



Corporate Responsibility



Art competitions are regularly organised with local schools to help illustrate the dangers posed by building sites and to reinforce the site safety message.



In the following section we provide a summary of our approach to Corporate Responsibility (CR), an account of our achievements in 2010 and set out our objectives for the year ahead.

Our Directors are responsible for ensuring that we run our business responsibly and in a sustainable manner, in the best long-term interests of all our stakeholders.

Our business is founded on an all-weather model that combines long-term programmes of work and shorter-term individual contracts. This enables us to resist fluctuations in the economy and readily adapt to market trends. We create value for our clients through the actions and attributes of our people, all of which are based on the humanistic principles set out in the VINCI manifesto. Our business model and our values provide the framework within which our decision-making takes place.

To continue to be successful, we recognise the need to remain at the forefront of setting new standards for the delivery and operation of the built environment. These standards will reflect the carbon agenda, our social responsibility, our commitment to employee engagement and the highest standards of health and safety, certainty of cost, value for money and customer satisfaction.

To deliver these new standards of performance, we will continue to invest in research, development and innovation and have included a summary of our efforts in these areas to illustrate what we are investing in and how such investments are linked to our business strategy.

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Summary of 2010 objectives, targets and achievements

| Objectives and targets | Progress |
|---|----------|
| Health and safety | |
| Continue to consolidate the integration of the business to ensure that it is not simply a mechanical change of management system but a cultural joining together to form a whole. | Achieved |
| Work more closely with the business units to assist and enhance their ability to win work. This will include working with JV partners to promote a world-class performance aligned with our 'zero accidents policy'. | Achieved |
| Continue to promote the benefits of a robust and effective near-miss reporting system within the business units. | Achieved |
| Continue to promote strong, visible, proactive leadership at all levels with the emphasis on the role of senior management in this respect. | Achieved |
| Promote the training of all Supervisors in accordance with the UK Contractors Group training performance standard. | Achieved |
| Community involvement | |
| In 2010 we will continue to support our employees' community involvement initiatives and fundraising efforts, both financially through the VINCI Foundation and VINCI PLC Charity Committee and through recognising their achievements in our in-house publications and Company intranet. | Achieved |
| People | |
| Introduce a Duke of Edinburgh scheme for those employees on sponsorship agreements with VINCI PLC, with the aim of strengthening our links and presence at selected institutions and offering a powerful recruitment tool to undergraduates. | Achieved |
| Fully launch the flexible benefits scheme. | Achieved |
| Complete the harmonisation process between VINCI PLC and Taylor Woodrow Construction. | Achieved |
| Continue to reduce short-term employee sickness absence. | Missed |
| Environment | |
| Establish requirements in project procurement documents and engage with the supply chain in pursuit of the Halving Waste to Landfill Commitment. | Achieved |
| Procure all energy (electricity, gas and fuel) centrally. | Achieved |
| Use Environmental Performance Indicator (EPI) data from all sites and static premises to enable local management of carbon emissions. | Missed |
| Zero Environmental Incidents. | Achieved |
| All Divisions to set specific targets for waste e.g. m3 / £100,000 or percentage diverted from landfill. | Achieved |
| Customers and suppliers | |
| Continue to be adaptive and innovative in the development of value adding service solutions. | Achieved |
| Ensure that all forms of procured products and services are subject to a level of performance assessment, measurement and review. | Achieved |
| Continue to formalise agreements with key supply chain partners using our key framework document. | Achieved |
| Continue to support initiatives to develop the local construction supply chain. | Achieved |
| Corporate governance | |
| 100% compliance. | Achieved |

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Health and safety

Driven by the Divisional Managing Directors, our Health and Safety strategy and initiatives are strongly endorsed by the CEO and Group Managing Director who promote a regime of health and safety excellence based on strong, visible, proactive leadership.

Objectives for 2010

Continue to consolidate integration.

Work more closely with the business units to assist and enhance their ability to win work. This will include working with JV partners to promote a world-class performance aligned with our French Parent Company's zero accidents policy.

Continue to promote the benefits of a robust and effective near-miss reporting system.

Continue to promote strong, visible proactive leadership at all levels.

Promote the training of Supervisors to the UK Contractors Group performance standard.

Achievements in 2010

Achieved [1]

Achieved [2]

Achieved [3]

Achieved [4]

Achieved [5]

[1] Each of the business units that make up VINCI Construction UK Limited are independently certificated by the British Standards Institution (BSI) to BS OHSAS 18001; the Health and Safety standard. Two small business units have not yet been certified, but will be audited by the BSI during 2011 so that all of our business units will be certified to the same standard by the end of the year.

Setting and maintaining high standards across the business is vital. As such, we have published the What Does Good Look Like? booklet to illustrate what these high standards are in health and safety matters. This booklet will be continuously updated as new best practice levels are set within our business units.

[2] (i) We ensured that our bid teams were properly equipped by amending the Guide for Sub-Contractors Working with VINCI Construction UK Limited to reflect:

- Appendix 4 of the Construction (Design and Management) Regulations, Approved Code of Practice; and
- The HSE-supported Safety Schemes in Procurement initiative.

Training was provided to enable employees to understand the changes.

(ii) Members of the Health and Safety Department have contributed in the preparation of tender submissions, including:

- Tottenham Court Road Station – Crossrail;
- Victoria Station Upgrade – LUL;
- Hinkley Point C, Nuclear Power Station – EDF; and
- Wylfa Nuclear Power Station – Horizon.

[3] The numbers of near-miss reports have increased from 440 in 2009 to 3,384 in 2010. However, no one is complacent about this result, which is why the drive to increase reporting, effective management of the individual issues concerned, communication with the workforce and the wider analysis of trends will continue through 2011 and beyond.

Each of the business units that make up VINCI Construction UK Limited are independently certificated by the British Standards Institution (BSI) to BS OHSAS 18001; the Health and Safety standard.



[4] Throughout the year, the Chief Executive continued his programme of Health and Safety visits, completing seven visits to Directors and the operations under their control in 2010.

During this period, three Directors' Best Practice Meetings were also held. These were attended by the Divisional Managing Directors who – along with the Group Director, Health and Safety; the Director Responsible for the Environment; the Human Resources Director; the CEO and the Group Managing Director – monitor performance and drive strategy in these areas. These events are followed by an annual review with the Divisional Managing Directors to ensure that objectives set for the New Year are consistent with the factual performance data and experience from 2010.

During the year the following numbers of persons attended the Health and Safety Leadership / Behavioural Change training programme.

| | |
|-------------------|-----------------|
| Management Course | 513 person days |
| Supervisor Course | 124 person days |
| Operatives Course | 481 person days |

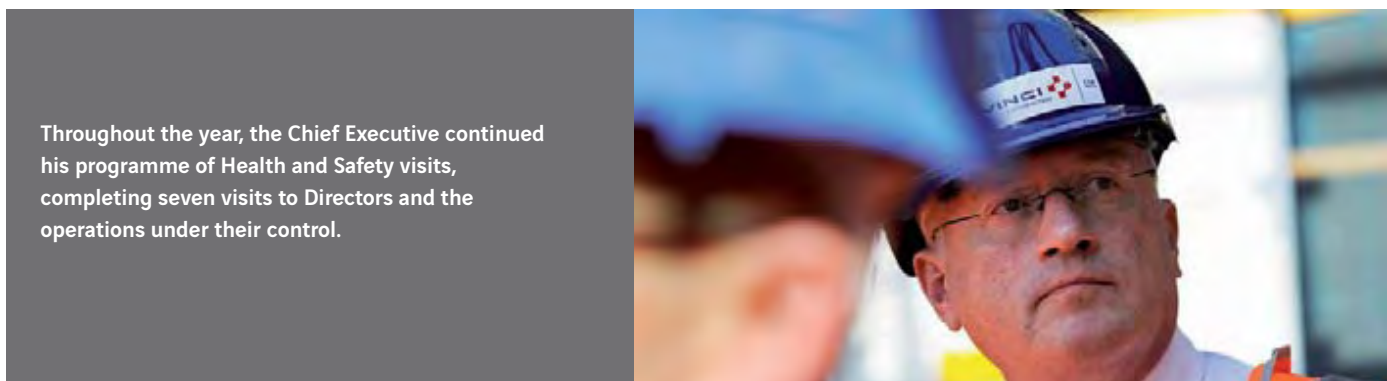
In addition, work continued and will be further developed and rolled out in 2011 to ensure the retention and use of the techniques taught on the courses.

The wording of the individual responsibilities section of the policy document for Health, Safety and the Protection of the Environment has been amended to cause Directors and managers at every level to have recorded discussions with the persons who report to them about their responsibilities as defined in the document. This is to ensure that everyone knows and understands what the Company expects from them as an individual team player.

[5] The promotion of this requirement has continued throughout the year via the posting of appropriate information on sites and discussions with site management teams and sub-contractors. The Company's HR Department has also acted as an information source, in this respect, both for employees and sub-contractors. The cut-off date was January 2011 when supervisors without the credentials to prove that they had been trained in accordance with the UK Contractors Group standard were told to produce evidence of training or leave site!

Ninety-six VINCI Construction UK Limited supervisors achieved training to the performance standard during the year and these join the core of suitably qualified supervisors from the supply chain.

Apart from the details above, evidence will become available during 2011 as the results of audits of both the number of appropriate Construction Skills Certification Scheme (CSCS) card holders and the level of supervisor training becomes known.



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Additional information

1. Measures of performance:

The Health and Safety Department and the business units monitor a number of areas other than accident statistics; these are detailed below:

| | 2009 | 2010 | Notes |
|--|-------|-------|---|
| Number of internal Health and Safety Adviser visits. | 1,224 | 1,081 | The reduction in visits is as a result of a change in visit strategy in the Facilities Division where audits have become more common as a means of assessing the business. |
| Internal training days undertaken by the Health and Safety Department. | 1,553 | 1,636 | Additional, internally sourced Health and Safety training has been provided for the managers and operatives of recently acquired businesses. |
| Audits undertaken by the Health and Safety Advisers. | 92 | 109 | More internal audits of the Facilities business, particularly those with a mobile workforce, have taken place as part of a change in strategy. |
| Near-misses reported by the business units. | 440 | 3,384 | Refer to objective (3) on page 14. |
| Number of sites to be visited in the year. | 356 | 361 | |
| Number of offices to be visited. | 22 | 22 | |
| The number of low score reports issued. | 153 | 66 | A significant reduction in the number of low scores. The low scores which were recorded relate, mainly, to work at height where a strong response would be expected and the incorrect use of documents from the management system. A significant number of the low scores, in this area, are attributed to the recently acquired businesses where a lack of familiarity with the management system documentation is not surprising. |
| The number of "high scores" issued. | 43 | 16 | We raised the bar required to achieve a high score. |
| Visits from the HSE. | 43 | 40 | |
| Number of Prohibition Notices served by the HSE. | 1 | 0 | |
| Number of Improvement Notices served by HSE. | 0 | 0 | |
| Number of HSE prosecutions. | 0 | 0 | |
| Reportable Accident Incidence and Frequency Rates: | | | |
| Incidence Rate | 3.9 | 5.8 | |
| Frequency Rate | 0.3 | 0.3 | |

Over the past 10 years the trend of both rates has been downward. It is disappointing that the incidence rate, based on the numbers of persons at risk, has risen slightly in the last year. This is not where the Directors wish to be and there will be a focus during 2011 to return to an improving trend.

We have introduced a new software package during the year to make the validation of the submitted data much easier and this has led to greater accuracy. The data collection, inputting methods and software system were subject to third-party audit during the year and found to be satisfactory.

2. Occupational health

We employ two full-time, qualified Occupational Health staff members. These employees have been fully occupied providing support and monitoring on a number of levels. These include:

- Compliance screening (vibration, lung function, noise, musculo-skeletal, etc);
- Fitness for work screening, particularly with safety critical workers such as plant operators; and
- Well-being, which has included the running of Well-Man and Well-Woman clinics resulting in 534 completed screenings in the year and 393 staff attending well-being clinics.

A small number of serious potential health risks were identified and these individuals were channelled to their GPs or the local hospital for treatment. Drugs and alcohol testing is another active area for our Occupational Health staff with 313 employees and sub-contractor’s personnel being screened in 2010 resulting in 13 positive results. We operate a zero tolerance policy and these persons were removed from the site / premises and not allowed to return.

3. Health and safety awards

Four of VINCI Construction UK Limited’s Divisions were proud recipients of awards at the annual RoSPA Awards ceremony held in 2010; the recipients were:

| | |
|----------------------------|--------------|
| Civil Engineering Division | Gold award |
| Technology Division | Gold award |
| Air Division | Gold medal |
| Facilities Division | Silver award |

Objectives for 2011

Continue to promote close-call (near-miss) and positive interventions.
 Ensure that supervisors can demonstrate training to the UKCG standard.
 Develop new best practice, capture and publish it through What Does Good Look Like?
 Reinforcement of the Step Up training courses.

Develop initiatives with individual Divisional Managing Directors on strong, visible, proactive leadership.

Target

All operating Divisions can evidence positive interventions.
 100% compliance at CSCS audits.
 At least one new item of best practice in each section of the booklet by the end of 2011.
 Everyone who has been through the Step Up course will have been surveyed and re-stated their action plans.
 At least one initiative during 2011 for each Divisional Managing Director.

One of the objectives for 2011 is to reinforce the Step Up training courses and to ensure that everyone who has been through the course will have been surveyed and re-stated their action plan.



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Community involvement

A key part of our corporate responsibility strategy, Community Involvement generates goodwill amongst our stakeholders and gives our employees the chance to make a positive contribution to the community with the full support of the Company.

Objective

In 2010 we will continue to support our employees' community involvement initiatives and fundraising efforts, both financially through the VINCI Foundation and VINCI PLC Charity Committee and through recognising their achievements in our in-house publications and Company intranet.

Achievements in 2010

Achieved

Sheffield Children's Festival

We once again sponsored the Sheffield Children's Festival, which hosts more than 50 events, performances and exhibitions across the city and is well known for promoting cultural, educational and social benefits. Our involvement in the festival is linked to our leading role in the delivery of the Sheffield Building Schools for the Future (BSF) programme in partnership with Sheffield City Council.

Sandwell Training HUB

As part of its commitment to sustainable communities, VINCI Facilities has invested in a new training HUB in Smethwick, one of the most deprived areas of Sandwell in the West Midlands. The project will help to tackle some of the causes of crime by providing hard-to-reach groups with opportunities to access training. This will directly improve their prospects of employment.

As part of a 13-week programme, HUB trainees are given the chance to learn a broad range of construction skills. Those who successfully complete the course will be supported by VINCI Facilities in finding long term employment and further training to reach NVQ level qualifications.

TPAS accreditation

After months of rigorous audits and assessments, in April 2010 VINCI Facilities secured Tenant Participation Advisory Services accreditation (TPAS). A dedicated support service offering advice and training for active and involved local residents, TPAS standards have become a benchmark for best practice in resident engagement and their annual awards recognise excellence in service delivery and community cohesion. Since gaining accreditation, VINCI Facilities has worked with TPAS to maintain best practice and further develop services for social housing residents. In October, VINCI Facilities hosted its first official TPAS training course, promoting skills and knowledge in resident engagement and participation.

Charitable donations

The Charity Committee continued to meet regularly, focusing primarily on supporting the fundraising efforts of our employees. In total, the VINCI PLC Group donated £52,074 to charity in 2010.

In recognition of our commitment to the communities in which we work, in 2010 VINCI Construction UK once again sponsored the Sheffield Children's Festival.



People

2010 objectives

- Introduce a Duke of Edinburgh Business Award Scheme.
- Complete the harmonisation of contracts and fully launch the Flexible Benefits Scheme.
- To continue to reduce short-term employee sickness absence.

Achievements in 2010

- Achieved [1]
- Achieved [2]
- Missed [3]

[1] VINCI PLC introduced its Stand Out Make a Difference initiative in 2010. Partnering with The Prince's Trust, The Construction Youth Trust and The Duke of Edinburgh Award Scheme, we have created a unique initiative aimed at raising our impact on the communities we serve through our employees, while also increasing the opportunities within construction for young people and those from disadvantaged backgrounds. For the 40 or more candidates that will commence the Duke of Edinburgh Business Award Scheme in early 2011 there will be the added benefit of working towards and receiving recognition for the Gold Award.

In addition, the business has launched its Stand Out Make A Difference Day, which from 2011 will enable employees to take a day's paid leave in support of their community involvement or charitable work.

[2] Options, our Flexible Benefits package representing the culmination of harmonising contracts of employment, terms and conditions and pension arrangements across all our businesses, was launched in April 2010. Over 98% of our eligible workforce signed up to their new contracts in time to take advantage of a wide range of available benefits. The Group is currently discussing the 2011 offering with its employees via benefits focus groups and the Employee Consultation Committees.

[3] 2010 was a challenging year for maintaining this objective, as continuing to make successive year-on-year reductions becomes more difficult to achieve. The short-term absence figure reached an average of 2.25 days per person for 2010, up 1.25 days on 2009. In part this increase can be attributed to improved record keeping, however, the flu epidemic in the fourth quarter of 2010 had a significant effect on employee availability for work.

**STAND
OUT!
MAKE A
DIFFERENCE**

A unique scheme aimed at raising our impact on the communities we serve through our employees' involvement, while also increasing the opportunities within construction for young people and those from disadvantaged backgrounds.



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Other highlights of 2010

Learning and development

Further to our objectives for 2010, we have maintained our commitment to training and development across the Group providing many opportunities for on-the-job training and personal development, as well as maintaining our commitment to new entrants including the recruitment of apprentices, graduates, sponsored students and technician trainees. This has all been achieved within the challenging economic environment.

66% of all employees participated in a formal learning and development activity totalling 84,000 hours.

UKCG Fully Qualified Workforce Initiative – 99.3% of employees in scope hold a current competency licence.

55% of all employees have achieved a professional qualification.

12% of all employees are formal trainees, including 23 trade apprentices, 77 sponsored students and 89 graduates.

Over 400 employees are chartered members of a professional institution.

Matthew Finn, a Surveyor at the Maidstone office of VINCI Construction UK, won the Student of the Year Award for the third year running for achieving a very high first-class (87%) BSc (Hons) Degree in Construction Management. It is one of the highest marks achieved at the University of Kent.

Investors in People (IIP)

As a national quality standard which sets a level of good practice for improving an organisation's performance through its people, VINCI PLC has long had aspirations to achieve Investors in People (IIP) accreditation across every one of its business units. During 2010, following assessment, Air, Building and the Facilities Divisions all achieved accreditation and were subsequently recognised as an 'Investor in People' (IIP) organisation. The remaining 15% of VINCI Construction UK is on schedule to be assessed in the first quarter of 2011.

Diversity and inclusion

Aimed at raising the profile of Diversity and Inclusion in the workplace and the many opportunities which they offer our organisation, our Group-wide Diversity Portal was launched in 2010. The launch was accompanied by a Diversity survey which – together with the assistance of external diversity specialists – we have reviewed and used to enhanced our internal systems, procedures and documentation while further raising Diversity and Inclusion through management-wide learning and development initiatives, specifically targeting diversity awareness and the effects of the Equality Bill 2010. Our survey helped raise £1,000 for the Construction Youth Trust.

During 2010 we have maintained our commitment to raising awareness of our industry with diverse groups of people through events such as Women into Construction, careers fairs organised by community groups and our continued commitment to provide opportunities for employment across a broad range of abilities and academic achievement.

Those who successfully complete the course will be supported by VINCI Facilities in finding long term employment and further training to reach NVQ level qualifications.



The Group has also taken steps to ensure that its supply chain for permanent and contingent resource complies fully with the Group's Equal Opportunities and Diversity policies by sharing best practice and communicating the objectives and expectations of the Group. VINCI Construction UK Limited has also signed up to the Sainsbury's Supplier Trainee Partnership, an innovative programme that will help over 100 people to find work in the coming year.

The Partnership will be operated in conjunction with 60 of Sainsbury's top construction, engineering, facilities management and retail suppliers and will provide real training opportunities for people in trades that, due to the economic downturn, have suffered a shortage of labour and investment.

Employee survey

In November 2010 VINCI PLC conducted its first Group-wide survey of our recently expanded Group. More than 75% of employees with online access completed the survey which returned very positive results indicating that our people:

- fully understand the role they play in the delivery of our services to our clients;
- operate in environments where they feel safe; and
- feel proud of the work they do.

Our employee survey helped raise over £2,000 for The Prince's Trust.

2011 objectives

Create and develop opportunities through our charitable partners for young and disadvantaged people with the construction industry.

Implement the commitments for the first group of Duke of Edinburgh participants and build upon the opportunities to develop teamwork, leadership and community involvement.

Actively manage short-term absence.

Roll out diversity and inclusion awareness training.

Engaged and committed workforce.

Launch of new Voluntary Benefits programme for all employees.

Target

Conduct at least one event per division during 2011.

Establish the first cohort for the scheme within 2011.

Less than or equal to 2.25 days/employee/year.

Improve on the existing level of awareness and behaviour, measured through the Employee Opinion Survey.

Maintain voluntary staff turnover levels below 10% (2010: 9.1%, 2009: 5.2%).

All staff provided with access and information on the benefits programme.

Aimed at raising awareness of diversity and inclusion in the workplace, our Diversity Portal was launched in 2010, accompanied by a Diversity survey which helped raise £1,000 for the Construction Youth Trust.



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Environment

2010 objectives

Establish requirements in project procurement documents and engage with the supply chain in pursuit of the Halving Waste to Landfill Commitment.

Procure all energy (electricity, gas and fuel) centrally.

Use Environmental Performance Indicator (EPI) data from all sites and static premises to enable local management of carbon emissions.

All Divisions to set specific targets for waste e.g. m3 / £100,000 or percentage diverted from landfill.

Zero environmental incidents.

Achievements in 2010

Achieved [1]

Achieved [2]

Partially achieved [3]

Achieved [4]

Achieved [5]

[1] We have revised and re-issued our sub-contract procurement procedure to ensure that our sub-contractors and suppliers can understand and match our environmental objectives, especially in respect of halving waste to landfill.

[2] We have a national agreement that covers the provision of electricity to our projects' sites; a national deal that covers the provision of energy to our permanent offices; and a national deal that covers the purchase of fuel for vehicles.

[3] All sites and static premises have been reporting under our EPI system. Some have used the data to manage and reduce carbon emissions and costs.

[4] We have undertaken a number of waste minimisation initiatives across our business. In two of these we managed to achieve 100% waste diversion from landfill. We are spreading this experience and the lessons learned across our business for maximum future benefit.

Additional information

We have a broad scope of business activities that ranges from R&D into new construction products through to the operation and maintenance of facilities. As a consequence, our related impact on the environment and our opportunities to minimise it also varies widely. Each of our business areas has started to consider its impacts to identify the most effective ways in which it can be minimised.

Impact assessment

There are two key themes within this impact assessment:

- The impacts associated with our own activities, i.e. aspects over which we can exert some direct control; and
- Impacts that derive from the use of the facilities we provide for our customers, such as the emissions in use from a building.

To date, effort has been concentrated on those impacts over which we have more direct control and have therefore looked for opportunities to de-carbonise our business activities. We see this as part of the journey towards delivering the UK targets of 80% reduction in carbon emissions by 2050.

In 2010 the carbon emissions arising from our business (scope 1 and 2) were 34,551 tonnes. These were in four main areas:

- Diesel used to power plant and machinery;
- Electricity consumed in our offices and on our project sites;
- Fuel used in our commercial vehicles; and
- Emissions associated with business travel.

Managing consumption

Having measured these emissions, we are now in the process of reducing them. We have continued to increase the levels of automatic metering across our business and have used the derived data to manage our consumption of energy in both permanent premises and temporary project sites. Some of the highlights include:

- Our Technology Centre, which has reduced its electricity consumption by over 10% in the year and its overall carbon footprint by 26%. This is the third year in a row that electricity consumption has been reduced.
- Our project at King’s Cross Station in London signing up to the 10:10 commitment, in conjunction with our customer, Network Rail. Reductions in electricity consumption at the site of 30% were achieved in 2010, compared to 2009.
- Our continued investment in technology and techniques that enable us to both mitigate environmental impact at source and subsequently remediate impacts generated by others. During 2010 we developed and demonstrated, successfully, new plant for cleaning soil that has become contaminated by oil exploration and extraction activities. This plant is based on a technology patent that we own.
- Our operations range across the whole of the UK and, as a consequence, travel in both commercial vehicles and cars makes a significant contribution to our direct impact. To mitigate this we have continued to modernise our fleet of cars and other vehicles with lower-emission equivalents. We have also invested in fuel-efficient driver training and greater use of communications technology.
- There was a significant regulatory change in 2010, the Carbon Reduction Commitment – Energy Efficiency Scheme (CRC). We are registered under the CRC, and act as the primary partner for all of VINCI’s UK operations. As our parent company is French, the CRC scheme requires all of the VINCI businesses within the UK to report as though they are a single entity. Therefore, our performance under the CRC scheme includes the operations of Eurovia, Freyssinet, Bachy Soletanche, Nuvia, Spiecapag, VINCI Park and VINCI Energies.

We have a commitment to managing our energy consumption and as part of this we are pursuing certification to 16001, the Energy Management Standard, initially at our Technology Centre and VINCI Facilities Division. Furthermore, we have and will continue to invest in research, development and innovation (RDI) in this area, key aspects of which are covered in the RDI section of this report.

Environmental objectives for 2011

Mitigate the risk of adverse environmental impact from our business operations.
Reduce Scope 1 and 2 emissions.

Raise the awareness of key carbon and energy management issues amongst our staff.
Minimise waste to landfill.
Benchmark water data in 2011.

All timber to be legal and sustainably sourced - FSC or PEFC with full Chain of Custody information (CoC).

Target

Zero environmental incidents.
10% reduction on 2010 emissions, normalised against turnover.

Achieve an 80% diversion from landfill.
Accurate and comprehensive data on water consumption across our business.
100% compliance.

Middlesex University Campus has been designed to achieve a BREEAM Excellent rating and incorporates green roofs, photovoltaic cells and grey water recycling to ensure energy efficiency and a sustainable life cycle cost.



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Customers and suppliers

2010 objectives

Continue to be adaptive and innovative in the development of value-adding service solutions.
Ensure that all forms of procured products and services are subject to a level of performance assessment, measurement and review.
Continue to formalise agreements with key supply chain partners using our key framework document.
Continue to support initiatives to develop the local construction supply chain.

Achievements in 2010

Achieved [1]
Achieved [2]
Achieved [3]
Achieved [4]

[1] The client's original specification for partitions at Bagot Street called for PODS made from glass-reinforced plastic. However, by incorporating a steel frame POD with Fermcell boards for the walls, a more cost-effective solution was achieved. In addition to this, the original specification called for the building's frame to consist of in-situ concrete flat slabs and columns with plasterboard partitions fed through, following the frame construction. Using concrete crosswalls as an alternative, the need for plasterboard was eliminated avoiding thousands of metres of partitions.

Making these changes to the original partition specification was the result of good relationships and communication across the supply chain.

[2] This is an ongoing operation, which is currently being carried out with a greater emphasis on environmental and sustainability issues. Further to performance assessment, measurement and review, we ensure financial checks are also regularly undertaken on our key suppliers.

[3] We will continue to consolidate our major purchases under Framework agreements. As a major buyer of services and materials this gives us the opportunity to fully utilise our leverage and maintain a high level of quality and service throughout the supply chain.

[4] Examples include Sandwell Decent Homes, Building Solutions East and South.

Corporate governance

Objectives for 2010

Continue our 100% adherence to governance and business risk controls.

Achievement in 2010

Achieved

We are strongly committed to the principles, values and code of business conduct set out by our parent company, VINCI. This delegation of authority to all operational and functional management levels is carried out by complying with VINCI's global framework of governance, which is publicly available in the VINCI Annual Report. Our continued strict adherence to corporate governance and business risk controls again resulted in 100% statutory compliance in 2010, with no incidents of financial breaches or irregularities occurring.

We will continue to review the need for training and development, in respect of changes to law and practice in corporate governance, to ensure that our people remain informed, educated and competent.

Research, Development and Innovation



At Gatwick Airport the use of Building Information Modelling (BIM) helped in both construction planning and visualisation of the Capital works. The BIM technology helped the Airport community understand the significant investment plan that was being undertaken in a live passenger terminal.

Research, development and innovation

Innovation is a VINCI core value. We invest in this area because it helps our business in the short term and in the future. Working with top universities and industry bodies ensures that we contribute to the wider UK and global research agenda, and that our stakeholders gain from the use and sharing of outputs.

Highlights from 2010

Building Information Modelling (BIM)

Through an ongoing programme of practitioner-led R&D, the BIM team at VINCI Construction UK's Technology Centre has improved the implementation of its 4D and design/construction review service for both projects and tenders. Other activities include a critical evaluation of current BIM tools available to the industry and engaging with our customers to investigate the potential for employing BIM technologies for improved asset management.

Construction Operations Building Information Exchange (COBie)

The COBie project sought to improve the capture and handover of essential information between construction and operation project phases. Today's standard practice of gathering this information at the end of the job is expensive and inefficient. The COBie approach allows us to enter the data as it is created during design, construction and commissioning using appropriate information standards, which enables seamless integration into facilities management systems. This saves time, money and improves the quality of information.

Innovation management

Our first Engineering Doctorate (EngD) was awarded during the year. In collaboration with the Centre for Innovative and Collaborative Engineering (CICE) at Loughborough University, VINCI Construction UK sponsored the four-year Engineering Doctorate to investigate how to improve the management of innovation in our business. The project has provided new tools to better support and monitor innovation at both strategic and operational levels and has helped our business achieve year-on-year improvements in innovation performance.

Relationship marketing

Working in collaboration with University College London, this two-year Knowledge Transfer Partnership explored the dynamics of referral and influencer markets in construction. The partnership has helped us to embed new procedures, behaviours and competencies in our business to better manage customer and stakeholder relationships in these markets, helping VINCI Construction UK to deliver enhanced service value and increase turnover and profit through repeat business and referrals.

Waste & Resources Action Programme (WRAP)

The Technology Centre has been active in WRAP-funded research projects since 2004. In January 2010 our research consortium secured a place on the FRA046 Construction Sector research framework and a total of six projects were commenced in 2010, including a project to refine wastage rates that may be expected for different construction materials, and two projects to assist very different organisation types in reducing waste.

Research, Development and Innovation

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Innovation awards 2010

During 2010 we held our annual VINCI Construction UK Innovation Awards Competition to capture, share and celebrate smarter working and problem solving from individuals and teams across our business. The competition attracted record numbers of entries across seven award categories (environmental, equipment and tools, health and safety, marketing and services, materials, people, processes and techniques) and included innovations ranging from the construction of a unique piling solution on the Tottenham Court Road Station Upgrade project through to the implementation of improved toad protection measures at Bamford Water Treatment Works.

Plans for 2011

Our plans for R&D during 2011 are centred on addressing key priority areas for our business, our customers and the wider community. These include the need to continue to reduce the environmental impact of our operations and those of our customers; optimise the use of technology to improve the design, delivery and maintenance of the built environment; and to exploit state-of-the-art building products, materials and systems.

The R&D portfolio for 2011 comprises a balance of in-house and collaborative projects which are aligned to these priorities. We will continue to work together with key UK academic institutions and industry bodies to help advance knowledge in both industry and academic arenas, while ensuring that our stakeholders benefit from the results these programmes deliver. New R&D opportunities that fit with the needs of our business and our customers will be incorporated into our R&D portfolio.

Environment

VINCI Construction UK and the CICE, Loughborough University, are sponsoring a four-year Engineering Doctorate candidate to investigate the practicality of increasing energy efficiency levels within UK retail new-build through innovative construction methods and evaluation techniques. The research will undertake a critical assessment of industry theory and practice in order to identify the most effective approach towards developing an energy-efficient design which meets or exceeds end-user needs.

Environment

In January 2011, VINCI Construction UK's Technology Centre secured a place on a new WRAP framework aimed specifically at Scotland – the FRA048 Zero Waste Scotland framework. R&D projects under this new framework are expected to be awarded from mid 2011 onwards, running concurrently with the ongoing FRA046 framework projects that we are already engaged with.

Environment and information technology

VINCI Construction UK is supporting the IMCRC-funded PostOPE project, led by Loughborough University, which is investigating the extent and causes of the discrepancies that exist between design-stage predictions and actual in-use building performance (including energy consumption, thermal comfort and carbon emissions). The aim is to provide a set of guidelines to be used by designers as decision support and to improve the accuracy of performance prediction models.

VINCI Construction UK's Technology Centre is home to the largest curtain wall test facility in Europe. Primarily designed to test building façades for weather tightness, this system can also be used to assess air leakage, helping to support the UK Government's energy efficiency agenda for new buildings.



Environment and information technology

VINCI, our parent company, is sponsoring the Eco Chair, a group of 12 PhD students working at four of the most prestigious Universities in Paris. We are working with two of these researchers to develop modelling and assessment tools for low-carbon retrofit and low-carbon new-build construction.

Information technology

The BIM team at VINCI Construction UK's Technology Centre is working on ensuring that the wider deployment of BIM technology in our business and the use of VINCI Construction UK BIM standards can accommodate or surpass the pending government mandates for the use of BIM on public-sector projects, in conjunction with the formation of a new BIM steering group to help guide and deliver the programme.

Products, materials and systems

The Leadership Programme within our Civil Engineering business is co-ordinating three research and development projects during 2011. These include a project to review and improve design management practices, processes and training; a project to investigate how to successfully apply lean methodology to reduce waste; and a project to measure and improve productivity levels in response to recent criticism of UK construction industry performance.

In addition to the R&D projects planned for 2011, we will also be launching a new online R&D portal where information regarding current and completed projects from across our business will be recorded. Its purpose is to provide all employees with a single and accessible point of reference to help keep everyone updated with our R&D programmes and to encourage further collaboration, application and knowledge sharing.

We will also maintain our efforts to collaborate and share knowledge with the wider VINCI Group. As a subsidiary of VINCI, the world's leading concession and construction group, it is imperative that VINCI Construction UK leverages the full benefits of research, development and innovation activity from across the wider Group. This is largely co-ordinated through regular meetings of our international Research, Development and Innovation Pivot Group, which comprises senior representatives from various Group companies. These sessions provide an important opportunity to share knowledge and best practice, and exploit opportunities for co-operation between Group companies across the world, such as the work we are currently undertaking with Freyssinet and others on the development of novel solutions for deep-water offshore wind farms.

More data and details on our achievements can be found on our website: <http://www.VINCIconstruction.co.uk/Corporate-Responsibility/index.html>

The Building Pathology team are often brought in to look after older buildings, such as car parks, many of which were built in the 1960s under different construction codes.



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