

ISO 20400 and UK Construction

4th April 2019

Prague



Shaun McCarthy OBE

Director

Shaun McCarthy is an independent advisor, author and speaker in the field of sustainable business policy and practice. He was awarded an OBE for services to sustainability and the London Olympics by Her Majesty the Queen in her 2013 birthday honours list.

Shaun has an extensive portfolio which includes; Chair of the Supply Chain Sustainability School, Chair of IEMA Professional Standards Committee and Non-Executive Director, Chair of Action Sustainability Asia Pacific, Non-Executive Advisor to Tarmac Sustainability Panel and Trustee of the Greenshoots Foundation Trust. From 2006 -13 he was chair of the Commission for a Sustainable London 2012, a ground breaking assurance body directly advising the Mayor of London and Olympics Minister.

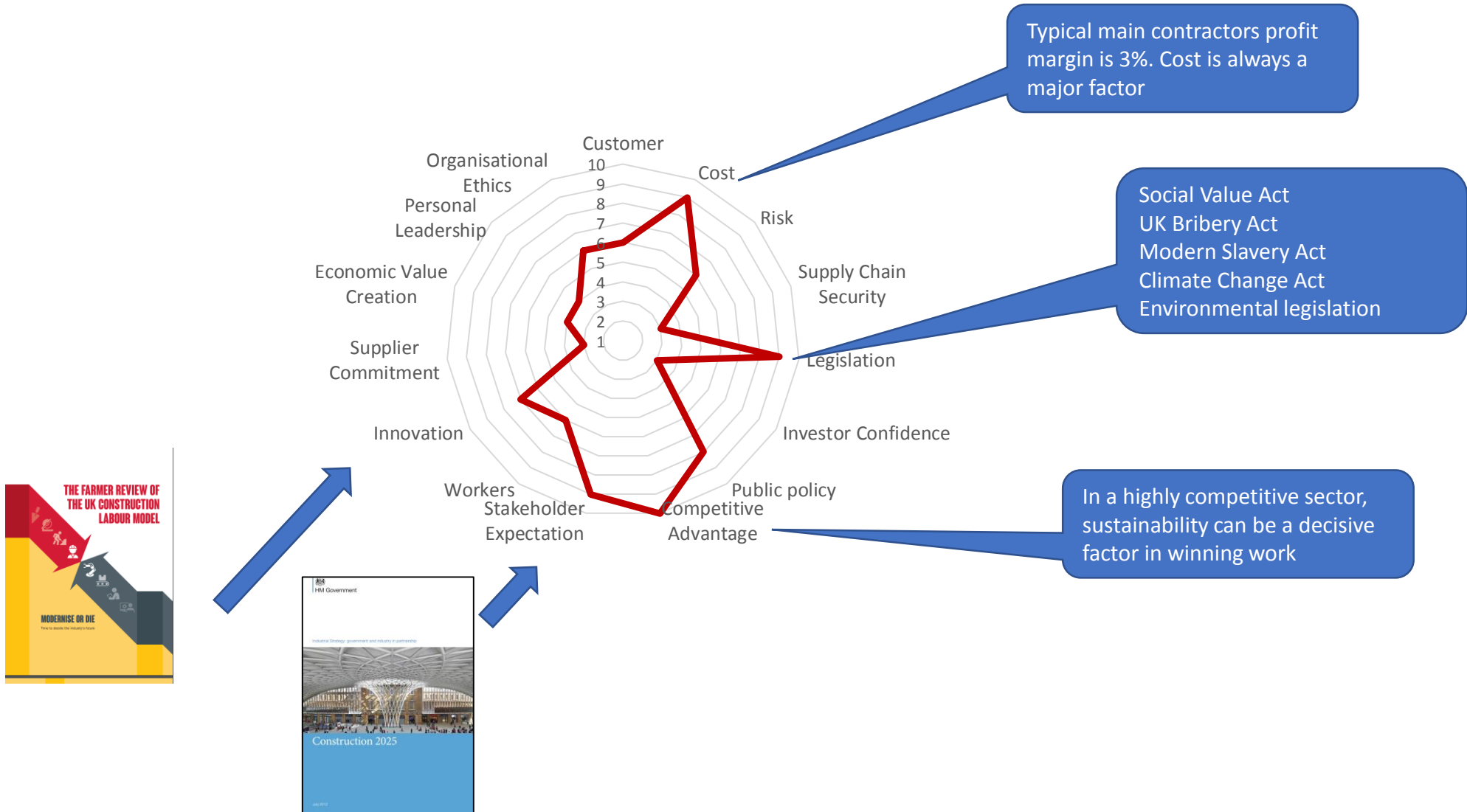
Shaun has over 20 years senior management experience with large companies and 12 years' experience as an independent advisor to a wide variety of corporations and governments around the world.

In addition to his OBE, he is Fellow of the Royal Society of Arts (FRSA), a Fellow of the Institute of Environmental Management and Assessment (FIEMA) and a member of the Chartered Institute of Purchasing and Supply (MCIPS).

Shaun can sometimes be found floating along the Thames in his boat.



Drivers for the UK construction sector





300%
42,000
Apprentices

33%
Less cost

50%
less time

50%
less CO2

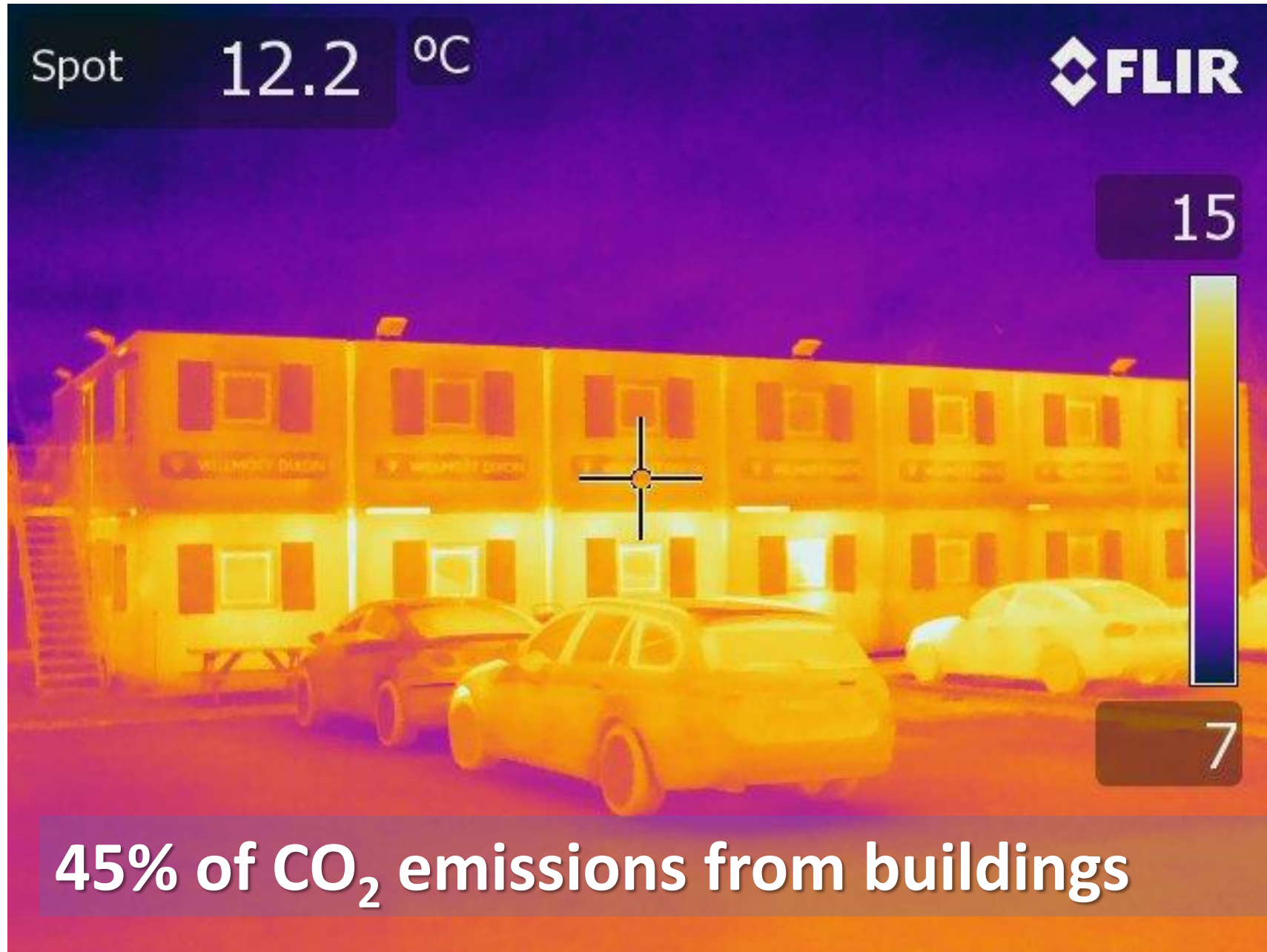
Modernise or die

“The challenge the report sets us is to do things differently – to reduce the reliance on building in the same way that we have for decades if not centuries, with its heavy demand for on-site labour. We will not have the labour force to deliver what the country needs by working in those ways, and those ways will not create enough added value for clients or suppliers to allow construction firms to prosper, and make those investments in our people and performance.”

Andrew Wolstenholme OBE

Co-Chair, Construction Leadership Council





6 tonnes of material for every person in the UK





Still lots of waste . . .

There is a growing skills shortage



How can procurement help?





ISO 20400

ISO20400.org is a not-for-profit, free to access platform which aims to develop a global community of practice around ISO 20400 and sustainable procurement.

On this site you can learn about ISO 20400, self-assess your organisation or post content to share your knowledge.

[About ISO20400.org >](#)



[Articles >](#)

Apr 5 2017 / English

Analysing snowflakes in a blizzard

Following a BSI forum on reporting, Consultant Alex Giles provides an update on the current landscape of reporting, and where...

[Articles >](#)

Apr 5 2017 / English

Who says collaboration is difficult?

An example of collaboration in the UK construction sector to respond to the Modern Slavery Act "The supply chain sustainability school since..."

Hot topics

See resources contributed from around the world of how to build sustainable procurement into everyday life.

View all hot topics >

Get involved and post content

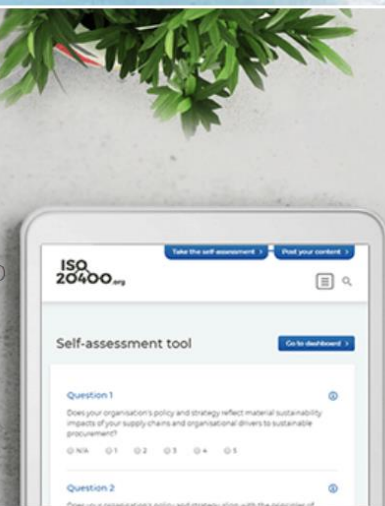
Post documents, videos, webinars and links in any language. Simply register using the link below and start posting content to share your experience with the world.

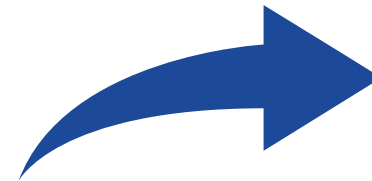
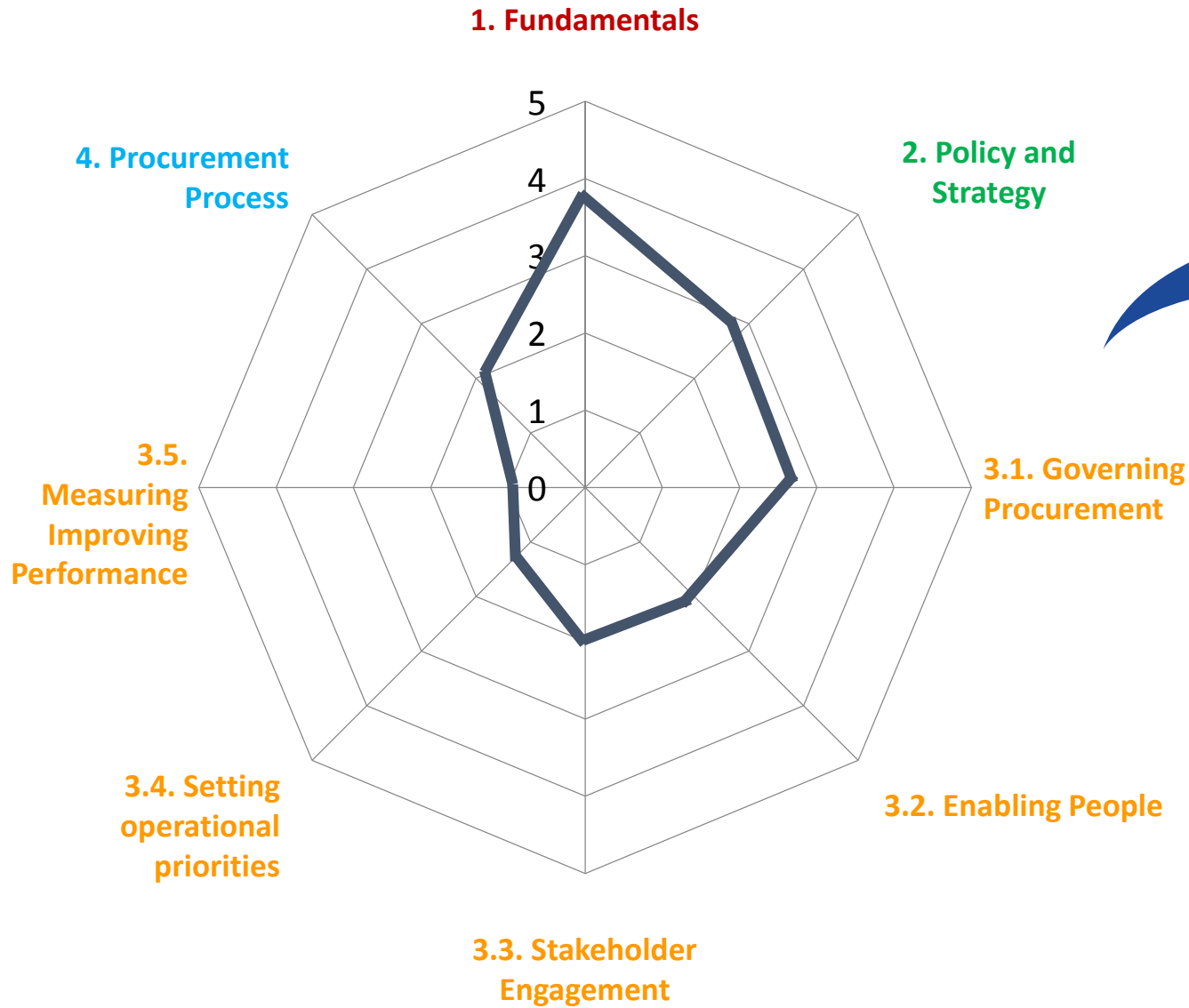
Sign up to post content >

Take the self-assessment in just 20 questions

You can self-assess your organisation's progress towards alignment with ISO 20400 by answering 20 simple questions.

Take the self-assessment >





**ISO
20400.org**

**The new website with online
Gap Analysis tool will be
available April 2019**

39 assessed organisations

Australia



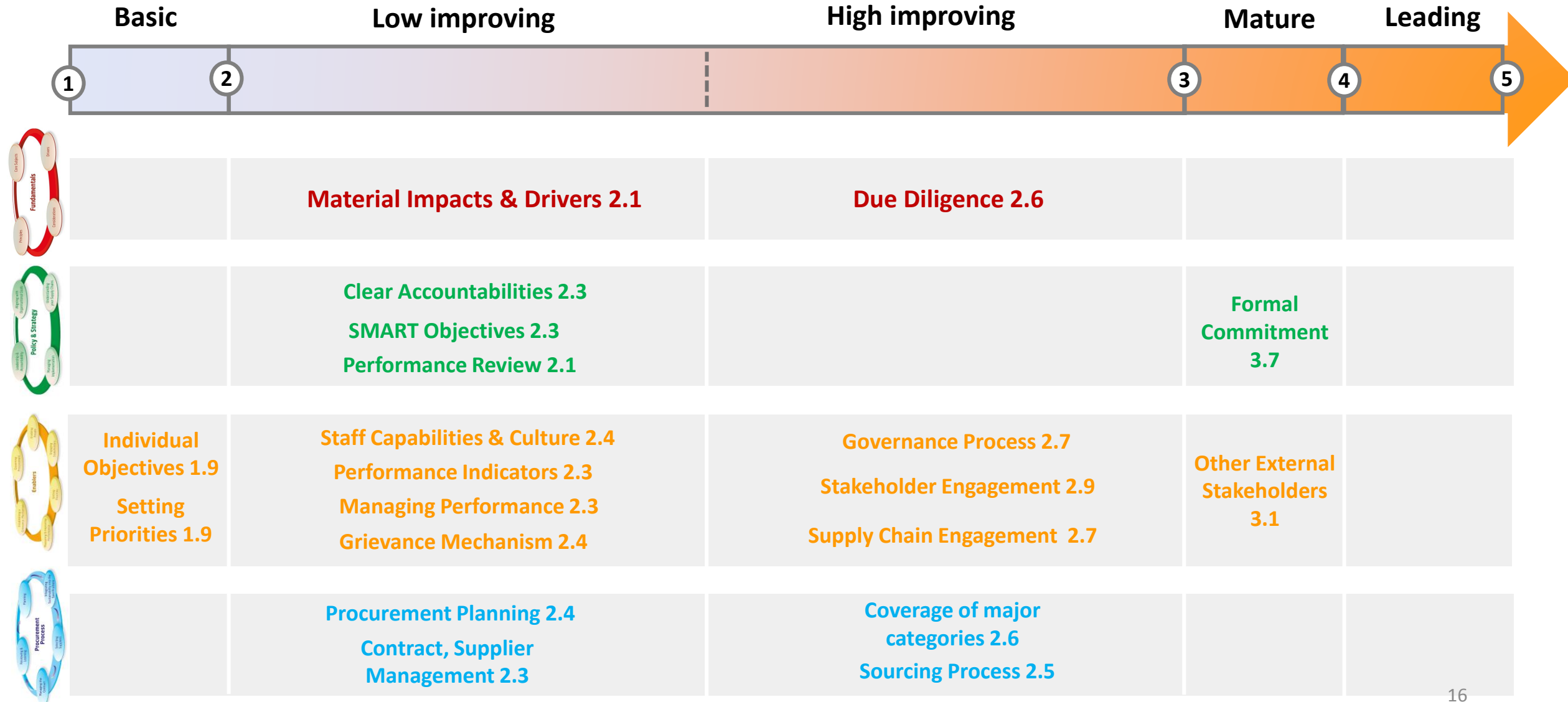
Hong Kong



United Kingdom

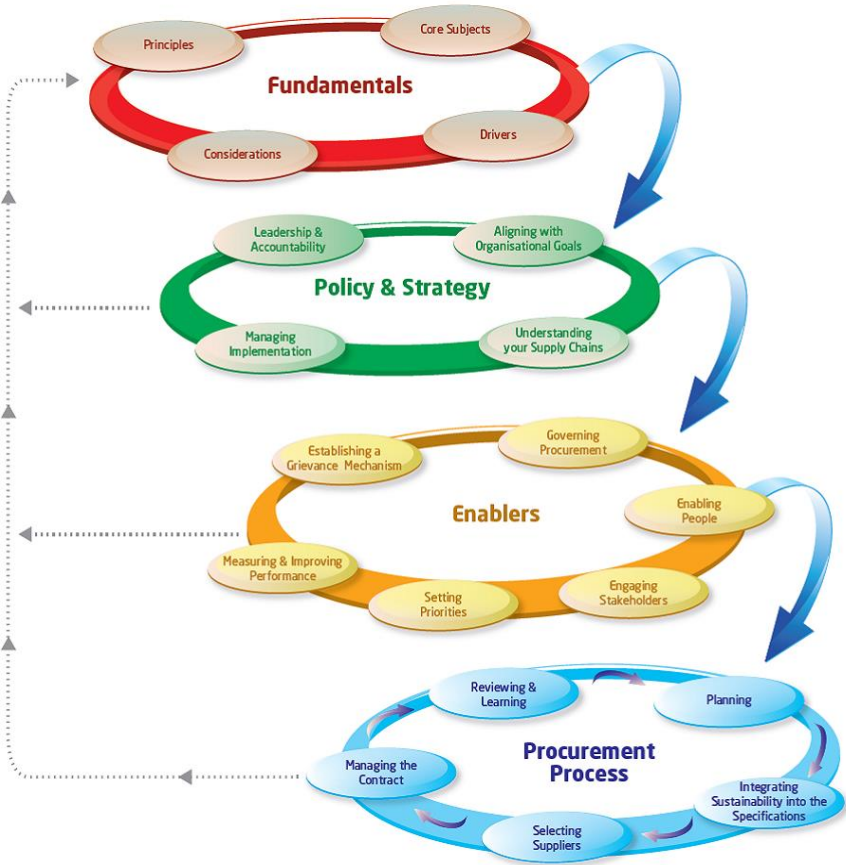


Benchmark Summary – View per ISO 20400 section



ISO 20400: 2017 Sustainable Procurement Framework

Who is doing this well?





Thameslink
£7Bn rail infrastructure project
2011-18





What TLP has put into the community

1
National Skills Academy
established



We're an employer partner in
1
University Technical College

Something for
EVERYONE!

Our people have worked to support skills development, career ambition and safety at:

12
primary
Schools

21
secondary
Schools

3
SEN
Schools

5
colleges

3
universities



And 3 prisons



At least
159
job opportunities
shared with people around
major works

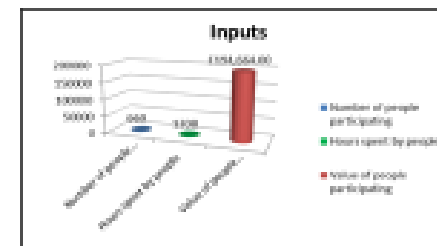
Wages of
c. £5m per annum
offered by job opportunities
shared with people around
major works

5
Supply chain
opportunity briefings
provided to businesses in
and around Southwark

131
community
activities
detailed since
January 2015



People from
26
different companies
have contributed to this social value work





What we've done for the community

89
new apprentices
recruited at London Bridge
of whom **just 3** have left our
employment
+ unknown number of current
apprentices gained experience across
our sites



Over
282
people
around major works
provided with
new jobs or skills

60
previously unemployed Southwark
residents
entered and remained in work
for at least 6 months

Young people and job seekers
provided with **career advice**
at more than
32
events

79 certified construction skills
courses completed by people wanting to
enter the industry

**11 NVQs &
72 short courses**
successfully completed by
unemployed Southwark residents



Over
£76k cash
fundraised and donated
to charities



Building materials, clothes, food,
bricks, wood and timber, furniture
and **buckets of clay donated** to local
artists, local charities and the people they help



Impact of our activities in communities

Social value of 60 unemployed people sustaining full time employment

£862,800

(plus £1,020 each for any that have children aged 11 to 15)

Social value of creating 89 apprenticeships in London

£334, 996

12 of 83 **apprentice**

recruits at London Bridge have successfully completed apprenticeships, so far:

12

now in skilled, full-time employment

We've helped make the annual **Bermondsey Street Festival** great for **local businesses** and **thousands of people** by loaning and moving crowd control barriers in and out of position, having a stall and moving a 3.5 tonne statue

BERMONDSEY STREET SE1
LONDON BOROUGH OF SOUTHWARK
FESTIVAL



We've made improvements to **parks and open spaces**, so that they are **pleasanter places for local people to visit and enjoy:**

- Brockwell Park
- Camley Street London Natural Park, Kings Cross
- Cross Bones Community Garden, Southwark
- Millennium Green Park, Cricklewood

Streatham Common

Union Street community garden & playground, Southwark

- Whites Grounds Estate gardens, Southwark

Social value of NVQs, short & certified construction skills courses: **£352,884**

We've helping young people to **aim high** and **stay safer:**





Social Return on investment

"I heard about the Thameslink Apprenticeship through a company called A4E who were part of the Work Programme from the Job Centre.

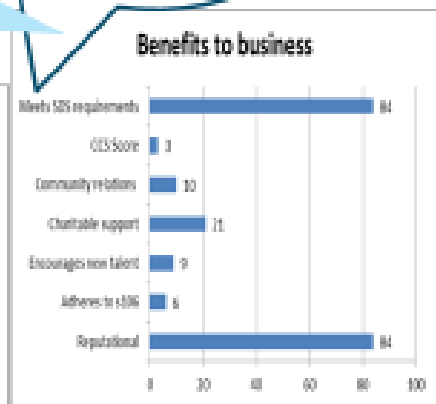
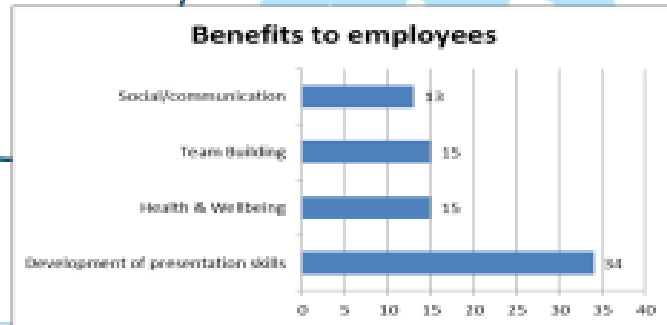
"On behalf of Walworth Academy and our Year 10 students I would like to thank you so much for allowing us to visit you at Costain last Monday. It was such a great experience and our students were really buzzing after the trip... the students really walked away thinking about their options and further building their aspirations and directions..."

"I decided where I wanted to be... which is a Project Manager. I sat down with the Project Manager at Cricklewood and he helped me plan a route to achieve my goals. So once again I became an apprentice for Carillion but as an Assistant Quantity Surveyor, which is my first step... My expectation and family's expectation for my future is to become a project manager within Carillion."

At the end of the 10 week GO4SET programme, involving 54 students (48% female) in 4 secondary schools 100% of teachers said support was relevant and beneficial to students and beneficial to their own professional development

"Thank you for your support with the engineering project and the presentation yesterday. The [6th form] students have gained valuable experience doing this project. They have had the opportunity of working with seasoned professionals such as yourselves and have experienced engineering in the real world. I am sure they will use the lessons learnt through this project to advance their careers." Head of 6th form engineering

£1.6m added value clearly measurable

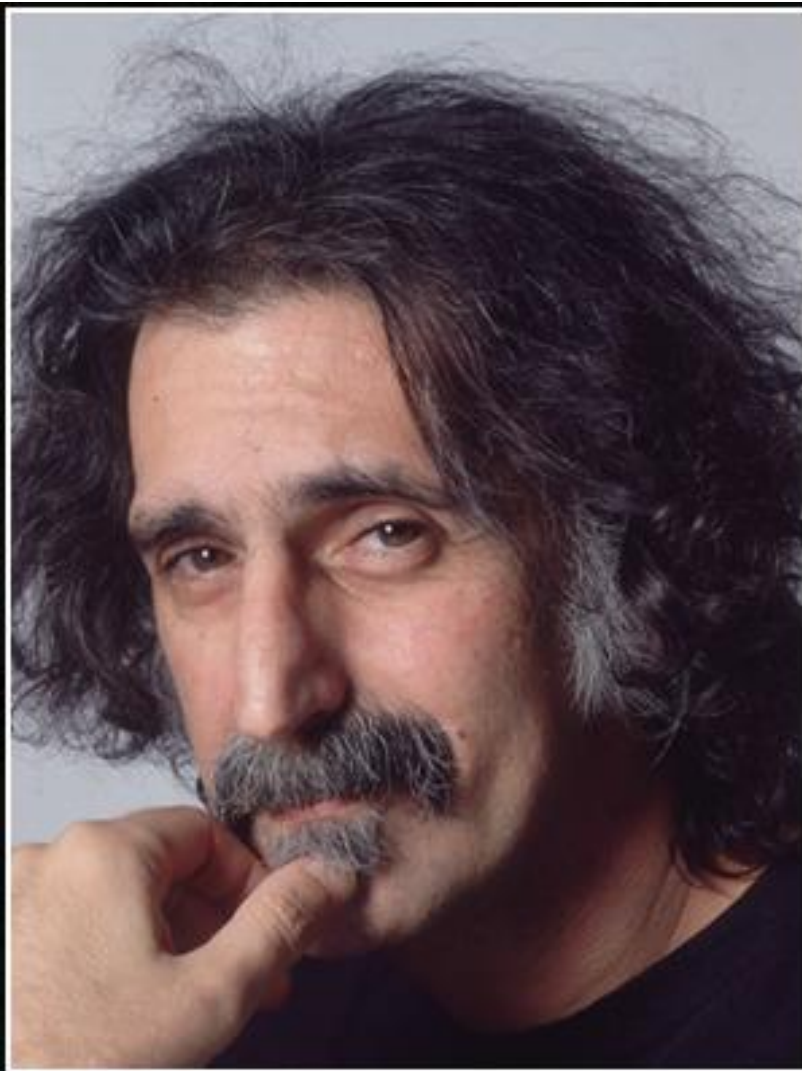


What did we learn?

- Social value can be secured, through the supply chain, through collaboration and effective supplier relationship management - even when it has not been included in an initial tender process
- Social value requires commitment, from leaders and many others in the business
- Embed in project reporting systems
- Make the link between individual work packages and sustained employment



Balfour Beatty



One size does not fit all.

— *Frank Zappa* —

AZ QUOTES

Organisational Drivers

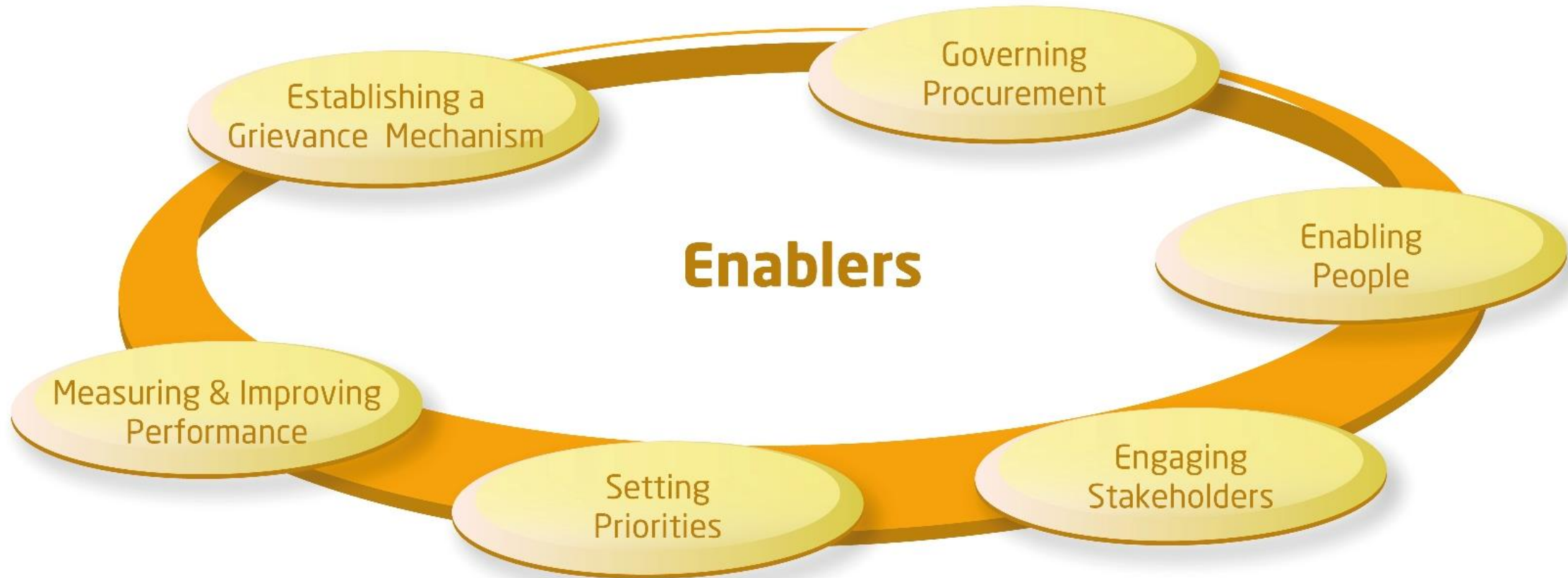




Hot off the press



Published March 2019



Spand category	Sustainable Construction	Environmental Management	Health & Safety	Climate Change	Waste	Water	Biodiversity	Social Responsibility	Economic & Community
Site Preparation	Red	Yellow	Green	Green	Red	Yellow	Red	Red	Red
Demolition & Clearance	Red	Yellow	Green	Green	Red	Yellow	Red	Red	Red
Land Reclamation	Red	Yellow	Green	Green	Red	Yellow	Red	Red	Red
Site Investigation	Red	Yellow	Green	Green	Red	Yellow	Red	Red	Red
Groundworks	Red	Yellow	Green	Green	Red	Yellow	Red	Red	Red
Building & Civils	Red	Yellow	Green	Green	Red	Yellow	Red	Red	Red
Concrete works	Red	Yellow	Green	Green	Red	Yellow	Red	Red	Red
Steelwork	Red	Yellow	Green	Green	Red	Yellow	Red	Red	Red
Road & Bridgeworks	Red	Yellow	Green	Green	Red	Yellow	Red	Red	Red
Stone & Brickworks	Red	Yellow	Green	Green	Red	Yellow	Red	Red	Red
Tunnelling	Red	Yellow	Green	Green	Red	Yellow	Red	Red	Red
M&E Services	Red	Yellow	Green	Green	Red	Yellow	Red	Red	Red
Building Finishing	Red	Yellow	Green	Green	Red	Yellow	Red	Red	Red

Setting Priorities

Spend category
Trains
Energy
Buses
Cleaning
Repair & Maintenance
Employees
Uniforms
Office equipment
Offices & depots
FM
Catering ...

Sustainable Procurement Policy

Categories **Impacts**

Environment

Ethics

Socio-Economic & Community



Workshop

Consider inherent impacts/risks

- Relative magnitude of impact/risk
- Scope for improvement
- Leverage to improve

Typical group

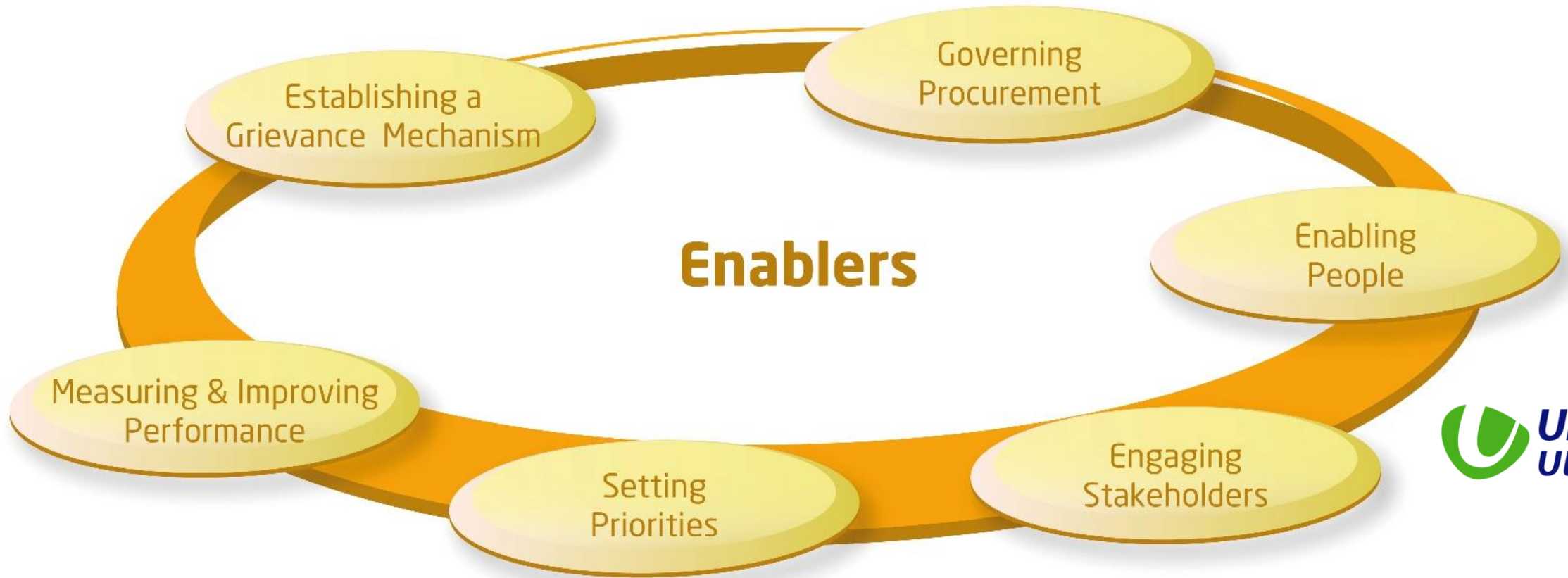
- Supply chain
- Production
- Quality
- Sales
- HSE

Heat Map

Spend category	Sustainable Construction	Sustainable Procurement	Environmental management	Responsible sourcing	Climate change	Waste	Water	Biodiversity	Social responsibility	Economic & community
Site Preparation	Red	Yellow	Red	Green	Green	Red	Red	Red	Red	Red
Demolition & Clearance	Red	Yellow	Red	Green	Green	Red	Red	Red	Red	Red
Land Reclamation	Red	Yellow	Red	Green	Green	Red	Red	Red	Red	Red
Site Investigation	Red	Yellow	Red	Green	Green	Red	Red	Red	Red	Red
Groundworks	Red	Yellow	Red	Green	Green	Red	Red	Red	Red	Red
Building & Civils	Red	Yellow	Red	Green	Green	Red	Red	Red	Red	Red
Concrete works	Red	Yellow	Red	Green	Green	Red	Red	Red	Red	Red
Steelwork	Red	Yellow	Red	Green	Green	Red	Red	Red	Red	Red
Road & Bridgeworks	Red	Yellow	Red	Green	Green	Red	Red	Red	Red	Red
Stone & Brickworks	Red	Yellow	Red	Green	Green	Red	Red	Red	Red	Red
Tunnelling	Red	Yellow	Red	Green	Green	Red	Red	Red	Red	Red
M&E Services	Red	Yellow	Red	Green	Green	Red	Red	Red	Red	Red
Building Finishing	Red	Yellow	Red	Green	Green	Red	Red	Red	Red	Red

Category plans

Enablers



Staff Capabilities & Culture

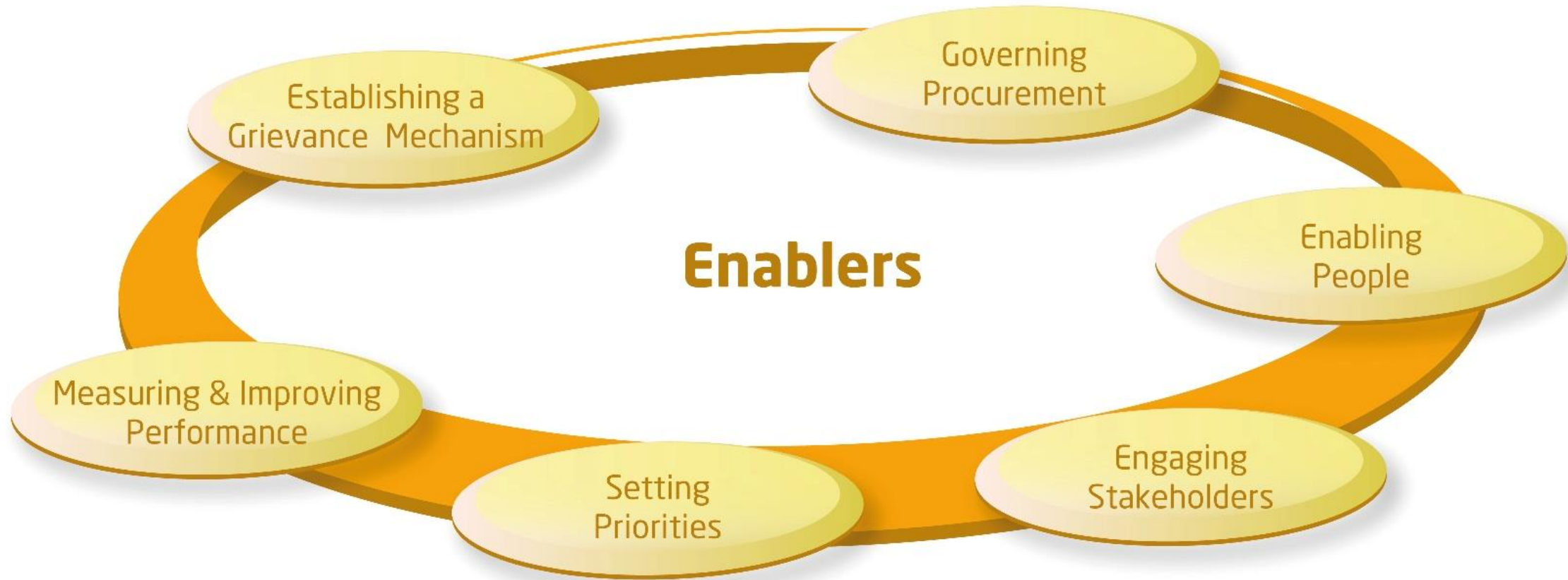
- Procurement people are not experts in everything!!
- They will need **support** for some of their work where deep expertise is needed



For example,
We facilitated **critical category groups** for United Utilities and provided a **monthly coaching service** to deliver cost effective on the spot advice. Over 2 years their positive procurement staff survey results doubled for sustainability and their staff turnover halved



Enablers



Supply Chain Engagement



86 Partners leading our work



IMPACT ON SUSTAINABILITY

37%



reduced carbon emissions

48% agree the School helped achieve this

40%



reduced waste

56% agree the School helped achieve this

63%



increased modern slavery understanding

82% agree the School helped achieve this

37%



increased understanding of fairness, inclusion & respect

85% agree the School helped achieve this



increased community engagement

66%

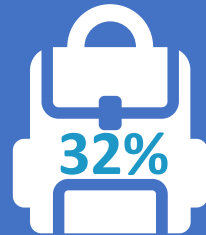
agree the School helped achieve this



increased understanding of responsible sourcing

81%

agree the School helped achieve this



increased apprentice numbers

44%

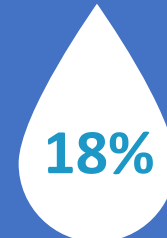
agree the School helped achieve this



improved air quality

54%

agree the School helped achieve this

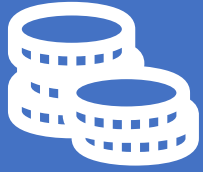


reduced water consumption

50%

agree the School helped achieve this

SCHOOL IMPACT ON BUSINESS PERFORMANCE



45%
REDUCED
COSTS



43%
WIN NEW
BUSINESS



58%
MORE
COLLABORATIVE



73%
BETTER
UNDERSTANDING OF
SUSTAINABILITY



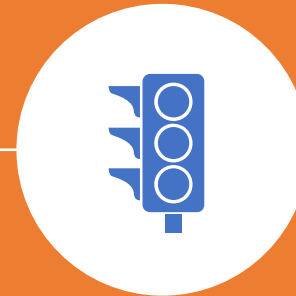
25%
RETAINED
TALENT



56%
BETTER
RELATIONSHIPS
WITH SUPPLIERS



52%
IMPROVED QUALITY
OF BIDS



53%
REDUCED
REPUTATIONAL RISKS

Western Sydney Parklands + Muru Mittigar

An example of social procurement project



Social Procurement project:

- Western Sydney Parklands buying economic and social value through normal procurement processes
- Through the contract, Muru Mittigar employs disadvantaged indigenous youngsters to regenerate bushland.
- They train them so that they can enter the ‘normal’ job market after two years of experience in their organisation.

Snapshot of Muru Mittigar’s social projects:

- \$3.7M annual turnover, 32 FTEs
- 87% success rate for full time Indigenous employment after 2 years commencement
- 85% of all staff are Indigenous, 80% of senior management are Indigenous, 100% of Board are Indigenous



Participants

- 50 recognised aboriginal businesses
- 3 contract partner organisations
- 4 government organisations
- Facilitated by Sydney Metro team

Agenda

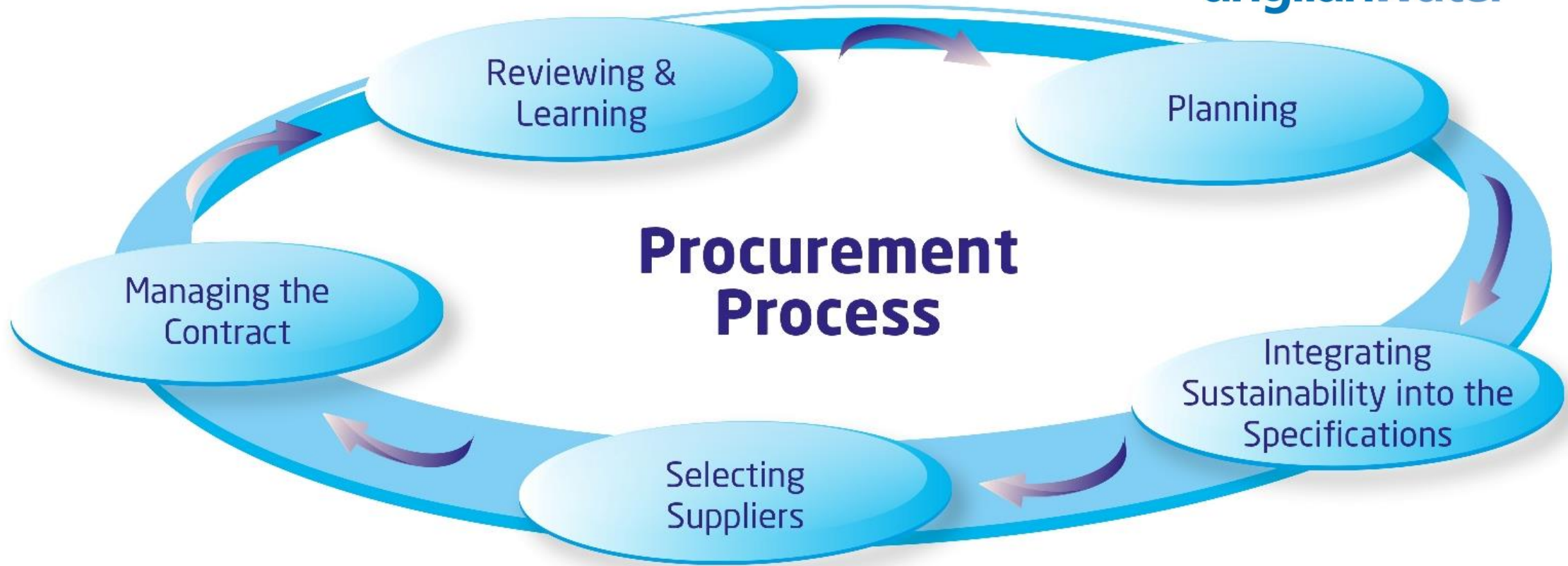
- Overview of Sydney Metro and Aboriginal Participation Strategy
- Overview of contract partners and internal scopes of works and possible business opportunities
- Networking session

Forum objectives

- Become more inclusive of Aboriginal business within the program supply chain
- Understand the capacity of Aboriginal business
- Develop relationships with Aboriginal business representatives and organisations
- Provide awareness of opportunities that exist on Sydney Metro programs across current scopes of work
- Inform future participation forums and content of business capacity programs



anglianwater

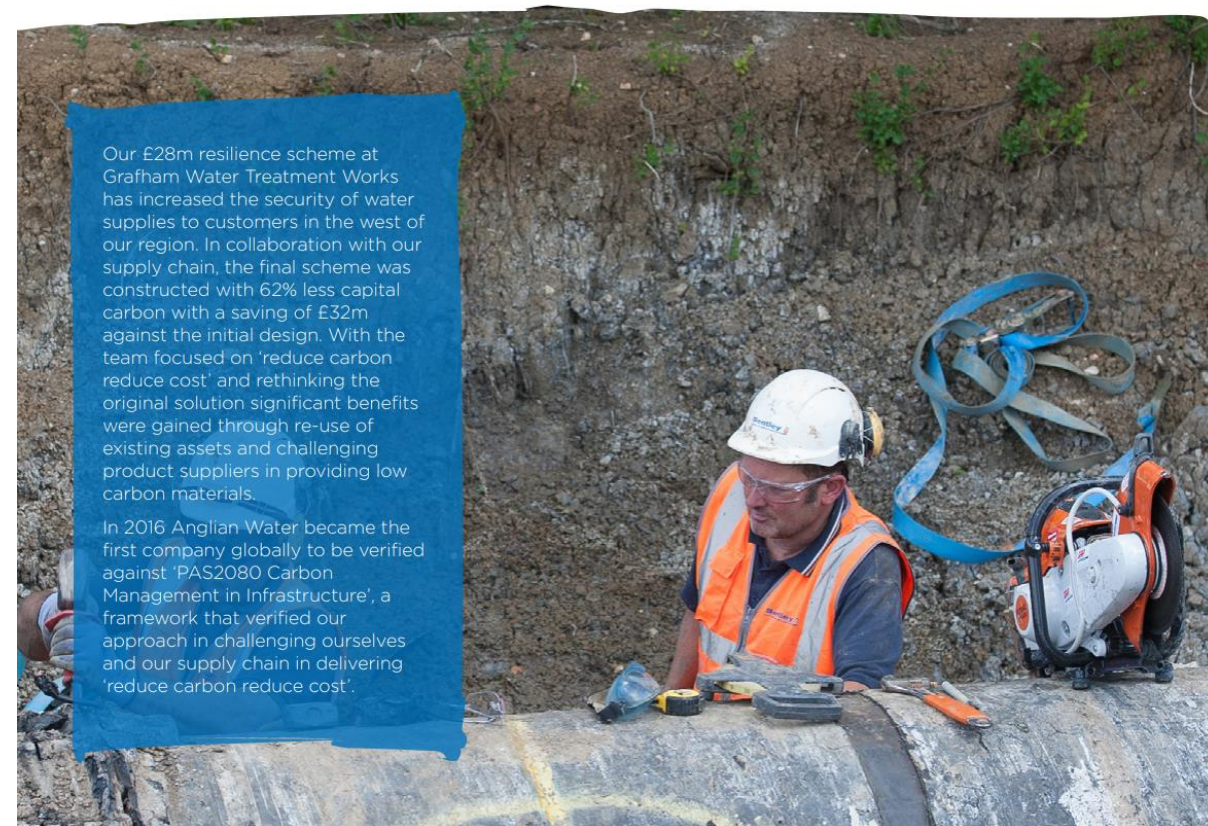


Procurement Planning

- Anglian Water set objective to reduce capital carbon by **50%** by 2015 against a 2010 baseline.
- ✓ Achieved **54%** and have raised the bar to go to **65%**.
- ✓ Significant cost savings achieved. This one project alone saved **£32M**.



GREENHOUSE GAS EMISSIONS ANNUAL REPORT 2017



Natural Stone | Risk and Priority integration

	CRITICALITY ASSESSMENT					H&S		PEOPLE & COMMUNITY			ENVIRONMENT & CLIMATE CHANGE				Governance		SPECIFIC ISSUES			
	Value of Spend / Supplier	Non Substitutable or Critical components	High Dependence Supplier	High CSR Impact	Critical Commodity?	Safety	Health	Labour Practices	Learning & Development	Community Involvement	Energy / CO2	Environmental Stewardship	Resource Efficiency	Water	Circular Economy	Economic Growth	Governance & Ethics	Conflict Minerals <small>Are Tin, Tantalum, Tungsten or Gold a major component in the commodity?</small>	Country Risk <small>(Russia, India, China (or Sanctioned country))</small>	Supply chain complexity <small>How many tiers does the supply chain consist of?</small>
RISK	Lo	Lo	Lo	Hi	Yes	6	6	9	6	4	6	9	6	4	6	6	9	No	Yes	T3
PRIORITY						36	36	81	12	8	24	36	12	16	24	24	81			

SUPPLIER ACCREDITATION REQUIREMENT	TFT Responsible Stone Program
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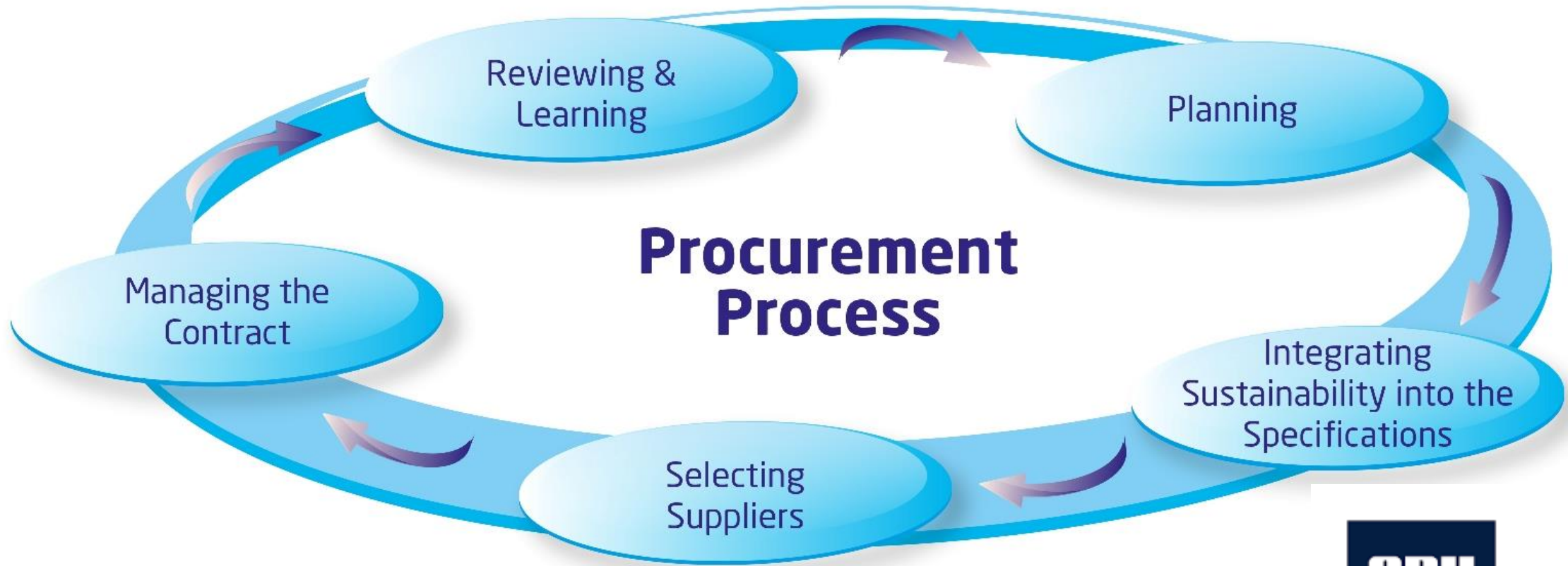
RISK & PRIORITY NARRATIVE:

Natural stone products is a critical commodity in terms of its high CSR impact to CRH. There are 3 key Risks and Priority aspects that need to be addressed as part of the Category Strategy plan.

- **Labour Practices** – Where there is a complex supply chain (Tier 3 / Tier 4) that extends in to high risk countries understanding and confirming the labour practices that are employed throughout the supply chain is critical from a reputational perspective but also to meet the expectations set out in the SCoC and which we will begin to provide transparency over in the CRH modern Slavery Act statement.
- **Governance & Ethics** – Compliance to international Anti Bribery and corruption laws need to be demonstrated by all tiers of the supply chain. Legal permission to extract stone also needs to be in place for all source quarries.
- **Safety, Health & Environmental Stewardship** - All standards need to meet the CRH SCoC requirements and we should extend our knowledge in this area to support an overall improvement of standards in these areas.

NATURAL STONE | COMMODITY SUSTAINABILITY TARGETS & OBJECTIVES:

1. Expand the TFT Responsible Stone program to cover ... As discussed at Rudus visit:
 - All Tier 1 suppliers to complete and sign SCoC Questionnaire
 - All Tier 1&2 Manufacturers to under go TFT RS audit.
 - All existing TFT manufacturers to step up to next level in the process (Baseline audit -> Level 0 -> Level 1 -> Level 2)
 - 100% Tier 2 suppliers to be working at TFT RS L1 assessment level by End 2018.
2. Establish Supply chain map initially a Rudus / Finland level but then expand across European Divisions. (RF)
3. European Spend analysis for Natural stone.
4. GDS CSR resource confirmed to support TFT audit team and Supplier development activity
5. Continued group financial support of auditing standards.





Optimising Tyre Remoulds

Kaltire had worked with us for a number of years will supporting us to adopt successful practices such as:

- Demand forecasting and stock management
- Tread monitoring
- Tyre performance and benchmarking
- Tyre failure analysis
- Tyre pressure monitoring

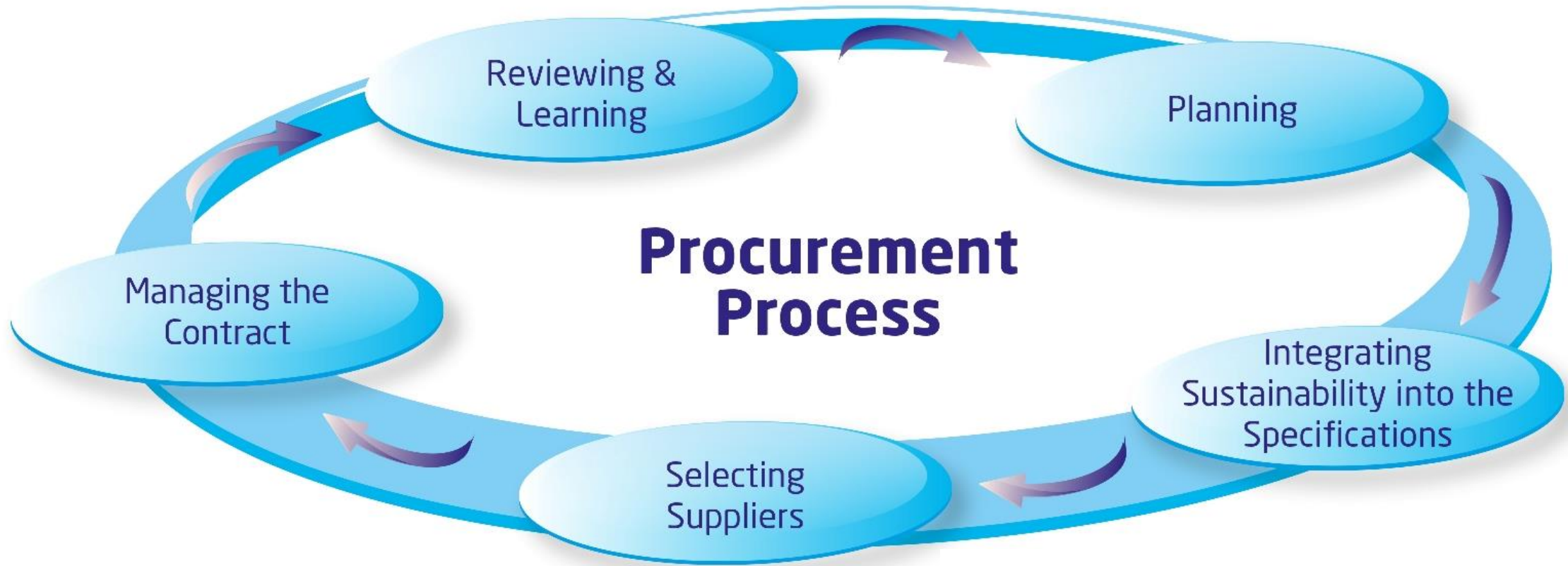
This work has helped us optimise our HME fleet but also put in place the foundations to enable further improvements such the redirection of new tyre purchases to remoulded tyres but only in situations where the maintenance program, operating environment and wear profile meet the right parameters.

The main constituent costs and energy used to produce a HME tyre is within the steel casing used to provide strength. If this can be preserved significant costs and energy savings can be made

Supplier led coaching and development of onsite managers and operators to enhance the operational conditions and driving behaviours required to optimise the opportunity to utilise reconditioned tyres and instilling confidence in the enhanced quality of the reconditioned tyres.

300 Tons of CO ₂ Saved	72% Casings recycled (x4)	£223k Project Saving	-15% Tyre Failures
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Integrating CSR into the Global Paper Bags Tender

As the Procurement 5 Streams strategy continues to deliver Paper Bags is an area where we have been able to organise for success. CRH uses 300 million paper bags world wide to package our products which consumes 20,000 tonnes of paper – this equates to a spend of €46m and half a million trees.

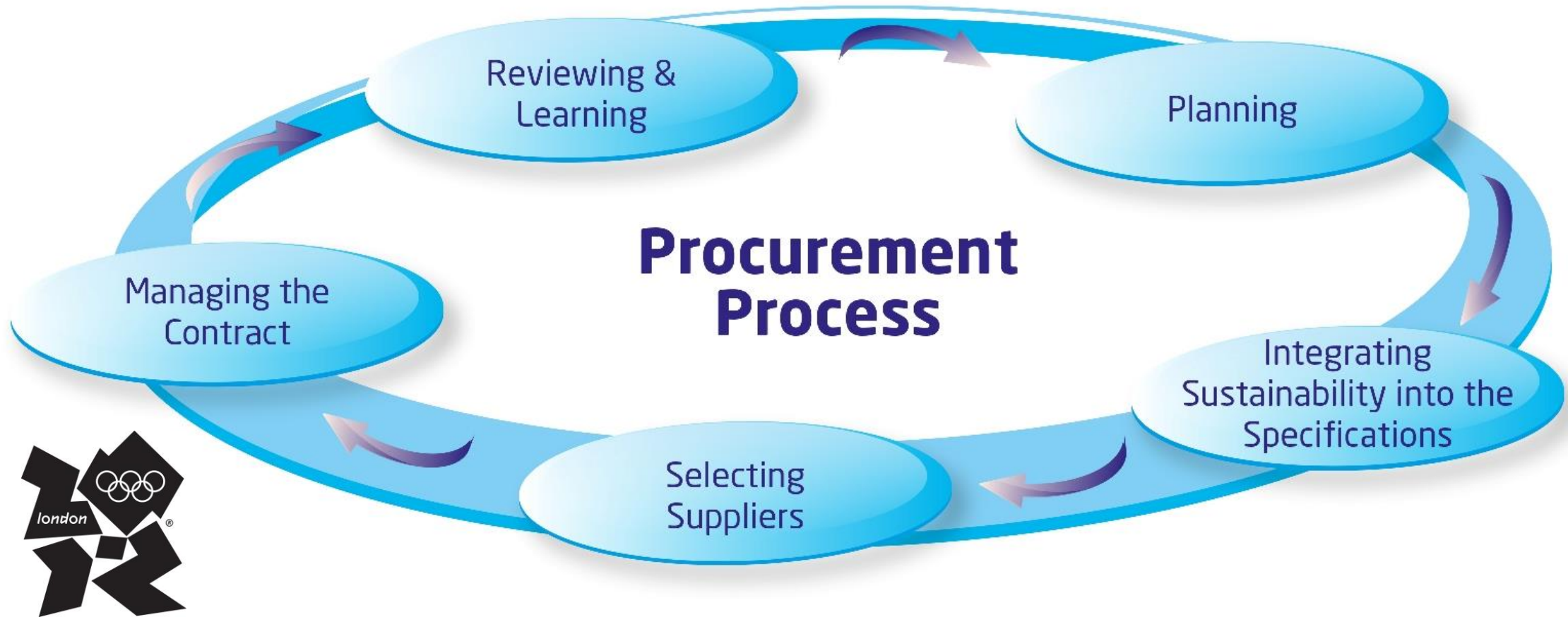
The category team have undertaken a risk and priority analysis of the CSR impacts and built these requirements in to the tendering process they concluding. After ensuring that our minimum expectations are met they ensure CRH captures the sustainability performance and innovation of the market leaders to optimise paper weights used while maintaining the integrity of the bag. The team are challenging others to build their capacity to meet the highest environmental and forestry standards through increased competition and supplier relationship management.

Targets

Sourced to FSC/PEFC or Equivalent standard

2017	2018	2020
18	40	100



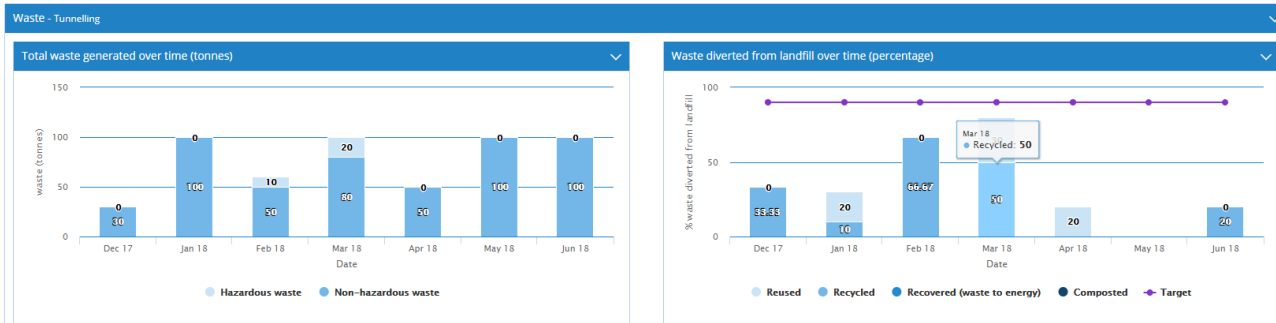
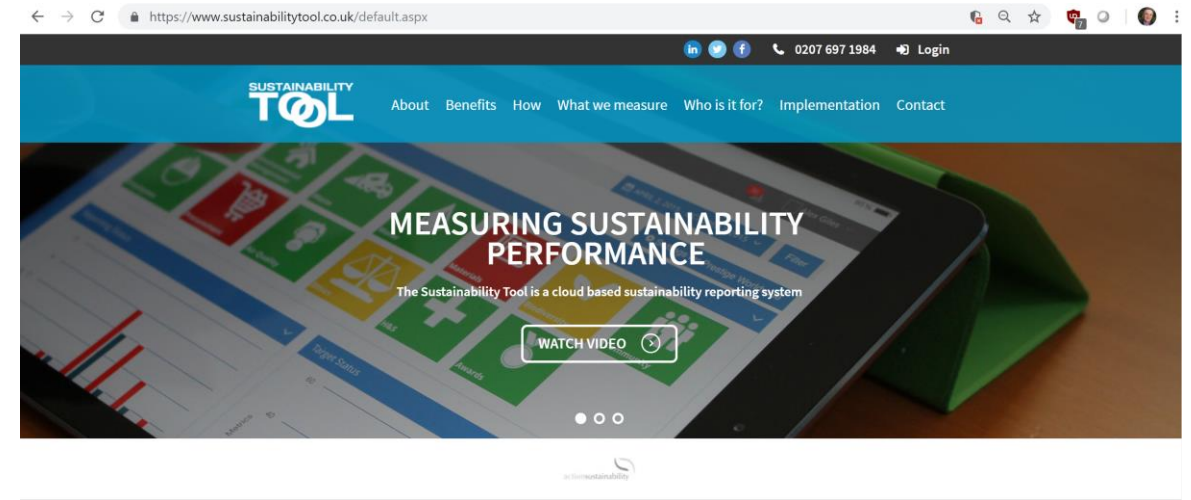
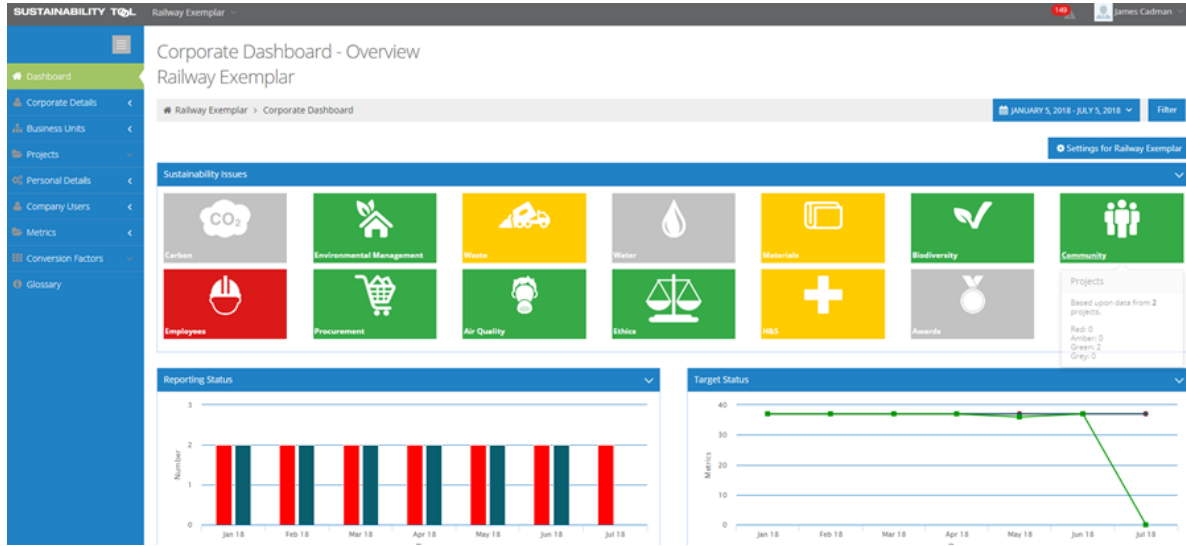


Contract and supplier management

- The London 2012 Olympics **seriously** enforced sustainability requirements through their construction supply chain and required **monthly reports** from all suppliers.
- Sustainability performance was integrated into a sophisticated risk management process.
- There was no online product to enable this to happen. This gave rise to a spreadsheet jungle and inspired us to develop our Sustainability Tool.
- It also helped tier 1 contractors to understand that their supply chains need capacity development to be competent to deliver challenging sustainability objectives.



Using a cloud based performance system



www.sustainabilitytool.co.uk

And finally.....

Sustainability should not cost you more.

But bad procurement will.

Shaun McCarthy OBE

2015



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