

Business Continuity Management Policy Statement



We are a civil engineering, building and groundworks company based in the Midlands and operating throughout the UK supporting the country's largest organisations within construction.

Business Continuity Management (BCM) helps manage the risks to the smooth running of our organisation by ensuring that the business and the services we deliver can continue in the event of a disruption. The source of the disruption may be internal such as loss of key staff or a technological systems failure, or it might be an external influence such as a weather-related or utility-related incident or even the business failure of one of our key suppliers. BCM provides a framework for improving our resilience to interruption so that key business systems and processes can be recovered while at the same time ensuring we can provide business critical functions and vital services.

Business Continuity Management is therefore fundamental to ensure against organisational and reputational risk to McDermotts in the event of business interruption.

We will therefore maintain a framework based on ISO22301 that includes:

- Assignment of responsibility to the Company Secretary
- Regular business impact analysis and risk assessments
- Maintaining appropriate plans to resume business
- Exercising and testing these plans
- Training as appropriate for all relevant staff

This policy statement may be amended, monitored and added to from time to time and a copy will be available to all employees, contracted staff on site and interested parties through a link on the home page of our website.

A handwritten signature in black ink that reads 'McDermott'.

Malcolm McDermott
Managing Director

Date: January 2018

Business Sustainability Policy Statement

We are a civil engineering, building and groundworks company based in the Midlands and operating throughout the UK supporting the country's largest construction companies. Essentially, McDermotts is a family-founded business that is values driven and managed as a professional corporate entity; underpinned by continued investment and a customer-centric focus. Indeed, we believe that most values are relevant but the single one we wish to emphasise is "**Integrity**" which represents a concept of consistency of actions, values, methods, measures, principles, expectations, and outcomes.

Our commitment to sustainability is reflected through our adoption of BS8900 "Managing Sustainable Development" that is embedded into our organisational processes. The Company has a "Sustainability Roadmap" which provides confidence for the future; achieved by setting ourselves challenging targets to be more responsive, flexible and robust within an ever changing and demanding market. As part of this plan, we've focussed on three core areas: People, Prosperity, and Planet; with continued investment in all three.

We are therefore committed to protecting the environment, preventing pollution, and to ensuring the health, safety and well-being of our workers and other persons who may be affected by our acts and omissions. This commitment includes offering a quality service and complying with the law and regulations that apply to our business.

We are committed to continual improvement of our safety, health, environmental and quality performance; and to using and updating our policies and procedures effectively and efficiently to meet changing business and regulatory needs.

We operate an integrated management system that is certified to ISO9001, ISO14001, and OHSAS18001. The scope of our management system is civil engineering, building and groundworks. The McDermott Business Management System follows the Plan, Do, Check, Act management model as a means of meeting our commitment to continual improvement. It is reviewed on an on-going basis.

The management framework is based on a clear set of policies, objectives and operational procedures to achieve required standards. There are also specific processes for review, monitoring and capturing opportunities for improvement that help ensure that we continually evolve and strive for the highest standards.

This policy is publicly available to all interested parties through a link on the home page of our website to provide the assurance of the Company's commitment and framework for continually improving safety, health, environment and quality. We also have separate policy statements for each of these functions.



Malcolm McDermott
Managing Director

Date: January 2018

Corporate Social Responsibility Policy Statement

CSR Definition

There are various interpretations of what exactly is meant by Corporate Social Responsibility (CSR). The following is from a government source (www.csr.gov.uk):

“We see CSR as the voluntary actions that business can take, over and above compliance with minimum legal requirements, to address both its own competitive interests and the interests of wider society.”

Essentially, it demonstrates two important attributes:

- Adoption of corporate actions that are greater than just those required by law
- Striking a balance between pure commercial interests and those of the wider community

CSR at McDermotts

At McDermotts our values and culture enable us to balance corporate, ethical and environmental principles with sound business practice for sustainable commercial success. This is specifically addressed through our over-arching value of *“Integrity”* and our *“Strategic Roadmap”* of the 3Ps: People, Prosperity and Planet.



The diagram above shows how CSR at McDermotts is an integral part of our normal operations. The *“Triple Bottom Line”* of People, Prosperity and Planet encapsulates our core Vision, Mission and Values; which are underpinned by KPIs – hard measurables which are regularly monitored, reported and improved upon.

People: Workers/Stakeholders/Communities

Investment in people, both internally within the Company and externally through its supply chain and the wider community, has not only been socially responsible, but also commercially profitable. Through our associated company *“Salutem”* there has been a great amount invested in training and development; and expertise support for SHEQ (Safety, Health, Environment and Quality).

Wherever possible, people are recruited locally to projects. We also take an active interest in supporting local initiatives. Donations are made to both local and national charities. For the last couple of years McDermotts have supported the local homelessness charity, SIFA Fireside; and more recently our employees have raised over £10,000 for Cancer Research.

Corporate Social Responsibility Policy Statement



The Company's directors are also active in supporting local communities; either as trustees of charities or governors of schools.

Prosperity: Customers/Growth/Leadership/Operational Excellence

Through its focus on customers and greater operational efficiencies, the Company has continued to grow and now operates throughout the UK. Growth and profitability provides the necessary sustainability which allows us to continue to invest responsibly.

Planet: Environmental Management/Waste/Raw Material Consumption

CSR is of particular importance within the construction industry since often what it does has a great impact upon society. The way the built environment is designed and developed shapes the way we live, move, and work. If carried out in a socially responsible way, construction can provide us with many benefits.

We recognise that responsible procurement of materials and services is a vital element of our CSR policy. Wherever possible, McDermotts strives to purchase materials from well managed and sustainable sources. The Company engages with its supply chain to help meet ethical standards – by reducing the use of non-renewable resources and encouraging less environmentally damaging alternatives where appropriate.

This CSR Policy Statement should be read in conjunction with the following policies:

- Business Sustainability Policy Statement
- Health, Safety and Well-being Policy Statement
- Environmental Policy Statement
- Quality Policy Statement
- Information Security Policy Statement
- Business Continuity Policy Statement
- Learning and Development Policy Statement
- Equality Policy Statement
- Sustainable Procurement Policy Statement
- Ethical Code of Conduct Policy Statement

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A handwritten signature in black ink, appearing to read 'Malcolm McDermott', written in a cursive style.

Malcolm McDermott
Managing Director

Date: January 2018

Driving at Work Policy Statement

It is estimated that a third of all road traffic collisions involve somebody who is at work at the time of the incident. In UK terms this equates to 1,000 fatalities and up to 12,500 serious injuries every year.

McDermotts has a duty under the *Health and Safety at Work etc. Act 1974 (HSWA)* to manage the risks (as far as is reasonably practicable) to the health, safety and welfare of those who need to drive as part of their job or while they are engaged in work activities. The *HSWA* also places a duty on individuals who drive vehicles on company business.

This policy sets out the objectives, scope and arrangements for managing work-related driving risks. McDermotts recognises that it has a responsibility, not only for the health, safety and well-being of staff engaged in driving at work, but also to other road users and members of the public. The Company will endeavour to comply with all driving related legislation and to adopt best practice, where practical, for those driving on company business. The risks and risk controls associated with driving and vehicles will be identified by the process of risk assessment.

Objectives

- To ensure the safety of individuals whilst driving on company business
- That the safety of other road users and members of the public are not compromised by those driving on company business
- That individuals are appropriately qualified to drive the class of vehicle being used when driving on company business
- That all company vehicles are suitable and road worthy for driving
- That drivers are fit and capable to drive
- That statutory requirements applicable to the use of the vehicle are met

The arrangements and responsibilities to meet the above objectives are identified in the Company's Driving Handbook; all drivers on company business are required to be familiar with the information as set out in the Handbook. The effectiveness of such arrangements will be regularly monitored.

This policy applies to any individual engaged by the Company to drive any type of vehicle (including motor bikes and plant vehicles); as well as those who manage individuals who drive on work-related business. Where appropriate, it also applies to those who drive their own vehicles on company business; such individuals are responsible for insurance and the road worthiness of their vehicle.

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Malcolm McDermott
Managing Director

Date: January 2018

Environmental Policy Statement

We operate an integrated management system that is certified to ISO9001, ISO14001, and OHSAS18001. The scope of our management system is civil engineering, building and groundworks.

It is the policy of this Company to ensure that concern for the environment is an integral and fundamental part of the business and that we are aware of the impact of our day to day operations on the environment.

Our objective is to balance the need to achieve our business aims with an effort towards sustainable environmental improvement, which can be measured and monitored on a regular basis taking into consideration our commitment to ensure compliance with relevant environmental legislation and other requirements.

McDermotts management have specific responsibility for policy development, coordination and evaluation of performance. The environmental policy will be maintained and upheld by the designated managers to meet the commitment. Environmental aspects of our processes and activities will be effectively managed in order to protect the health and safety of personnel, customers and the public whilst contributing to the future well-being of the environment. The Board of Directors ensure regular meetings to set, review and evaluate objectives, targets and programmes of action.

McDermotts will undertake to provide the necessary training and support to all personnel to ensure that they understand and are able to fulfil the relevant aspects of the policy in their day to day work. The policy shall be publicly available.

The Company has a “Sustainability Roadmap” that provides confidence for the future; achieved by setting ourselves challenging targets to be more responsive, flexible and robust within an ever changing and demanding market. As part of this plan, we’ve focussed on three core areas: People, Prosperity and Planet; with continued investment in all three. The core area of “Planet” reflects our commitment to minimising the impact of our operations on the environment by means of a programme of continual improvement with particular emphasis on:

- Protecting the environment
- Continually demonstrating a commitment beyond the prevention of pollution through the use of operational controls, risk assessment and training provision
- Making efficient use of resources, re-use rather than dispose where possible, and promote the use of recycled materials

Appropriate resources will continually be made available to ensure that the environmental policy is implemented in full through annual objectives, managerial vigilance and regular auditing and review.

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Malcolm McDermott
Managing Director

Date: January 2018

Equality Policy Statement

McDermotts is committed to the principle of equal opportunity in employment, in full compliance with the Equality Act 2010. Accordingly, management will ensure that recruitment, selection, training, development and promotion procedures result in no job applicant or Employee receiving less favourable treatment on any discriminatory grounds. Our objective is to ensure that individuals are selected, promoted and otherwise treated solely on the basis of their relevant aptitudes, skills and abilities.

McDermotts does not and will not tolerate any behaviour that is discriminatory, harassing or bullying and contrary to our Equality Statement. A breach of this policy may be treated as a matter of gross misconduct and an employee found to be acting in this way will face disciplinary action which may result in dismissal.

Management have the primary responsibility for:

- Not discriminating in the course of employment against employees or job applicants
- Not inducing or attempting to induce others to practise unlawful discrimination
- Bringing to the attention of employees that they will be subject to disciplinary action for discrimination of any kind
- The effectiveness of this policy will be regularly monitored to ensure that it is updated in line with legislation

Employees have the responsibility to ensure that they assist the Company in successfully achieving these objectives and can contribute by:

- Not discriminating in the course of employment against fellow employees, customers, suppliers or members of the public with whom they come into contact during the course of their duties
- Not inducing or attempting to induce others to practise unlawful discrimination
- Reporting evidence of any discriminatory action to a member of the senior management team in order that the issue can be investigated and resolved
- Notifying management of any disability they believe they have so that reasonable adjustments may be considered

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Malcolm McDermott
Managing Director

Date: January 2018

Ethical Code of Conduct Policy Statement

Behaving ethically is essential to the way we operate and the success of the business with the overarching value of “Integrity” guiding our behaviours and standards. McDermotts is committed to compliance with legislative and other requirements in particular our customers’ ethical code of conducts.

This commitment will include:

- Making decisions based on this commitment aligned to our values
- Promoting awareness and understanding of ethical issues
- Promoting moral standards and behaviour
- Prohibiting the use of black lists in the selection of potential personnel
- Ensuring employees understand their duties and obligations without harassment, victimisation or assault
- Ensuring subcontractors demonstrate compliance with our ethical code of conduct policy and that of our customers

Anti-Bribery, Corruption, Fraud and Malpractice

The company will not engage in bribery or any form of unethical inducement or payment. All employees are required to avoid any activities that might lead to, or suggest, a conflict of interest with the business of the Company.

Gifts and Hospitality

The Company will raffle and/or donate to charity all gifts received (e.g. Christmas, etc.)

Respect for Human Rights

The Company will adhere to the principles of human rights and ensure that everyone is protected and treated absolutely fairly.

Anti-Harassment and Bullying

The Company is committed to promoting a harmonious working environment. All members of staff have the right to be treated with respect and dignity and are entitled to work in an environment free from harassment, victimisation and bullying. We prohibit all forms of harassment and bullying whether amounting to unlawful conduct or not and this includes harassment, bullying or discrimination.

Reporting, Disclosure and Whistleblowing

The Company encourages all people to raise genuine concerns about malpractice directly with the Managing Director. Similarly, all other concerns including conflicts of information in handling customer information should also be reported directly to the Managing Director, or alternatively to the Board via the Company Secretary or to one of the Non-Executive Board Directors.

The Managing Director will establish appropriate steps if any instance of bribery or corruption is identified. Appropriate resources will continually be made available to ensure that this policy is implemented in full through annual objectives, managerial vigilance and regular auditing and review.

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Malcolm McDermott
Managing Director

Date: January 2018

Health, Safety and Well-Being Policy Statement

We operate an integrated management system that is certified to ISO9001, ISO14001, and OHSAS18001. The scope of our management system is civil engineering, building and groundworks.

It is the policy of this Company to take all reasonable steps to ensure the safety, health and well-being of all employees and contracted personnel in fulfilment of its moral, legal and commercial responsibilities. Safety measures are also aimed at protecting others who may be affected by our day-to-day working activities, and shall not be compromised with other objectives.

All employees and contracted personnel must understand that they have a legal duty not only to work in a safe manner, but also to co-operate with management in any efforts to carry out their responsibilities. We adopt a “Work Safe” approach where all personnel have the right to refuse work without being penalised with regards to health, safety and well-being concerns.

Company management are committed and will maintain close co-operation with customers, suppliers, sub-contractors, the Health & Safety Executive and Safety Advisers to ensure, so far as is reasonably practicable, that procedures and practices comply with current health and safety legislation and other requirements.

Employees and contracted personnel will be made aware of company policy and are obliged to familiarise themselves with the contents of the safety policy as it contains essential information for their health and well-being.

The Company has a “Sustainability Roadmap” that provides confidence for the future; achieved by setting ourselves challenging targets to be more responsive, flexible and robust within an ever changing and demanding market. As part of this plan, we’ve focussed on three core areas: People, Prosperity and Planet; with continued investment in all three. The core area of “People” reflects our commitment to prevention of injury/ill-health and continual improvement of health and safety performance with particular emphasis on:

- Engaging our workforce to seek their cooperation in ensuring we all work together towards our goal of zero accidents
- Improving our management of health and safety risks by working closely with utilities providers to improve our awareness of and ability to record and mark the location of buried services, in an effort to reduce the incidence of utility strikes
- Seeking continuous improvement of our health and safety standards by ensuring all our operatives, including sub-contractors, participate in training and monitoring and auditing their health and safety competencies and improvements

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Malcolm McDermott
Managing Director

Date: January 2018

Industrial Relations Policy Statement

We are a civil engineering, building and groundworks company based in the Midlands and operating throughout the UK supporting the country's largest construction companies. Essentially, McDermotts is a family-founded business that is values driven and managed as a professional corporate entity; underpinned by continued investment and a customer-centric focus. Indeed, we believe that most values are relevant but the single one we wish to emphasise is "*Integrity*" which represents a concept of consistency of actions, values, methods, measures, principles, expectations, and outcomes.

McDermotts is a non-unionised company. The company is committed to upholding its duties as a responsible corporate body for the greater benefit of the communities in which it operates, and will take a pro-active and balanced approach to managing its business activities in a responsible manner.

The objectives of this policy are to ensure that activities associated with all of our contracts:

- Provide a framework that promotes and meets all legal requirements in relation to employment
- Create a healthy, productive and stable operational environment for everyone
- Establish requirements that will minimise and mitigate risks which may impact on any of our contracts
- Mitigate any risk that may lead to disruption on any of our contracts
- Facilitate processes that will ease potential constraint to any of our contracts
- Engage with customer frameworks to provide for a joint, strategic approach to industrial relations risk management
- Promote joint working between McDermotts, our customers, suppliers and trade unions

We are committed to:

- Complying with the Law and our customers Industrial Relations policies
- Respecting the rights of all employees to join a recognised trade union

We ensure compliance with the Information and Consultation of Employees Regulations 2004 which require employers to establish arrangements for informing and consulting their employees by way of either a negotiated agreement or the standard provisions laid down in the Regulations if requested by 10% of the workforce.

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Malcolm McDermott
Managing Director

Date: January 2018

Information Security Policy Statement

McDermotts is a company that works with and provides support for a variety of individuals and organisations. Information management is an essential part of good corporate governance. An integral part of this governance is information security; in particular, that pertaining to personal information. We are therefore committed to continuous improvement and compliance whilst securing information and protecting data in accordance with ISO27001.

McDermotts is registered with the Information Commissioner under the Data Protection Act 1998 and will apply the eight principles of good information handling to all that we collect, use, store and destroy:

- Processed fairly and lawfully
- Processed for specified and lawful purposes
- Adequate, relevant and not excessive
- Accurate, and where necessary kept up to date
- Not kept longer than is necessary
- Processed in accordance with the rights of the data subject
- Kept secure
- Transferred only to countries with adequate security

McDermotts is committed to:

- Setting an overall sense of direction and principles for action
- Aligning the organisation's strategic risk management with information security goals
- Using criteria to evaluate risk
- Incorporating controls into relevant standard operating procedures to protect data and secure information

The management framework is based on a clear set of policies, objectives and operational procedures to achieve required standards. There are also specific processes for review, monitoring and capturing opportunities for improvement that help ensure that we continually evolve and strive for the highest standards.

This policy is publicly available to all interested parties to provide the assurance of the Company's commitment and framework for continually improving the protection of data protection and information security.



Malcolm McDermott
Managing Director

Date: January 2018

Learning and Development Policy Statement

McDermotts is committed to ensuring that all its workers are adequately trained and developed to secure a safe and healthy environment and to support the business objectives. As part of our strategy towards sustainability, the Company focuses upon the 3Ps of People, Prosperity and Planet; recognising that it is people that actually make the difference.

Our aims under this policy are:

- To maintain a fully qualified workforce, exceeding minimum compliance standards
- Develop site management in health, safety, and related skills
- Ensure continuing knowledge of best practices and new initiatives
- Provide adequate resources for continual learning, training, and development
- To create a sense of achievement, increased staff morale and motivation

The learning, development and training will encompass:

- Robust inductions
- An appropriate mix of instruction, workshops, and training
- On-the-job competency development
- Formal personal development programmes
- Continuing professional development

Direct employees will receive regular reviews and appropriate training to fulfil their duties. Individuals not engaged under a contract of employment, but are self-employed (including those paid through Hudsons) or engaged through a third party (sub-contractor) are expected to have all the training and accreditation necessary for the proper fulfilment of their jobs. Indeed, such individuals are paid on the basis that they have already received such training.

McDermotts will enter into training agreements with all workers for the proper fulfilment of this policy. As appropriate, this will outline the arrangements and associated costs for such training.

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Malcolm McDermott
Managing Director

Date: January 2018

Quality Policy Statement

We operate an integrated management system that is certified to ISO9001, ISO14001, and OHSAS18001. The scope of our management system is civil engineering, building and groundworks. Our commitment to quality management is reflected through our certification to the International Standard ISO9001. We are committed to continual improvement and compliance with relevant statutory requirements, whilst ensuring customer satisfaction.

McDermotts management have specific responsibility for policy development, coordination and evaluation of performance. The quality policy will be maintained and upheld by the designated managers to meet the commitment. Our processes and activities will be managed in order to ensure standardisation, effective, and efficient outcomes that satisfy the requirements of relevant stakeholders. The Board of Directors ensure regular meetings to set, review and evaluate objectives, targets and programmes of action.

McDermotts will undertake to provide the necessary training and support to all personnel to ensure that they understand and are able to fulfil the relevant aspects of the policy in their day to day work. The policy shall be publicly available.

The Company has a “Sustainability Roadmap” that provides confidence for the future, by setting ourselves challenging targets to be more responsive, flexible and robust within an ever changing and demanding market. As part of this plan, we’ve focussed on three core areas: People, Prosperity and Planet; with continued investment in all three. The core area of “Prosperity” reflects our commitment to quality and operational excellence with particular emphasis on:

- Strong project management
- Quality, costs and timely delivery
- Improving the effectiveness and efficiency of our processes
- Development of suppliers and sub-contractors
- Lean thinking

Appropriate resources will continually be made available to ensure that the quality policy is implemented in full through annual objectives, managerial vigilance and regular auditing and review.

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Malcolm McDermott
Managing Director

Date: January 2018

Sustainable Procurement Policy Statement

McDermotts has a “Sustainability Roadmap” that provides confidence for the future; achieved by setting ourselves challenging targets to be more responsive, flexible and robust within an ever changing and demanding market. As part of this plan, we’ve focussed on three core areas: People, Prosperity, and Planet; with continued investment in all three.

Our commitment to sustainable procurement is embedded in our Sustainability Roadmap. Our sustainable procurement strategy will evolve alongside our approach to the UK Government’s Flexible Framework Methodology incorporating principles of BS8903 “Principles and Framework for Procuring Sustainably”. Our aim is to use only suppliers who are accredited with ISO14001; thereby assuring compliance with all applicable legislation, whilst striving to prevent pollution and continuously looking to minimise impact.

The purpose of this sustainable procurement policy is to:

- Develop mutually beneficial partnerships with our suppliers and subcontractors, raise awareness as appropriate and encourage innovation
- Procure, where possible, goods or services that strikes a responsible balance between social, economic, and environmental factors
- Ensure that fair contract prices and terms are applied and respected, and that ethical, human rights and employment standards are met, in line with the United Nations Global Compact principles
- Procure, where possible, materials with a higher than average recycled content and equipment that is energy efficient
- Procure timber from independently certified, legal, and sustainable sources, such as FSC or PEFC
- Purchase local products and services where possible
- Comply with or exceed all applicable legal requirements
- Meet or exceed the requirements of other stakeholders
- Monitor and report the use of major materials and waste

This sustainable procurement policy will directly contribute to our Carbon Management and Ecological Strategies. We will prioritise key suppliers with the highest spend and potential sustainability impacts for targeted supply chain development activities.

The Managing Director will establish appropriate steps if any instance of bribery or corruption is identified. Appropriate resources will continually be made available to ensure that the quality policy is implemented in full through annual objectives, managerial vigilance and regular auditing and review.

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Malcolm McDermott
Managing Director

Date: January 2018