

# Positive impact



# Contents

## INSIDE THE REPORT

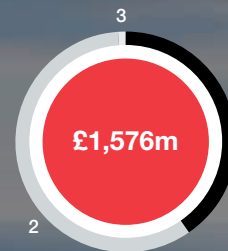
- 01 Message from the chief executive**  
An introduction from Greg Fitzgerald
- 02 The Group at a glance**  
A strong, diverse and well balanced business
- 04 Our sustainability vision, strategy and governance**  
The fundamentals of our sustainable business
- 06 Case study – Sinclair Meadows ‘carbon negative’ scheme**  
A UK first in environmental performance
- 08 Our sustainability activities**  
Further progress towards our sustainability goals
- 10 Health and safety**  
Prioritising health and safety
- 12 Environment and climate change**  
Managing our environmental impact
- 14 Our people**  
Maintaining a committed and flexible workforce
- 16 Community**  
Supporting and engaging communities
- 18 Customers**  
Offering total commitment to our customers
- 20 Supply chain**  
Building long term supplier relationships
- 22 Shaping our industry**  
Informing and influencing our industry’s future
- 24 Industry awards 2012**  
Awards and achievements

Building magazine’s “Housebuilder of the Year” for 2012, our Linden Homes business is recognised for delivering distinctive schemes. The pictured Two Coves in Duporth is winner of Housebuilder’s “Best Design” award 2011.



## Sustainability highlights

- **4,000** people have been through our safety leadership workshop.
- **16%** increase in waste diverted from landfill.
- **8,837** training days rolled out.
- **151** sites registered with the Considerate Constructors Scheme and achieved an average score of over 33.7 (industry average: 33.2).
- **94%** of our customers said they would recommend a Linden home to a friend.
- **88** preferred suppliers registered, thus improving our approach to procurement through new supply chain partnerships.



### Revenue

1 Housebuilding	£636.7m
2 Construction	£924.8m
3 Other	£14.8m



### Profit before taxation

1 Housebuilding	£31.9m
2 Construction	£20.1m
3 Other	£11.1m

## Message from the chief executive



**Our vision is to be leaders in the construction of a sustainable future. This recognises that to be successful in the long term, we must make our business economically sustainable, while embracing our duty to society as a whole.**



## Sustainability underpins our long term success

I am pleased to welcome you to Galliford Try's 2012 Sustainability Report. It was another successful year for the business, which once again showed the benefits of our diverse operations. We exceeded our three year expansion plan for housebuilding and continued to focus on high-quality construction business, against a backdrop of difficult markets.

Going forward, we have set out a disciplined strategy for housebuilding, focusing on the regions and market segments where we have significant experience and expertise. Construction will continue to focus on margins and cash performance.

### Our vision

Our vision is "to be leaders in the construction of a sustainable future".

This recognises that to be successful in the long term, we must make our business economically sustainable, while embracing our duty to society as a whole. As well as being the right thing to do, meeting our responsibilities protects our reputation and makes us an attractive partner for clients. It is also a key part of our approach to managing social and environmental risks.

### Our approach to sustainable business

Galliford Try has identified six fundamentals of sustainable business: health and safety, environment and climate change, our people, community, customers and supply chain. We have made further good progress in each of these areas.

Particular highlights include the introduction of a dynamic new brand, toolkit and coaching for our behavioural safety programme, "Challenging Beliefs, Affecting Behaviour". We launched the Linden Homes Foundation, to ensure the wider benefits of our housing developments are felt throughout the communities in which we work. We were also delighted to make significant progress

towards our key environmental target – a 15% reduction in carbon dioxide emissions per £100,000 of turnover by the end of 2013.

Customers value the quality and service we provide, and we once again received excellent feedback in our customer surveys in both housebuilding and construction. Our people were also very positive in our annual employee survey, and we continued to invest heavily in training and development.

It is always pleasing when our sustainability efforts are recognised. In the last 12 months, we received numerous awards for sustainable developments, environmental improvements and outstanding health and safety. Details of just some of these awards can be found on page 24.

As we look forward, sustainability represents both challenges and opportunities for Galliford Try. I believe that our skills and experience position us to succeed. Our brand is increasingly associated with excellence in sustainability and this will stand us in good stead with our customers. We also have an opportunity to further improve our financial performance through good sustainability practices.

This report describes our approach to sustainability in detail, sets out what we have done in the last 12 months and explains our performance. As part of our process of continually improving, we have had our carbon data independently verified. This gives us external assurance that we are accurately measuring and reporting our progress.

We welcome your feedback and look forward to another successful year.

**Greg Fitzgerald**  
Chief executive



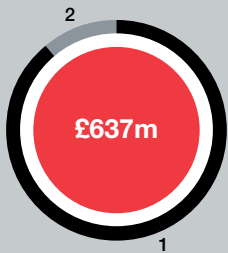
# A strong, diverse and well-balanced business

## Housebuilding

Our housebuilding business, Linden Homes, sells distinctive homes to the public and affordable homes to housing associations and local authorities, predominantly across the South and East of England.

**£637m**

Revenue  
up 64%

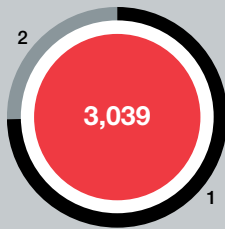


Revenue by sector

1 Private Housing	£567m
2 Affordable Housing	£70m

**£75.1m**

Profit from operations  
up 138%

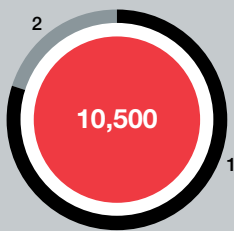


Completions by sector

1 Private Housing	2,272
2 Affordable Housing	767

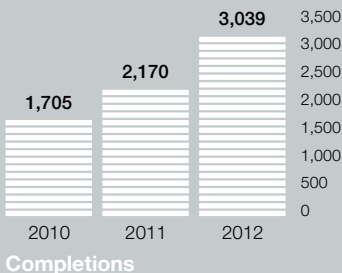
**3,039**

Home completions  
up 40%



Landbank by sector

1 Private Housing	8,400
2 Affordable Housing	2,100



Galliford Try is a top five UK housebuilder. We create individually designed homes in prime locations, under the Linden Homes brand. We are primarily focused in the South and East of England.

### Linden Homes

We pride ourselves on our attention to detail, design, local knowledge, community engagement and expertise in developing a high-quality offering.

Commitment to our customers has led to our strong reputation for the quality of our homes and customer service. The value of our approach is reflected in the awards we win, including Building magazine's 2012 'Housebuilder of the Year' award.

Our affordable housing business transforms lives and builds vibrant, sustainable communities. We work closely with the Homes and Communities Agency through our lead partner status, as well as local authorities and housing associations, to ensure their respective needs are met.

### Strategy

In 2009, we set out a strategy to double the size of our housebuilding business by 2012. Having achieved this goal, our strategy is now to follow a disciplined approach to land acquisition and housebuilding, in regions and market segments where we have significant expertise and experience. This allows us to retain the housebuilding division's predominantly southern bias, so it maintains its strength in its existing, more robust markets and reduces execution risk for future developments.



For more detailed information, visit: [www.gallifordtry.co.uk](http://www.gallifordtry.co.uk)

Galliford Try is a leading UK housebuilding and construction group.

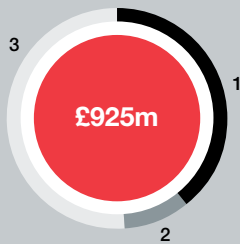
Our strength is the diversity of our operations. We provide whole-life solutions, delivering housing and regeneration schemes and major construction projects, ranging from public and commercial buildings to civil engineering works. We are listed on the London Stock Exchange and are a member of the FTSE 250.

# Construction

Our construction business carries out building and infrastructure work across the UK for clients including Government departments, regulated utilities and private sector companies.

**£925m**

Revenue  
down 1%

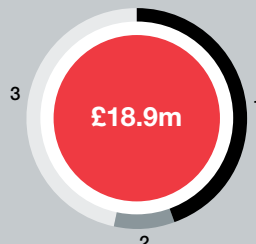


Revenue by activity

1 Building	£364m
2 Partnerships	£90m
3 Infrastructure	£471m

**£18.9m**

Profit from operations  
down 15%

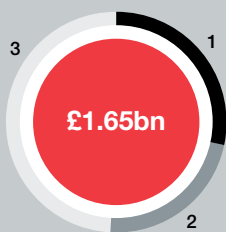


Profit by activity

1 Building	£8.4m
2 Partnerships	£1.7m
3 Infrastructure	£8.8m

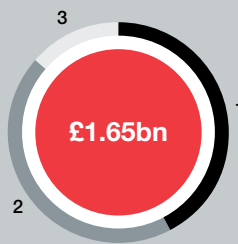
**£1.65bn**

Order book  
down 6%



Order book by activity

1 Building	£471m
2 Partnerships	£368m
3 Infrastructure	£811m



Order book by sector

1 Regulated	£699m
2 Public	£729m
3 Private	£222m



■ UK coverage

Across construction, our spread of work for both public and private sector clients is well balanced and extensive, and we are renowned for our ability to provide whole-life solutions. We are also recognised for our high standards of project delivery, innovation and the diversity of our activities.

## Galliford Try and Morrison Construction

Our construction business is in the top 10 in the UK and operates predominantly under the Galliford Try and Morrison Construction brands. It is built on long term relationships with clients, working with them to deliver best-value projects.

The business is organised into building, partnerships and infrastructure divisions:

- Building serves the health, education and commercial markets
- Partnerships is our specialist affordable housing contractor
- Infrastructure carries out civil engineering projects, primarily in the water, highways, remediation and renewable energy markets.

The division also includes Regeneco, our renewable energy services business; Pentland, our multi-disciplined group of chartered surveyors; and Rock & Alluvium, our national piling specialists. We also invest in public-private partnerships, providing funding, construction and facilities management skills from within the Group.

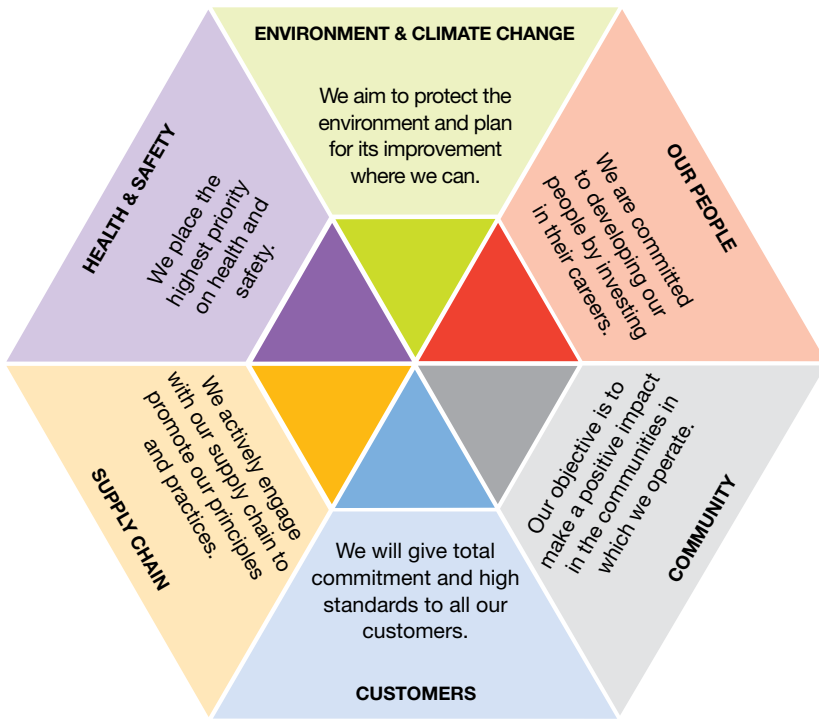
## Strategy

In the current economic conditions, our strategy in construction is to focus on profit margin and cash performance, and to avoid work in highly competitive markets where price levels or contract conditions are unacceptable. We will continue to follow this strategy until markets improve and we can resume growth.



For more detailed information, visit: [www.gallifordtry.co.uk](http://www.gallifordtry.co.uk)

# The fundamentals of our sustainable business



## The six fundamentals of our sustainable business

The six fundamentals help us to manage sustainability issues and to communicate our approach throughout the Group.

### Vision and strategy

Our vision is to be leaders in the construction of a sustainable future.

To achieve this vision, we follow a sustainability strategy which requires us to consider, prioritise and manage sustainability issues. We have identified six fundamentals of sustainable business, which are shown in the diagram above.

The Group policy statement defines our objectives in each of the six areas and communicates them across the business. We measure our performance in each area through several key performance indicators (KPIs), which are set out on pages 08 and 09 of this report.

We share and adopt best practice across the Group and constantly look for initiatives that add value and help us to build partnerships with our customers, suppliers, communities and other stakeholders.

### Governance of sustainability

The Group board delegates authority for our sustainability activities to the chief executive, who is responsible for the Group policy statement. The executive board has overall responsibility for sustainability and we have a board director accountable for each element. This structure ensures that we implement our policies and make sufficient resources available.

On a monthly basis, our corporate responsibility (CR) manager updates the executive board on our performance against our KPIs and our progress with sustainability issues. There are also regular presentations to, and interactions with, the divisional boards. This ensures that divisions prioritise their sustainability issues and create plans that are in line with the Group's approach.

The Group CR steering committee, made up of key representatives from across the business, meets quarterly to review progress, discuss company specific and industry relevant sustainability matters and best practice, and to advise on the future direction of sustainability across the Group. We include sustainability risks in the Group risk register, which the audit committee reviews on a regular basis.

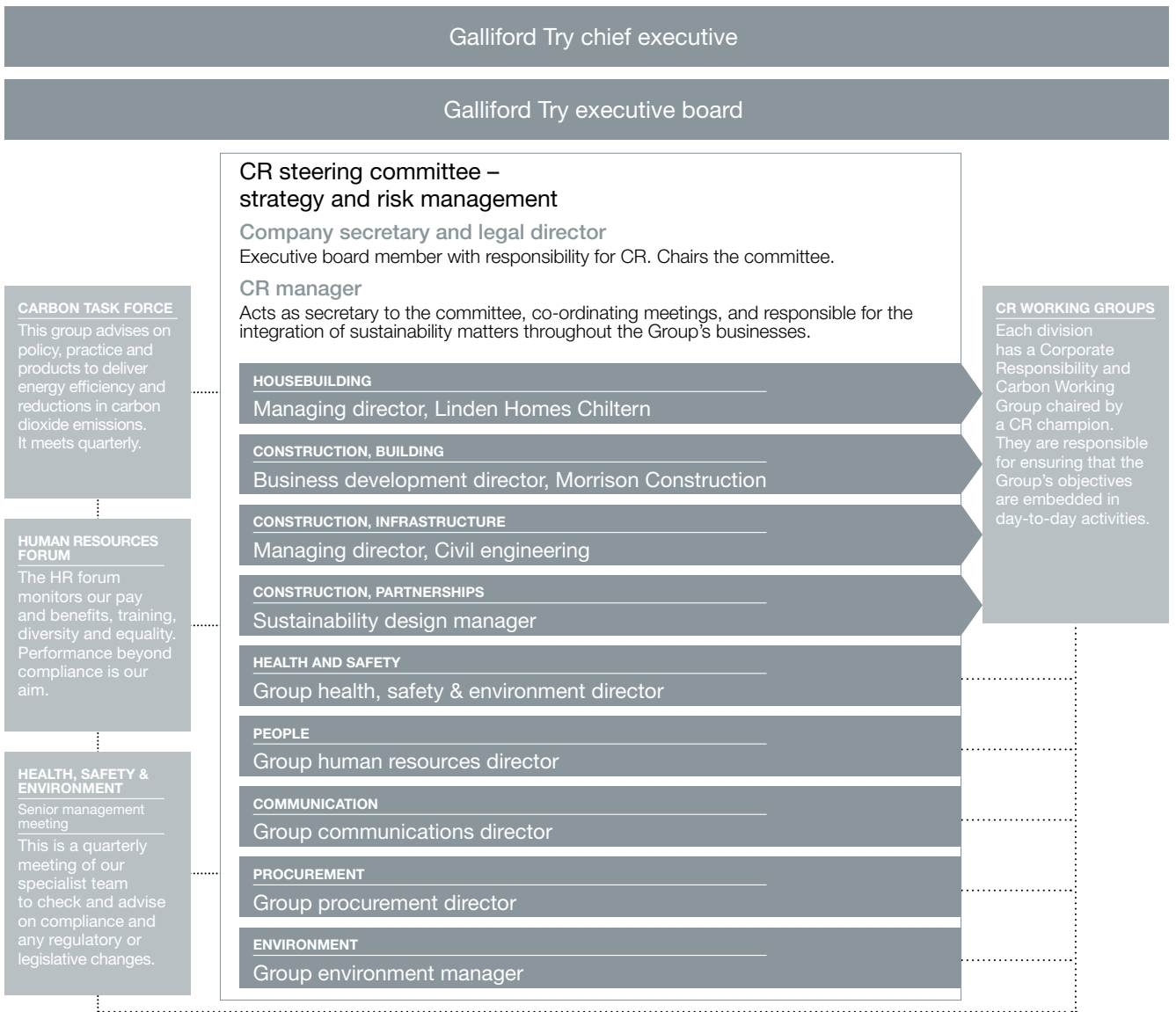
We also have a carbon task force, which implements our carbon reduction and energy efficiency strategy, reviews training initiatives and engages with key supply chain partners.

### Our carbon commitment

Our use of fossil fuels presents an environmental risk through its effect on climate change. It also presents an economic risk to our business, as costs are likely to rise over time. We therefore set a demanding target of a 15% reduction per £100,000 unit of turnover, against a 2008 baseline, by the end of 2013. Last year, we had achieved an 11% reduction.

#### Progress in 2012

- Established our carbon task force
- Appointed divisional champions
- Carbon data independently verified
- Increased low emission cars to 56% of our fleet



**How we govern CR**


**Our executive board has overall responsibility for the Group's CR activities. The CR steering committee, the carbon task force, human resources forum and the HS&E senior management meeting guide on best practice and this is fed back to working groups within the business.**

**Engaging with our stakeholders**

Our stakeholders include local communities, employees, shareholders, customers, supply chain, regulators, Government and industry bodies.

We aim to raise awareness of sustainable solutions and services, and look to influence our stakeholders and address sustainable development in their dealings with us. We want to learn from others, consult on our approach, share ideas and ensure we play our part in delivering a sustainable economy.

We play an active role in industry working groups and policy thinking. Galliford Try is part of the 'Doing Business Responsibly' group, which was set up by the UK Contractors Group (UKCG) to improve perceptions of the construction industry. We also participate in the UKCG's Carbon Group, the Zero Carbon Hub, which is a public-private partnership that co-ordinates delivery of low and zero carbon new homes, and NextGeneration, an industry initiative to drive sustainability best practice in the UK's residential development sector.

 For more information on how we inform and influence our industry's future, see pages 22 to 23.

# A UK first in environmental performance



Galliford Try has built the country’s first truly carbon negative social housing project at Sinclair Meadows, in South Shields, Tyneside. The development consists of 21 carbon negative homes, with nine three-bedroom houses and 12 two-bedroom apartments, for Four Housing Group.

We built the homes to exceed the highest ‘Code for Sustainable Homes’ level 6 rating, going beyond zero carbon performance to achieve carbon negative status.

### Creating carbon negative homes

The homes minimise heat loss and are insulated to a level well in excess of current building regulations. They are also built to high levels of accuracy, so each house is 75% more draught-proof than a standard house.

At the same time, the homes are very energy efficient. They use solar gains – the increase in temperature caused by the sun – to reduce residents’ fuel use. Mechanical ventilation with heat recovery allows close control of ventilation and re-uses heat from exhaust air to heat incoming air. The development also has a state of the art near-zero carbon biomass boiler, while smart metering will enable careful monitoring of energy spend.

### Embracing sustainability

Sinclair Meadows makes the most of both environmental features including solar panels and construction techniques to deliver carbon negative status.



### Code For Sustainable Homes defined

The Code for Sustainable Homes (The Code) defines standards for the sustainable design and construction of new homes. It aims to reduce carbon dioxide emissions through energy efficiency and also defines best practices for water, materials, surface water run-off, waste, pollution, health and well-being, management and ecology. The Code rates ‘whole home’ sustainability by awarding homes between one and six stars, with six being the highest.



## 'Carbon negative' defined

A carbon negative home is designed to 'save' more carbon dioxide than it will produce. Sinclair Meadows is truly carbon negative, with the potential to offset all the carbon dioxide produced during the site construction process within three years of completion. It does this by exceeding its energy requirements using renewable energy sources. The excess is then fed back to the National Grid, further reducing carbon dioxide emissions.

The approach to design and construction also helped us to achieve carbon negative status. We used sustainable materials such as timber frames, cedar roof shingles and recycled paper insulation, to ensure low embodied energy in the building fabric. The designs also incorporate sequestered carbon, as materials like wood capture carbon as they grow, removing it from the atmosphere and further increasing their environmental benefit.

Sinclair Meadows' other environmental initiatives include harvesting rainwater for non-drinking use and employing a sustainable urban drainage system, to avoid overwhelming public sewers during storms.

All the homes will be fitted with real-time metering for utilities including water, electricity, heating/hot-water and rainwater harvesting. As residents move in, post-occupancy monitoring will help them to embrace the sustainability of their homes, save money on their utility bills and maximise the development's environmental efficiency.

## Supporting and engaging the community

We take our community responsibilities seriously and at Sinclair Meadows this was reflected in our excellent score of 36.5 out of 40 in the Considerate Constructors Scheme. We created a website and held public forums to share information with local residents and the business community. We employed 100% of the site's operatives from within a 20-mile radius and created three apprenticeships; and we donated waste wood to local residents, which helped us achieve a waste recycling rate of 93%.

# Level 6

The Code for Sustainable Homes encourages sustainable building practices. The highest rating is level 6, meaning a home is carbon neutral. Sinclair Meadows exceeds this level.



## Keeping stakeholders informed

A dedicated website was just one of the ways we kept local residents and businesses informed during the development phase.



## Building on our experience

Sinclair Meadows draws on our experience of building the St John's Vicarage in Wembley, which was the UK's first zero carbon vicarage to be constructed, attaining the highest BREEAM score ever issued.

Our sustainability activities

# Further progress towards our sustainability goals



## Health and safety

We place the highest priority on health and safety

Our approach to health and safety is based on the concept of care, recognising that nothing we do is so important that we cannot take the time to do it safely.

We help everyone to work safely and look to lead by example. We are committed to the principle that all accidents are preventable.

Everyone who works on our sites needs to be trained and qualified, so we expect all our employees, supply chain and subcontractors to hold a Construction Skills Certification Scheme card. In our last audit we achieved 97% compliance, slightly above the average for the 17 members of the UK Contractors Group who participated in an industry survey in 2011.

In 2012, we continued to deliver high standards of health and safety, achieving an accident frequency rate (the number of accidents per 100,000 hours worked) of 0.18.



We launched a new brand, toolkit and coaching training for Challenging Beliefs, Affecting Behaviour, our behavioural safety programme. This is a key element of our drive to further improve safety standards.

We also ran a pilot medical screening programme for our employees, which is now leading to a wider roll-out.

\* Rate of 0.16 on Health and Safety Executive's definition of a Reportable Incident effective April 2012.

Find out more: pages 10 to 11



## Environment and climate change

We aim to protect the environment and plan for its improvement where we can

We integrate the assessment, management and control of environmental issues into the way we run our business.

We develop and implement objectives and targets, to ensure we continually improve, and incorporate sustainability into our designs and construction practices.

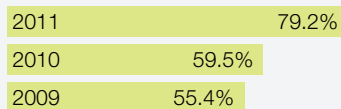
Our environment team manages compliance, checks on progress, advises on performance and reports results. Every part of our Group has a dedicated environmental specialist.

17 of our 26 business units are certified to ISO 14001:2004. We aim to achieve certification for all of our businesses.

We have made further progress with implementing our strategy to reduce our carbon emissions, with emissions cut to 3.41 metric tonnes of carbon dioxide per £100,000 of turnover, an 11% reduction from our 2008 baseline.



We also significantly increased the waste we diverted from landfill, as a proportion of total waste produced, to 79.2% in 2011.



In 2012, we delivered a total of 328 environmental training days for our people.

Find out more: pages 12 to 13



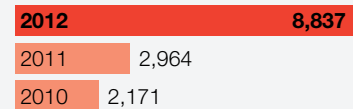
## Our people

We are committed to developing our people by investing in their careers

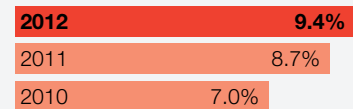
We recognise that our people are crucial to our success. Their knowledge, skill, experience and commitment are major sources of competitive advantage.

The objective of our HR strategy is to maintain a committed and flexible workforce that wants and has the ability to learn new skills and take on new tasks.

In 2012, we retained our Investors in People accreditation for all our divisions and continued to develop our people, delivering a total of 8,837 training days.



We also kept our staff churn (the percentage of staff leaving voluntarily) at 9%.



The results of our employee survey showed that we are continuing to get our HR and other business strategies right. Our employees rated us more highly than last year, and in particular:

- 88% said they would recommend Galliford Try as an employer
- 85% were satisfied with their present jobs

Survey responses continue to shape new initiatives to drive further improvement in our HR and people performance.

Find out more: pages 14 to 15

Galliford Try has identified six fundamentals of sustainable business: health and safety, environment and climate change, our people, community, customers and supply chain. We track our sustainability performance using a number of key performance indicators, which are shown in the charts on these two pages.



## Community

Our objective is to make a positive impact in the communities in which we operate

We create and strengthen communities through the homes, schools, healthcare, transport and other facilities we build. We engage with our communities, so we keep them informed and gather their views on our proposed developments.

We operate considerately, so we minimise disruption. Galliford Try is an associate member of the Considerate Constructors Scheme and registered 151 sites with the scheme last year. Our average score was 33.7 out of 40, which is above the national average.

<b>2012</b>	<b>33.7/40</b>
2011	33.6/40
2010	33.2/40

Galliford Try also delivers wider benefits to society, such as local employment. During the year, our Linden Homes business launched an apprenticeship programme to help young people break into the industry. The aim is to give 500 people a chance to enter skilled trades in the next three years.

We also support a range of charities and donated £80,000 in time, money and materials last year.



Find out more: pages 16 to 17



## Customers

We will give total commitment and high standards to all our customers

Our approach ranges from a rigorous multi-point customer charter, outlining the service that housebuilding customers can expect, to developing long term partnerships with our construction clients.

In 2012, we continued to deliver excellent service. 94% of our housebuilding customers said they would recommend us to a friend.

<b>2012</b>	<b>94%</b>
2011	95%
2010	97%

After delivering strong revenue growth, housebuilding had sales in hand of £273 million at the year end.

<b>2012</b>	<b>£273m</b>
2011	£247m
2010	£201m

Customer satisfaction in construction remained high at 82%.

<b>2012</b>	<b>82%</b>
2011	79%
2010	83%

Our year end construction order book was £1.6 billion.

<b>2012</b>	<b>£1.6bn</b>
2011	£1.75bn
2010	£1.8bn

We also won numerous prestigious awards, reflecting the quality of our work and our approach to sustainability (see page 24).



Find out more: pages 18 to 19



## Supply chain

We actively engage with our supply chain to promote our principles and practices

We look to build long term relationships with suppliers and service providers, and to achieve the optimum balance between centralised and local procurement.

This approach helps us to improve quality for our customers, to increase our efficiency and to manage the sustainability of our supply chain.

We can only achieve the aims of our corporate responsibility policy by making the right choices, and this includes our supply chain partners. In the last year we worked with suppliers including:

- Knauf Insulation, to achieve our fabric-first approach to energy efficiency
- Reconomy, to further improve our diversion of waste from landfill
- ECA, to get better data and cost savings on our energy bills

During the year, 93% of the wood our housebuilding business bought was supplied with chain of custody certification.

<b>2012</b>	<b>93%</b>
2011	93%
2010	93%

We also made good progress with new business and financial management systems, which will improve the quality of information we have on our suppliers and our understanding of procurement spend.



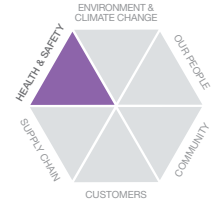
Find out more: pages 20 to 21



More information on each fundamental can be found at [www.gallifordtry.co.uk](http://www.gallifordtry.co.uk)

Our sustainability activities: **Health and safety**

# Prioritising health and safety



## Our approach to health and safety

Housebuilding and construction involve inherently high risk activities. This makes health and safety our number one priority.

### Managing health and safety

The Group managing director of construction is responsible for health, safety and the environment (HS&E) at executive board level. He is supported by the Group director of HS&E and the Group HS&E team.

We have nearly 50 H&S professionals, including a Group safety manager, four regional managers and numerous safety advisers. They help sites deliver safety.

The site team is responsible for site safety and we provide training for site management at all levels. Site safety responsibilities are set out at the start of each project, so all aspects have an owner. We also include subcontractors in our activities, such as the on-site 'No Accident Behaviour' teams. 'No Accident Behaviour' is an initiative that enables subcontractors, our operatives and management to engage with each other, take part in safety forums and directly influence site safety. We also involve key supply chain supervisors in creating our four-weekly site safety plans.

Our behavioural safety programme, Challenging Beliefs, Affecting Behaviour, has been running since 2007 and is vital to our health and safety approach.

All of our business leaders, including the chief executive and the executive board, take part in on-site health and safety assessments, which are a key part of our HS&E management. Last year, over 522 director-led or equivalent assessments took place.

### Planning and monitoring health and safety

Our detailed HS&E action plan identifies our objectives, rolling targets and actions and is updated each financial year. It communicates our HS&E KPIs across the Group.

The Group HS&E director agrees challenging annual safety management thresholds with divisional management. Performance is monitored monthly and reported to Group and divisional management. The executive board prioritises the monthly health and safety report at its meetings.

We also have a robust schedule of meetings and forums from executive board through to site level, to review and discuss our health and safety performance, and share experience and best practice. This ensures our approach remains effective and fit for purpose.

# 4,000

Over 4,000 people have attended one of the safety leadership workshops which communicate Challenging Beliefs, Affecting Behaviour's ethos. The programme is made up of several courses, tailored to meet employees' varying needs.

### Challenging Beliefs, Affecting Behaviour

Health and safety traditionally focuses on processes and procedures but Challenging Beliefs, Affecting Behaviour recognises that safety is ultimately people's behaviour. The programme compels everyone to think about their actions and their possible consequences. Its annual budget is £120,000, reflecting its importance to us.

More than 4,000 people have attended at least one of the safety leadership workshops which communicate the programme's ethos. There are several courses, tailored to employees' needs, that provide real-life examples that attendees can relate to, at home and at work.

This year, we appointed a Group health and safety development manager to focus on maintaining the programme's momentum, keeping it bespoke, fresh and sustainable. We then launched a dynamic new brand for Challenging Beliefs, Affecting Behaviour in March 2012, to ensure behavioural safety has the highest possible profile throughout the business, and with our subcontractors and clients. This has created significant energy and enthusiasm and given the programme new impetus.

The programme includes a comprehensive toolkit to help sites put the programme into action, as well as a Group-wide roadshow led by the Group director of HS&E. We also introduced a bespoke coaching programme, which gives practical training in implementation.

## Setting international standards in safety

Our approach to health and safety at the Halley VI Research Station in Antarctica received worldwide recognition in the form of an International Safety Award (Distinction) from the British Safety Council.

The prestigious award reflected the hard work of everyone on site and our commitment to attaining the highest safety standards in unique and challenging conditions.





“ At Harsco, all of our team have been briefed on the Challenging Beliefs, Affecting Behaviour programme, particularly regarding the No Accident Behaviour and Safe Behaviour Discussion initiatives. Understanding the Galliford Try behavioural safety programme before we arrived on site really helped us organise our time better and feel part of the central team.

RICHARD SHUTTLEWORTH, MANAGING DIRECTOR, HARSCO INFRASTRUCTURE UK



Our people recognise our commitment to health and safety through the new identity and brand campaign for Challenging Beliefs, Affecting Behaviour.

**Our performance in 2012**

Continued to deliver high levels of health and safety.

Reduced reportable accidents from 59 to 55. Group accident frequency rate (the number of accidents per 100,000 hours worked) declined from 0.19 to 0.18. The accident incident rate was 4.38 (2011: 4.37).

Received no prohibition notices (2011: two) and once again received no improvement notices.

Received one prosecution, resulting from a prior year incident. Implemented a Group-wide action plan to prevent re-occurrence.

Recognised by the Royal Society for the Prevention of Accidents through 12 awards, including a President's Award, four Gold Medal Awards and six Gold Awards (2011: 16).

Delivered 80 workshops for Challenging Beliefs, Affecting Behaviour.

In our Employee Survey, 97% of those who took part believed we give health and safety a high priority.

**Protecting health**

We want to look after our people's health. During the year, we introduced a comprehensive pilot across Scotland, providing medical screening for all our safety-critical staff. This included checking their lung function, hearing, blood pressure, eyesight, musculoskeletal health and the effects of vibration, as well as drug and alcohol screening.

**Our HS&E management system**

The Group has a bespoke HS&E management reporting system that we constantly review and improve. This is based on the Health and Safety Executive's HSG65 framework and complies with the OHSAS 18001 and ISO 14001 standards.

Our sustainability activities: **Environment and climate change**



# Managing our environmental impact

## Our approach to the environment and climate change

We aim to minimise our impact on the natural environment and the community at large. This commitment extends to everyone affected by or involved in our operations.

We therefore integrate environmental management into the way we run our business. This means that we:

- assess the environmental impact of our operations during planning, design and implementation
- develop and implement objectives and targets, to ensure we continually improve
- incorporate sustainability into our design standards and construction practices, and
- adopt a risk-based approach to training our employees in environmental issues.

## Managing our environmental performance

Senior management responsibilities for HS&E issues are described in the health and safety section on page 10.

At the operational level, we have a policy document that provides guidance on the environmental responsibilities of particular staff, such as site managers. This helps our businesses to ensure that they manage their environmental performance effectively.

## Our environmental management system

We have an environmental management system (EMS) that complies with ISO 14001:2004 and which has been independently certified by the British Standards Institute. The EMS, which we review and improve throughout the year, defines and communicates our key environmental standards and includes both process and technical standards.

We continued to develop the system during the year, including making improvements to our Waste Transfer Note System and introducing a suite of bespoke environmental ‘tool box talks’.

## Providing environmental training

We offer tailored environmental training to our employees and have a bespoke four-day course ‘Managing Environmental Responsibilities’ which focuses on managing environmental awareness and is accredited by the Institution of Occupational Safety and Health (IOSH). During the year, 61 people completed our IOSH training course, equating to 224 training days. A further 208 people spent a total of 104 training days on our internal courses, which cover subjects such as spill response and water pollution.



## Creating sustainable homes

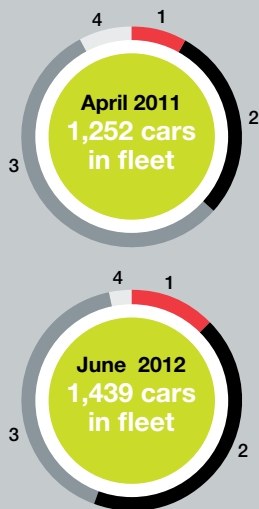
As part of our continuous drive to improve the sustainability of our homes, in line with the Government’s requirement for all homes to be “zero carbon” from 2016, we conducted a survey of 2,000 people

to establish how these aims could be achieved while balancing purchasers’ cost and energy saving priorities. We asked 17 questions ranging from energy and water efficiency to creating sustainable communities and the overlap between developer and resident responsibilities. The results from the survey have shaped

our strategy to mitigate climate change and to keep our customers at the forefront of sustainable living. They have also shaped our engagement with Government as we discuss how new housing can provide funding to improve the energy efficiency of existing homes. See page 22 for more information.

## Reducing fleet emissions

Galliford Try introduced a new approach to fleet vehicles in 2009. We revised our vehicles list to those with lower emissions and encouraged drivers to choose even lower emission vehicles through a cashback scheme. This has reduced the average emissions from our fleet by nearly 20%, from 154 grams of carbon dioxide per kilometre in 2008 to just 123 grams by July 2012, as a significant number of drivers opted for lower emission vehicles. Our current fleet average is also significantly lower than the EU manufacturers' average of 136 grams.



Carbon dioxide g/km cars	April 2011	June 2012
1 Under 100	104	183
2 100-119	357	626
3 120-159	695	583
4 Over 160	96	47

## Carbon

Our target is to deliver a 15% reduction in our carbon emissions per £100,000 of turnover by the end of 2013, against 2008 levels. We have a carbon task force to implement our approach, look at training initiatives and engage with key supply chain partners. The carbon task force is chaired by our CR manager and attendees include the chief executive and representatives from each division, as well as procurement.

Our Divisions create plans for reducing their carbon emissions. These plans set out a wide range of actions, with recent examples including replacing vehicles in our car fleet with more efficient models, using energy-efficient cabins at sites and making more efficient use of construction plant. This approach helps us to generate cost savings, develop new products and services, and change behaviours.

## Waste

Increasing the proportion of waste diverted from landfill is another important focus and we have made significant progress in recent years. We have improved our data capture, for example by developing our understanding of what happens to our waste once it reaches waste transfer stations, and taken action to reduce waste going to landfill. Our waste forums discuss performance and initiatives which are reported at divisional board meetings, giving waste high visibility for senior management.

We work with the Waste Resources Action Programme (WRAP), which helps businesses and other organisations to reduce waste and increase recycling.

## Our performance in 2012

Provided our fourth annual submission to the Carbon Disclosure Project, as shown in the table below. The submission was verified by independent verification consultancy TÜV NORD and covers our performance during the calendar year.

Continued to deliver further performance improvements and made significant progress towards our target by achieving 11% below our 2008 baseline per £100,000 turnover.

Carbon Disclosure Project submissions (metric tonnes carbon dioxide)

	FLEET	SITE AND OFFICE ENERGY	SITE AND OFFICE ELECTRICITY	TOTAL EMISSIONS	**EMISSIONS INTENSITY
2008	10,361	46,797	8,160	65,318	3.82
2009	10,907	27,877	10,205	48,989	3.74
2010	10,036	22,904	11,656	44,596	3.63
2011	9,039	30,150	7,773	46,962	3.41

\* EXCLUDING ELECTRICITY  
\*\* METRIC TONNES CARBON DIOXIDE/£100,000 TURNOVER

Continued to improve our waste performance, with a further sharp rise in the proportion diverted from landfill in 2011.

Waste diverted from landfill

	INCLUDING SOIL AND STONES	EXCLUDING SOIL AND STONES
2009	55.4%	53.5%
2010	59.5%	75.8%
2011	79.2%	91.7%

## Preserving and enhancing local ecosystems

At Eliotsmere Place in Surrey, we developed 16 homes on the site of a former brickworks and refuse tip. We converted a disused clay pit into a fishing lake for residents and the local community, de-silted a historic pond, cleared non-native plants and improved the habitat for great crested newts. We also installed a new bat house and tree-mounted bat boxes, and created log stacks and brick piles covered in soil to provide perfect habitats for local reptiles.





Our sustainability activities: **Our people**



# Maintaining a committed and flexible workforce

## Our people approach

The knowledge, skill, experience and commitment of our people are major sources of competitive advantage. Our human resources (HR) strategy therefore aims to maintain a committed and flexible workforce that both wants and has the ability to learn new skills and take on new tasks.

The company secretary and legal director is responsible for Group HR matters at executive board level, with the Group HR director having day-to-day responsibility. Our HR function embeds HR managers in the business units to deliver business-specific solutions, while ensuring that we comply with Group policies and procedures.

We are committed to equal opportunities and have policies and practices that ensure fair opportunities in respect of employment, entry to employment, benefits, training, placements and promotion.

## Training and development

Every year, we invest heavily in training and development. The annual performance and development review is key to this, creating personalised plans for learning and growth.

Our management development framework has six 'stepping stones', starting at trainee and graduate level and rising to executive coaching. The framework covers a broad range of skills, from effective communication and sustainability, to leadership and customer service.

The majority of our management training is either accredited or endorsed by the Institute of Leadership and Management, so our people achieve nationally recognised qualifications. We also run programmes through three leading business schools: Warwick, Henley and Cranfield.

The Galliford Try Academy offers construction-related study programmes to our people, ranging from practical learning for BTEC qualifications through to degrees and graduate schemes. The Academy also

## The chief executive's roadshow success

Our chief executive undertakes regular roadshows, allowing him to explain our strategy and achievements directly to employees. More than 1,300 people attended his most recent roadshow, giving them the chance to ask about everything from our business model to sustainability.

A summary of the question and answer sessions from all of the roadshow presentations was then made available to all employees.

Feedback from the event was exceptionally positive and in addition 99% of employees who provided feedback stated that the roadshow provided a clear understanding of the Group's progress and plans.



The roadshow reinforces my belief that I am employed by a forward thinking, progressive company that has its people at the forefront of its strategy.

GALLIFORD TRY EMPLOYEE



## What our people say



To find out more about our approach to career development and what it is like to work at Galliford Try, visit [www.gallifordtry.co.uk/careers/what-our-people-say](http://www.gallifordtry.co.uk/careers/what-our-people-say)

provides networking opportunities and support through mentors and training supervisors, ensuring we deliver learning and development consistently across Galliford Try.

We offer sponsorships to full-time students through the Loughborough University consortium and the Institution of Civil Engineers (ICE) QUEST Scholarship Scheme. We currently sponsor 23 students, with six graduating and joining the Group in 2012.

Our apprentice scheme takes on around 30 people each year in specialised areas of our business. This provides learning opportunities for young people and helps to ensure we have the skills we need for the future.



### Excellence recognised at the Pride in the Job awards

Seven Linden Homes site managers received "Quality Awards" at the National House-Building Council Pride in the Job Awards. Shortlisted from over 13,000 site managers across the UK, the winners excelled during 12 months of rigorous judging. They were scored for the quality of workmanship on their site, as well as their leadership, technical expertise, robust health and safety processes, and whether they had a certain "x factor".



The names of our winners can be found on page 24.

During the year we made the Galliford Try Academy's e-learning platform available to all employees. E-learning helps us to reach large numbers of people and is particularly useful for compliance training.

# 8,837

training days completed

### Employee engagement

We engage our people in several ways. Our employee magazine 'Evolve' updates employees on our achievements, alongside staff briefings, news alerts and intranet articles. The chief executive's regular roadshows allow him to explain our performance, strategy and progress directly to employees.

Each year, we conduct an employee survey. This gives our people a voice and allows us to understand where we are doing well and where we can improve. Each business unit publishes the survey results and tells employees what actions it intends to take. For future surveys, we are looking to add more detailed questions, including ethics and compliance, to help us draw out further areas for improvement.

The Group prioritises positive relationships with employees and has not needed to establish a trade union negotiating framework.

### Our performance in 2012

Delivered a total of 8,837 training days, compared with 2,964 the previous year.

Retained our Investors in People accreditation across all our divisions.

Enrolled a further 26 trainees and graduates in the Galliford Try Academy, bringing the total to 114.

Maintained staff churn at 9%, demonstrating that we are successfully retaining our people while also receiving a steady inflow of new employees.

Improved all our scores in the latest employee survey, suggesting we are getting our HR, training, communication and environmental strategies right. In particular:

**97%** believe give we give health and safety a high priority

**92%** said we give environmental issues a high priority

**91%** said that we provide a comprehensive benefits package

**90%** said they were kept informed about things that affected the Group

**88%** would recommend us as an employer

**85%** told us that they are satisfied with their present job

**83%** said they get the training they need to do their job

**81%** believed they were kept informed about things that affected them and their business unit.



### Apprentice wins prestigious award

Morrison Construction trainee engineer Jamie Nicholas won Civil Apprentice of the Year in the Scottish Building Apprenticeship & Training Control awards. The prize recognises the brightest young talent in construction and was presented to Jamie in person at the Scottish Parliament.

Jamie is one of only two people in Scotland to be awarded the ICE QUEST Scholarship. He is working towards a professional qualification with the ICE and also studying for an HNC in civil engineering and a Scottish Vocational Qualification. The next step for Jamie will be a part-time civil engineering degree at Edinburgh Napier University, with sponsorship from the Group.

Our sustainability activities: **Community**



# Supporting and engaging communities

## Our approach to communities

We make a positive impact on the communities in which we work in several ways.

Our day-to-day business activities help build communities through well-designed housing and affordable homes, and by providing essential facilities such as schools, healthcare and infrastructure.

We take considerable effort to engage with the communities around our developments, so they understand what we are doing and how we are progressing. This engagement also allows us, where necessary, to obtain local views on proposed projects, so we can ensure they meet community needs.

The Group also delivers wider community benefits. We create employment, both directly and through our supply chain, and we donate time, money and materials to charity. We also run a wide variety of safety campaigns, education programmes, school visits and community based projects.

# 500

We aim to create around 500 apprenticeships once our Apprenticeship Academy is fully up and running.

## The Linden Homes Foundation

To ensure the wider benefits of Linden Homes' developments are felt throughout the communities in which it works, we have created The Linden Homes Foundation. The Foundation supports communities, residents and the local environment.

Through the Foundation, Linden Homes invests time and money in a range of local activities. The aim is to deliver community

benefits before projects start, during construction and beyond when the last property is sold.

The Foundation encourages Linden Homes' employees, contractors and local people to get involved and underpins the business's commitment to bringing wider benefits to the places where it secures new housing.



## Encouraging the next generation

For several years, Morrison Construction has been a sponsor of the Scottish Council for Development and Industry and, as in recent years, the business supported its annual Young Engineers & Science Club's 'Highlands and Islands Showcase'.

During the event, more than 600 young engineers celebrated engineering and

science and showcased their expertise by competing in three-minute challenges set up by local businesses. Morrison Construction invited primary and secondary schoolchildren to take part in its bridge launching challenge. The overall winners of the challenges were then presented with awards by Morrison Construction.



**Creating a thriving community**

The Graylingwell Park Community Development Trust, which Linden Homes is part of, is creating a thriving and sustainable community through the management of public buildings, promoting community activities and encouraging and facilitating a low carbon lifestyle.



**Apprenticeship Academy**

A national apprenticeship centre is being set up with Skills Group to teach trade skills to the next generation. Working with our supply chain, we hope to create around 500 apprenticeships through the Apprenticeship Academy.



**Consulting the community in Waterlooville**

Linden Homes has consulted extensively with stakeholders at St Michael's Convent in Hampshire, a scheme in the grounds of a disused convent. Crucially, we held a forum with the council, which resulted in revisions to the development plans based on local concerns.

**Considerate construction**

We are an Associate Member of the Considerate Constructors Scheme and abide by its Code of Practice. We register all sites with a duration of more than six weeks and operate them so as to minimise disruption to people who live and work around them.

The scheme monitors our performance against the Code of Practice, which is designed to encourage best practice beyond statutory requirements. It requires competent management, efficiency and awareness of local environmental and community responsibilities.

**Charitable giving and employee volunteering**

The Group is a patron of CRASH, a UK charity that focuses on improving buildings used by homeless people. As a patron, we commit to making an annual contribution to the charity for a minimum of three years.

We have an employee volunteering scheme with CRASH, which allows our people to volunteer to help the charity with its construction and renovation projects. We also support the charity through donations of cash and materials.

In addition, across the Group, our employees support a range of other local charities and events. Between them, they raise thousands of pounds each year for projects that help people around the world.

**Our performance in 2012**

Achieved an average overall score of 33.7 out of 40 in the Considerate Constructors Scheme, compared to an industry average of 33.2 and our score last year of 33.6.

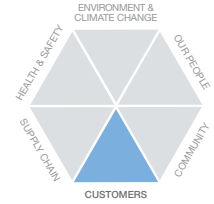
10 awards received at the Considerate Constructors Scheme's National Site Awards.

Donated £80,000 in time, money and materials to charities.

Help we gave to homelessness projects through CRASH included:

- analysing cost proposals for restoring an old almshouse in Salisbury
- offering technical advice and design suggestions for new premises for Shiloh, which provides food, support and information to vulnerable people in Rotherham
- arranging health and safety training for Benjamin's Building Company, which provides training to vulnerable people, and
- decorating rooms and providing materials for Cricklewood Homeless Concern, a London day centre.

Our sustainability activities: **Customers**



# Offering total commitment to our customers

## Our approach to working with customers

We want to give our customers total commitment and high standards. Across the Group, we have several different types of customer and a range of approaches to delivering a service which meets their individual needs.

### Housebuilding

Our customers are key to every decision we make, from the land we buy to the homes we design. We look to maximise their satisfaction throughout the purchasing process and with our after-sales care. As part of our service, we provide our customers with:

- a customer charter, outlining the service they can expect
- a homeowner manual, explaining the purchase process and customer charter, and providing other useful information, including supplier contacts and energy saving advice
- a rigorous multi-point check of each home and a quality assurance certificate
- a home demonstration, to explain every aspect of their home before they move in.

To monitor customer satisfaction in housebuilding, we use an independent research body to find out how many customers would recommend us to a friend.

## Helping first time buyers into their dream home

'Step Up', our exclusive mortgage indemnity scheme, allows first time buyers to borrow up to 95% of the purchase price of a brand new Linden home, at a market leading interest rate.

Tom and Amy North were among the first to use the scheme, when they moved into a four-bedroom house at our development in New Waltham. "We were thrilled to be able to take advantage of such a great incentive, which not only allowed us to go ahead with the purchase of our dream home but saved us money on our deposit," Amy said.



Our Affordable Housing Division builds close partnerships with local authorities and registered providers (RPs). As well as being lead development partner with the Homes and Communities Agency, we are partners with more than 60 RPs and in long term frameworks with more than 45. Through these partnerships we have gained clear insight into the sector's priorities, helping us to earn a reputation for delivering innovative regeneration and bringing low and zero carbon schemes to fruition.

We are also increasingly offering post-occupancy monitoring for affordable housing, for example helping residents to understand their utility use and to embrace a sustainable lifestyle. The detailed feedback we receive also helps us to identify how we can build better homes in the future.



**I wanted quality and that is what I have received. From the service to the new home, I am absolutely thrilled.**

ADAM O'BRIEN, A CUSTOMER AT LINDEN HOMES' BREEZE DEVELOPMENT IN BOURNEMOUTH



“” The completion of the M74 was the stand-out project in the over £50m category due to its exemplary performance in every way... safety, cost, time and quality were exemplary.

THE CONSTRUCTION NEWS AWARDS JUDGES ON THE M74 COMPLETION PROJECT WINNING "BEST PROJECT OVER £50M".

94%

of our housebuilding customers would recommend a friend to buy one of our homes.

**Construction**

In construction, we build long term relationships with our clients, making us their valued partner. These partnerships allow us to align our clients' needs on each project with their long term ambitions. We aim to become an extension of our clients' teams, giving us a deep understanding of their project targets. We also have a track record of working alongside public sector bodies in major partnerships.

Most of our work, for both public sector and regulated organisations, is delivered through frameworks and long-established collaborative relationships. Our working relationship with some clients spans nearly 40 years. We recognise the value of working together to identify the best solutions, share best practice and transfer knowledge. This helps us to deliver some of the most complex schemes in the industry.

Our expertise enables us to achieve outstanding results for clients, as we offer bespoke solutions for increasingly demanding projects. Our experience enables us to deliver throughout the project's lifecycle, from conception and design through to implementation and maintenance. We also want to provide solutions that are long-lasting and that ensure best value both now and in the future. This includes using sustainable, environmentally sound materials and protecting the environment around our infrastructure projects.

**Our performance in 2012**

Delivered high levels of customer satisfaction in housebuilding, with 94% of customers saying they would recommend us (2011: 95%).

Achieved a four-star rating for Linden Homes in national surveys by the Home Builders Federation, reflecting our excellent service.

Housebuilding had sales in hand of £273m at 30 June 2012 (2011: £247m), reflecting the attractiveness of our developments.

Won Building magazine's 'Housebuilder of the Year' for 2012.

Achieved client satisfaction in our construction business of 82% (2011: 79%).

Construction order book at the year end was £1.6bn (2011: £1.75bn).

Awarded 'Best Project over £50m' in consortium for the completed M74 project at the Construction News Awards.

Received Best Construction and Materials PLC at the Stock Market Awards 2012.

Won numerous other awards for excellence in sustainability (see page 24).



**Hassle-free exchange cuts stress for home buyers**

When the Sangampalayam family did not have time to sell their existing property, Linden Homes' part exchange scheme was the answer. Selling their house to us allowed Kirthi, Aparna and their daughters to secure one of our new homes in Redhill, Surrey.

"The part exchange relieved us of a lot of stress in selling our old house," said Kirthi. "It was one of the big selling points for us. The professional, friendly and helpful Linden Homes staff also made a big difference."

Our sustainability activities: **Supply chain**



# Building long term supplier relationships

## Our approach to managing our supply chain

The Group has relationships with architects, engineers, consultants, subcontractors and materials providers. By working closely with them, we improve service quality for our clients, increase our efficiency and address key areas such as health, safety and the environment. We also have significant relationships with providers of corporate services, such as surety bonding, insurance and finance.

## Managing procurement

Our procurement policy is based on developing long term trading relationships with suppliers. Where possible, we leverage economies of scale for products that we buy across the Group or a division. In doing so, we try to optimise the mix of centralised and local procurement.

The Group procurement team identifies opportunities for central procurement and puts in place trading agreements with suppliers. In conjunction with our business units, the team establishes a business case for each agreement. We also have central agreements for commodities that our subcontractors use regularly. Once a trading agreement is in place, we expect our businesses to comply with it unless there are specific circumstances, such as a client's requirements, that mean we must use a different supplier.

Each business unit, or group of business units, has a dedicated procurement team. This means that we have buying specialists at operational level. The business unit teams administer our central trading agreements and organise local procurement.

The Group procurement team engages with our business units through a series of procurement forums, so the team keeps in touch with what the businesses need and our operations can brief the team about any issues they face.

## Galliford Try and Knauf Insulation – a supply chain partnership

Our supply chain partnership with Knauf Insulation will help us to deliver more sustainable homes. We will work together to ensure the fabric of our houses is thermally efficient, providing increased comfort and lower energy bills for customers and ensuring we meet building regulations and the Code for Sustainable Homes. Using blown rather than rigid insulation will reduce waste from offcuts and our environmental impact. Knauf Insulation also works to responsible sourcing standard BES 6001, meaning that it looks to reduce its impact through the whole supply chain and manufacturing process.



## Improving on-site waste management

Linden Homes appointed Reconomy to manage all construction waste on our sites, in order to improve visibility of our waste expenditure and reduce costs in the medium term. Reconomy helped us to prepare a waste strategy based on eliminating general mixed waste skips, which are the most expensive way to remove waste, and replacing them with segregated waste skips. Reconomy capped Linden Homes' plot cost at 2010 levels and provides data that helps us to understand the costs and volumes of waste generated and variations between business units and sites. This creates awareness among site teams of the waste they generate and the cost of removing that waste. Linden Homes has since decided to appoint Reconomy for another 12 months and the intention is to incentivise further cost reductions.



We make sure we are accessible to our supply chain and have regular forums. Our technical, commercial and construction teams get together with key suppliers to identify where processes can be improved and to help us manage risks. Feedback from our suppliers shows that they value our efforts to engage with them.

While our suppliers are often large companies, we also work with many small and medium-sized enterprises (SMEs). Any supply category outside our trading agreements is open to SMEs and our local subcontractors are frequently small businesses.

“ With insulation being one of the easiest and cheapest means of reducing energy use, this new partnership with Knauf Insulation is timely in ensuring Galliford Try’s developments offer the most effective and efficient fabric solutions for long term performance.

JOHN HOUGH, BUSINESS DEVELOPMENT MANAGER, KNAUF INSULATION

### Managing sustainability in the supply chain

Many of our suppliers are either national businesses or the local branches of these businesses. This means that they generally have a robust approach to sustainability, with appropriate processes and accreditations covering areas such as health and safety, environmental management and responsible sourcing.

When a supplier or contractor is anticipated to be on site, then health and safety is a key issue. We have a comprehensive prequalification questionnaire, which is reviewed by both our procurement and health and safety teams, to ensure our suppliers have a suitable approach.

### Our performance in 2012

Continued to ensure the integrity of the housebuilding timber supply chain, with 93% of timber orders in the financial year being chain of custody certified (2011: 93%).

Made progress with our new business and financial management systems, which have been trialled in three locations. This will give us enhanced visibility of our supplier base and our procurement spend, as well as helping us to improve communication. For example, using the system we will be able to ask business units across the Group for feedback about particular suppliers.



**Working with our supply chain**  
 The diagram shows how we work with our supply chain to deliver our business and sustainability objectives.

Shaping our industry

# Informing and influencing our industry's future

To have a sustainable business, it is important that we influence the long term future of our industry. We do this by engaging with decision makers and opinion formers, speaking at industry conferences and events, and through publications. Some of our activities during the year are described below.

## Influencing decision makers

Galliford Try works with industry bodies to inform debate about our markets and to influence policy makers. Our chief executive is a member of the CBI's Construction Council, which identifies and addresses issues specific to construction and provides a voice for the industry to influence mainstream CBI policy and the Government. We also help the efforts of the UK Contractors Group (UKCG), contributing to its publications and its work lobbying Government. In particular, UKCG has been making the case that investment in infrastructure is one of the fastest ways that the Government can boost the UK economy.

The Group also has its own public affairs programme. Our managing directors meet their local members of parliament and the chief executives of local authorities, allowing them to build relationships and support at key levels.



## Any Construction Questions

Focusing on the discussion of the future of Scotland's construction and infrastructure sector, this event organised by Morrison Construction was chaired by BBC Scotland political editor Brian Taylor.

We have a significant presence in Scotland, where Morrison Construction is one of the leading employers. The business held its second annual Any Construction Questions event in Edinburgh, attended by many of the people involved in shaping Scotland's infrastructure. In total, over 100 delegates with industry, political and business interests debated the future of construction and infrastructure in Scotland.

Ken Gillespie, managing director of our Construction Division, also served on a panel during the Scottish Council for Development and Industry's 41st forum and economic summit. The forum focused on how Scotland could meet its global challenges and achieve its ambitions through innovative and creative solutions.

## Contributing to the debate on environmental standards

From 2016, new homes will be required to be 'zero carbon', meaning they will have to be verified as carbon neutral prior to completion. This can add between £20,000 and £25,000 to the cost of building a home.



## Zero Carbon Hub Annual Conference

Linden Homes shared industry leading expertise at this event which focused on the definition and delivery of zero carbon homes.

We have therefore developed a proposal that can deliver similar or greater environmental benefits, at a fraction of the cost. Instead of building new homes to zero carbon standards, housebuilders would pay a levy of £5,000 per home. This would then be used to improve the environmental performance of existing housing.

For example, the investment needed to allow a new home to recycle greywater and rainwater is up to £8,000 each time, leading to savings of around 40 litres of water a day. However, a greater daily saving can be made simply by replacing toilet cisterns in an existing house with more efficient models. Initiatives like this would create jobs and could deliver further benefits by aiming the programme at social housing or helping particular groups such as older people.

We have received favourable responses in briefings to MPs and the Home Builders Federation is also supporting our idea, through its sustainability sub-committee.



“Feedback from the event has been excellent and I think we did generate, with Linden Homes’ help, a conference that was informative, authoritative and gave a feeling of reassurance that we can address successfully the remaining challenges on the way to 2016.

NEIL JEFFERSON, CHIEF EXECUTIVE OF ZERO CARBON HUB

### Defining the optimum school

When the Government ceased future investment in the Building Schools for the Future programme, it commissioned a review to find efficiencies for the next phase of school building. One of the review’s recommendations was to use standardisation to drive down design and construction costs. Optimum Schools is our response to that challenge, setting out how to deliver schools for under £1,500 per m<sup>2</sup>, including fees.

We met with head teachers to find out which features of a school were most important to them. We then presented that brief to architects and consultants, and invited them to develop responses that were quicker, simpler and cheaper than traditional construction methods.

The best solution, which is both efficient and flexible, is a component-based form of standardisation – effectively a kit of parts. The components are used repeatedly but can be flexibly configured to suit different schools and sites.

### Meeting the challenge of affordable housing

Having enough affordable housing is a major challenge for the UK and we play our part in influencing the direction of this market. The managing director of our Affordable Housing Division is a member of several key bodies, including:

- the Department for Communities and Local Government’s (DCLG) Custom Build Taskforce
- the Royal Institution of Chartered Surveyors’ (RICS) residential working group, and
- the board of the Housing Forum, a cross-sectoral body that represents all organisations involved in constructing and repairing housing.

The managing director of Affordable Housing is also frequently asked to talk to MPs and others. During the year, he presented at the DCLG’s Affordable Housing Summit, on the subject of construction innovation in social housing. He also spoke to MPs and the Planning Minister about housing issues in the South West, to city analysts and investors about the state of the market and Galliford Try’s position, and attended RICS’ meeting with the DCLG Select Committee, to discuss barriers to housing supply.

### Providing insights into low carbon homes

The managing director of our Linden Homes Guildford business provided practical insights into the delivery of low carbon homes at the Zero Carbon Hub Annual Conference, using examples from Graylingwell Park in Chichester.

### Receiving recognition from Government

During the year, the Government recognised a number of our sites as the type of developments it wants to encourage. For example, David Cameron and Nick Clegg announced the Government’s new housing strategy from Linden Homes’ Boxgrove Gardens development in Guildford.



### Leading by example

Following a site visit, Mr Clegg acknowledged Linden Homes’ exemplar approach stating: “The project is an excellent example of previously unused land being put to good use and becoming wonderful homes for hundreds of new residents... it was fantastic to see what a difference this has made to their lives.”

The announcement from Boxgrove Gardens was particularly relevant as it is a successful example of disused public land being made available for housing. Mr Clegg acknowledged this in a letter to Linden Homes, calling the project an excellent example of previously unused land being put to good use.

In addition, Eric Pickles, Secretary of State for Communities and Local Government, toured our Burntwood Square development in Brentwood, where we are transforming several Victorian hospital buildings into new homes. Mr Pickles praised Linden Homes for gaining support from local people, suggesting that other developers should adopt a similar approach.

# Awards and achievements

Every year, Galliford Try receives numerous awards and other recognition of the work we do. This page lists some of these from the last 12 months.

## Building Awards 2012

"Housebuilder of the Year"



## Green Apple Awards 2012

Gold Award for Graylingwell Park

## NHBC (National House-Building Council) Pride in the Job Awards 2012

Quality awards for seven site managers:

Peter Baker at King Harry Park  
Paul Mott at Orchid, Oakham  
Karl Bray at Orchard Grove  
Lance Kipping at Sandy Lane  
Paul Townsend at The Regent  
Steve Green at Fernley Park  
Bob Mitchell at Rowes Meadow

## Housebuilder Awards 2011

"Best Design" for Two Coves

## What House? Awards 2011

**Gold** in the "Best Sustainable Development" category for Graylingwell Park

**Silver** in the "Best Brownfield Development" category for Graylingwell Park

**Silver** in the "Best Luxury Development" category for St Michael's Reach

**Bronze** in the "Housebuilder of the Year" category

## Sustainable Housing Awards 2011

"The Transformation Award" for Roden Court

## 2011 Building for Life Award

Graylingwell Park

## LABC (Local Authority Building Control) Building Excellence Awards 2011

Winner – Phoenix Quay

## London Evening Standard's New Homes Awards 2011

"Best New Development" in the Affordable category for Roden Court

## UK Stock Market Awards 2012

"Best Construction & Materials PLC"

## RoSPA (The Royal Society for the Prevention of Accidents) 2012 Occupational Health & Safety Awards

12 awards including a President's Award for achieving more than 10 consecutive Gold Awards; four Gold Medal Awards and six Gold Awards



## ICE Wales Cymru Project Awards 2011

Roy Edwards Special Award for Usk Town Flood Wall Refurbishment scheme

## Construction News Awards 2011

"Best Project over £50m" for the the M74 Completion Project



## British Safety Council's International Safety Awards 2011

Galliford Try International  
M74 Interlink Joint Venture

## Network Rail Partnership Awards 2011

"Best Medium Project" for Newport Regeneration Station



## CHPA (Combined Heat And Power Association) Awards 2011 Community and Residential Award

Graylingwell Park

## Green Apple Awards 2011 Winners

"Glass Apple Award – Best in Nation" for Millbay Docks

**Gold Award** for Thames Barrier ancillary services

**Silver Award** for work under National Contractors Framework 2

**Bronze Award** for Wigan Flood Alleviation Scheme

## Considerate Constructors Scheme National Site Awards

**Silver Award** for Chelmsford Magistrates Court

**Silver Award** for M74 Completion Project

**Silver Award** for Meadowhead & Stevenston Work Package 6.2

**Silver Award** for Scotswood Masterplan – Site Preparation Contract

**Bronze Award** for Neale-Wade Community College

**Bronze Award** for Wigan FAS Phase 2

**Bronze Award** for Northfields

**Bronze Award** for Nash Mills Wharf

**Bronze Award** for Ings Beck FAS, Morrison Construction

**Bronze Award** for Mill Leese Reservoir Improvements



The front cover shows Sinclair Meadows in South Shields, Tyneside. Built by Galliford Try, this is the UK's first truly carbon negative affordable housing project.



See pages 06 to 07 for more information.

## Feedback

We welcome your views on this report.

Please send your comments to:

CR Manager

Galliford Try

Cowley Business Park

Cowley

Uxbridge

UB8 2AL

or email [cr@gallifordtry.co.uk](mailto:cr@gallifordtry.co.uk)



Printed on Hello Matt, which is produced using wood fibre from fully sustainable forests, certified as well managed in accordance with the rules of the FSC (Forest Stewardship Council). All pulps used are Elemental Chlorine Free (ECF) and are manufactured at a mill that has been awarded the ISO 14001 and EMAS certificates for environmental management. The report has been printed by Quadracolor, an FSC approved printer.

Designed and produced by  
[www.farraday.com](http://www.farraday.com)

[www.gallifordtry.co.uk](http://www.gallifordtry.co.uk)