



4DELIVERY CORPORATE RESPONSIBILITY STRATEGY

Corporate Responsibility and Our Business

4Delivery Ltd is a joint venture business comprising United Utilities, Costain and MWH and was formed in April 2005 to deliver a £700 million environmental improvement programme on behalf of Southern Water. Our business includes project management, design and construction of schemes in the water supply and wastewater industry. In April 2008 the contract was extended to 2015 to incorporate a similar sized programme of improvement works in the water industry's fifth Asset Management Period between 2010 and 2015.

4Delivery does not directly employ any staff; the 500 people working on the programme of work are all seconded from the partner companies supplemented by agency staff. In 2005 more than 100 Southern Water staff were TUPE transferred across to United Utilities to work in 4Delivery.

4Delivery aims to be a world class organisation delivering our portfolio of projects, whilst maintaining high standards, integrity and the confidence of our stakeholders. We recognise we need to take responsibility for our actions both as a means of achieving our business targets and to deliver our client's commitments to best practice in environmental performance and customer service.

Our activities

4Delivery's environmental and social impacts arise from our activities of designing and constructing above and below ground assets for our client. Principal impacts include the use of resources, the production of waste and the impact on the communities in which we work.

Being responsible – our approach

4Delivery is committed to understanding, managing and monitoring our environmental, social and economic impacts to ensure we have a positive impact on the environment and the communities in which we operate. This enables us to deliver our business objectives and enhance the reputation of our client among its stakeholders, thus benefiting our client, our partners and the 4Delivery business.

It is important to 4Delivery that we understand, engage with and listen to our stakeholders. Through regular liaison we aim to involve our stakeholders in defining the issues that matter most to them and to society so that we develop our business responsibly.

The 4Delivery Board and Management Team is fully committed to this Corporate Responsibility strategy and its implementation and recognises the importance of sound procedures and challenging objectives to further improve the quality and successful of the business. The five key Corporate Responsibility areas are led by Board and Management Team champions to ensure objectives are delivered and a Corporate Responsibility Steering Group provides advice and direction to the champions.

Our Aims

Our high level aims for Corporate Responsibility are defined in five key areas:

- Health and Safety
- People
- Environment
- Marketplace
- Community

Health and safety

Working in a potentially high risk construction environment, 4Delivery recognises the key importance of occupational health, safety and welfare in the successful operation of its activities. High standards in health and safety are deemed to be of equal importance with quality, production and the achievement of commercial targets. We aim to:

- Develop a zero accident culture and implement safe working systems and practices throughout all stages of a project, thereby reducing the likelihood of accidents, incidents and cases of occupational ill-health
- Ensure that our people and others will not be exposed to risk as a result of our activities
- Ensure that all work activities are carried out within the relevant statutory provisions and appropriate standards
- Consult with and train our people to enable them to carry out their work safely

People

Our people are key to ensuring the success of 4Delivery and this depends on the successful creation of a shared culture that acknowledges the goals of the 4D programme as well as the benefits that each of the partner companies brings. We aim to:

- Communicate openly and honestly with our people
- Provide a forum for effective employee representation and facilitate two-way dialogue and feedback
- Clearly define and communicate roles and responsibilities within the company
- Deliver training that enhances individual and company performance
- Treat everyone who works as part of the 4Delivery team with integrity and respect
- Ensure our manpower planning is visible, and drives the allocation of the right people in the right place at the right time
- Ensure our people are recognised for their contribution to 4Delivery
- Ensure our leaders positively manage good and poor performance
- Acknowledge the responsibilities of staff to both 4Delivery as well as to their parent company

Currently our challenges includes managing our resources and employee engagement levels as the workload decreases before it increases again in 2010.

Environment

4Delivery recognises its responsibility to effectively manage our key environmental issues and is committed to continual improvement in the operation and management of our activities that could impact on the environment. 4Delivery:

- Actively encourages a sustainable approach to delivering schemes
- Complies with all environmental legislation as a minimum, and any other client requirements and appropriate codes of practice
- Reducing our consumption of energy and raw materials and maximising the opportunities to re-use and recycle

- Operates to a certified environmental management system in accordance with the recognised ISO14001 standard

This is within the context of managing the main environmental issues such as the potential for water pollution, the need for appropriate waste management and sustainable design as well as the mitigating any potential nuisance that construction activities may cause.

Community

4Delivery aims to enhance its reputation in the community as well as that of its client and its partners in the context of our construction work potentially causing disruption and inconvenience. We aim to:

- Ensure excellent communication and working relations with local communities and other stakeholders.
- Ensure the timely and fair resolution of complaints
- Invest in community programmes and initiatives that support our construction activities in the communities in which we work.
- Encourage our people to make a positive contribution to our local communities.

Marketplace

4Delivery subscribes to the principles of sustainable procurement in its dealings with the marketplace and its own supply chain. It has a range of policies and procedures addressing key aspects of procurement and supply chain management and the way in which it deals with its stakeholders.

To underpin this, 4D seeks, as far as is practicable and is consistent with delivering value for money, to develop and build long term relationships with its key contractors, subcontractors and suppliers and other businesses where appropriate through:

- complying with all relevant statutory rules and regulations
- following its internal control manual, to ensure appropriate behaviours and methods of working are adhered to by staff in their dealings with the company's supply chain and that inappropriate behaviours are equally discouraged and/or prohibited.
- applying a consistent procurement approach and, as far as commercial sensitivities allow, being transparent in its tendering and contractual activities
- selecting companies with whom to conduct business who are appropriately qualified, experienced and financed and externally accredited where required
- ensuring all contractors, subcontractors and suppliers have formal terms and conditions of appointment and are in receipt of the relevant order.
- together with its supply chain and other stakeholders, continuously striving for improved value and performance through ongoing dialogue, meetings, seminars and collaboration wherever possible
- working with the wider business world, professional bodies and institutions to identify best practice and develop or adapt new systems or technologies so that best practice can become normal practice

In doing the above, 4Delivery Ltd believes that it can build constructive business relationships to the potential benefit of all parties and its stakeholders.

Managing responsibility

Corporate responsibility at 4D is constantly evolving as the company matures and we adapt to the changing environmental, social and economic climate and our client's requirements.

Striving for and meeting annual targets and benchmarking performance using external assessors such as Business in the Community and Considerate Constructors enables 4Delivery to:

- Constantly improve towards reaching world class performance
- Develop best practice standards with regard to environmental, social and economic reporting and activities
- Continue to improve our Corporate Responsibility performance and report on it openly and honestly
- Give us a competitive edge in our sector