## **Mott MacDonald**

Corporate Responsibility Report 2011/12



### **OUR VISION**

TO BE THE CONSULTANT
OF CHOICE, RECOGNISED
FOR THE QUALITY OF
OUR PEOPLE AND OUR
CUSTOMER SERVICE

14k OVER 14,000 STAFF

# тор 15

BEST BIG COMPANY
TO WORK FOR FIFTH
YEAR RUNNING

WORLDWIDE COMMITMENT TO INNOVATION, SUSTAINABILITY, SAFETY AND EXCELLENCE We plan, design, procure and deliver projects of any type on any scale

WORKING WITH
OUR CUSTOMERS
TO REALISE THEIR
COMMERCIAL,
SOCIAL AND
ENVIRONMENTAL
OBJECTIVES

# MISSION

To provide customer satisfaction through professional excellence, giving commercial success and employee fulfilment SECURING OUR LONG-TERM FUTURE BY MAKING OUR CUSTOMERS SUCCESSFUL DELIVERING
OPTIMUM
WHOLE-LIFE
VALUE

**150**PROUD 150
YEAR HERITAGE

TACKLING
POVERTY, CLIMATE
CHANGE AND
ENVIRONMENTAL
DEGRADATION

12 SECTORS BUILDINGS, COMMUNICATIONS, EDUCATION, ENERGY, ENVIRONMENT, HEALTH, INDUSTRY, INTERNATIONAL DEVELOPMENT, OIL AND GAS, TRANSPORT, URBAN DEVELOPMENT, WATER

1 bn

£1 BILLION MANAGEMENT, ENGINEERING AND DEVELOPMENT CONSULTANCY WITH GLOBAL EXPERIENCE AND LOCAL INSIGHT EMPLOYEE-OWNED AWARDS FOR INNOVATION AND EXCELLENCE IN SIX YEARS

WORKING IN 140 COUNTRIES

# **OUR VALUES**

**Progress**We embrace change and continuous improvement

We seek sustainable outcomes for our stakeholders and the environment We actively support the development of our staff and our professions

**Respect** We respect the environment and the communities in which we work

We value all peoples and cultures equally

We treat everyone with respect

**Integrity** We deliver on our promises

We behave ethically and do not tolerate bribery or corruption

We promote a safety culture, targeting zero harm to all

**Drive**We aim to exceed our customers' expectations

We encourage teamwork and deliver to the best of our ability

We work hard for professional and commercial success

**Excellence** We uphold leading-edge technical, professional and safety standards

We develop innovative, efficient solutions that create value for our customers

We are proud of our heritage and our achievements

Mott MacDonald's strong caring ethos is enshrined in core PRIDE values, shared across the global Group: Progress, Respect, Integrity, Drive and Excellence.

This is our seventh corporate responsibility report. Reviewing our performance annually supports our drive for continual improvement. We seek to make a positive, sustainable difference through our projects and the way we behave. Worldwide, we are committed to supporting our customers, nurturing our staff, protecting the environment and caring for our communities. By being a responsible corporate citizen, we aim to contribute to the long-term wellbeing of our company and all we work with.

Keith Howells Group chairman

### CORPORATE RESPONSIBILITY IS LED FROM THE TOP

The Group Board provides strong leadership on all aspects of corporate responsibility, with defined roles for each Board director. Their personal commitment, high profile and influence ensure that responsible behaviour is driven from the top, across the worldwide Group. Close engagement with corporate responsibility also means the Board understands issues and needs at a 'grass roots' level, enabling Mott MacDonald to respond quickly and appropriately.

Responsible behaviour is reinforced by policies covering environment, equality and diversity, ethics, health and safety, human resources, quality, risk, social responsibility and sustainability – links to relevant policies are provided in each section of this report.

# STRONG GOVERNANCE WITH LONG-TERM FOCUS

Mott MacDonald is wholly owned by its staff, with close to one in five staff holding shares in the company. Answering to the company's employee owners, it is the Group Board's remit to continually strengthen the firm, passing it on to succeeding generations in better condition than when they took office. Employee ownership has shaped Mott MacDonald's governance, which is collegiate, with decisions made collectively by our management, through consensus.

82%

of staff say the company is run on strong values.

Sunday Times Best Companies Survey 2012 The Group's direction is set out in a rolling five year plan. Every year our senior managers meet to examine Group strategy, methods and systems and identify ways to enhance the quality of our services and solutions. Our leaders cascade initiatives through the business, promoting innovation and best practice, safeguarding quality, protecting against risk and listening to the ideas of staff for further improving our business.

#### **ENGAGING OUR SUPPLY CHAIN**

We endeavour to improve performance, minimising harm and maximising benefits through our projects and our own behaviour. This extends to our supply chain. Firms supplying goods or services to us are required to match our own ethics, equality, diversity, environmental and quality standards. We encourage them to align their values, policies, targets and strategies with ours and we review their performance. We treat our suppliers with respect, in accordance with mutually agreed terms of contract and local legal requirements.

#### **AWARE AND RESPONSIVE**

We aim to implement industry best practices and show leadership in the field of corporate responsibility. When appropriate we align our own policies with those of customers, government and civil society organisations to advance our own performance.

# COMMITTED TO CLEAR AND OPEN COMMUNICATION

Embracing staff, stakeholders, customers and the communities with which we work, we promote a culture of openness via two-way internal and external communication. This is supported by a literal open door working environment that encourages the exchange of ideas and information, a portfolio of publications, a Group-wide intranet, websites, videos, forums, seminars, meetings, staff councils, online discussions and regular email updates from the chairman to all staff.



Momentum

Our award-winning magazine



Meridian

Our annual review

In all we do, we firmly believe that if our customers are successful, we will be too. Globally, we promote a culture of excellence supported by collaborative working practices, continual growth and diversification of our skills and expertise, research and innovation, and effective risk management.

Gaining best value for money has always been a fundamental aim and we work with our customers to develop technical, commercial and management solutions providing the best possible performance. Around the globe, every one of our offices and each member of staff can call on the knowledge and experience of the Group. This enables us to respond no matter how great the challenge, offering every one of our customers world class service.



**Quality Policy** 



Quantity Surveyor of the Year at the Construction News Awards, two years running



Best Technical Advisor at the Public Private Partnership Awards, six times in eight years



Find more examples of our award-winning work

#### BETTER SOLUTIONS THROUGH PARTNERSHIP

We set out to understand our customers' business drivers, their culture and the risks they face in order to meet their needs in the most effective way and add maximum value to their business. To achieve this we seek to develop long-term relationships and work in partnership with customers, contractors and other members of the supply chain. Pooled knowledge and experience, critical review and advice yield benefits across the project lifecycle – reduced whole-life cost; faster, safer project delivery; efficient and safe operation and maintenance; and enhanced sustainability.

We engage, consult and work with project stakeholders to develop solutions that work best for affected communities – our extensive experience is that doing so delivers maximum benefit for our customers.

#### SHARING KNOWLEDGE, BUILDING SKILLS

Through strong, long-term relationships we can help our customers gain the in-house capability they need to successfully manage ongoing work or change programmes. In-depth appreciation of their needs also enables us to collaborate in addressing wider issues such as training and skills. For example, with input from Transport for London we have led development of a qualification that is creating a new skills base in the UK capital.

**CUSTOMERS** 

#### **WORLDWIDE SUPPORT**

By growing our global network of locally managed and staffed offices we constantly improve our ability to support our customers with an 'on the ground' presence. This is particularly valuable for customers with an international footprint. Building on our understanding of their needs and culture as well as our local market knowledge, we can assist them in realising their goals quickly and cost-effectively.

MOTT MACDONALD CR REPORT 2011/12

Ongoing investment in communication and knowledge management enables our project teams globally to draw on the Group's global expertise to assist with project development and delivery.

#### BENEFITS OF DIVERSITY

Our world-leading technical skills are matched by award-winning capabilities in project finance, management and business consultancy. Our diversity means we can tackle the largest multidisciplinary megaprojects. We help our customers demonstrate the value of work they plan and reassure lenders that their investments are safe. We also support our customers in planning, initiating and realising change in order to meet their business objectives.

#### **NURTURING INNOVATION**

We pride ourselves in bringing new thought to all the sectors we work in, finding better ways to solve existing challenges and the means to tackle new ones. On all projects where innovation is applied we capture and disseminate new knowledge. We undertake research and development in-house and work with many of the world's leading academic institutions.

OUR BEHAVIOUR

## ADDING VALUE THROUGH PROCESSES AND TECHNOLOGY

We work with customers to maximise benefits through processes such as Lean, which improves activities that add value and eliminates those that don't. We are industry-leaders in building information modelling – BIM – a co-ordinated set of processes, supported by technology, that add value by creating, managing and sharing the properties of an asset throughout its lifecycle. BIM supports better resolved solutions, faster project delivery, improved risk management, enhanced sustainability and improved whole-life performance. We are committed to making BIM standard practice on our large engineering projects in 2013. In 2012 we launched an internal competition to recognise best practice in the use of BIM.



Your input has made everyone's lives easier and resulted in the makings of a system we can be proud of.

Bruce Sherring-Lucas Quality manager Network Rail



#### **ADVANCING INDUSTRY EXPERTISE**

We employ numerous recognised industry experts and harness their knowledge to better support our customers and the continuing growth of our business. We have a global network of practice leaders who are technically oriented, responsible for driving professional excellence and developing centres of expertise, leading timely project reviews, assisting with risk management and sharing lessons learned. These leaders work in tandem with practice managers who take a global view across their sector, acting as facilitators and identifying individuals with the most appropriate skills to solve particular challenges. We continue to expand the number of practice leaders and managers.

We also advance professional excellence by encouraging staff worldwide to network via professional and technical forums as well as two major corporate events each year. 74% Overall rating

for our best

competitor

#### **PURSUING CONTINUOUS IMPROVEMENT**

Talking to our customers about our performance informs our drive for continual improvement. In 2011 our customers gave us an overall performance score of 84%. This contrasts with a score for our best competitor of 74%.

84%

Overall rating for Mott MacDonald

83%

Responding to your needs

81% Value for money

CUSTOMER FEEDBACK 2011 RISK ETHICS SAFETY SUSTAINABILITY STAFF COMMUNITIES

79%

Social and environmental responsibility

83%
Quality

82% Safety

77%

Sustainable solutions

87%
Quality of staff and customer relationship



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#### **WORLDWIDE QUALITY**

Project administration, knowledge exchange, quality, safety and sustainability are assisted by our global integrated management system (IMS). The aim of IMS is to instil a culture of continual improvement across the projects we deliver for our customers and the way we operate internally. The system has been certified to ISO 9001 and ISO 14001, the international standards for quality and environmental management. It is constantly enhanced to provide the best possible support to our customers and project teams, driving forward the standards we achieve.

#### INDUSTRY RECOGNITION

The professional and technical excellence of Mott MacDonald's projects and people are recognised by the many awards won – 80 in 2012 and more than 500 in the last six years. In addition to external awards, we run hotly contested internal competitions recognising and rewarding outstanding achievements in customer care, technical and commercial innovation, project delivery, building information modelling and safety.

# Goals for 2011/12

Improve customer satisfaction by 1%. Maintain ISO 9001 certification for quality management. Extend our network of practice managers and leaders to enhance knowledge management. Encourage and recognise innovation and excellence through internal and external awards. Retain and grow our global talent to maintain our unrivalled expertise.

### Commentary

Our customer satisfaction score has remained constant for five years while that for our best performing competitor declined 3% in 2011. Enhanced management systems are enabling efficiencies and better sharing of best practices. We have introduced new internal awards and continue to perform well in external awards competitions. New regions, skills and services have been added to benefit our customers.

# Goals for 2012/13

Strengthen customer satisfaction. Maintain ISO 9001 certification for quality management. Make building information modelling standard practice on large engineering projects to realise better project delivery, whole-life performance and value. Further enhance knowledge management. Promote innovation and excellence through internal and external awards.

To minimise our customers' and our own exposure to risk we have developed a holistic approach to risk management encompassing the company's strategy, its processes and procedures, and the attitudes and behaviours of its staff. We see commercial, safety and environmental performance, and the quality of our solutions and service, as inseparable. By working to safeguard against loss in any one of these areas, we aim to deliver success in them all.

By making risk an everyday concern of each and every one of our people we seek to continuously improve the success of our projects and our customers.



**Risk Management Policy** 



Information security

RISK ETHICS SAFETY SUSTAINABILITY STAFF COMMUNITIES

#### **UNIQUE APPROACH**

Our unique approach to risk management, CLASS, requires strong Communication and Leadership, Assurance of quality, appropriate Staff competence and effective Supervision.

CLASS is designed to prevent systemic failure, extreme examples of which include the Chernobyl nuclear disaster, the collapse of US energy giant Enron and the Deepwater Horizon oil spill in the Gulf of Mexico. We emphasise that all losses, great and small, share common causes. Effective risk management employs all of the CLASS principles to protect our projects, customers, the environment, the public and our people.

CLASS training is mandatory for all staff and forms a component of each employee's annual review, which is designed to chart their achievements, pinpoint needs and set new objectives. CLASS messages are regularly reinforced through Group publications, events and meetings.

CLASS has contributed to Mott MacDonald's industry-leading safety record, continuing growth, strong performance in delivering award-winning projects and high levels of customer satisfaction – 10% ahead of our nearest competitor.

# EMBEDDING THE RIGHT BEHAVIOUR

Every manager is expected to show strong leadership in applying CLASS appropriately and effectively. Each employee is asked to question how they can improve their own behaviours and attitudes to risk

Our mandatory risk awareness training is geared to the needs of staff at different stages as they progress through their careers.

# ROBUST STRUCTURE AND STRATEGY

Our internal ownership enables us to take a long-term view, acting in the best interests of our customers and our staff. Carefully planned diversification has created a broad base to our business, protecting the company as a whole against market fluctuations.

#### **PROVEN SYSTEMS**

Taking account of local social, political, economic, legislative and environmental conditions, our systems for identifying and managing risk and our strategic response to risk are continually tailored to the markets in which we work.



Your staff put in impressive effort, going beyond expectations to manage the work.

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Tom Coughlan Senior engineer Cork County Council



Our global operations are compliant with international standards ISO 9001 (quality), ISO 14001 (environment) and ISO 27001 (information security)

#### PROJECT-SPECIFIC RISK CONTROL

We have an industry-leading approach to project review called Peer Assist that complements the Group's mandatory integrated management system, covering quality, environment, safety and commercial performance. Led by an experienced mentor, the project team discusses concerns, exchanges ideas and challenges assumptions to flush out and resolve safety, technical and commercial issues.

#### STRENGTHENED BY INDUSTRY-LEADING IT AND DATA MANAGEMENT

Our Group-wide IT platforms promote common working practices, strengthening internal management processes, enhancing knowledge exchange and aiding efficient project delivery. In 2012 we upgraded our Group data management systems, enhancing connectivity across our business, further improving data security and supporting our quest for full auditability and accountability. From 2012-13, every employee will be equipped with new IT hardware and software, supporting a Group-wide drive to optimise operational efficiency and deliver best value for our clients. Our IT and data management are supported by an information security system conforming to international standard ISO 27001

RISK ETHICS SAFETY SUSTAINABILITY STAFF COMMUNITIES

# Goals for 2011/12

Maintain emphasis on the CLASS risk management approach. Make decisions based on knowledge of the risks.

### Commentary

All new staff are inducted into our CLASS method for risk management and 85% of staff globally have received training. CLASS has been incorporated into professional development reviews for all staff.

# Goals for <u>2012/13</u>

Seek new ways to communicate our CLASS risk management approach so that the message remains prominent in the minds of staff. Remain focused on risk awareness and management. Complete implementation of Group IT modernisation, enhancing the efficiency and security of data management.

Globally, we follow a clear-cut rule: we do not engage in unethical behaviour. Upholding the highest standards of behaviour serves the best interests of our customers, of society and government, and of our own business and staff.

Mott MacDonald is committed to fairness, openness and honesty in all its dealings. We require subconsultants and suppliers as well as employees to behave in accordance with our principles. Morally sound behaviour is enshrined in our PRIDE values, pledging us to act with integrity. Ethics training is mandatory for all staff and forms a component of development programmes spanning all career stages.





**Ethics Policy** 

RISK ETHICS SAFETY SUSTAINABILITY STAFF COMMUNITIES

## ETHICS MANAGEMENT – OUR SIX GUIDING PRINCIPLES

#### 1 Clear policy and procedures

For many years we have had an ethics policy supported by directives and procedures. These are regularly reviewed to: stay abreast of international best practices; address changes in legislation, our own structure and operations and the markets in which we operate; and tackle any weaknesses detected in our systems of protection.

#### 2 Top level commitment

Group Board directors show strong personal leadership on ethics within Mott MacDonald and externally, engaging colleagues and industry peers through meetings, publications, corporate and industry events, exhibitions and conferences

#### 3 Risk-based assessment

Ethics form a fundamental part of our wider approach to risk management and reduction. We design strategies to prevent breaches of our ethics code and decline to work on projects or in relationships where the risk of corruption cannot be effectively managed.

#### 4 Due diligence

In advance of starting any project, and continuing throughout project delivery, we review and quantify the risk of unethical behaviour and its potential impacts. We evaluate suppliers, subcontractors and business partners to assess risk. We do not deal with prospective partners where there is any suspicion of corruption and seek contractual arrangements that allow us to withdraw in the event of unethical behaviour. Our template contracts stipulate that their work must be performed in accordance with our policy.

#### **5 Communication**

We use in-house and external publications, our internal and external websites, training, seminars, and regular divisional and project meetings to raise awareness and make clear to staff and suppliers the basis on which we do business.

#### **6 Monitoring**

Managers and directors must declare annually that they and the parts of the business for which they are responsible comply with the Group's code of conduct and anti-fraud policy. The Group's risk director and head of compliance audits the business to verify that no unethical activities are taking place.



Complete professionalism and integrity.

Mikhail Kamensky General director Sotheby's LLC



Actively engaged with the Anti-Corruption Forum, Transparency International and the Institute of Business Ethics

#### **CLEAR GUIDANCE**

In 2012 every staff member received a copy of our 'Business ethics – getting it right' booklet, providing clear, at-a-glance guidance covering our culture and stance on corruption, our code of business ethics, issues they must consider when conducting business and the repercussions of unethical behaviour.

#### **CONFIDENTIAL REPORTING AND ADVICE**

We require staff to report any instance of suspicious behaviour, whether internally or in other parts of the project team. Staff can call a confidential helpline for guidance if they encounter a difficult situation. It is operated by an external service provider, giving assurance that they will be treated without prejudice and receive impartial advice, and that appropriate follow-up action will be taken.

#### **MEETING THE HIGHEST STANDARDS**

We fully meet the requirements of the UK Bribery Act. All of our employees are subject to this legislation, which covers the global activities of companies headquartered in the UK. The Act is recognised as the world's most stringent anti-corruption legislation.

In 2012 our policy, directives and management systems were reviewed by external auditor Ernst & Young to identify what further steps we must take to meet the requirements of the new British Standard BS 10500 for anti-bribery management.

RISK ETHICS SAFETY SUSTAINABILITY STAFF COMMUNITIES

# Goals for 2011/12

Maintain strong emphasis on ethics as the Group further expands and diversifies. Seek independent assurance that our policy and procedures conform with anti-bribery management standard BS 10500.

### Commentary

Awareness of ethics has been embedded in staff training and the career development review process. Ethics remains a major theme in our communications with staff and business partners. Our business was audited in 2012 as a step towards compliance with BS10500.

# Goals for 2012/13

Fully comply with British Standard for anti-bribery management BS 10500. Maintain focus on making staff aware of the risks and how to avoid them. Continue to show industry leadership on ethics.

We believe that health and safety transcend individuals and companies. Improving safety is in everyone's interests. We work with our customers, national and local governments, safety regulators and enforcers, industry peers and professional bodies to share best practice, shape attitudes to safety and develop guidance. In this we continue to raise standards of health and safety globally. Internally and on our projects, we aim to create awareness of safety and set benchmarks for safety performance across the regions in which we operate.



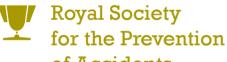
Health and Safety Policy

RISK ETHICS SAFETY SUSTAINABILITY STAFF COMMUNITIES



# Three awards for safety in 2012

- Constructing Excellence
   North East Awards –
   Kilton Beck pollution
   alleviation scheme, UK
- Engineering Institute
   Awards Vizag oil
   terminal, India
- International Tunnelling
   Awards National Grid
   London power tunnels



### of Accidents Gold Award

 Received four years running for achievements in controlling risk and minimising error, harm and loss

#### PROVIDING LEADERSHIP

We work with a wide range of bodies to raise awareness, change behaviour and drive improvement in health and safety performance. With the Association for Consultancy & Engineering we are disseminating health and safety best practice to small and medium-sized firms

#### **CONSULTANTS' HEALTH & SAFETY FORUM**

Mott MacDonald is one of four founder members of the forum, which has a worldwide remit. In the last year we have:

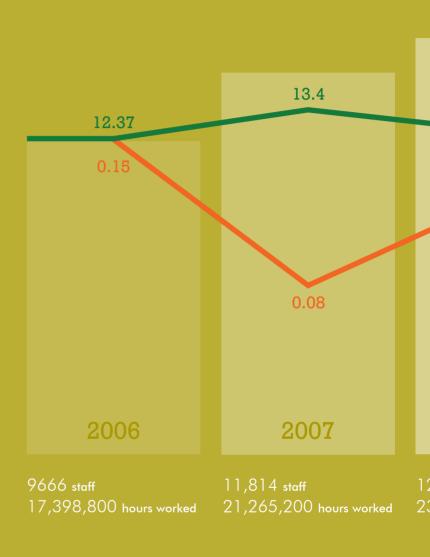
- Promoted the international health and safety assessment we launched in 2010, targeted at Africa, Asia Pacific, Europe, India and the Middle East. The test introduces a set of safety standards for engineering consultants and contractors to work to, promoting cross-sector collaboration.
- Shared best practice in safe driving, stress management, training, auditing, safety in design, certification and management systems.
- Produced guidance for professionals on engaging clients in health and safety.
- Produced international guidance of safety by design through a booklet of frequently asked questions.

**ABOUT US** 

#### **OUR PERFORMANCE**

Our accident rate is low when compared to all other professional services sectors. In proportion to our staff numbers and hours worked, the number of accidents continues to fall but in 2011 we recorded an increase in lost time accidents. Investigation showed that this was due to increased awareness of the company's reporting standards and procedures – demonstrating that our culture of safety management continues to spread.

By continuing to campaign for increased risk awareness and staff engagement in health and safety at all levels we expect to see further increases in the reporting of total accidents and near misses.



# KEEPING EVERYONE SAFE





Total accidents x 1000 ÷ number of employees

### LOST TIME ACCIDENT RATE

ost time accidents x 100,000. ÷ hours worked

#### **DRIVING IMPROVEMENT**

Health and safety forms part of our core training for all staff, covering all work-related activities – in the office, in the field or travelling. We require our people to care for the wellbeing of colleagues and members of the public as well as themselves.

Our practices are underpinned by proven and constantly evolving policy and systems. Compliance is overseen and best practice disseminated by a network of regional safety managers. Each business sector has a director responsible for co-ordinating safety and every project is reviewed by a project safety advisor.

#### **2020 HEALTH AND SAFETY VISION**

Distilling many years of industry leadership and innovation in health and safety, in 2011 we set out the Group's vision for health and safety up to 2020. Designed to achieve continuing improvement across the Group, it sets out our objectives and identifies key issues, considerations and actions for each staff member. It will be regularly reviewed.

2012 saw a major focus on physical and mental health, with health assessments and wellbeing programmes directed at staff across our business, in our offices and on site.

In 2012 we launched a new internal health and safety competition to recognise, reward and disseminate best practice within Mott MacDonald.

Our global operations are compliant with international safety standard OHSAS 18001

# Goals for 2011/12

Further reduce lost time accidents while improving reporting of near misses. Extend certification to OHSAS 18001 for health and safety management as appropriate.

### Commentary

The reporting of lost time accidents increased in 2011-12. Investigation revealed that this was a consequence of greater risk awareness and improved compliance with our reporting systems. We have fully certified our oil and gas business to OHSAS 18001, along with many of our offices specialising in building and transportation engineering.

# Goals for 2012/13

Continue to increase the reporting of near misses and accidents as a key indicator of risk awarenes and while achieving underlying reductions in incidents. Extend training to improve work-related health as well as safety.

It is through the performance of our projects that we make the greatest contribution to environmental sustainability. But we seek to minimise the impact of our own operations, bringing benefits for our business and our many customers who count their suppliers' performance on their own triple bottom line.

As a privately owned company
Mott MacDonald is not obliged to
disclose its resource use and carbon
emissions. We track them as a measure
of our environmental sustainability. In
2008 we committed to reducing CO<sub>2</sub>
emissions per employee by 5% year on
year. Thanks to significant progress in
2009-10 we are ahead of target but
acknowledge the need for a concerted
effort if we are to stay on track. We
are committed to ongoing leadership,
backed by information, advice and
training to achieve long-term reductions.

#### **USING RESOURCES ECONOMICALLY**

Since our first carbon audit in 2007 we have recognised the potential for improvements in data collection to cause upward as well as downward swings in our recorded emissions. We also recognise that the quality of data on energy use and carbon emissions associated with running our offices and business travel varies significantly around the world. This was particularly pronounced in 2011 – the volume of data gathered was 18% down on 2010 making year on year comparison difficult. Our 2011 carbon footprint covering operations in Europe, Africa, North America and Asia Pacific was 36,820 tonnes, equivalent to 2.92 tonnes per employee.

We measure energy and gas used to heat, cool and light our offices and run business equipment. We also measure air and surface travel. Since 2008 we have participated in the international Carbon Disclosure Project, used for supply chain management. Our reporting is consistent with the Greenhouse Gas Protocol corporate accounting and reporting standard. Our UK reporting complies with the terms of the Carbon Reduction Commitment.

## DRIVING CONTINUAL IMPROVEMENT

All staff receive sustainability training and we encourage staff to save energy, use fewer consumables and avoid travelling to meetings when practicable by using tele- and video-conferencing instead.

Sustainability is led at Group Board level by our chairman, supported by the Group's sustainability champion, regional carbon managers and office managers, who collectively drive policy and share best practice. Sustainability is a standing item on the agendas of Board meetings.

We seek opportunities to reduce energy and resource use when we change or refurbish our offices, negotiate contracts and through our procurement of utilities, equipment and supplies. Every one of our offices has a bespoke local environmental practice plan setting out its strategy for managing and reducing energy and resource use. Plans cover building services management and procurement of cleaning services, IT equipment and stationery, and are updated annually. Through locationspecific office transport plans staff are encouraged to use the lowest carbon mode of travel practicable for business journeys and travel to work.

Across all our 12 core sectors, we are addressing challenges presented by population growth and urbanisation, competition for and depletion of natural resources, pressure on food production, climate change and ecological stress. Combining technical strength, master planning, economics and management capabilities, we develop designs that are efficient, socially beneficial and environmentally sound.

We use our experience and know-how to shape the sustainability agenda. And we work with customers to set stretching but achievable targets supported by practical advice, effective strategies and workable solutions.



**Sustainability Policy** 



**Environmental Policy** 

We were the first consultancy firm to sign the Hong Kong government's Carbon Reduction Charter, committing us to cut our footprint on work done for the government

#### SUSTAINABILITY FROM START TO FINISH

On every project we seek to work with our customers to balance economic, social and environmental objectives to achieve best whole-life performance. Our approach is supported by a unique decision making methodology, INDUS, integrating sustainability alongside technical, financial, planning, safety and regulatory criteria. INDUS has been demonstrated on major projects in the Middle East, China and the UK.

**Industry-leading tools** INDUS is supported by an industry-leading portfolio of tools, many developed in-house. Our tools enable rigorous comparison of design options, assisting with selection of construction materials and methods and allowing cost, environmental and social benefits to be maximised right the way through the project lifecycle.

We are early adopters of building information modelling, BIM, which adds value by creating and sharing physical, commercial, environmental and operational data on an asset. We are now integrating our industry-first whole-life cost and carbon modelling tool, LifeCYCLE, alongside design, scheduling, analysis, management, fabrication and asset management capabilities. We have also launched LifeCYCLE internationally.

**Reducing waste** BIM is an enabler of design for manufacture and assembly, and product-based delivery – construction methods taking advantage of the efficiency and quality gains enabled by offsite fabrication. The techniques contribute to substantial materials savings and waste reduction. We are committed to working with customers and contractors to cut the volume of construction, demolition and excavation waste arising from the projects we work on

Setting standards Our analysis and decision making capability is strengthened by many staff who are certified BREEAM and LEED assessors. The UK's BREEAM and USA's LEED standards are widely used measures for rating environmental performance in many parts of the world. We have played key roles in developing design and procurement guidelines in Hong Kong, the Gulf and the USA.

**Shaping the debate** Our expertise is sought by customers, planners, industry bodies, policy makers and regulators. We are also actively shaping the sustainability agenda through the following:

- UK Green Building Council, which advises government and advances industry practices
- The UK government's Low Carbon Hub, working to make new housing carbon neutral

- Construction industry research body
   CIRIA we've collaborated to develop a system enabling contractors to measure project-based carbon
- Institution of Civil Engineers we have written the sustainability section in the new Structural Designers' Manual
- Extensive links with academia through our staff, influencing the way sustainability is taught at universities

#### **TACKLING CLIMATE CHANGE**

We work with our customers to mitigate climate change by developing solutions that reduce embodied and operational carbon emissions. We also devise strategies for adapting to change, addressing flooding, water and food security, temperature extremes and social and economic issues. Our work encompasses behavioural, social and cultural factors – how organisations think and act – alongside environmental, economic and technical considerations.



Read about our projects

SUSTAINABILITY

### Goals for 2011/12

Continue developing and demonstrating the benefits of our portfolio of tools, firmly establishing them at the industry's leading edge. Maintain ISO 14001 certification for environmental management. Maintain focus on carbon to get the Group back on track to reduce emissions by 5% year on year. Drive further reductions in resource use.

### Commentary

We're integrating our cost and carbon tool LifeCYCLE with our industry-leading building information modelling capability, giving visibility to the financial and environmental implications of every design decision. The sustainability achieved on many of our projects continues to win peer recognition. But renewed effort is needed to build on recent gains in our own sustainability and achieve improvements in the next few years.

## Goals for 2012/13

Work with clients and contractors to realise reductions in resource use, carbon emissions and waste by using building information modelling to increase design for manufacture assembly and improve the long-term operation and management of buildings and infrastructure. Strengthen our own recording and reporting of energy and resources.

In the face of continuing tough economic conditions, our strategy of diversification by geography, sector and discipline has protected Mott MacDonald and its people overall. Our ambition is that people should be able to pursue a long and rewarding career with Mott MacDonald. In pursuit of this goal, we undertake to:

- Engage openly with colleagues
- Protect the safety and wellbeing of all
- Judge each person solely on merit
- Encourage and enable people to achieve their full potential
- Impartially link reward to overall
   Group performance and provide a
   minimum level of key benefits for all





**Equality and Diversity Policy** 



Global Human Resources Policy



Strong moral and ethical values. Committed to supporting its employees.

Anonymous response to a staff survey



#### INDEPENDENT AND EMPLOYEE-OWNED

Mott MacDonald is wholly owned by its employees and is cash positive. This enables us to take a long-term view of our business, focusing on what is best for the company, our customers and our staff, rather than answering to external investors or lenders.

Our ownership model is consistent across the globe. Everything we earn is returned to the people who work for us through performance related pay and shareholding. Profit related pay is the same for staff worldwide, emphasising that Mott MacDonald is an integrated global company, with shared responsibilities and rewards. Remaining independent and internally owned is a fundamental commitment.

#### PROMOTING EQUALITY AND DIVERSITY

Our people reflect the ethnic and cultural makeup of the countries we work in. We recruit female employees at well above industry norms. An external audit of our UK business in 2011 was complimentary about our approach to inclusion.

Our core value of Respect forms the basis of a Group-wide behavioural standard and diversity awareness forms part of mandatory staff training. Globally, we are committed to creating a fair and equitable working environment built on core rights contained in the International Labour Organisation conventions and the International Declaration of Human Rights.



Stable, supportive and welcoming, with a great mix of personalities and a very strong caring ethos.

Anonymous response to a staff survey



#### PROVIDING FLEXIBILITY

We seek to assist individuals in balancing the demands of their work and home lives by enabling some flexibility in working patterns. In the UK our benefits package can be tailored by each individual to their changing needs over the course of their working life.

### SUPPORTING PERSONAL AND PROFESSIONAL DEVELOPMENT

Globally we are committed to equality of opportunity and reward. We have developed and continue to evolve a suite of training and development programmes to help our staff all the way through their careers with the company. We also provide scholarships supporting staff wishing to pursue postgraduate study.

**Graduate development** Our award-winning online portal, upGRADe, assists our graduates in gaining professional qualification in their chosen fields. Graduate induction events are held in Africa, Asia Pacific, Australasia, Europe and North America.

#### Helping young professionals and managers

Our three year Horizons programme helps newly qualified professionals appreciate the diversity of opportunity within the Group, while developing their abilities to pursue their chosen career. Turnover among staff participating in Horizons has been two thirds lower than among peers who have not been through the process. Navigator is an 18 month programme for

mid-career managers taking responsibility for larger teams of people. Its aim is to deliver 'better people, managing people better'. Both programmes are run jointly with leading academic partners in the UK and North America. We are continually reviewing the effectiveness of training and in 2012 piloted new courses designed to give quick, practical advice to staff taking on new managerial responsibilities.

SAFETY

New qualifications We led creation of the UK's first advanced apprenticeship in civil engineering. The scheme has grown and diversified, with apprenticeships now being undertaken in building services engineering and surveying as well as civil engineering. The programme was an award winner at the UK Training Journal Awards in 2012.

**Open, accessible learning From** anywhere in the world, staff can choose from nearly 100 courses available via our intranet. Mandatory training has been produced in 12 languages. To overcome geographical barriers, we have become leaders in the field of virtual classroom technology, enabling people to experience face-to-face training online from anywhere with an internet connection.

#### **Strengthening communication**

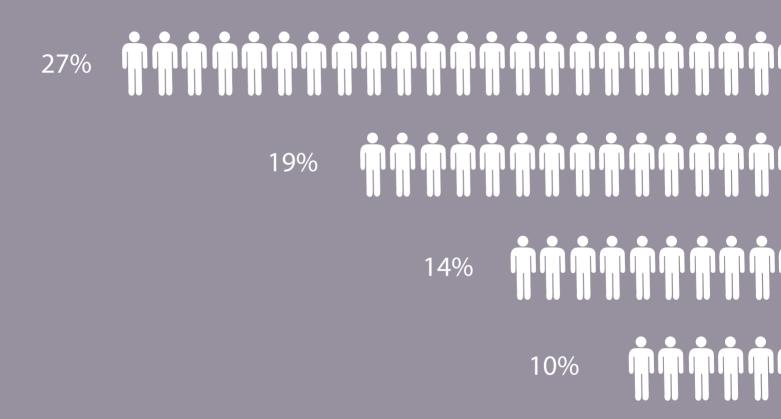
English is increasingly the language of international business. It is the common platform for communication across Mott MacDonald. Among the most popular of our online courses is 'Global English', providing a foundation in business English. We provide courses for native and non-native English speakers in improving written English skills and, in the UK, we support staff with dyslexia through the National Dyslexia Association.

**Knowledge sharing** All our offices have busy schedules of training, lectures and seminars. Many organise conferences attended by staff, subconsultants and customers. Our global staff directory and discussion groups allow people to quickly find others with the expertise and experience to help them solve specific technical or professional queries.

#### SEEKING CONTINUAL **IMPROVEMENT**

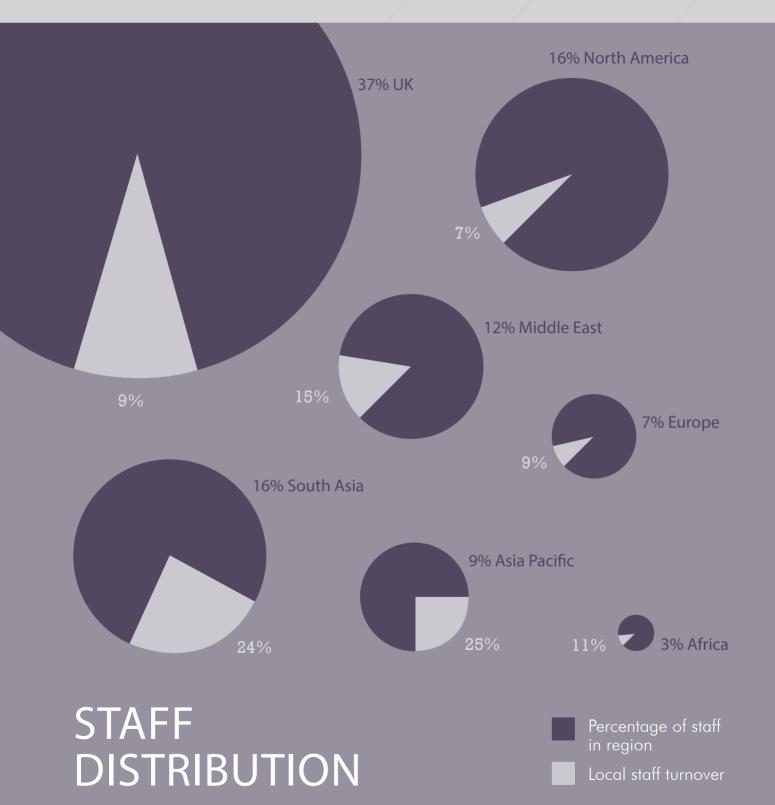
Staff turnover across the Group is lower than local averages. We regularly consult employee groups and conduct an annual confidential worldwide staff survey. Findings help us to prioritise funding, develop new welfare strategies and tackle specific local weaknesses.

4%



AGE AND GENDER 2011 AGE





## Goals for 2011/12

Continue extending access to training. Carry out staff surveys and act on the results. Progress Mott MacDonald as the leading employer in its field. Be aware of the Group's cultural and linguistic diversity and act to assure inclusion and integration.

### Commentary

We continue to invest in learning and development, with our flagship Horizons programme for young professionals delivering a 66% reduction in staff turnover. All of our mandatory training courses are available online in 12 languages. We are piloting new training courses for managers with the aim of further improving staff engagement and retention.

## Goals for 2012/13

Further improve staff engagement, satisfaction and retention with the aim of keeping our position as employer of choice in our field. Recognising that 'people leave managers, not companies', maintain focus on developing the skills needed by managers of all levels.

From our earliest years we have sought to make a positive difference to our communities and environment. Mott MacDonald is a large, multinational organisation with the potential to make a significant local impact. We are committed to being a good neighbour and demonstrating responsible corporate citizenship in all we do.

Our strong ethos of caring is enshrined in our PRIDE values, committing us collectively and individually to respect and value all peoples and cultures. Each part of our business has its own corporate responsibility strategy, reflecting local community needs and the concerns that are of uppermost importance to its staff.



**Social Responsibility Policy** 

RISK ETHICS SAFETY SUSTAINABILITY STAFF COMMUNITIES



Pioneered by Mott MacDonald, the UK's first advanced apprenticeship in civil engineering was named Best Apprenticeship Programme at the 2012 Training Journal Awards

#### SHARING KNOWLEDGE, CREATING OPPORTUNITIES

Spanning school visits, lecturing at universities, apprenticeships and research and development, Mott MacDonald staff are involved in developing knowledge, sharing experiences and encouraging younger generations to see the potential wealth of opportunities across the fields in which we work.

**Liaising with schools, colleges and universities** Across the world, offices organise work experience placements for school and college students. Many staff attend school careers events, give presentations and run workshops. We conduct mock interviews for students to help them improve their presentation skills in preparation for the world of work.

We have close links with universities. Staff contribute to academic programmes as visiting lecturers and professors and work with students on research and development projects. In the UK we award bursaries to students. Many of our offices provide vacation and industrial placements.

**Apprenticeships** The engineering apprenticeships programme we pioneered in the UK has diversified from civil engineering to include building services engineering and surveying, with places provided across the UK. Combining an academic component run by colleges of further education and 'hands on' work in our offices, the apprentices are working towards qualification through the Institution of Civil Engineers,

Chartered Institution of Building Services Engineers and the Chartered Surveyors Training Trust. This sustainable, demandled initiative shows how private sector employers can work for the good of society and industry by creating opportunities and widening the skills base.

MOTT MACDONALD CR REPORT 2011/12

**Leading best practice** The Group funds two not-for-profit enterprises. Cambridge Education Foundation promotes global partnerships contributing to development and dissemination of education best practice. Our health thinktank HLSP Institute works to inform debate and influence policy on international development in pursuit of the Millennium Development Goals.

#### CHARITY AND VOLUNTEERING

Many of our employees put huge energy into voluntary, charitable and academic activities. Where we can we offer support, for example by providing working arrangements that suit the individual's needs, matching funds raised by staff, and providing assistance in kind.

#### **Community Support Programme**

Since 2008 we have been helping development projects nominated by our staff to get off the ground through our Community Support Programme. As well as providing financial help the programme contributes the expertise of the Group's worldwide staff.

Koutulai Charity Farmers' Group, **Uganda** We are supporting Engineers for Overseas Development (EFOD) with a programme of projects aimed at improving health and economic self-sufficiency. Following construction of a grinding mill, Mott MacDonald staff designed and managed construction of a new latrine block and borehole, contributing to sanitation and water supply improvements. They are now working on a community hall.

RISK ETHICS SAFETY SUSTAINABILITY STAFF COMMUNITIES

- Community hall, Kpone Saduase, Ghana We are assisting the village of Kpone Saduase near Accra, Ghana, in constructing a new multipurpose building, designed by EFOD volunteers. It will provide accommodation for education and visiting clinical surgeries, among other functions. EFOD is working with community members to manage the build.
- Mithram residential centre, Kerala, India Mithram provides education, training, rehabilitation medical care and lifelong protection for people with learning disabilities. We're supporting staff who are providing a new girls' residential unit, an additional water supply and improved sanitation.

#### **Community Awards**

Launched in 2006, our Community Awards recognise the voluntary work staff undertake. Each successful applicant is awarded £500-£1000 for the charity or organisation that they support. There were 17 awards in 2012.

### SUPPORT FOR DEVELOPMENT AND DISASTER RELIEF

We support our many staff who raise funds or take time out of work to participate in development or relief work. We also sponsor development and relief charities.

### Health, Education, Environment & Development Association (HEED)

Chaired by Mott MacDonald manager Mubashir Niaz, HEED works to improve the lives of isolated communities in Pakistan using low cost, appropriate and sustainable solutions. HEED seeks to harness and grow local skills and promotes gender equality.

#### Engineers for Overseas Development

We have supported EFOD since it was founded by Mott MacDonald director lan Flower in 2001. It enables individuals to work for short periods with local communities to realise economic and social needs.

#### **■ Engineers Without Borders**

EWB links young engineers with developing country communities, using their technical know-how to resolve development needs while broadening the engineers' experience.

#### ■ WaterAid

This international non-governmental organisation works to transform lives by improving access to safe water, hygiene and sanitation in the world's poorest communities.

#### RedR

Disaster relief charity RedR recruits and trains engineers to assist on humanitarian projects.

### MAXIMISING BENEFITS ON OUR PROJECTS

Everywhere we work, we aim to safeguard the welfare of local populations. We do this by assessing impacts and engaging stakeholders to share information and optimise solutions for the benefit of both client and community. In pursuit of social and environmental good, our practices are aligned with international risk management codes such as the financial industry's Equator Principles and the World Bank/ International Finance Corporation's performance standards. We work with clients and civil society organisations to realise sustainable social and environmental benefits and gain the greatest possible value from projects and their enabling works.



Read about projects where we're maximising social benefit

RISK ETHICS SAFETY SUSTAINABILITY STAFF COMMUNITIES

## Goals for 2011/12

Select and initiate a new Community Support Programme project. Continue supporting staff in their charitable initiatives. Continue promoting our professions to young people. Further develop local skills and opportunities by working with customers and partner organisations. Maximise the local benefits of projects by working with customers and stakeholders.

#### Commentary

The first two Community Support Programme projects, a combined school and cyclone shelter in Bangladesh and a mill in Uganda, are complete. We are currently supporting three new international development projects. We have maintained support for charities and schools through direct giving, support for staff and contributions in kind. The apprenticeship programme we initiated is growing rapidly.

# Goals for 2012/13

Maintain the Community Support Programme by providing financial support and enabling staff to contribute their technical and management expertise. Continue promoting our professions to young people. Build on the success of the apprenticeship programme to offer alternative routes to a professional career. Maximise the local benefits of projects by working with customers and stakeholders.

