

Our influence

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) STRATEGY

ENGINEERING | ENERGY | SUSTAINABILITY

OUR INFLUENCE

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A WORD FROM OUR CEO

Welcome

Our purpose – a force for good

Our purpose is driven by being a force for good, for our people, our communities, our planet, and for society as a whole.

The opportunities we create for our people, the long-term value we deliver to society, and the impact our work has on the environment, is what matters to us.

Both in the UK and further afield, the impact of climate change is obvious. It's incumbent on all of us, from government, to business, to each of us as individuals to take responsibility and create change to address this situation for future generations.

For Hydrock, as a business, we have the opportunity to be creative and bold with our design solutions for clients to drive long term value, eliminate impacts, and deliver climate resilient places and infrastructure. But also, as a responsible business employing 700 people across the UK, it's vitally important that we minimise our own impacts and support the communities we live and work in. This stewardship has to be at the heart of every responsible organisation.

We've captured our own commitments and achievements to date in this *Environmental, Social and Governance (ESG) Strategy Report* – **our first ever ESG report**. I encourage you to read it and to support and engage in the activities and targets presented in this document.

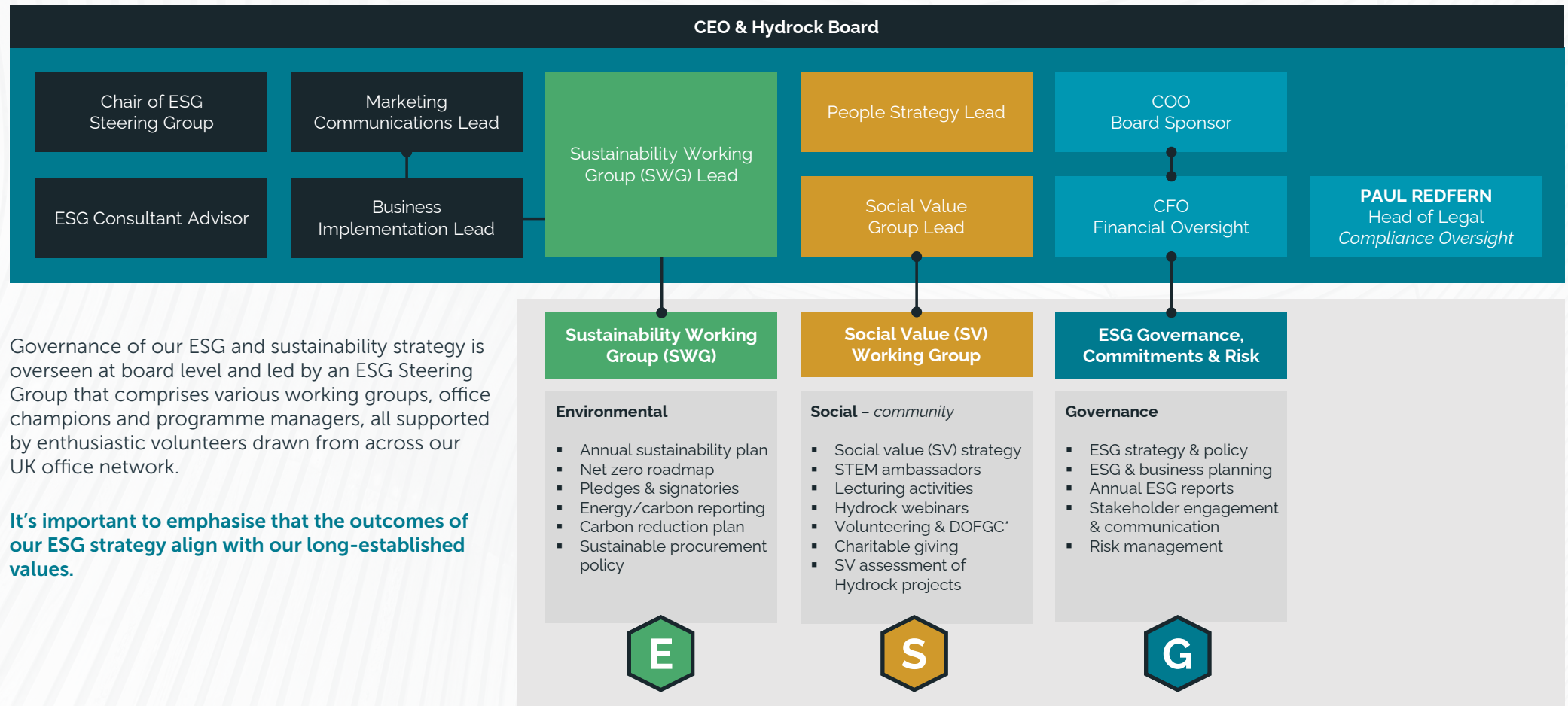
I hope you will join us on our journey and drive us forward to make a positive influence on the world around us.

Dr Brian McConnell
CEO, Hydrock



GOVERNANCE

ESG steering group



Governance of our ESG and sustainability strategy is overseen at board level and led by an ESG Steering Group that comprises various working groups, office champions and programme managers, all supported by enthusiastic volunteers drawn from across our UK office network.

It's important to emphasise that the outcomes of our ESG strategy align with our long-established values.

*DOFCC: Day Off For Good Causes

* DOFGC = day off for good causes

We are Hydrock

Committed to being
a force for good.

ALMONDSBURY
BIRMINGHAM
BRISTOL
CAMBORNE
CARDIFF
EDINBURGH
GLASGOW
GLOUCESTER
HALE
LEEDS
LONDON
LUTTERWORTH (KTA)
MANCHESTER
NEWCASTLE
NORTHAMPTON
PLYMOUTH
PLYMPTON (KTA)
SOUTHAMPTON
STOKE-ON-TRENT
TAUNTON



British owned integrated engineering design, energy and sustainability consultancy



Specialists in sustainability and energy strategies; MEP and BREEAM; structural and civil design; fire engineering; site investigation and geotechnical design; air quality and acoustics; transport planning



Staff based in 20 key locations across the UK, including: London, Manchester, Leeds, Glasgow, Birmingham, Bristol, Cardiff and Southampton



With you from initial site due diligence, through planning support, detailed design, construction overview and handover



Committed to be a net zero business by 2030



Signed up to the *Science Based Targets initiative* (SBTi)



Eight consecutive years in the *100 Best Large Companies to Work For*

Driving sustainability outcomes

Our approach

Our ESG and sustainability strategy adopts the five capitals model for sustainable development and therefore considers all key factors required for achieving/measuring a sustainable development; i.e., human, social, economic, natural and physical capital. This is a holistic results-driven framework for sustainability and aimed at delivering tangible benefits, experiences and outcomes for users, owners, developers, the environment itself, and the wider community/society.

For our business, we translate this as:

- » Our people – human capital
- » Our community – social capital
- » Our projects – economic capital
- » Our planet – natural capital
- » Our operations – physical capital

Global alignment

In addition to being aligned to our 10 core values, the five pillars of our ESG strategy have also been mapped against the United Nations Sustainable Development Goals (SDG).

We're doing this in order to show our contribution to, as well as our progress against, these international and globally established targets.

Partnership & collaboration

We recognise we are not alone in the quest to respond to the current global imperatives (i.e. climate change, biodiversity loss, health & wellbeing). Therefore, we've sought to walk this journey with other likeminded organisations including local planning authorities, architects, contractors, asset managers/owners and developers alike.

We're always on the look out for opportunities to partner with many more socially-conscious and responsive organisations.



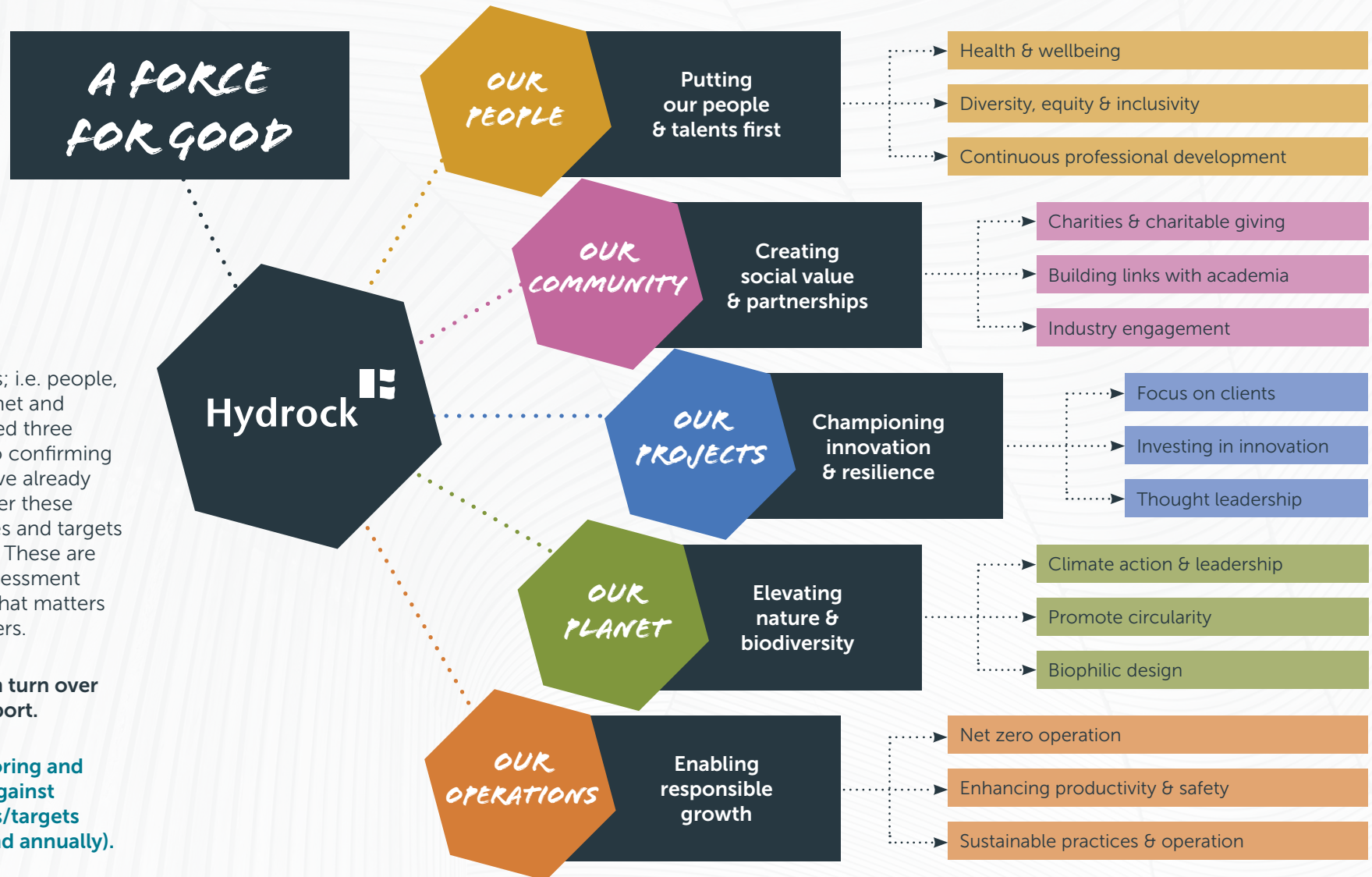
Hydrock's ESG strategy

Targets & commitments

For each of our five pillars; i.e. people, community, projects, planet and operations, we've identified three focus areas. In addition to confirming the excellent work we have already achieved and started under these pillars, pertinent objectives and targets have also been identified. These are based on a materiality assessment conducted to highlight what matters most to us and our partners.

Each pillar is examined in turn over the next pages of this report.

We'll be tracking, monitoring and reporting our progress against the associated objectives/targets periodically (quarterly and annually).





OUR INFLUENCE

Putting our people & talent first

Our focus areas & achievements to date

Health & wellbeing

We've always placed importance on the health and wellbeing of our people. It's demonstrated by our annual Healthy Living Bonus for every employee, our network of health and wellbeing champions to encourage local team activities and investments, and our industry-leading stance on annual leave. This includes being a 'Climate Perks' accredited employer which means we offer additional leave if our people elect to travel on holiday via land or sea, rather than air.

Diversity, equity & inclusivity

Led by our Diversity, Equity and Inclusivity (DEI) Working Group, our focus is centred on supporting and celebrating the diversity of our people. That variety of background and thought is so valuable to the success of our work in creating places and communities that are appropriate for a diverse and inclusive society.

Continuous professional development

We run a comprehensive series of learning and development programmes tailored for staff from graduate/early-career entry through to senior leadership. These programmes place a strong emphasis on behavioural and personal development. In addition, we run mindfulness programmes, and regularly host webinars that offer our people practical advice on subjects such as resilience and mental health.





OUR INFLUENCE

Our people

Ongoing commitments & targets

Health & wellbeing

- » We will seek to maintain our place in the *100 Best Companies to work for* study and continue to conduct annual employee engagement and satisfaction surveys.
- » We'll continue to be a 'Climate Perks' accredited employer and offer additional leave if our people elect to travel on holiday via land or sea, rather than air.
- » We will continue to provide a range of health and wellbeing packages for our employees including, but not limited to: Healthy Living Bonus (HLB), mental health awareness training, family and wellbeing support helplines, etc.
- » We will continue to empower a network of health and wellbeing champions to encourage local team activities and investments.

Diversity, equity & inclusivity

- » We've launched our Diversity, Equity and Inclusivity (DEI) working group and seek to operate an active DEI policy with diversity targets to be set/agreed/monitored across all levels of our business.
- » We will continue to have a 50% target for male-female ratios for graduate, apprentice and intern vacancies.
- » We'll seek to provide disclosures on Pay Gap (Gender, BAME, Disability, etc).
- » We'll roll out mandatory unconscious bias training for all staff with additional training for staff in leadership and management capacities.

Continuous professional development

- » We will continue to develop our people by updating and rolling out relevant internal and external training programmes and packages for all staff.
- » We will continue to actively promote/encourage chartership of relevant professional institutions for our technical staff and set targets for our senior staff.
- » We'll continue to train all staff on health and safety standards.



Why this matters to us

Aligned with these specific values as part of Hydrock's ethos:

#1

We create a genuine, fun atmosphere in our work and a place where people can express themselves.

#2

We believe in the strength of diversity and inclusivity in our workforce.

#5

We respect each other and work for a common goal.

#6

We create an environment where our people can thrive.

#7

We believe our families come first.

Aligned with these specific UN Sustainable Development Goals:





OUR INFLUENCE

Social value & partnerships



Our focus areas & achievements to date

Charities & charitable giving

As part of our ESG commitments, our focus is to implement a consistent and robust social value strategy across our business.

Volunteering and giving something back have always been a core part of Hydrock's values. Every team takes a 'day off for good causes' each year, giving their time to support a local charity or cause in their community. For example:

- **Our Smart Energy and Sustainability team:** walking the talk by helping to plant new trees in partnership with Avon Need Trees (ANT), a charity that buys land to plant and rewild as well as create new, permanent woodland throughout the Bristol-Avon catchment area.
- **Our Manchester and Stoke teams:** helped spruce up the sensory garden at The Seashell Trust, a national charity that supports children and young people with complex learning difficulties and disabilities.
- **Our Marketing team:** Seven members of the team helped the charity Fareshare South West to fill 320 food boxes that'll provide up to 700 meals for vulnerable families in the South West.

Building links with academia & industry engagement

Many of our staff are also STEM ambassadors and speak at schools and colleges to inspire the next generation of engineers. We are also looking to collaborate with other likeminded organisations in an effort to reach members of the 'hard to reach' communities.

In addition, we continue to build links with academia through provision of guest lectures, curriculum advice, etc. and we also engage in our industry through our membership of bodies such as the UK Green Building Council and Business in the Community (BITC).



OUR INFLUENCE

Our community

Ongoing commitments & targets

Charities & charitable giving

- » We've launched our Social Value (SV) working group and seek to develop a holistic social value strategy with focus on social and economic inclusion.
- » We will formalise the nomination and support for a national charity and a number of local charities appropriate to our organisation and offices on an annual basis.
- » We'll continue to support/encourage our staff to volunteer for good causes through the vehicle of our 'day off for good causes' initiative.

Building links with academia

- » We will continue to provide guest lectures and curriculum support to various UK universities and monitor our impact.
- » We will seek to roll out an apprenticeship programme aimed at undergraduates and young school leavers.
- » We'll increase our firmwide network of STEM Ambassadors and promote engineering as a profession to school children, with a focus on girls.

Industry engagement

- » We will continue to maximise our own webinar and seminar series to engage with our industry network and to improve awareness on climate change.
- » We will continue to seek to collaborate with other likeminded organisations.
- » We will continue to actively collaborate with industry peers, partners and professional institutions, and maintain our membership of the following institutions:
 - » *Member of Business in the Community (BITC)*
 - » *Member of the UK Green Building Council (UKGBC)*
 - » *Member of the Environmental Industries Commission (EIC)*
 - » *Member of the Nuclear Industry Association (NIA)*
 - » *Members of Women in Property (WIP)*



Why this matters to us

Aligned with these specific values as part of Hydrock's ethos:

#4 *We are committed to giving something back.*

#5 *We respect each other and work for a common goal.*

Aligned with these specific UN Sustainable Development Goals:





OUR INFLUENCE

Championing innovation & resilience

Our focus areas & achievements to date

Focus on clients

We've always prided ourselves on our technical innovation which helps unlock opportunities for our clients. Now, faced with the climate crisis, engineers are taking centre stage more than ever before as the world looks to us for deliverable solutions. We're driving the delivery of positive outcomes for the climate, users, communities, investors and operators.

Investing in innovation

We've established a dedicated Innovation Delivery team that works across all our disciplines and internal operations. We've analysed the opportunity for recycling waste heat from edge data centres into community district heating schemes; and we've considered the wider benefits of vertical farming in a re-imagined high street. It's this type of thinking and smart engineering that helps our clients address the future with confidence.

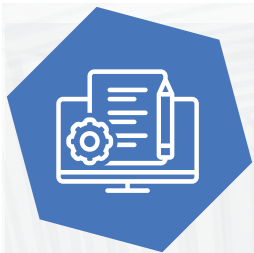
Through our trusted relationships with our clients and partners, we explore how to create true sustainable outcomes for the built environment. We're guiding our clients to help them reduce embodied carbon and operational energy; set holistic site-wide sustainability strategies; create and deliver an ESG strategy; and shape buildings that support people's health and wellbeing.

Thought leadership

Our technical knowledge, insights and passion are what will truly make a difference to society in creating resilient, future-proofed communities that deliver value for everyone. There has never been a better time to be an engineer. Our role is critical and we want to be at the forefront of this renaissance.

**Dorfman
Foyer**





OUR INFLUENCE

Our projects

Ongoing commitments & targets

Focus on clients

- » We will continue to seek to elevate our client needs and address relevant social and economic challenges presented through their brief.
- » We will continue to seek to model positive examples of climate leadership to our clients and conduct periodic client satisfaction surveys to assess our progress.
- » We will continue to seek to evaluate the impact of our design choices whether through consideration of whole life cost/carbon studies, post occupancy evaluation (POE) and other relevant surveys/studies.
- » We will continue to offer and seek to achieve sustainability certification for all our projects, such as BREEAM, Ska rating, etc.

Investing in innovation

- » We've established a dedicated Innovation Delivery team that works across all our disciplines and internal operations.
- » We will continue to prioritise the use of innovative design approaches to help unlock opportunities for our clients.
- » We will continue to offer design solutions and options that build resilience for our clients and their projects.

Thought leadership

- » We commit to continuing to share our technical knowledge, insights and experience.
- » We will actively engage and collaborate with our peers, academia and the wider industry to cross-pollinate thoughts and ideas.
- » We will continue to actively seek to share at least one thought leadership piece with our networks on a quarterly basis.



Why this matters to us

Aligned with these specific values as part of Hydrock's ethos:

#3 *We are ambitious and we keep our promises.*

#5 *We respect each other and work for a common goal.*

#8 *When challenges arise, we step forwards, not backwards.*

#9 *We take pride in and ownership of the work they do.*

Aligned with these specific UN Sustainable Development Goals:





OUR INFLUENCE

Elevating nature & biodiversity

Our focus areas & achievements to date

Climate action & leadership

We're committed to becoming a net-zero business by 2030, with a published 'roadmap' which highlights detailed steps and key milestones for how this would be achieved. In addition, we've produced our own Carbon Reduction Plan in line with the UK government's Procurement Policy Note (PPN 06/21) criteria and this details reduction plans for our scope 1, 2 and 3 emissions.

Through our technical skills, innovation, and thought leadership, we are helping our clients to understand and commit to whole lifecycle design. For our client, Glenbrook, our forensic whole lifecycle carbon assessment of VOX, a 280-build-to-rent (BTR) scheme in Manchester, has identified how Glenbrook can achieve further emissions reduction for their future build strategy.

Promote circularity

Through the work we do, we promote the principles of circular economy. It's our job to show leadership and ensure that any new development is approached from a perspective of nurturing the environment and enabling flexibility for reuse and repurpose. We'll seek to adopt these principles in our own operations as well as including them in our office procurement processes.

Biophilic design

As people, we are all drawn to nature - this is a phenomenon known as 'biophilia'. It's essential we design with nature in mind and seek to embrace rather than displace nature - this is an objective we'll seek to encourage in all of our projects. It is also important to take opportunities to learn from nature and the natural environment in order to deliver more innovative and sustainable design solutions for the built environment. As we progressively return to office environments, we'll also be looking at initiatives to 're-wild' our offices through the provision of direct and indirect connections to nature.





OUR INFLUENCE

Our planet

Ongoing commitments & targets

Climate action and leadership

- » We're committed to becoming a net-zero business by 2030, with a published 'roadmap'.
- » We've signed up to the Science Based Targets Initiative (SBTi).
- » We're developing a Carbon Reduction Plan in line with UK government's Procurement Policy Note 06/21.
- » We will continue to seek to raise awareness and education on climate action through our thought leadership, event attendance and active industry engagement.

Promote circularity

- » We'll aim to measure and increase reuse, recycling and reduction of our operational waste.
- » We'll seek opportunities to adopt a 'paperless operation' where applicable.
- » We'll ensure our sustainable procurement policy is in line with ISO 20400.

Biophilic design

- » We'll aim to launch a 'rewild initiative' as we progressively return to working in the office – so that our workspaces support biophilia via a range of biophilic design measures.
- » We'll champion the principles of biophilic design in our work with clients and partners.



Why this matters to us

Aligned with these specific values as part of Hydrock's ethos:

#4 *We are committed to giving something back.*

#5 *We respect each other and work for a common goal.*

#8 *When challenges arise, we step forwards, not backwards.*

Aligned with these specific UN Sustainable Development Goals:





OUR INFLUENCE

Enabling responsible growth

Our focus areas & achievements to date

Net zero operation

Led by our Sustainability Working Group, we have signed up to the Science Based Targets initiative (SBTi) and published our 'Roadmap to Net Zero' with some notable goals around Scope 1 and 2 emissions. We're seeking to reduce business mileage by 80% per employee, and are actively switching pool cars to electric vehicles, changing to renewable electricity providers across our offices, where possible, and will continue to actively encourage hybrid working.

Enhancing productivity & safety

We have always taken our governance very seriously. Our Safety Management System is UKAS accredited to the ISO 45001 standard and we won Gold Medals at the 2021 Royal Society for the Prevention of Accidents (RoSPA) awards, recognising that our site-based geo-environmental and geotechnical teams have won gold awards over multiple years for their focus on safety.

Sustainable practices and operation

We're an ambitious business. This means as we grow and diversify, our own commitments, reporting and management of our impacts all become ever more important to realise our purpose to be a force for good.

We're also in the process of finalising our firm-wide Sustainable Procurement Policy (SPP) which will be translated by our various office champions into location-specific action plans. Our SPP will cover all Hydrock Scope 3 emissions, supply chain vetting and management processes and include an office-wide benchmarking matrix.





OUR INFLUENCE

Our operations

Ongoing commitments & targets

Net zero operation

- » We aim to become a net zero organisation by 2030.
- » We'll measure our own Scope 1, 2 and 3 emissions, set annual reduction targets and seek continuous improvement of our own assets/facilities through active monitoring of waste, energy use, water consumption, and indoor environmental quality, etc.
- » We'll track, report/communicate our progress periodically via a quarterly and annual update.

Enhancing productivity and safety

- » We aim to continue to achieve high levels of economic productivity through investment in innovation and our people.
- » We will continue to maintain a Gold Standard accreditation under the British Approvals for Fire Equipment (BAFE) SP205 for Life Safety Fire Risk Assessment.
- » We will continue to maintain the Cyber Essentials Plus accreditation.
- » We will continue to maintain the UKAS Safety Management System to ISO 45001 standard accreditation.

Sustainable practices and operation

- » We'll operate a firm-wide Sustainable Procurement Policy (SPP) which will be translated by our various office champions into location-specific action plans.
- » We'll seek to assess, monitor and report on transition and physical risks of our own assets and operation.
- » We'll formally launch our ESG strategy which we'll link to our business planning and annually publish progress.
- » We will continue to hold and implement relevant organisation and best practice policies including:
 - » Environmental policies; e.g. ethical procurement, sustainability, etc.
 - » Social policies; e.g. equal opportunities, employee engagement, health & safety, etc.
 - » Governance policies; e.g. anti-slavery, quality, cybersecurity, etc.



Why this matters to us

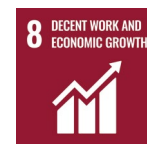
Aligned with these specific values as part of Hydrock's ethos:

#3 *We are ambitious and we keep our promises.*

#5 *We respect each other and work for a common goal.*

#10 *We continually seek to improve our governance and sustainability.*

Aligned with these specific UN Sustainable Development Goals:



Our ethos

ESG is about who we are and that's why our ESG strategy is firmly aligned to our 10 core values at Hydrock. In addition to being aligned to our ethos, the five pillars of our ESG strategy have also been mapped against the United Nations Sustainable Development Goals (SDG).

We're doing this in order to show our contribution as well as our progress against these international and globally established targets.



Demonstrating stewardship

Business in the Community (BITC)

We've joined over 600 businesses across Britain and Northern Ireland, each committed to continually embedding and improving their responsible business practice, working collectively to create lasting, beneficial impacts in their communities.

In May 2022 we will begin a benchmarking exercise by taking part in BITC's well-established, and highly regarded 'Responsible Business Tracker'.

Their tracker will help provide a gap analysis of our own responsibilities as a business, benchmarking us against other organisations to illustrate areas for improvement and areas to celebrate.



Business in the Community: is the oldest and largest business-led charity dedicated to responsible business, created nearly 40 years ago by HRH, The Prince of Wales to champion responsible business.

WALKING THE TALK

The journey

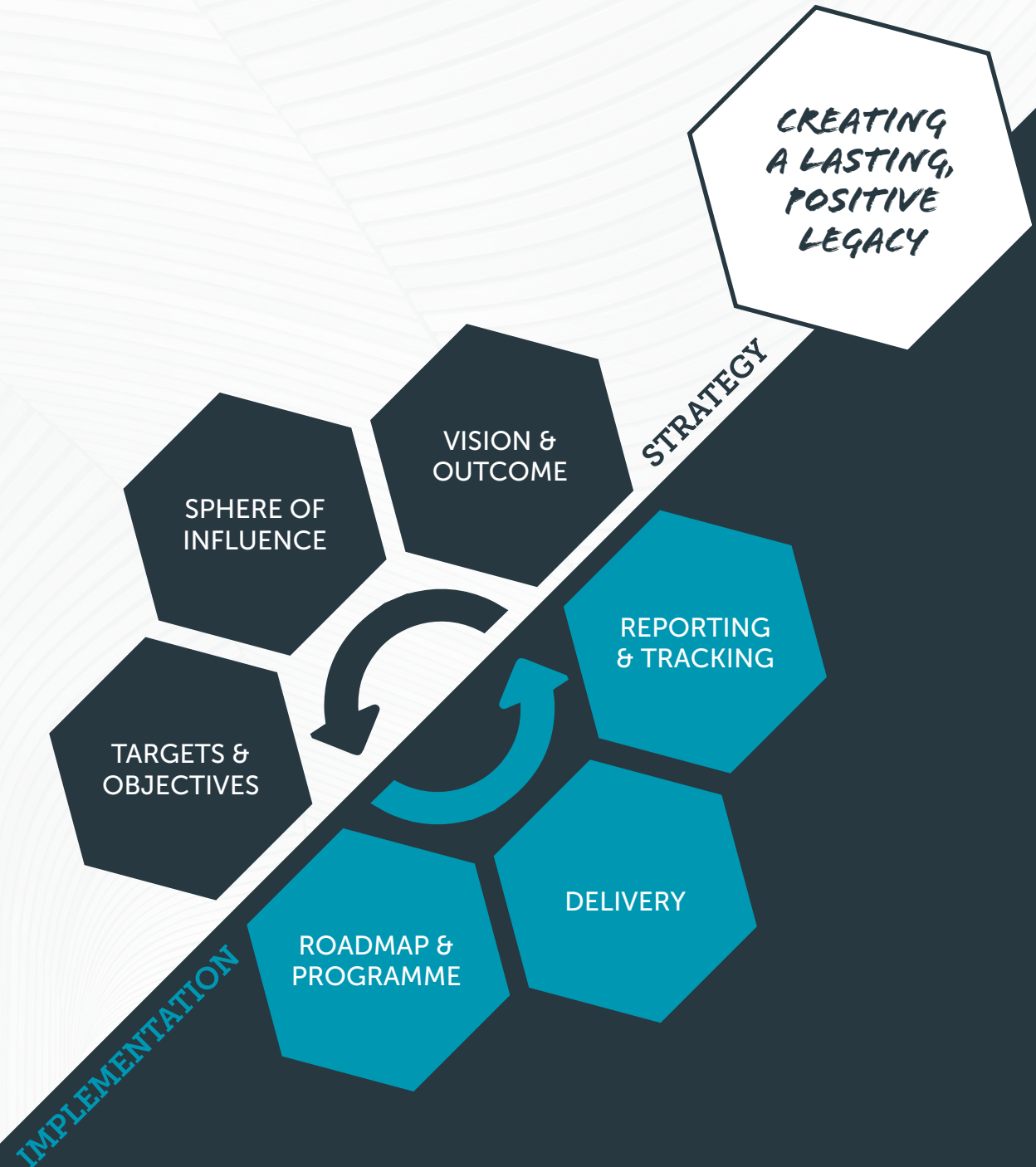
It's indeed a journey and we're delighted to share our progress with our dear friends, families, colleagues, clients, and our wider stakeholder groups.

It's a journey of discovery – identifying who we are, understanding our purpose (why we do what we do), what our influence is, who our allies and key players are, grasping what we're truly great at, as well as how we can efficiently realise our defined goals and outcomes.

Our progress and commitments are briefly summarised in this report – we welcome your contribution and engagement in our journey with the hope that we can be a part of yours as well.

We're always on the look out for opportunities to partner and collaborate with other like-minded organisations.

Thanks for reading and please do get in touch.





Hydrock



hydrock.com

ENGINEERING | ENERGY | SUSTAINABILITY