

MULTIPLEX

Environmental Social Governance (ESG)

Supply Chain Charter



We are collaborative

We bring everyone together, making meaningful connections to bring about positive impact. We are consultative and responsive from the earliest opportunity.

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Foreword

We start 2022 with a renewed focus and alignment of our **environmental sustainability**, **social value** and **ethical labour** initiatives under our Environmental, Social and Governance (ESG) Strategy.

We are actively re-thinking the way we work: from how we source **raw materials** in our steel and concrete supply chains to how we mitigate **labour exploitation** on our sites and engage our workers with **green skill opportunities**. Ensuring that every part of our operations and extended supply chains help people and the planet thrive is our **ultimate goal**.

The built environment will undergo a massive, unprecedented transformation over the next decade as our industry works to scale up action to address the climate crisis and respond effectively to advancing human rights in the workplace. And we will be part of this transformation.

Our decarbonisation roadmap, **One Decade To Act**, and our social equity strategy, **Leave No One Behind**, detail the actions that we will take between now and 2030 to help our operations achieve net zero by 2050, and how we are going to improve the working and built environment we create, by advancing our business practices and influencing our peers, clients, and subcontractors to contribute to a net zero carbon economy and to ensure that our projects actively advance

social equity.

Success will come through actions, not through words. This supply chain charter summarises those actions where we want to work collaboratively with yourselves as valued supply chain members, to ensure we are on track to deliver on our strategies by 2030, taking practical, evidence-based steps founded on science, research, policies and regulation, industry commitments and collaboration. We have eight years to 2030, and we need everyone on board. We must work together to construct a better future.



To construct a better future

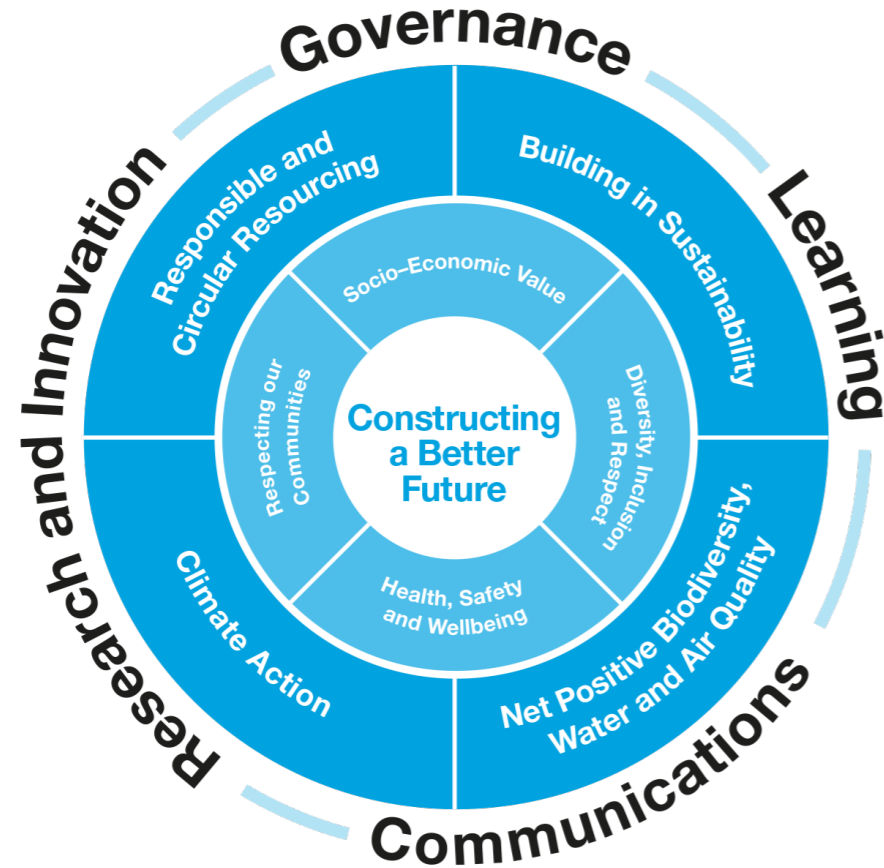
At Multiplex, we are known for delivering the world's best projects. We understand the positive impact that considerate construction can have, and our motive is simple — to build a better future where opportunities are harnessed, and our people, projects, communities and industry reach their full potential.

The construction industry is one of the largest sectors within the UK, employing 3.1 million people, which equates to approximately 8.5% of the overall UK workforce. As one of the largest industries, we have considerable scope to lead the way and implement the changes necessary to contribute towards reducing inequality, building more inclusive societies; and contributing to a new model of economic growth. Construction projects are no longer just about “what” we build, but very much about “how” we build.

We are uniquely positioned to fulfil our purpose by drawing on our culture, and the support of our supply chain partners. This Charter is our commitment to you, and in turn your commitment to us, to work collaboratively as Partners both on and off our projects.

To this end, Multiplex requires your Commitment to helping us meet the following targets within our Environmental, Social and Governance Strategy (shown below), and detailed within our decarbonisation roadmap, One Decade to Act, and our social equity strategy, Leave No One behind.

- **At Pre-Qualification Stage** we will require our Supply Chain Partners to acknowledge the requirements of this Charter.
- **At Tender Stage** we will require our Supply Chain Partners to complete a copy of the Sustainability Action Plan (SAP) template, their own Social Value and Community Method Statement, and an Employment and Skills plan, to be submitted with their tender.
- **At Contract Award** we will require our Supply Chain Partners to revise their tender stage SAP, Social Value and Community Method Statement, and Employment and Skills plan, and present to the Multiplex project team for sign off prior to starting on site.



Environmental

The world is facing a climate emergency that is placing lives, livelihoods, ecosystems and economies around the globe at grave risk. This is a global challenge that requires a global effort.

We are committed to taking a leadership role that engages and empowers our supply chain to join us on the journey, because we know it is the only sustainable way forward. Our approach involves the practice of identifying, monitoring, and managing the environmental impacts we have on the projects we work at.

We have a duty of care to embed environmental considerations into everything we do, including:

- **Responsible and circular resourcing** - to achieve zero avoidable waste by implementing circular economy principles with a supply chain that delivers responsibly sourced materials to our sites.
- **Building in Sustainability** - to create healthy and sustainable livelihoods through the projects we deliver.
- **Net positive biodiversity, water and air quality** - to integrate nature-based solutions within our projects that deliver a range of benefits for the communities in which we operate.
- **Climate Action** - our journey towards being entirely net zero carbon, including supply chain emissions, by 2050 at the latest.





1. Responsible and circular resourcing

Our commitment

We want to achieve **zero avoidable waste** by implementing circular economy principles with a supply chain that delivers **responsibly sourced materials** to our sites, following latest industry and governmental guidance.

We are fully committed to implementing Multiplex's Minimum Digital Standards across our projects to embrace a model-first approach, maximising the benefits of a digitally led process in order to reduce physical and process waste from our sites. We will support the development of industry best practice standards and guidance.

What we expect from you

- Commit to measurable waste reduction actions for our projects, implementing the waste hierarchy to reduce, re-use, recycle.
- Identify root causes for your waste generation.
- Measure and understand your waste streams and have a plan to reduce your waste.
- Accurately report on your waste reductions achieved on our projects.
- Support any take-back schemes that we implement on site.
- Review your supply chain to ensure that your products and services are sourced from ethically responsible suppliers with similar controls in place.
- Use biofuels that are responsibly sourced (i.e. International Sustainability and Carbon Certification (ISCC) certified).
- Source key materials that meet our minimum standards for recycled content and environmental certification.
- Procure materials backed by product-specific Environmental Product Declarations (EPDs).



2. Building in sustainability

Our commitment

We want to ensure **sustainability outcomes are built-in to every aspect of our work. We are fully committed to creating healthy and sustainable livelihoods** through the projects we deliver.

We are aware of the impact that our project offices and sites have on our staff and supply chain partners, and we will update our Better Workspaces standard to take into account recent risks (e.g. COVID-19) and implement them across our projects to enhance the well-being of everyone working on our sites.

What we expect from you

- Phase out the use of materials that are hazardous to health or the environment. For example, those that are subject to the legal requirements for COSHH (Control of Substances Hazardous to Health).
- Where COSHH materials are used we expect you to demonstrate that there are no alternatives.
- Assist us in achieving (or exceeding) the environmental ratings for our projects.
- Follow best practice to minimise the impact of materials and operations on indoor air quality.
- Source healthy materials to be used in our projects.





3. Net positive biodiversity, water and air quality

Our commitment

We are fully committed to deliver a **positive environmental impact** through the projects we deliver. Where practicable, we will seek to integrate **nature-based solutions** within our projects that deliver a range of benefits for the communities in which we operate.

Acknowledging the historic impact of construction on the natural environment, we will continue to minimise these. We will promote the introduction of blue and green infrastructure on our projects where practicable, recognising the varied benefits of their associated ecosystem services. We also recognise the interconnectivity of the ecosystems in which we operate and the risks associated with disrupting these. We will continue to reduce our impact on the local environmental and seek opportunities to introduce regenerative approaches.

What we expect from you

- Protect and enhance biodiversity.
- Report the actions you have taken to achieve the above and their impact.
- Meet the Central Activity Zone performance levels of the Non-Road Mobile Machinery (NRMM) requirements across all Multiplex projects, regardless of location.
- Implement best-practice measures on site to reduce noise, vibration and dust impacts.
- Provide a forecast inventory of plant and equipment to be used on site at the beginning of the project, supported by low carbon or electric alternatives.
- Phase out the use of diesel/fossil fuel plant and equipment on our sites and phase in clean energy sources using the Multiplex Carbon Hierarchy:
 1. Electric
 2. Biodiesel from waste
 3. LPG (Liquefied petroleum gas)
- Measure and understand your water use and agree a plan to reduce it.
- Have a target for improving water efficiency in your operations.



4. Climate action

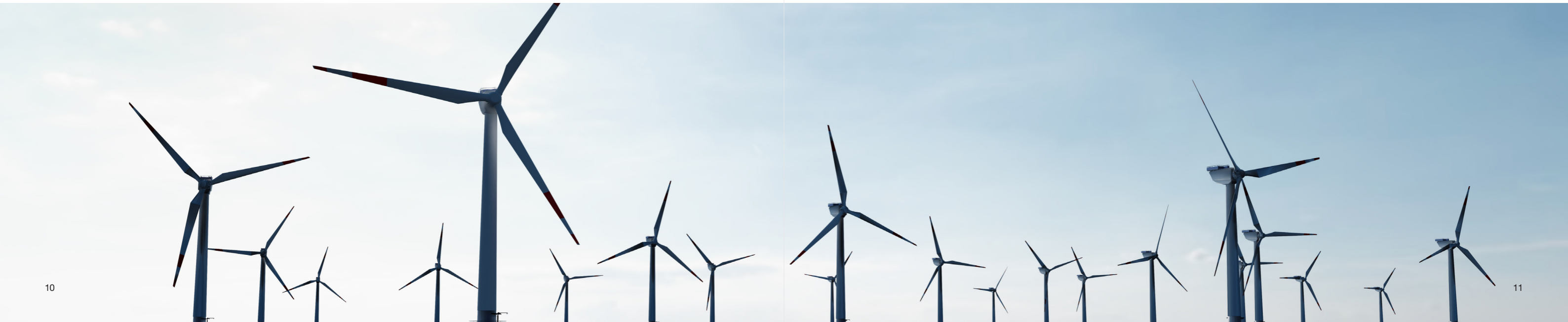
Our commitment

We are conscious that the built environment is responsible for approximately 40% of global carbon emissions, therefore Multiplex and our Supply Chain Partners play a key role in **tackling the climate crisis**.

In April 2021, we launched [One Decade to Act](#), as we are fully committed to our decarbonisation journey and we want to be net zero carbon by 2050 at the latest.

What we expect from you

- Have processes and adequate resources in place to measure and reduce your carbon footprint, across your own emissions operations (Scope 1&2) and those of your supply value chain (Scope 3) and publicly report progress on an annual basis.
- Set and publish a science-based carbon reduction target, that has been third-party validated and developed using the Science-Based Target initiative (SBTi) framework, (Net Zero carbon by 2050) prior to 2023.
- Optimise materials, notably concrete design mixes, to ensure that they achieve best-in-class embodied carbon benchmarks whilst meeting all other performance criteria including certification of recognised schemes, including Responsible Steel.
- Report product-specific embodied carbon data, preferably in the form of Environmental Product Declarations (EPDs) and, where a Contractor Design Package has been instructed, integrate this within the project's digital model.
- Report, and reduce, the use of fuel on site.
- Engage with your logistics providers, hauliers and freight companies to trial zero emissions technologies across our projects.
- Utilise green transport alternatives for materials coming to and waste leaving site and report the mileage and transport means





Social equity - we care about people

Social equity, the “S” in “ESG,” is our commitment to **responsibility, justice, and fairness** within our operations.

Our approach involves the practice of identifying, monitoring, and managing the social impacts we have on the communities we work with.

We have a duty of care to embed social equity into everything we do, including:

- **Health and well-being** - mental, social and physical health
- **Diversity and inclusion** - gender, ethnic diversity, empowerment and representation
- **Equitable growth** - an adequate standard of living for all
- **Community development** - empowering and upskilling individuals to effect change
- **Labour rights** - working conditions, fair employment and ethical recruitment



1. Health, safety and well-being

Our commitment

We want to create the **safest** and the most **desirable** places of work within our industry where people feel **resilient and productive**.

We are fully committed to providing a culture where health and well-being shares equal status with safety. We will safeguard our workforce from occupational ill health and potential safety risks through eliminating hazards where possible, embracing new technology, consulting with our stakeholders, and educating our people.

What we expect from you

- Drive a positive culture of engaged people and observable safe behaviours through leadership from the top through to your managers, supervisors and operatives.
- Adhere to the general principles of prevention in procurement, design and planning to prioritise eliminating or designing-out health and safety risks before other considerations.
- Achieve health and safety standards that are beyond compliance in achieving best practice wherever it is practicable, whilst adhering to legal and other requirements at all times.
- Collaborate with us to deliver a rewarding worker experience by building a team environment from our 'One life One team' engagement programme and critical risk control cycle to encourage the right behaviours for better efficiency, safety, quality and productivity.
- Encourage, support, and promote mental health awareness throughout your workforce, reducing the stigma of mental health and promoting positive conversations.
- Ensure good representation of mental health first aiders throughout your workforce – both management and operatives, by promoting and providing regular mental health first aid training.
- Ensure consideration is given to the health and well-being of your workforce at all times, by providing appropriate health and well-being screening for your workforce.
- Treat worker health like safety by providing the correct levels of health protection from risks created by your work in accordance with our Occupational Health Minimum Standards.
- Participate in our Health Intervention Tours (HITs) with our team.



2. Diversity, inclusion, and respect

Our commitment

We are on a journey to address **gender pay parity** in addition to **focusing on main streaming and normalising flexible working**.

We are working towards a considerable structural shift – the long hours and inflexible work culture within the construction industry, which negatively penalises a variety of people including carers (the majority of which are women aged 45-54) needs to change, and we are at the forefront of this shift. We will be examining our people systems to firstly improve ethnicity reporting, and also to better understand the actions we need to take to drive anti-racism at all levels, ensuring ethnic diversity and better representation across all levels of our business.

What we expect from you

- Work with us to report regularly on ethnic and gender diversity to better understand and improve representation within the sector.
- Report on the Gender Pay Gap and make improvements on performance.
- Share best practice on what is being done to improve worker diversity.
- Share approaches on what is being done to tackle and remove unconscious bias.
- Support, encourage, and enhance flexible working policies and inclusive leadership.
- Contribute to all diversity targets and aspirations across our projects.





3. Socio economic value

Our commitment

We care about the people who bring our buildings to life and we believe they should be able to earn a living wage in a safe and respected environment – this is central to our wider transition to net-zero.

We will focus on creating sustainable livelihoods for our supply chain, providing equitable employment opportunities for all, and ensuring the fair and ethical treatment of workers on our projects. This means procuring socially, reducing risks relating to labour exploitation, human rights, and modern slavery, and reaching those furthest from the market to ensure that no one is left behind.



What we expect from you

- Complete and return the Social Value and Community Method Statement detailing your approach and commitments prior to commencing on site.
- Embed social equity and ethical business practices within the earliest stages of procurement.
- Contribute tangibly to all social equity and community targets and aspirations on our projects, focusing on those furthest from the market (not in education, employment or training (NEET), ex-offenders, ex-homeless, neurodiverse, etc).
- Submit monthly social value/equity progress reports to the Social Value and Community Manager on your projects (a template will be provided). Tracking, monitoring, and measuring your contribution to local employability initiatives, local procurement, and other social value initiatives is key.
- Work in collaboration with the Social Value and Community Manager on your projects.
- Promote and encourage supplier diversity initiatives and provide more opportunities for diverse businesses (ethnic minority or female led, Small Medium Enterprises (SMEs), Social Enterprises (SEs), etc).
- Partner with local business networks to ensure due consideration is given to local businesses, SMEs, SEs and Suppliers for work opportunities.
- Pay your suppliers and subcontractors on time.
- Track spend and engagement with diverse businesses.
- Pay the Real Living Wage, exclude zero hour contracts, and ensure full employment contracts are issued.
- Report on labour churn and your approach/methods used to minimise this.
- Ensure representatives of your team have attended the Stronger Together training for modern slavery.
- Participate wholly in social audits.



4. Respecting communities

Our commitment

We care about the impact we have on the communities in which we're working. Our projects are open and inclusive to everybody through a variety of engagements that we undertake, and we are proud to be a responsible contractor.

We will inform, involve, and consult with our communities throughout our project life-cycles and we will ensure inclusive and meaningful engagement. Bringing our neighbours and local stakeholders along on the journey with us is vital, as we want to build sustainable partnerships and communities that work for everyone.

What we expect from you

- Embed yourselves within the community and work with us to understand the needs of our local neighbours and stakeholders.
- Ensure that we connect with the right people, communicate effectively, consider local neighbour and community concerns, and actively collaborate with all parties.
- Actively participate in community engagement initiatives and volunteering opportunities across the projects.
- Report on all community engagement and improvement activities, including volunteering.
- Register your business with CLOCS and become a CLOCS champion.
- Register your business with the Considerate Constructors Scheme, encouraging and embedding good practice throughout all operations.
- Actively support members of the community at all times.



MULTIPLY

Multiplex Construction Europe Ltd

99 Bishopsgate, 2nd Floor

London EC2M 3XD

United Kingdom

www.multiplex.global

