber	Yes

F3.1a

(F3.1a) How does your organization define substantive impact on your business?

Our planning cycle is 5 years. The Board is responsible for setting the Group's risk appetite and risk management and assesses the principal risks to the Group that threaten our business model and performance. Each division identifies the risks facing its business and takes measures to mitigate the impacts. Twice a year each division carries out a detailed risk review, recording significant matters in its risk register. The divisional risk registers are reviewed and collated by the Group's head of audit and assurance, who refers to them when preparing the Group risk register. This approach ensures that principal risks and controls throughout the Group are under regular review at all levels. The Group also has a risk committee that meets twice a year and assists the Board and audit committee in monitoring risk management and internal control. The risk committee ensures that both inherent and emerging risks across the business are properly identified and managed. The Auditors in their Audit report determine the Group's materiality at £4.0m (see 2018 Annual Report for further information).

F3.1b

(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Forest risk commodity

Timber

Type of risk

Regulatory

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Lack of mature certification and sustainability standards

Primary potential impact

Supply chain disruption

Company-specific description

Customers may not accept non-certified products entering their projects, for example, National Government contracts.

Timeframe

Current - up to 1 year

Magnitude of potential impact

Medium-low

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact (currency)

12,400,000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact figure

We believe that a shortage of certificated wood product would add 10% onto our purchase price

Primary response to risk

New product/technology development

Description of response

We believe that timber is an excellent product and managed correctly improves our environment. It shortage may lead us to look at alternatives to timber.

We rely on our supply chain to conduct risk mitigation, for example, deforestation which may lead to illegally harvested timber entering the supply chain, and natural resource depletion resulting in commodity supply chain / end user impacts. We also request monthly updates on long and short term availability due to world events such as storms, earthquakes and the markets demand for materials used in the regeneration and rebuilding.

Cost of response

2,000,000

Explanation of cost of response

Employees time and increased costs

Forest risk commodity

Timber

Type of risk

Reputational and markets

Geographical scale

Country

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Negative media coverage

Primary potential impact

Brand damage

Company-specific description

Acute risks from supply chain specific exposure can still occur even where buying certified product. This can give rise to a reputational impact on the Group and loss of construction work - primarily from the government.

Timeframe

Current - up to 1 year

Magnitude of potential impact

Low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact (currency)

100,000,000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact figure

Estimated 3% of the Group's turnover

Primary response to risk

Greater due diligence

Description of response

Ensuring considered purchases are made and that risk is mitigated regardless of legal obligation and over and above certified chain of custody standards.

We rely on our supply chain to conduct risk mitigation, for example, deforestation which may lead to illegally harvested timber entering the supply chain, and natural resource depletion resulting in commodity supply chain / end user impacts. We also request monthly updates on long and short-term availability due to world events such as storms, earthquakes and the markets demand for materials used in the regeneration and rebuilding.

Cost of response

50,000

Explanation of cost of response

This is an estimate of management time

Forest risk commodity

Timber

Type of risk

Physical

Geographical scale

Region

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Increased severity of extreme weather events

Primary potential impact

Supply chain disruption

Company-specific description

Timber supply chains are vulnerable to shortages on volume caused by weather related constraints to harvesting already, it's possible to anticipate that this will worsen and be compounded by physical constraints to timber growth in some regions.

Timeframe

1-3 years

Magnitude of potential impact

Low

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact (currency)

100,000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact figure

Dependent on region it is difficult to quantify

Primary response to risk

Supplier diversification

Description of response

Establish and maintain relationships with multiple distributors and switch purchasing between them to mitigate volume and price shocks.

We rely on our supply chain to conduct risk mitigation, for example, deforestation which may lead to illegally harvested timber entering the supply chain, and natural resource depletion resulting in commodity supply chain / end user impacts. We also request monthly updates on long and short-term availability due to world events such as storms, earthquakes and the markets demand for materials used in the regeneration and rebuilding.

Cost of response

10,000

Explanation of cost of response

Employee time



F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

	Have you identified opportunities?
Timber	Yes

F3.2a

(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.

Forest risk commodity

Timber

Type of opportunity

Resilience

Where in your value chain does the opportunity occur?

Supply chain

Primary forests-related opportunity

Ensuring supply chain resilience

Financial incentives

Company-specific description & strategy to realize opportunity



Two thirds of the UK's timber is imported. Reducing our reliance on imports and growing the domestic industry is one of our core aims. Involvement in planting trees for future UK forests, to help ensure there is future capacity and sufficient locally and sustainably grown timber to help meet long-term procurement objectives. For 'Grown in Britain' we are hosting a project to help ensure that sufficient certified timber is available for meeting long-term construction requirements.

Estimated timeframe for realization

>6 years

Magnitude of potential impact

Medium

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The opportunities and the benefits of Grown in Britain are endless not just for the environment, but for people, wildlife, and our local economies. Increasing our use of home grown timber and reducing our reliance on imported timber could benefit us both financially and strategically.

F4. Governance

F4.1

(F4.1) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

F4.1a

(F4.1a) Select the options to describe the scope and content of your policy.

	Scope	Content	Please explain
Row 1	Company-wide	Commitment to eliminate deforestation and/or conversion Commitment to eliminate forests degradation Commitment to transparency Commitment to innovation Commitment to align with public policy initiatives, e.g. SDGs Recognition of the overall importance of forests and other natural habitats Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy	Morgan Sindall Group plc is committed to minimising the environmental impact of its operations and activities. In meeting with this commitment, we progressively review our processes for the procurement of key commodities, components, and services incorporated within the projects delivered to our clients. We aim to procure timber and timber fibre products from sources that can demonstrate, through auditable certification and chain of custody, that the wood raw material is manufactured from has been forested in a legal and sustainable manner. This policy is delivered through the following actions: <ul style="list-style-type: none"> • Ensure all timber products purchased for either temporary or permanent inclusion in our projects shall be certified as legally and sustainably sourced, as defined by the UK Government Central Point of Expertise on Timber (CPET) • Give preference to timber and timber fibre products from suppliers with independently certified Chain of Custody controls. The two principal schemes preferred by the Group are, in priority order, the (Forest) Stewardship Council www.fsc-uk.org/ and the Programme for the Endorsement of Forest Certification http://www.pefc.org/internet/html/ <ul style="list-style-type: none"> • Work with our suppliers and our supply chain to achieve documented evidence that the wood is

		<p>List of timebound commitments and targets</p> <p>Description of forests-related performance standards for direct operations</p> <p>Description of forests-related standards for procurement</p> <p>Reference to international standards and widely-recognized forests-related initiatives</p>	<p>from legal and sustainable sources. Where necessary we will take action to influence the procurement processes.</p> <ul style="list-style-type: none"> • Take steps to influence our designers and clients to ensure that we are provided with contract specifications that do not require the use of endangered species. • Regularly assess our current procurement practices and record the proportion of wood that comes from credible and auditable sustainable sources • Specify on all purchases of timber materials the requirement for the products to be either FSC or PEFC certified and purchased in line with legal requirements such as the EU Timber Regulations. • Not accept timber or timber fibre products from uncontrolled sources onto our construction sites. • Identify those hard and soft woods that are endangered (Cites listed) and we will select alternatives and remove these types of wood from our procurement processes. • Consider the use of recycled and reused timber and wood products where appropriate. • Support creating a sustainable future for our woodlands and forests through 'Grown in Britain' programme
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F4.1b

(F4.1b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Timber	Yes	Company-wide	<p>Commitment to eliminate deforestation and/or conversion</p> <p>Commitment to eliminate forests degradation</p>	<p>We aim to procure timber and timber fibre products from sources that can demonstrate, thorough auditable certification and chain of custody, that the wood raw material are manufactured from has been forested in a legal and sustainable manner.</p> <p>This policy is delivered through the following actions:</p> <ul style="list-style-type: none"> • Ensure all timber products purchased for either temporary or permanent

		<p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitment to transparency</p> <p>Commitment to innovation</p> <p>Commitment to align with public policy initiatives, e.g. SDGs</p> <p>Recognition of the overall importance of forests and other natural habitats</p> <p>Recognition of potential business impact on forests and other natural habitats</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>List of timebound commitments and targets</p> <p>Description of forests-related performance standards for direct operations</p> <p>Description of forests-related standards for procurement</p> <p>Reference to international standards and widely-recognized forests-related initiatives</p>	<p>inclusion in our projects shall be certified as legally and sustainably sourced, as defined by the UK Government Central Point of Expertise on Timber (CPET)</p> <ul style="list-style-type: none"> • Give preference to timber and timber fibre products from suppliers with independently certified Chain of Custody controls. <p>The two principle schemes preferred by the Group are, in priority order, the (Forest) Stewardship Council www.fsc-uk.org/ and the Programme for the Endorsement of Forest Certification http://www.pefc.org/internet/html/</p> <ul style="list-style-type: none"> • Work with our suppliers and our supply chain to achieve documented evidence that the wood is from legal and sustainable sources. Where necessary we will take action to influence the procurement processes. • Take steps to influence our designers and clients to ensure that we are provided with contract specifications that do not require the use of endangered species. • Regularly assess our current procurement practices and record the proportion of wood that comes from credible and auditable sustainable sources • Specify on all purchases of timber materials the requirement for the products to be either FSC or PEFC certified and purchased in line with legal requirements such as the EU Timber Regulations. • Not accept timber or timber fibre products from uncontrolled sources onto our construction sites. • Identify those hard and soft woods that are endangered (Cites listed) and we will select alternatives and remove these types of wood from our procurement processes. • Consider the use of recycled and reused timber and wood products where appropriate. • Support creating a sustainable future for our woodlands and forests
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				through 'Grown in Britain' programme.
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F4.2

(F4.2) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.2a

(F4.2a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual	Please explain
Board-level committee	<p>The Board's HSE committee assists the Board in fulfilling its oversight responsibilities in relation to environmental matters and makes recommendations to the Board for any changes considered necessary. The committee is responsible for monitoring the Group's strategy and regulatory environmental obligations including forests-related issues. The committee is made up of one non-executive director (who is the chair), the Group's commercial director (GCD) and company secretary. The chair of the Board also attends each meeting. The committee meets 4 times per year and reports to the Board after each meeting.</p> <p>The Group's director of sustainability and procurement (DSP) reports to the GCD and attends one meeting of the HSE committee each year to review the Group's responsible business strategy which includes environmental performance. The DSP chairs the climate action group (CAG) which is responsible for setting the Group's environmental strategy.</p>

F4.2b

(F4.2b) Provide further details on the board's oversight of forests-related issues.

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	<p>Monitoring implementation and performance</p> <p>Reviewing and guiding business plans</p> <p>Reviewing and guiding corporate responsibility strategy</p>	<p>The Board's HSE committee is responsible for monitoring the Group's environmental strategy. The HSE committee assists the Board in fulfilling its oversight responsibilities in relation to environmental matters and makes recommendations to the Board for any changes considered necessary. The committee is responsible for monitoring the Group's strategy and regulatory environmental obligations, which includes forest-related issues, though not explicitly.</p> <p>The committee is made up of one non-executive director (who is the chair), the Group's commercial director (GCD) and company secretary. The chair of the Board also attends each meeting. The committee meets 4 times per year and reports to the Board after each meeting.</p> <p>The DSP reports to the GCD and attends 1 meeting of the HSE committee each year to review the Group's responsible business strategy which includes environmental performance. The DSP chairs the climate action group (CAG) which is responsible for setting the Group's environmental strategy.</p>

F4.3

(F4.3) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the	Please explain
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		board on forests-related issues	
Other, please specify Director of sustainability & procurement (DSP)	Both assessing and managing forests-related risks and opportunities	Annually	<p>The Board has appointed the DSP to have overall responsibility for delivering and determining the approach to environmental management, including forest-related issues.</p> <p>The DSP ensures that he is aware of current legislation, regulation and best practice in timber procurement. He also has a deep understanding of how best the Group can act to ensure it meets its obligations and ensure that it delivers against any commitments made.</p> <p>The DSP meets with the Board's HSE committee annually and also attends one meeting per year of the Group's Management Team (the executive team below Board level), which is made up of the two executive directors, the divisional MDs, the Group's commercial director and the company secretary. The purpose of these meetings is to report on progress against strategy as well as to advise on changes to regulatory/customer requirements and best practice that may impact the Group's sourcing activities.</p> <p>The DSP also sits on the Group's risk management committee which consists of the heads of key Group functions, including legal, company secretarial, IT, finance, internal audit and tax and treasury. This committee meets twice per year to review the Group's risk and opportunities.</p>

F4.4

(F4.4) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

No, and we do not plan to introduce them in the next two years

F4.5

(F4.5) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

Yes (you may attach the report – this is optional)

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	5-10	Report against long-term business plan quarterly to check that we are achieving objectives. certified time. Also involved at an early stage in planting trees for future UK forests, to help ensure there is future capacity to meet long-term procurement objectives.
Strategy for long-term objectives	Yes, forests-related issues are integrated	5-10	Our strategy includes ensuring that forests issues are integrated into project documentation for procurement and specifications, particularly where we subcontract work. For 'Grown in Britain' we are hosting a project to help ensure that sufficient certified timber is available for meeting long-term construction requirements. In terms of certification and our procurement policy, we feel that the supply chain is locked down effectively on this. As a source of origin, we try to avoid South America and South East Asia timber as far as possible because of the higher risk of non-sustainably sourced timber. Concentrate more on sourcing from North America and

			Northern Europe.
Financial planning	No, forests-related related issues were reviewed but not considered as strategically relevant/significant	5-10	Forest-related issues, such as appropriate and certified timber procurement is a feature on most jobs, but not a strategic financial planning issue. We feel that the supply chain is locked down effectively on this. As a source of origin, we try to avoid South America and South East Asia timber as far as possible because of the higher risk of non-sustainably sourced timber.

F6. Implementation

F6.1

(F6.1) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Yes

F6.1a

(F6.1a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

Other, please specify

WWF's Forest Campaign, GIR & Grown in Britain

F6.1b

(F6.1b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Commodity coverage

Timber

Criteria

Zero net deforestation

No sourcing of forest risk commodities from unknown/controversial sources

Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Operational coverage

Direct operations and supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

No cutoff date

Commitment timeframe

2020

Please explain

We are supporting and working with the WWF to achieve zero net deforestation and forest degradation, meaning no further loss in the quantity or quality of the world's forests. The target is to achieve this by 2020, and maintain it from then on. We are trying to secure a rating on their next scorecard.

F6.2

(F6.2) Did you have any quantified targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?

Yes

F6.2a

(F6.2a) Provide details of your target(s) for increasing sustainable production and/or consumption of the disclosed commodity(ies), and progress made.

Target reference number

Target 1

Forest risk commodity

Timber

Form of commodity covered

Sawn timber, veneer, chips

Boards, plywood, engineered wood

Type of target

Third-party certification scheme

Coverage

Direct operations and supply chain

Traceability point

Third-party certification scheme

FSC Chain of Custody

PEFC Chain of Custody

Start year



2013

Start figure

91-99%

Target year

2020

Target

100%

% achieved

91-99%

Please explain

Annual progress to achieving the target has been as follows:

2013 - 96.9%,

2014 - 97.9%,

2015 - 99.5%,

2016 - 99.9%,

2017 - 99.8%,

2018 - 99.9%

F6.3

(F6.3) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you have system(s) in place?
Timber	Yes

F6.3a

(F6.3a) Provide details on the level of traceability your organization has for your disclosed commodity(ies).

Timber

% of total production/consumption volume traceable

91-99%

Point to which commodity is traceable

Country

Description of traceability system

Certified Chain of Custody and Supply chain mapping

Exclusions

Not applicable

Description of exclusion

F6.4

(F6.4) Do you specify any third-party certification schemes for your disclosed commodity(ies)? Indicate the volume and percentage of your production and/or consumption covered.

Forest risk commodity

Timber

Do you specify any certification scheme?

Yes

Certification coverage

Consumption volume

Third-party certification scheme

FSC Chain of Custody

PEFC Chain of Custody

% of total production/consumption volume certified

99.9

Form of commodity

Sawn timber, veneer, chips

Boards, plywood, engineered wood

Volume of production/ consumption certified

27,191

Metric

Cubic meters

Please explain

We collect data quarterly from our supply chain to ensure that we are in compliance with our Group Timber Policy

We ensure all timber products purchased for either temporary or permanent inclusion in our projects shall be certified as legally and sustainably sourced, as defined by the UK Government Central Point of Expertise on Timber (CPET)

We give preference to timber and timber fibre products from suppliers with independently certified Chain of Custody controls. The two principal schemes preferred by the Group are, in priority order, the (Forest) Stewardship Council "FSC" and the Programme for the Endorsement of Forest Certification "PEFC". We also recognise and comply with GIR (Grown in Britain).

We work with our suppliers and our supply chain to achieve documented evidence that the wood is from legal and sustainable sources. Where

necessary we will take action to influence the procurement processes.

We specify on all purchases of timber materials the requirement for the products to be either FSC or PEFC certified and purchased in line with legal requirements such as the EU Timber Regulations.

We are only able to give "Partial commodity production/consumption" figures as we currently do not have full vision of our subcontractors, although they are required by us to comply with our Timber Policy.

F6.5

(F6.5) Do you specify any sustainable production/procurement standards for your disclosed commodity(ies), other than third-party certification? Indicate the percentage of production/consumption covered and if you monitor supplier compliance with these standards.

Forest risk commodity

Timber

Do you specify any sustainability standards?

No standard other than third-party certification

Type of standard

Description of standard

% of total commodity volume covered by standard

Do you have a system in place to monitor compliance with this standard?

Type(s) of monitoring system

% of suppliers in compliance with standards

Please explain

No standards are specified other than third-party certification, and procurement made in compliance with our forests policy, which is delivered through the following actions.

- Ensure all timber products purchased for either temporary or permanent inclusion in our projects shall be certified as legally and sustainably sourced, as defined by the UK Government Central Point of Expertise on Timber (CPET)
- Give preference to timber and timber fibre products from suppliers with independently certified Chain of Custody controls.

The two principal schemes preferred by the Group are, in priority order, the (Forest) Stewardship Council www.fsc-uk.org/ and the Programme for the Endorsement of Forest Certification <http://www.pefc.org/internet/html/>

- Work with our suppliers and our supply chain to achieve documented evidence that the wood is from legal and sustainable sources. Where necessary we will take action to influence the procurement processes.
- Take steps to influence our designers and clients to ensure that we are provided with contract specifications that do not require the use of endangered species.
- Regularly assess our current procurement practices and record the proportion of wood that comes from credible and auditable sustainable sources
- Specify on all purchases of timber materials the requirement for the products to be either FSC or PEFC certified and purchased in line with legal requirements such as the EU Timber Regulations.
- Not accept timber or timber fibre products from uncontrolled sources onto our construction sites.
- Identify those hard and soft woods that are endangered (Cites listed) will select alternatives and remove these types of wood from our procurement processes.
- Consider the use of recycled and reused timber and wood products where appropriate.
- Support creating a sustainable future for our woodlands and forests through 'Grown in Britain' programme

F6.7

(F6.7) Are you working with your direct suppliers to support and improve their capacity to supply sustainable raw materials?

	Are you working with direct suppliers?	Supplier engagement approach	Please explain
Timber	Yes, working with direct suppliers	<p>Collecting data in central database</p> <p>Encouraging certification</p> <p>Encouraging work with multi-stakeholder groups</p> <p>Supplier questionnaires on environmental and social indicators</p> <p>Workshops and training</p> <p>Technical support</p>	<p>We work closely with our major supplies. We engage with them on forward planning especially on the larger, more complex schemes and those on extended contract periods. In turn they supply us with market updates on current and future availability in relation to world events such as storms, earthquakes and the markets demand for materials used in the regeneration and rebuilding. We progressively review our processes for the procurement of key commodities, components, and services incorporated within the projects delivered to our clients.</p> <p>We aim to procure timber and timber fibre products from sources that can demonstrate, thorough auditable certification and chain of custody, that the wood raw material are manufactured from has been forested in a legal and sustainable manner.</p> <p>We give preference to timber and timber fibre products from suppliers with independently certified Chain of Custody controls.</p> <p>We work with our suppliers and our supply chain to achieve documented evidence that the wood is from legal and sustainable sources. Where necessary we will take action to influence the procurement processes. We specify on all purchases of timber materials the requirement for the products to be either FSC or PEFC certified and purchased in line with legal requirements such as the EU Timber Regulations.</p> <p>We are founder members of the Supply Chain Sustainability School. The School provides FREE practical support in the form of CPD accredited e-learning modules and training workshops, tailored self-assessment and action plans, bench-marking tools, networking opportunities and access to thousands of online resources.</p> <p>A recent module was "Sustainable Timber and Chain of Custody</p>

F6.8

(F6.8) Are you working beyond your first-tier supplier(s) to manage and mitigate forests-related risks?

	Are you working beyond first tier?	Please explain
Timber	No, not working beyond the first tier	<p>We set the standards for sourcing by our direct suppliers and expect them to comply with these requirements, evidenced by third-party certification schemes.</p> <p>We collect data quarterly from our supply chain to ensure that we are in compliance with our Group Timber Policy.</p> <p>We ensure all timber products purchased for either temporary or permanent inclusion in our projects shall be certified as legally and sustainably sourced, as defined by the UK Government Central Point of Expertise on Timber (CPET).</p> <p>We work with our suppliers and our supply chain to achieve documented evidence that the wood is from legal and sustainable sources. Where necessary we will take action to influence the procurement processes.</p> <p>We specify on all purchases of timber materials the requirement for the products to be either FSC or PEFC certified and purchased in line with legal requirements such as the EU Timber Regulations.</p> <p>We are only able to give "Partial commodity production/consumption" figures as we currently do not have a full picture of our subcontractors production/consumption figures, although they are required to comply with our Timber Policy.</p>

F6.9

(F6.9) Do you participate in external initiatives or activities to further the implementation of your policies concerning the sustainability of your disclosed commodity(ies)?

Forest risk commodity

Timber

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

Other, please specify

Supply Chain Sustainability School

Please explain

We are founder members of the school.

The School provides FREE practical support in the form of CPD accredited e-learning modules and training workshops, tailored self-assessment and action plans, bench-marking tools, networking opportunities and access to thousands of online resources.

Benefits reported by our members include; cost & time savings, business won, increased competitive advantage, reduced risk and enhanced reputation.

A recent module was "Sustainable Timber and Chain of Custody"

F7. Linkages and trade-offs

F7.1

(F7.1) Has your organization identified any linkages or trade-offs between forests and other environmental issues in its direct operations and/or other parts of its value chain?

No

F7.1b

(F7.1b) Why has your organization not identified any linkages or trade-offs between forests and other environmental issues?

	Primary reason	Comment
Row 1	Not considered – but have plans to do so in the next two years	Issues such as increased carbon sequestration, soil conservation and water discharge are to be considered.

F8. Verification

F8.1

(F8.1) Do you verify any forests information reported in your CDP disclosure?

Yes

F8.1a

(F8.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module

F6. Implementation

Data points verified

Baseline year and performance improvement.

Verification standard

FSC and PEFC

Please explain

The purchases of certified timber has long been a KPI for the group and in common with other KPI publicly stated; the Group believes in providing limited assurance to the indicator.

F9. Barriers and challenges

F9.1

(F9.1) Describe the key barriers or challenges to avoiding forests-related risks in your direct operations or in other parts of your value chain.

Forest risk commodity

Timber

Coverage

Supply chain

Primary barrier/challenge type

Supply chain complexity

Comment

With our direct spend every effort is made to ensure that we comply to the Group timber policy in relation to certificated product. However, whilst we actively promote our policy to our subcontractors their compliance is not easily visible. We do take some comfort in only engaging with reputable companies.

F9.2

(F9.2) Describe the main measures that would improve your organization's ability to manage forests-related risks.



Forest risk commodity

Timber

Coverage

Supply chain

Main measure

Greater transparency

Comment

Better forest governance and enforcement in some producer countries. Higher profile enforcement of existing trading legislation in the EU.
 Consistent application of rules and standards by certification bodies. More transparency around certification findings and a greater willingness to share intelligence of risks by certification bodies.

F18. Signoff

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

F18.1

(F18.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Chief Executive	Chief Executive Officer (CEO)



Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	Public or Non-Public Submission	I am submitting to
I am submitting my response	Public	Investors

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I have read and accept the applicable Terms