



Annual Sustainability Report

October 2022 - September 2023



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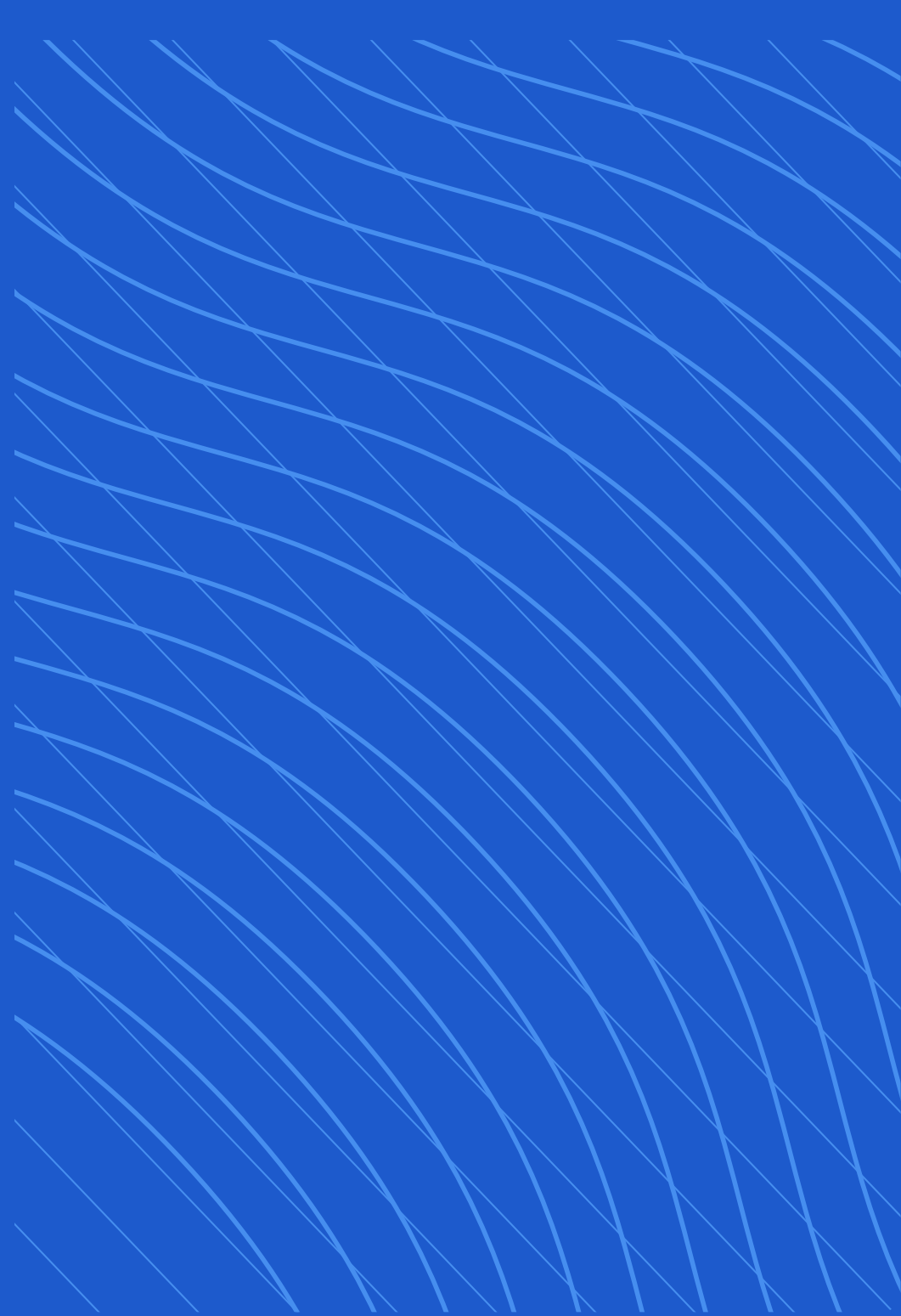
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Introduction

Sustainability at SDC

SDC is a main contractor that undertakes projects across a variety of construction sectors, including Research and Development, Commercial, Manufacturing, Automotive, Healthcare, and Education.

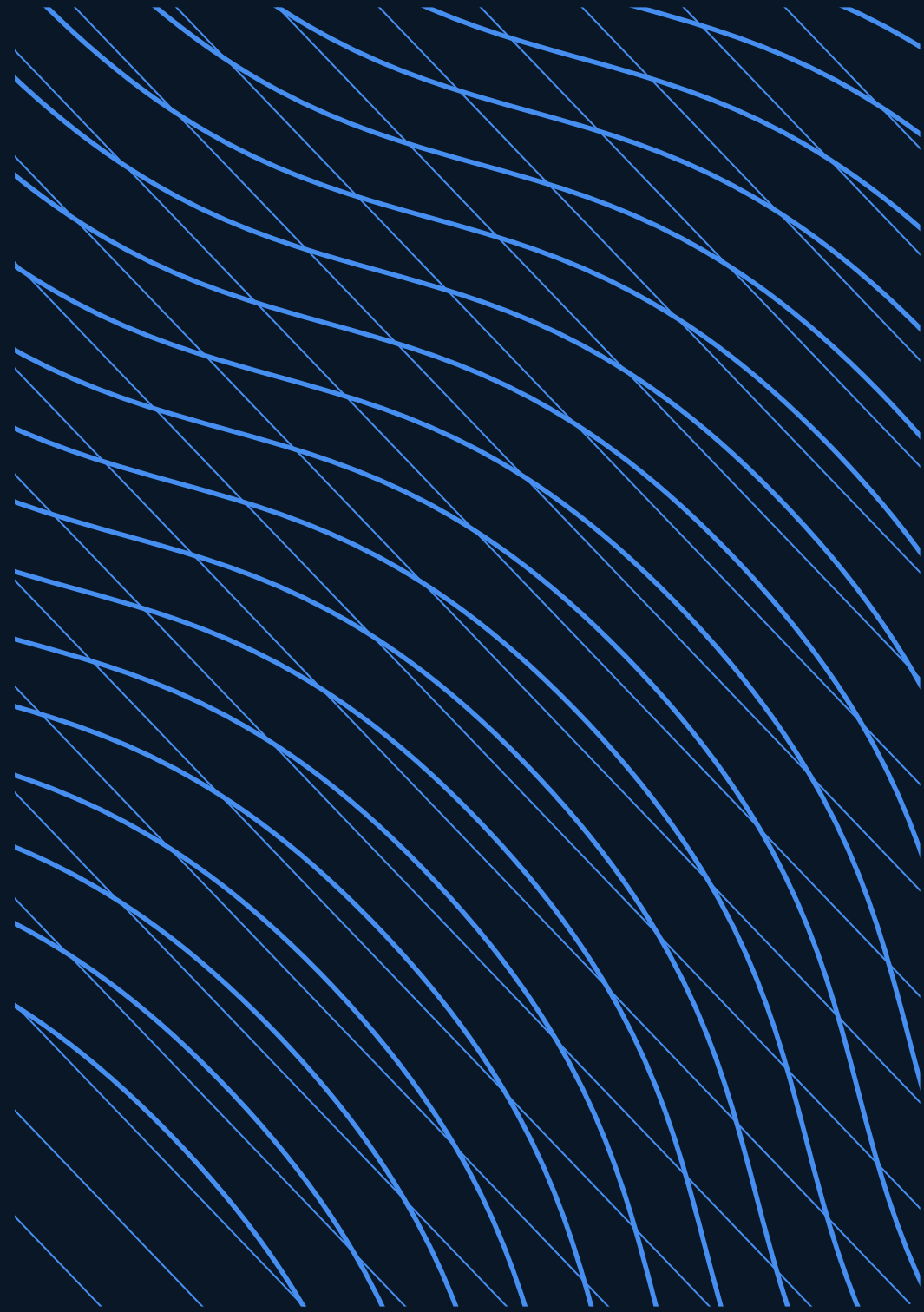
Whilst our projects provide key services that are essential for our society, we do not believe that the construction of these developments should come at the expense of the environment or local communities. It is widely-recognised that the construction industry has long been a significant contributor to negative environmental and societal impacts, with far-reaching consequences beyond the development itself.

At SDC, we ensure that our projects operate with sustainability as a key consideration throughout the construction process. We also consider operations at the business level, and ensure our influence extends beyond the physical structures we create. Our inaugural sustainability report reflects our dedication to driving meaningful change within the sector.

This report offers a comprehensive account of our sustainability performance and the measures we are adopting to achieve our goals. These efforts encompass environmental, social, and governance (ESG) factors, ensuring that sustainability is at the core of our culture and values.

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Environment

Greenhouse Gas Emissions

At SDC, we recognise that our direct and indirect greenhouse gas emissions should be measured, and subsequently reduced as far as possible, to lessen our contribution to the changing climate. Our carbon footprint, produced by a third-party consultancy, applies to S.D.C. Builders Limited only and was produced using the operational control consolidation approach*. It has been produced in line with the GHG Protocol Corporate Accounting and Reporting Standard, the GHG Protocol Scope 2 Guidance and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

The data covers the period of 1st October 2022 – 30th September 2023. As this is SDC's first full carbon footprint, this period will provide the baseline carbon footprint against which all future carbon footprints will be compared to measure progress. Absolute Scope 1, 2 and 3 emissions, and SDC's emissions intensities are set out below. A list of all emissions sources is included overleaf; all emissions sources that SDC has operational control over are included.

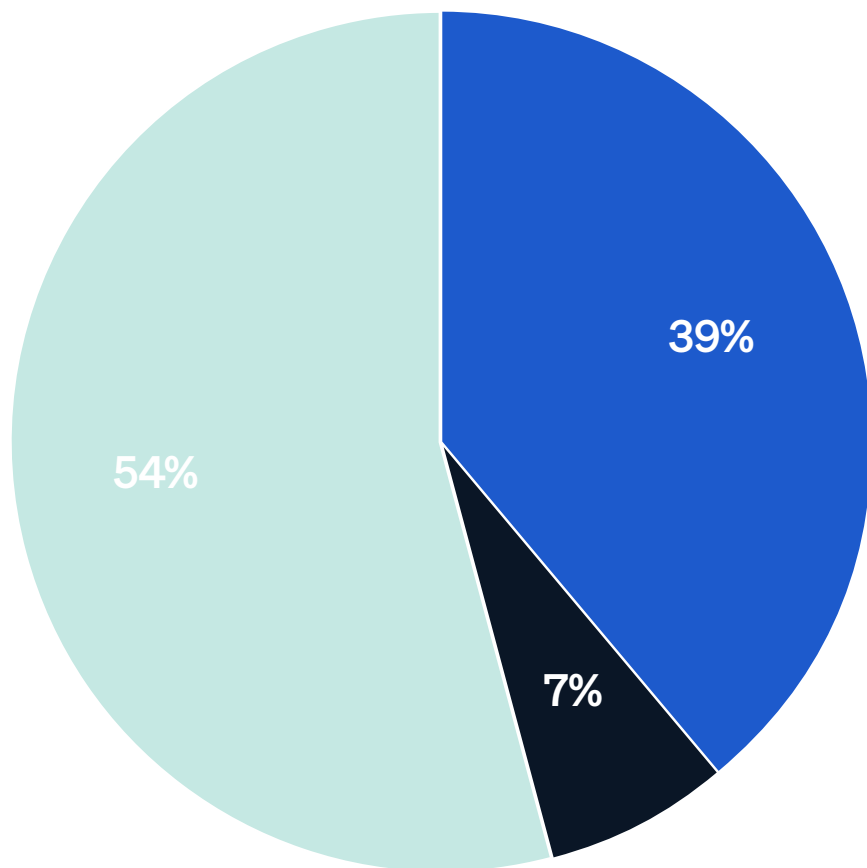
Scope 3, Category 1 and Category 4 relating to materials purchased for project sites are excluded from this carbon footprint. This is due to the fact that the developer specifies what materials should be used for many project sites, meaning that SDC do not have operational control. In addition, the Science-based Target Initiative (SBTi)'s Building Sector Science-based Target Setting Criteria (released August 2024) specifies that the developer should be accounting for the building's embodied carbon emissions, including upstream transportation and distribution; the SBTi does not include construction companies as 'Intended Users'.

* The operational control consolidation approach accounts for only the emissions SDC has operational control over. This approach is adopted by most companies for carbon accounting.



Environment

Greenhouse Gas Emission



Scope	tCO _{2e}	%
Scope 1	1460	39
Scope 2	262	7
Scope 3	1993	54
Total	3715	100

Intensity Metric	tCO _{2e}
Revenue (tCO _{2e} /£1m)	16.22
Employees (tCO _{2e} /employee)	10.07

Environment

Greenhouse Gas Emissions: Breakdown

Scope	Emissions Source	tCO ₂ e	%	Comments
1	Natural Gas	24.63	1%	Natural gas used in our offices.
1	Fuels	1,069.33	29%	Diesel and hydrotreated vegetable oil (HVO) used on our project sites.
1	Fleet	366.14	10%	SDC-owned cars, vans and plant vehicles used for business purposes.
2	Purchased Electricity (market-based)*	73.94	2%	Electricity used in our offices (taking Renewable Energy Guarantees of Origin, REGO, contracts into consideration).
2	Site Electricity	187.7	5%	Electricity used during the construction stage at our project sites.
3.1	Purchased Goods and Services	28.65	1%	Goods purchased for SDC's offices (e.g., paper, food, cleaning products, etc.)
3.2	Capital Goods	545.91	15%	Emissions associated with the production of vehicles, office furniture and IT equipment purchased by SDC.
3.3	Well-to-tank	660	18%	Well-to-tank emissions associated with the production of fuels and energy purchased and consumed by SDC (i.e., natural gas, fuels, fleet, electricity, business travel and commuting).
3.4	Upstream Transportation and Distribution	-	-	These emissions are associated with a small amount of everyday goods purchased for SDC's office. They have been excluded due to lack of data availability and are expected to account for less than 1% of SDC's carbon footprint.
3.5	Waste	38.84	1%	Emissions associated with the disposal of waste produced by SDC's offices and project sites.
3.6	Business Travel	605.06	16%	Business travel undertaken using SDC's or employees' vehicles (public transport is not used).

3.7	Employee Commuting	114.71	3%	Emissions associated with employees' commute to their regular place of work.
Total		3,715		
2	Purchased Electricity (location-based)*	85.36	-	Purchased electricity emissions were calculated using market- and location-based approaches to account for REGO-certified renewable electricity (market-based) and solely using average UK grid emissions factors (location-based).
-	Biogenic CO ₂ (HVO)**	69.93	-	Biogenic CO ₂ refers to the CO ₂ emissions released when burning HVO. These are outside of scopes 1, 2 and 3 because this CO ₂ was absorbed from the atmosphere during photosynthesis and the net CO ₂ emissions are 0.

Environment

Offsets & Carbon Neutral

We are pleased to share that SDC have attained CarbonNeutral Company certification for the period of 1st October 2022 – 30th September 2023. To achieve carbon neutrality, our objective is to reduce emissions in the first instance, and then offset any remaining emissions. For the 2022-23 period, we purchased 3,715 total credits.

In selecting suitable projects for carbon offsetting SDC wanted to purchase carbon credits from UK based woodland projects. This, however, has not been possible as there are no Woodland Carbon Units available. Consequently, SDC are going to create their own woodland scheme to be registered with the woodland carbon code for future offsetting, with the project planting anticipated to be complete in the first quarter of 2025.

Instead, SDC has partnered with an

industry recognised carbon offsetting specialist that has enabled us to identify four separate avoidance and removal projects. These projects also provide wider benefits for local communities in alignment with the United Nations' Sustainability Development Goals. In selecting our projects for carbon offsetting it was important that we achieved a number of objectives including not just carbon reduction but also improvements to health and well-being, economic growth and biodiversity enhancement. Therefore, projects were selected which make a

tangible difference to people's lives through cleaner water and cooking, as well as sustainable energy production and biodiverse enhancement. Details of these projects are on the following pages.

We are committed to progressively reducing our emissions over time, while annually measuring and offsetting any residual emissions. Our overarching objective is to attain net zero emissions by 2045, while maintaining carbon neutrality on an annual basis until that target is reached.



Environment

Aqua Clara Water Filters, Kenya

The Challenge

Over 28,000,000 Kenyans (half of the population) do not have access to safe drinking water. Contaminated water and poor sanitation are linked to transmission of diseases such as cholera, dysentery, hepatitis A, typhoid and polio. Therefore, those without access to clean water supplies have no choice but to collect water from rivers or streams and then boil to purify. Boiling water each time before drinking reduces forest cover, causes carbon emissions, and exposes people to harmful smoke.

The Methodology

A Gold Standard Methodology for emission reductions from safe water drinking supply was used for this project. This low-emission technology methodology aims to ensure that drinking water conforms to a safe drinking water quality, where all water directly intended for drinking must not have detectable E.coli in any 100 ml sample.

The Solution

This project brings families and schools in Kenya affordable clean water options such as bio-sand filters to purify water as it passes through layers of sand, removing bacteria and parasites from the clean water that flows from the tap.

Project Impact

The clean water options improve health and well-being by reducing exposure to unsafe water and household smoke. Access to improved sources of water contributes to better health in children, who are particularly at risk from water related diseases, also resulting in better school attendance and positive longer-term consequences for their health, well-being and future. Beyond sharing the tools for safe water, Aqua Clara also shares the knowledge of how to maintain the bio-sand filters and the importance of washing hands and fresh foods.

To support this a Gold-Standard VER project, SDC offset 930 tonnes of CO2 to create clean water filters in Kenya. This clean water project not only provides tools for safer water but also reduces the burden on women and children, who often have no choice but to walk long distances daily to collect water.



Environment

Bondhu Chula Stoves, Bangladesh

The Challenge

Only one in five of the 160+ million people in Bangladesh have access to clean cooking technology. Globally, around 2.3 billion people cook daily with dirty fuels such as biomass and kerosene, releasing smoke and particulate pollutants which cause millions in the country to suffer from lung infections, eye infections and an overall increase of mortality rates.

The Methodology

For this project, a Gold Standard Simplified Methodology for Efficient Cookstoves was used, meaning technologies were introduced that reduce/displace greenhouse gas emissions from the thermal energy consumption of household cooking.

The Solution

Bondhu Chula means friendly stove and is designed with a chimney to burn more

efficiently and to take harmful smoke and pollutants out of the house. Carbon finance subsidises the cost of the stove for end users and funds training workshops for local entrepreneurs to learn how to make and install the stoves.

Project Impact

Millions of stoves have already been installed, reducing fuel use by up to 50% and saving money for each family. This project contributes to poverty eradication and aims to enhance the overall health and well-being on the Bangladesh population. Furthermore, thousands of employment and learning opportunities have been created, with a market for efficient stoves in Bangladesh meaning that manufacturing and distribution networks are in demand.

SDC offset 930 tonnes of CO2 to support the installation of stoves in Bangladesh, resulting in a Gold-Standard VER certificate. The project not only provides tools for clean cooking but also creates opportunities for entrepreneurs in manufacturing and distributing networks.



Environment

Rooftop Solar Energy, East Africa

The Challenge

Without access to electricity, many households in East Africa must buy inefficient and expensive light sources like kerosene lamps. These lamps are not only a poor source of light but also release CO₂ and emit a significant amount of black carbon. Furthermore, fossil fuel-based lighting contributes to greenhouse gas (GHG) emissions, increasing indoor air pollution, health risks, reduced productivity, and compromised safety. Rooftop solar systems enable households to switch from high-cost kerosene to affordable, safe, off-grid renewable solar power and therefore reduce fossil fuel-based domestic energy.

The Methodology

An AMS-III.AR methodology was used during this project, facilitating the substitution of fossil fuel-based lighting systems with energy efficient LED lighting. The method is focused on reducing greenhouse gas emissions and improving energy efficiency. The LED bulbs

are highly energy efficient, utilising up to 80% less energy compared to conventional bulbs and boasting a long lifespan up to 25 times longer than traditional bulbs.

The Solution

The project distributes solar lighting systems to households not connected to the electricity grid in Kenya and Uganda. Some of the world's most advanced mobile-based payment technology is built into the solar lighting systems, effectively providing microfinance, particularly to low-income users.

Project Impact

The new bulbs do not contain harmful substances like mercury, making them safer for both human health and the planet. Additionally, LED bulbs produce minimal heat, further enhancing their safety and sustainability. This results in reduced indoor air pollution which provides significant health benefits for households.

In support of this project, SDC offset 930 tonnes of CO₂ to create more energy efficient lighting. The project was certified Gold-Standard VER and is a positive step towards the UN's sustainability goals of reducing poverty, increasing health & well-being, creating work and economic growth, introducing affordable energy and taking climate action.



Environment

Sabah Rainforest Rehabilitation, Malaysia

In support of this project, SDC offset 925 tonnes of CO₂ to restore 12,385 hectares of tropical rainforest in Sabah. The project conserves the local ecosystems and biodiversity and creates employment opportunities for local community members. This project is Gold Standard VER certified.

The Challenge

Malaysia has experienced significant deforestation and loss of tree cover in recent decades, with a 31% decrease since 2000. In 2010, Malaysia's natural forest extended over 87% of its land area. In 2023, it lost 133 kha of natural forest, equivalent to 146 Mt of CO₂ emissions, according to global forest watch. While logging of dipterocarp forests has traditionally accounted for 50-70% of Sabah's state revenue, it brings many costs. Logging reduces canopy cover, decreases the forest's moisture content, increases wildfire risks, and, most significantly, eliminates critical sources of sequestered carbon.

The Methodology

Enrichment planting, a method of planting lost species, reduces CO₂ levels and increases forest diversity and ecological

balance. Through planting indigenous dipterocarps, the fast-growing pioneer tree, as well as forest fruit trees, the project enables the sequestration of large volumes of carbon from the atmosphere by rehabilitating 25,000 ha of degraded rainforest in Sabah. Additionally, enrichment planting increases the population diversity of existing trees in the forest and prevents the relogging of the forest in the area.

The Solution

This project enables the sequestration of large volumes of carbon from the atmosphere by rehabilitating 25,000 ha of degraded rainforest in Sabah. Through storing atmospheric carbon in vegetation, soils and wood products, carbon sequestration can prevent the Earth's atmosphere from warming any further and reduce overall CO₂ emissions in the atmosphere.

Project Impact

The rehabilitation project is restoring 12,385 hectares of tropical rainforest in Sabah, sequestering carbon and conserving biodiversity, including orangutans, red langurs, Bornean (pygmy) elephants, and rhinoceros hornbills. Additionally, the work that takes place has provided employment and training opportunities to dozens of local community members, both women and men.



Environment

Greenhouse Gas Emissions

Our emissions reduction targets were created using the SBTi's tools for target setting to ensure they are aligned to the latest climate science:

- Achieve a 42% reduction in carbon emissions by 2030 compared to the 2022-23 baseline year.
- Achieve a 90% reduction in carbon emissions by 2045 compared to the 2022-23 baseline year.

Whilst we have achieved carbon neutrality, we recognise the need to further reduce our absolute emissions wherever possible. We have appointed a dedicated Sustainability Manager who oversees the data collection, analysis and reporting of carbon data alongside our appointed third-party consultant. The Sustainability Manager and third-party consultancy also identify opportunities for reducing emissions. SDC has already implemented some carbon reduction measures, including:

- Using hybrid generators on-site.
- Installing PV panels across our offices.
- Creating a Sustainable Procurement Policy to increase local procurement of sustainably manufactured and recycled products.
- Switching to electric plant in our offices and vehicles in our company fleet.
- Beginning the switch to using HVO fuel instead of diesel in our on-site generators (during the 2022-23 period, HVO made up 6.3% of our total fuel consumption).

We strive to take a proactive approach and continually improve our performance. We will implement the following initiatives to meet our science-aligned emissions reduction targets: 100% of electricity contracts for our office premises will be REGO-certified.

- 100% of electricity contracts for our office premises will be REGO-certified.
- 100% of electricity contracts for site temporary supplies, where SDC purchase the electricity, will be REGO-certified. Where the client supplies temporary electricity during construction, SDC will work with clients to target a minimum of 50% REGO-certified electricity.
- At the time of contract renewal, the natural gas supply to SEDAC house will be switched to REGO-certified natural gas. When the heating plant reaches the end of its economic life, natural gas supplies will be removed.
- Use only HVO in all SDC non-electric machinery across all sites by 2030.
- Work with our tier one supply chain to actively promote carbon reduction measures in their own operations, with preference given to those who can demonstrate that carbon reduction measures are being utilised both on-site and within their larger corporate operations.
- Set formal near- and long-term science-based emissions reduction targets with the Science-based Targets Initiative (SBTi), and measure progress against these annually.

Environment

Energy Efficiency

Utilising our energy efficiently is key to advancing our efforts towards reducing our carbon footprint. Our activities are informed by energy-specific process information cards and our Environmental Policy Statement. We have made improvements to our head office, Limegrove House, over the past year, including:

- Degasification.
- Installing PV panels to the roof.
- Switching to triple glazed windows.
- Upgrading thermal insulation.
- Installing low energy light fittings.

Improvements made to our site cabins are detailed on the next page.

We aim to further our energy strategy by committing to the following actions and targets:

- Only one of our four locations, SEDAC House, remains connected to a natural gas supply. When the heating plant reaches the end of its economic life, natural gas supplies will be removed. In the meantime, SEDAC House will be placed on a Renewable Gas Guarantees of Origin (RGGO)-certified natural gas contract when the contract is renewed.
- All remaining SDC fixed office facilities will have PV installation by 2030 if feasible.
- The amount of electricity used on our sites will be reduced through site cabin modifications (including PV Installation, thermal upgrades and energy efficient lighting and heating) by at least an average of 20% by 2030 compared to the 2022-23 baseline.
- The amount of fuel used in on-site generators will be reduced by 25% by 2030, compared to the 2022-23 baseline, by using battery energy storage (BES) hybrid generators (these are only used where grid electricity is not available).
- Reduce the amount of fuel used in generator-fed tower cranes by employing flywheel technology in conjunction with BES hybrid generators.

“Through the incorporation of solar power generation, energy-efficient building materials, and advanced heating and ventilation systems, SDC has demonstrated its commitment to reducing environmental impact while enhancing operational efficiency and comfort for its employees.”



Environment

Energy Efficiency: Site Cabin

Improvements

Over the past year, we have conducted a review of the performance of our first sustainable site setup in comparison to our traditional models. One of our modular set-ups was refurbished with significant enhancements to the airtightness and insulation of the fabric, thereby reducing heat loss and improving overall efficiency. Additionally, we installed LED lighting throughout the site and replaced panel heaters with VRF/Split DX units. These units are equipped with timers to prevent operation outside working hours, providing both heating and cooling. A rainwater harvesting system was also implemented, collecting water from the accommodation roof for use in WCs. As a result of these updates, we have observed a substantial reduction in the energy consumption of our welfare facilities, to the extent that the portable photovoltaic (PV) array installed on the modular roof is able to power the accommodation entirely. SDC's advantage stems from owning its



own cabins which allows for sustainability-driven modifications to be made effortlessly. Building on the success of our initial trial, we are currently retrofitting our fleet of cabins using surplus and recycled materials to minimise embodied carbon. These cabins are made at the Caxton depot, adherence to our sustainability goals.

Once completed and verified to meet our sustainability targets, they are transported to SDC sites, embodying our commitment to environmentally friendly practices across our operations.

Environment

Transport

As a construction company, our activities are spread across multiple sites and offices. To target emissions from transport, SDC has made investments into electrifying our transport fleet, including:

- Continuing to upgrade our company car fleet, which reached approximately 75% electric vehicles.
- Installing electric vehicle chargers at SDC office locations and selected sites.

To drive further action in this area, we strive to:

- Achieve an 80% electric and 10% hybrid company car fleet by December 2025.
- Promote greater use of car sharing through the 'Car Sharing Club' on SDC's internal communications page.



- Where feasible, procure materials locally to reduce transport emissions when working on-site.
- Incentivise high mileage grey fleet staff into more environmentally friendly EV and PHEV cars.

Environment

Minimising Waste

The construction industry is a major generator of waste in the UK and, unfortunately, ineffective waste management practices are commonplace. We strongly believe that this needs to change.

We have examined our own waste management processes and have implemented a robust set of protocols for minimising waste arising from our sites. Our approach is structured around the various areas of construction to ensure that waste minimisation is deeply embedded within our activities. Some of our current practices to minimise waste include:

Design

- Minimising waste through standard designs (reducing excess off-cuts) and modular construction.
- Producing 3D CAD and 3D printed mock-ups for complicated interfaces to test

design viability and to reduce design errors, incorrect materials specifications, and resultant wastage.

Procurement

- Accurate scheduling of materials requirements to reduce waste through over-ordering of materials.
- Bulk buying of materials whenever possible, direct from suppliers, to reduce excessive packing.

Materials & Consolidation Centres

- Materials Consolidation Centres allow for larger materials deliveries across multiple sites, thereby reducing the amount of packaging used.
- These also reduce waste from materials being damaged, as secure off-site storage is provided at busier sites, including allowing for 'just in time' deliveries.

Physical Mock-ups

- Producing physical mock-ups for complicated interfaces between components to understand construction and sequencing between trades, thereby minimising mistakes and resultant materials wastage.





Environment

Waste

In addition to these measures, SDC provides Process Information Cards on-site for training and education, on topics such as 'Waste Hierarchy' and the 'Segregation of Waste and Hazardous Waste Criteria', to promote safe and sustainable waste management practices. Procedures have also been implemented on our sites to guide our activities, such as detailed procedures on waste removal and Site Waste Management Plans, which allow monitoring of waste processes and volumes.

A comprehensive recycling strategy further guides our operations. This includes:

- Segregating skips for the recycling of products including timber, metals, plasterboard, plastics, cardboard, etc.
- Using balers on selected sites for compaction of cardboard and plastic waste.

- Reclaiming, re-using and recycling of demolition materials.
- Participating in the national 'Community Wood Recycling' scheme, a social enterprise that collects and reuses waste wood while creating jobs for disadvantaged people.
- Donating waste materials to local groups, such as schools and scout groups.

As a result of these initiatives, between 98%-100% of SDC's on-site waste materials are diverted from landfill. Moving forward, we aspire to further our impact and commit to the following targets:

- A minimum of 98% of all on-site waste generated shall be re-used, recycled or converted to energy.
- Reduce our waste generated by 1% per annum against our 2022-23 baseline year

(measured in tonnes per £1mil turnover).

- Appoint dedicated on-site 'Waste Champions' to oversee all waste segregation and disposal.
- Explore further systems and processes to monitor and reduce the amount of waste across our sites.

Environment

Water

SDC is working towards enhancing our water efficiency measures to protect this essential resource. Our Environmental Policy Statement sets out our commitment to responsibly using and managing water, with a focus on minimisation of water consumption. To further our commitments, we have set the following targets to guide our activities:

- Begin measuring water consumption to enable us to set targets and reduce consumption over time.
- All site accommodation will be upgraded to include water saver tap fittings for taps, cisterns and showers, and include rain and grey water recycling by 2030.
- Where feasible, install leak detections on project sites.
- Implement aftercare monitoring of water consumption to ensure systems are working as they were designed to.
- Where feasible, implement grey water harvesting systems on-site.



Environment

Biodiversity

Detailed processes, procedures and guidance documents are built into our ISO 14001: 2018 Environmental Management System to protect biodiversity at our sites. These focus on two key areas:

Working Near Water Courses

To ensure our activities are carried out in accordance with the UK Government's Pollution Prevention Guidance for the protection of watercourses, we are committed to:

- Always obtaining required Environment Agency permissions.
- Identifying relevant drains and watercourses (including producing drain plans).
- Installing protection measures (e.g., bunds, oil separators, etc.)
- Storing materials and waste a minimum of 10 metres away from any watercourses.

- Removing damaged, leaking or empty drums.
- Ensuring that spill kits and other containment measures are available on-site, with trained personnel to effect immediate remedial action in the unlikely event of a pollution incident.

Where sites are working near watercourses, regular audits will be undertaken by both the site team and SDC's Safety, Health, Environmental and Quality (SHEQ) advisors to ensure that the sites are implementing all relevant processes and procedures to protect watercourses.

Ecology, Trees & Hedgerows

To ensure that our activities do not have a detrimental effect on the surrounding ecology, trees and hedgerows, we are committed to obtaining advice from ecology consultants and ensuring:

- All required inspections and ecological reports to identify any protected species (birds, bats, voles, etc.) are carried out prior to commencement of works.
- All required protective measures regarding protected species have been agreed and implemented prior to commencement of work.

- All required tree surveys have been undertaken, any Tree Protection Orders are identified, and agreed methods of protection are installed, prior to commencement of works

Regular audits will be undertaken by the site team and SDC's SHEQ advisors to ensure all protection measures are implemented and maintained throughout all project construction stages.



Environment

Toolbox Talks

Environmental awareness is a collective responsibility and not siloed into a single individual or department. It is crucial that all our staff across the business remain aware of SDC's commitment to reducing our environmental impact in the workplace. To support this, 100% of our staff undergo regular Environment Awareness training managed through the iHASCO Training Portal.

As a construction company, we must also ensure that our environmental commitments are communicated to those working on our project sites. Toolbox Talks are regularly delivered to subcontractors across SDC sites as a convenient and effective method of educating, communicating and reinforcing important health and safety, welfare and environmental sustainability messages to SDC's supply chain.

Greenhouse Gas Emissions, Energy Use & Supply Chain

This Toolbox Talk provides an overview of the climate crisis, greenhouse gas emissions

and their sources, the contribution of the UK construction industry to global greenhouse gas emissions, and the United Nations' target to achieve net zero.

SDC's pledge to reduce carbon emissions associated with its activities is reaffirmed through the implementation of measures such as the use of HVO fuels, hybrid generators, cabin upgrades, electric plant and vehicles, the installation of photovoltaic (PV) panels, and sustainable procurement policies that include sourcing locally manufactured and recycled products.

SDC also encourages supply chain site teams to consider ways in which they can contribute to reducing their carbon footprint, including energy-saving measures, fuel reduction, waste minimisation, and supporting local businesses who consider their environmental impact.

Environmental Nuisances & Biodiversity

This Toolbox Talk highlights that environmental nuisances can significantly affect not only the long-term health of site workers, but also the well-being of the broader community, as well as having adverse effects on the surrounding environment, including its flora and fauna.

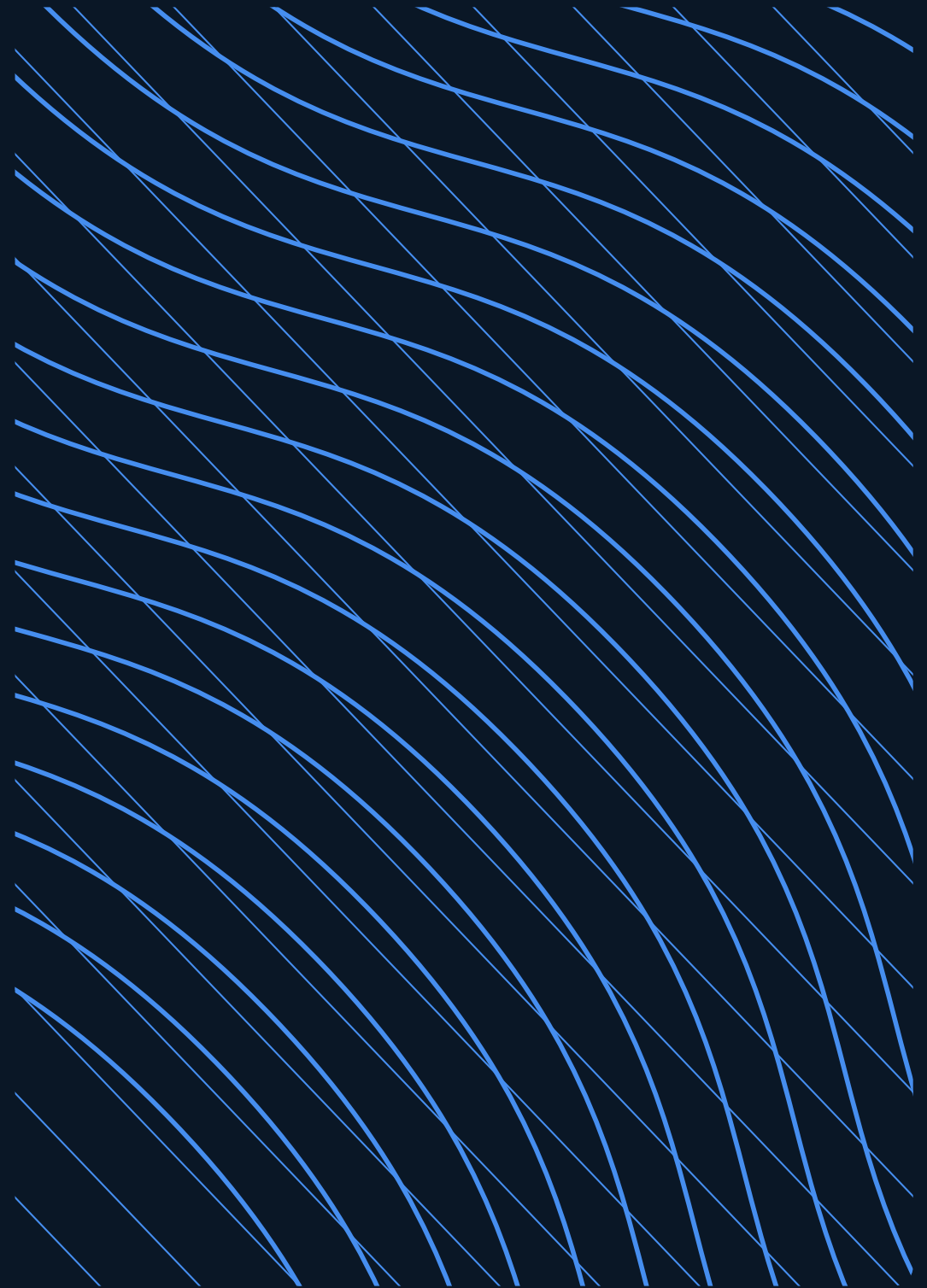
The discussion centres on the identification of risks, the assessment of potential impacts, and the implementation of mitigation measures.

Particular emphasis is placed on environmental pollution resulting from harmful emissions, excessive noise, dirt, dust, debris, and intrusive light. The Toolbox Talk underscores the importance of proactive environmental management to minimise these risks and protect both human health and ecological systems.



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Social

Health & Safety

In 2023, SDC made strides towards its sustainability goals while also achieving the prestigious RoSPA Order of Distinction for 21 consecutive Gold Awards. These achievements underscore SDC's unwavering commitment to prioritising health and safety through ongoing investments and innovative organisational practices. Extensive training initiatives aimed at educating employees and the supply chain have also been instrumental in achieving exemplary health and safety standards.

Policies & Procedures

SDC's commitment to health and safety is enshrined within the company's Occupational Health and Safety Policy. This policy, which is reviewed on an annual basis by the Board of Directors, recognises that protecting the health and safety of the workforce, visitors and members of the public is fundamental to a successful business with standards to be maintained through the implementation of a Business Management System (BMS) under ISO 9001: 2015 Quality Management Systems and ISO 45001:2018. This BMS contains 354 bespoke processes and procedures covering every aspect of managing construction works. The policies and procedures form the backbone of SDC's health and safety

management documentation and are available via an online portal to all members of staff.

Department Structure and Resources

SDC has an in-house SHEQ department that is split into three broad functions, namely Advice, Compliance and Training. Starting with the former, the Advisory aspect of the department is in place to provide general health and safety advice, along with specialist input in relation to high-risk packages. These advisors form part of the project team, visiting sites on a periodic basis to offer advice and guidance as required – both internally and to the company's supply chain. Conversely, SDC's compliance monitors operate separately from the project team, inspecting works to ensure they are being managed in accordance with both HSE guidelines and the company's own procedures. Remaining independent from the wider team is crucial as it ensures that audits remain impartial. Finally, the training element of the department serves two purposes.

The first is to provide every member of staff with the appropriate skills for the role that they are fulfilling. All SDC Site Managers are Site Management Safety Training Scheme (SMSTS) trained, with Site Supervisors and Subcontractor Supervisors also having Site Supervision Safety Training Scheme (SSSTS) training as a minimum. An in-house Training Co-ordinator arranges all courses, with most taking place in a purpose-built, CITB accredited, training suite in Caxton, Cambridgeshire.



RoSPA Order of Distinction

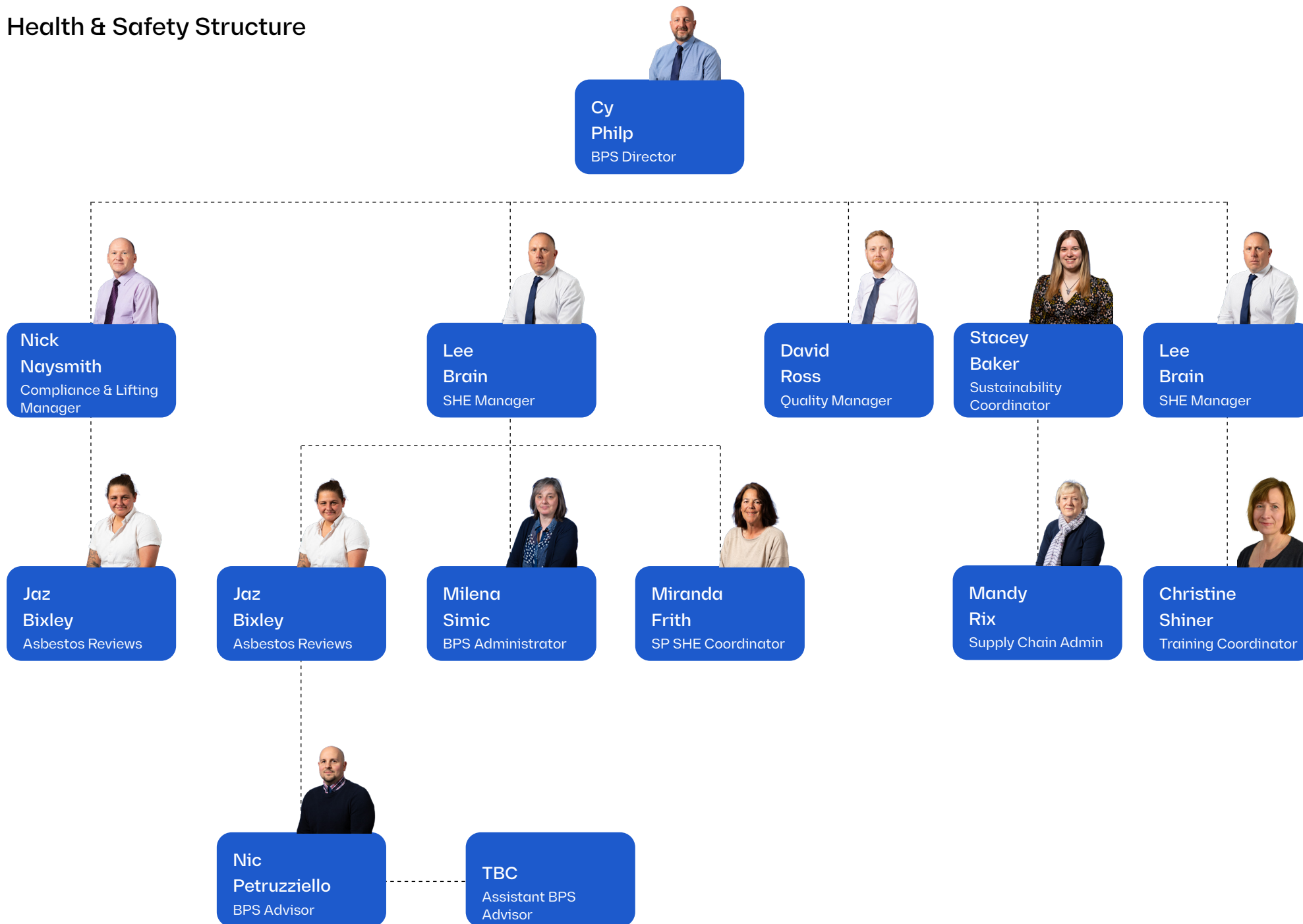
SDC has been awarded a prestigious accolade in recognition of its practices and achievements in helping its staff and subcontractors get home safely at the end of the working day.

The company has achieved an Order of Distinction (for 21 consecutive Gold Awards) in the internationally renowned RoSPA Health and Safety Awards, the longest-running industry awards scheme in the UK. The RoSPA Awards scheme, which receives entries from organisations around the world, recognises achievement in health and safety management systems, including practices such as leadership and workforce involvement.

Adam Knaggs, Board Director for SHEQ, stated that "The RoSPA Order of Distinction is a demonstration of SDC's unwavering commitment to health and safety. It shows potential clients and suppliers that our construction sites will be managed to the highest possible safety standards".

Social

Health & Safety Structure



Social

Health & Safety Accidents & Incidents

Accident / Incident History – SDC Employees, Contractor, and Agency Statistics

Combined Record	2020	2021	2022	2023
Average No of Personnel	2600	2400	2200	2800
Fatalities	0	0	0	0
Specified (RIDDOR)	2	0	0	3
Over 3 days (Old RIDDOR)	0	1	1	1
Over 7 Days (RIDDOR)	0	0	1	3
Dangerous Occurrences (RIDDOR)	0	0	0	0
Non-Reportable (Minor) Accidents	27	43	30	34
Incidents Involving Public	0	0	0	0
Environmental Accidents	0	0	0	0
Company AIR	76	0	45	214

Company Accident Incident Rates (AIR) = (Reportable Accident/Number Of Employees) X 100,000

Note: No. of Man Hours Calculated = Number of Employee x 45 x 40

Social

Community Engagement

At SDC, we are committed to making a positive impact not only on our local community but also on communities beyond our immediate reach. We frequently support causes that our staff are involved in or have a personal connection to. Between October 2022 and September 2023, we donated over £38,000 to charities and good causes, including

- £200 to sponsor a member of staff running the London Marathon for Cancer Research UK.
- £300 towards Lego therapy kits for children at Ursula Taylor C of E School.
- £400 sponsorship of Sandy Tigers FC under 8s.
- £500 to support an employee's family member represent Bedfordshire in the 25th World Scout Jamboree.
- £1,000 sponsorship of Hemel Hempstead Cricket Club.
- £2,000 to sponsor the Duchenne Dash London to Paris bike ride.
- £2,682 to Bedford Foodbank (raised through the sale of old mobile phones and computers).
- £2,897 to Oxfordshire Homeless Movement's CEO Sleep-out as well as participation in the sleep-out.
- £3,436 donated to Home of Hope at the request of a member of staff to educate and support children in Malawi.





Refurbishment of Meldreth Underpass

Several local organisations contributed to the refurbishment of Meldreth Underpass, with SDC providing a donation of £5,000. The project included the installation of improved lighting and the creation of colourful murals, addressing concerns from a survey indicating that 70% of respondents avoided the 31 underpass after dark.



Fairfield Nursing Home Mural

SDC arranged for an artist to create a mural at Fairfield Nursing Home for the enjoyment of the residents.



Social

Equality, Diversity & Inclusion

Fostering an inclusive culture is a core focus at SDC. We have an Equality, Diversity and Inclusion Manager who has obtained the CMI 'Award in Strategic Approaches to Equality, Diversity & Inclusion' (Level 7) to critically assess structural inequality within the organisation and implement best practice techniques within our strategic objectives.

We are developing an enhanced mentoring procedure to include a more diverse range of staff to ensure opportunities are available for all. This procedure is promoted throughout the organisation. Equality, diversity and inclusivity training is also mandatory for all employees as part of our employee training requirements.

Our Equality, Diversity and Inclusion Policy sets out the responsibilities of management and staff to uphold these values. It also sets out our monitoring, grievance and disciplinary procedures to deal with complaints and

offences, should they occur.

A questionnaire was sent to all female members of staff to obtain feedback on their view of working at SDC and the improvements they would like to see. This was followed up with a meeting for all female staff members to discuss the comments raised, together with the establishment of a focus group to review feedback and implement suggested changes. Changes include:

- Introduction of a Menopause Policy.
- Two staff members trained as menopause counsellors to provide assistance and support to staff.
- Enhanced maternity and paternity policy suitable for all family dynamics including adoption, same sex couples and surrogacy.
- Specific women's P.P.E. being provided.

Social

Mental Health

In 2019, the CIOB* conducted a study into mental health within the construction industry. They found that over the previous year, 70% of respondents had experience depression and 26% of respondents experienced suicidal thoughts. In 2020, the Office for National Statistics** identified that those working within the construction industry had some of the highest risk of suicide in the country (3.7x higher than the national average).

Mental health training is mandatory for all SDC employees, including long-term agency staff, to prevent poor mental health before it begins and provide employees with the guidance they may need. If an employee is suffering with poor mental health, they can contact one of our 7 trained mental health first aiders. Confidentiality is assured between the individual, the mental health first aider, and the individual's relevant Director. Individuals are provided with support to stay

in work, including:

- Time off.
- Reduced hours (i.e. come in later / leave earlier).
- Change of location.

Where required, specialist external counselling is arranged and funded by SDC, with time off given to attend counselling sessions. All invoices received by SDC are anonymous to keep the individual's identity confidential. Support is also provided to family members of staff; this includes providing links to charities and websites with useful information and, where necessary, counselling.



Employee Mental Health

SDC own an F1 racing car simulator which is taken on tour annually around our sites to raise funds to support MIND, the mental health charity, and raise awareness of mental health issues. Over £2,600 was raised for MIND in the June 2023 tour. The tour is accompanied by several SDC mental health first aiders and gives SDC the opportunity to provide support and raise awareness to our on-site supply chain. This encourages those involved in our supply chain to approach the subject of mental health with their employers and provides them with links to charities and websites for useful information and support.

Social

Employee Benefits and Wellbeing

SDC is an Employee Benefits Trust; when the company performs well, we share this financial success with all of our employees. We also strive to offer a range of non-financial benefits to our staff. Our full employee benefits are:

- An annual Employee Benefit Trust Bonus, calculated as a percentage of salary, awarded to all employees.
- An annual pay review accompanied by a discretionary performance bonus.
- A 10% employer contribution to pensions when employees make additional contributions, along with ad-hoc supplementary pension contributions for all staff.
- Provision of a company car or a car allowance.
- Private healthcare coverage for all qualifying staff (with a minimum of 2 years of service), including a subsidised excess amount.
- Mental health support.
- Charity and community engagement opportunities.
- Full maternity pay for the first 20 weeks of leave for employees who have completed more than two years of service and paternity leave of 10 days (2 working weeks) with full pay.

To support employee well-being and create a collaborative workplace culture, SDC offers a variety of activities and incentives, including:



Quiz Night

SDC hold regular quiz nights for staff teams featuring complimentary meals and exciting prizes to win.



'Something for Employees' Raffle

SDC have 'A Little Something for the Employees' monthly prize draw open to all staff who wish to enter. An employee is selected at random to win the prize, for example, a meal out or free tickets to a sporting event, concert or play.



Company Party

An annual company party for held for all staff, including a complimentary meal, drinks, entertainment and subsidised hotel accommodation.

Social

Employee Development

At SDC, our people are our greatest asset. SDC has always been a people focused, family orientated company committed to creating a positive work environment which values its employees and their contributions. We understand the importance of ensuring employees' satisfaction, personal and professional growth, and overall well-being, which is why the company maintains so many long-serving, dedicated employees.

SDC places a strong emphasis on prioritising its staff, demonstrating this commitment through the provision of high-quality training and learning opportunities that enable every employee to unlock their full potential. We actively encourage employees to pursue relevant qualifications for their roles and to embrace opportunities that contribute to their future development. This is supported through the following provisions:

- A purpose-built training facility and in-house training coordinator.
- Access to iHASCO training programmes for all employees.
- Detailed training plans and on-the-job training.
- Role-specific minimum training requirements.
- Training courses available to our supply chain.

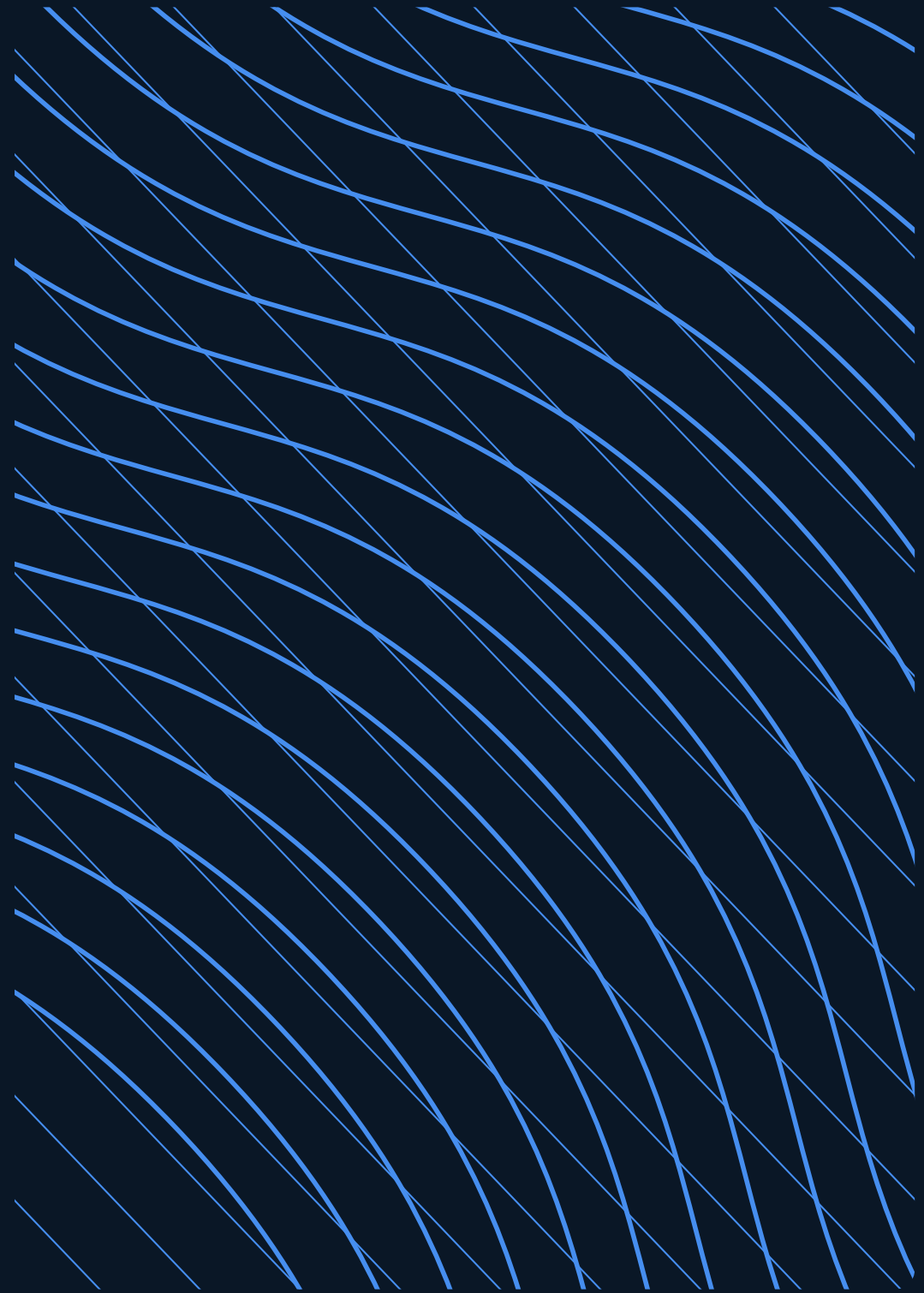
Between 1st October 2022 to 30th September 2023, SDC undertook the following training sessions:

- 65 individual internal training courses were held covering 17 different topics, with 653 attendees and a total of 526 training days delivered.
- 37 individual external training courses were held covering 12 different topics, with 60 attendees and a total of 160 training days delivered.



Governance

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Governance

Board Structure



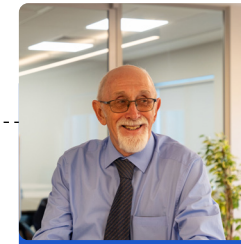
Francis Shiner
Chairman/Trustee



Adam Knaggs
MD/Trustee



Gary Wykes
Trustee/Director



Martin Lowndes
Trustee



Andrew Mitchell
Financial Director



Andy Shiner
Director



Carl Bennett
Director



Dan Changer
Director



Jonathan Richardson
Director

SDC has long recognised human driven climate change as being the greatest global environmental challenge facing modern society. As such, SDC places a paramount emphasis on environmental protection and sustainable business practices, positioning them at the forefront of the company's strategic plan.

Sustainability governance is overseen at the highest level, with Managing Director Adam Knaggs bearing ultimate responsibility for ensuring the

company adheres to its sustainability principles and targets. Strategic direction on sustainability, including the implementation of existing measures and the development of new protocols, is collaboratively managed by Board Directors Jonathan Richardson, Carl Bennett, and Dan Changer, with additional support from SDC's Sustainability Manager and Sustainability Coordinator.

Governance

Considerate Constructors Scheme

To hold ourselves accountable to operating responsibly and respectfully, 11 of SDC's 19 ongoing and commenced projects were registered with the Considerate Constructors Scheme (CCS) within the 2022-23 reporting period. The CCS covers three key areas: respecting the community, caring for the environment, and valuing the workforce. Our commitment to these areas has been evidenced by the following results:

Three projects were completed within the 2022-23 period; all received the maximum score of 45/45. Two of these projects also received a CCS Bronze Award.

Of the remaining projects which were ongoing during the 2022-23 period, five received an initial visit and an average score of 43/45 (equivalent to achieving an 'Exemplary' credit under BREEAM Man03). The last three projects have yet to receive a CCS visit and score.

Where appropriate to the project type and location SDC will register projects with the Considerate Constructors Scheme.



CONSIDERATE CONSTRUCTORS SCHEME

Governance

Procurement

We are strongly committed to encouraging ethical business practices within our supply chains. Our procurement activities are guided by the measures set out in our Responsible Sourcing Policy Statement to ensure that we consider environmental impacts across our supply chain.

Objectives have been set across any goods, works, and services procured to ensure best practice is achieved. Some examples include:

Construction Product Manufacturers

Preference will be given to companies who demonstrate that they have a full and relevant Environmental Policy and comply with a recognised responsible sourcing scheme.

Trade Contractors

Preference is given to trade contractors who have a full and relevant environmental policy and have, or are working towards, a fully accredited Environmental

Management System.

Information Technology

When purchasing or leasing IT equipment, we will ensure that equipment manufacturers have a managed asset recovery service to take back and recycle equipment.

Volatile Organic Compounds (VOCs)

Directly and through our supply chain, we will use low or zero-VOC paints and sealants where technically feasible.

Waste & Recycling

Regular audits of our waste contractors are conducted to ensure they have advanced waste management capabilities that guarantee maximum segregation and recovery.

Global Warming Potential (GWP)

Our supply chain is encouraged to specify and use insulants with a GWP of less than 10.

Where possible, we aim to support the local economy by sourcing local materials, labour and services. We actively engage our supply chain partners to raise awareness on areas of our business which impact health, safety and the environment. Construction Environmental Management Plans (CEMP) are also produced on-site; each of these are approved by the Business Protection Service (BPS) Director prior to project commencement and audited by BPS Advisors as part of regular site audits.

Governance

Data Protection & GDPR

We ensure that any data that we collect, hold or process is protected by a suite of policies and processes.

Data Protection Policy

This policy clearly sets out the personal information that is collected and how we manage and use this information. Any personal data is handled in accordance with General Data Protection Regulation ((EU) 2016/679) and the Data Protection Act 2018.

Procedures have also been put in place to deal with any suspected data security breach.

IT Security Policy

Our IT Security Policy sets out the expectations on all members of SDC to protect and properly manage all data and IT systems. This includes the appropriate use of communication systems, ensuring security systems are kept up-to-date and guidance on using systems for personal

use, among others.

It also states disciplinary measures that follow inappropriate use of equipment and systems.

Handling of DBS Certificate Information

This statement covers the Disclosure and Barring Service (DBS) checking service which helps assess the suitability of employees for working on our Client's sites.

It sets out the expectations on SDC to correctly handle, store, use, retain and dispose of certificates and certificate information in line with the Code of Practice and Data Protection Act 2018.

We are committed to constantly improving our IT security measures and have invested in a number of different technologies including:

- MIMICAST email filing system - This provides protection against email cyber-attacks including virus, impersonation and malicious website links.

- SOPHOS Firewall Appliances (Physical Equipment) - Installed in SDC fixed office location, this firewall enforces network boundary.
- SOPHOS Endpoint Protection Next GEN Antivirus Software Subscription - This ensures that we are always utilising the latest software version.
- Multi-factor Authentication - Required on all devices when working remotely.
- IN-TUNE software for mobile, tablet, and laptop device management - Currently being implemented, this ensures that the latest updates and security patches are automatically applied to devices.

Governance

Accreditations

SDC's commitment to managing quality, health, safety and environmental issues is proven through regular internal and external audits, which are backed up by the following official accreditation certificates. These control measures systematically raise SDC's own operating standards and help make the construction industry a higher quality and safer working environment.



9001:2015



14001:2015



45001:2018



Registered Waste Carrier



CONSIDERATE CONTRACTOR SCHEME

Governance

Key Statistics

The table below summarises the key statistics within this report. These will be summarised annually, with a comparison between periods, to measure progress over time.

Metric	2022-23
No. of employees	369
Total Greenhouse Gas Emissions	3,715 tCO ₂ e
Greenhouse Gas Emissions Intensity by Revenue (tCO ₂ e/£1mil)	10.07
Greenhouse Gas Emissions Intensity by Employees (tCO ₂ e/employee)	16.22
HVO Consumption (as % of Total Fuel Consumption)	6.30%
Electric Cars (as % of Total Fleet)	75%
Office Waste Diverted From Landfill	>99%
Charitable Donations	~£38,000
No. of Mental Health First Aiders	7
No. of Internal Training Courses	65



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