





CSR AND SOCIAL VALUE STRATEGY

INTRODUCTION

Story Contracting Ltd recognise that our business activities make us an integral part of the wider community as a whole and that we have an obligation to conduct our activities ethically, taking into account the social, economic and environmental impacts associated with our operations.

Story Contracting Ltd aim to make sustainable construction part of our core business strategy and will actively work with our customers, suppliers, employees and the local community to ensure maximum social, economic and environmental value is achieved.

Each year, we will focus on various aspects of the wider impacts of the business, and will set targets across 5 different focus areas and we are committed to delivering meaningful engagement and projects throughout our communities and across our geographical areas.

Jason Butterworth

Chief Executive Officer





SOCIAL VALUE OVERVIEW

Story Contracting employ over 700 local people in the UK, delivering a wide variety of rail, civils, housing and manufacturing projects. This means we have a big impact on our communities and we understand that our clients, customers and communities all have different needs and priorities. We aim to work with our project partners to deliver relevant projects that help build sustainable communities.

Story Contracting have worked with many communities supporting and inspiring them with activities, events and opportunities. This has involved public and private sector clients and as ample of these initiatives that were delivered in 2018 are listed below:

• STEM Activities in primary schools

Working with our graduates, who are all STEM ambassadors, to deliver a wide range of talks, seminars and activities in primary schools across the UK to inspire children to take STEM subjects.

• Employability for communities

We have worked with a variety of local authorities and social enterprises to help get long term unemployed people back into work. This has involved placements, and training on our construction and rail sites. In several cases this has led to full time employment being offered directly by Story Contracting or through one of our sub-contractors

• Community Events

We have organised and supported community events throughout the year including:

- Community Rail Partnership Days
- County Council Health and Safety Days
- Community Awards
- Edinburgh Cheer supporting the homeless
- Tour of Britain Adapted Bike Ride
- Family Fun Days
- Santa Dash for a local children's hospice

• Inspiring Future Generations

We have worked with secondary schools, colleges and universities and worked with their employment programmes resulting in:

- Our biggest intake of graduates and trainees
- Strong links with several universities
- Partner in national Unlocking Potential programme
- Individual mentoring and workshops for 16-21 year olds
- Work placement for 16-18 year olds across all areas of our business

• Charity Partner

During 2018, we raised money to support Mind and SAMH, and have completely refurbished a mental health facility in Carlisle working with 18 of our sub-contractors to deliver this much needed centre.



EEC Futures Career Fair at Coventry University



Inspira Work Experience



Pirelli Family Fun Day



Heriot-Watt University visit



Multicultural Carlisle



Primary School Engagement



CUSTOMERS

We will engage our customers, suppliers and sub contractors throughout projects, and ensure they believe they have been treated professionally and given a reliable service

Story Contracting, founded 30 years ago, is still owned today by Fred Story, who started the company with the belief in 'Doing It Right' which remains the company motto. We are ambitious, pioneering and progressive while retaining a friendly and professional approach, delivering complex and diverse projects on time and within budget.

Our culture and relationships mean we have won awards for reliability, innovation and collaboration. We win repeat work with many of our customers as they see us as giving a professional and reliable service, sharing with pride and sharing with pain.



In line with the Story Contracting behaviours and values, we are committed to providing excellent service to our customers, whilst continually looking for opportunities to improve and further enhance what we can offer.

We achieve this by:

- Working collaboratively with our clients to understand their needs and expectations;
- Being open and honest in everything we do;
- Actively engaging with our clients to obtain feedback on our performance and how we can improve;
- Investigating all complaints and responding to the findings.

Client Surveys

We outsource client satisfaction surveys to get feedback on a sample of our projects which provide us with a net promoter and comment about how we can improve.

Examples of net promoter scores (out of 10) for some of our 2018 diverse projects are:

- North Ayrshire Bridge Inspections, Capita net promoter score 10
- Cockairnie Road Pway, Taziker net promoter score 10
- Filter Drain Cleaning, Sir Robert McAlpine net promoter score 10
- Effluent Attenuation Project, Futurama net promoter score 10



Collaborative Relationships

Story Contracting understands the importance of working collaboratively and through this commitment we have achieved certification to ISO 45001:2018 Collaborative Business Relationship Management System.

Our processes for collaborative working reflect the requirements of this standard to ensure that relationships are formed in the right situations, and in a manner most likely to bring about the best results.

Ensuring the success of this standard, the establishment and maintenance of identified collaborative relationships and continuous improvement is monitored through the company's audit and assessment processes.

Customer Focus

- Increase net promoter score
- Encourage constructive criticism
- Increase collaborative working

Customer Measures

- Client satisfaction survey scores and comments used to improve performance
- Net promoter score average of 9.5 for all projects
- · All complaints managed and resolved in a timely manner
- All feedback reported to the Operational leadership Team (OLT) & the Executive Leadership Team (ELT)

"The working relationship we have developed with Story Contracting is very good - they are professional, friendly and always willing to help."

Capita

"They looked at the job in a positive manner, they identi ied where the particular issues were and they put a plan in place to deliver it."

Network Rail

"They are a well organised and wellstructured company. They have a good understanding of the clients and the project."

Ansaldo STS



HEALTH, SAFETY, QUALITY AND ENVIRONMENT



Story Contracting are committed to being a sustainable business that continues to improve through proactive involvement and engagement with stakeholders, and provide a safe environment for current and future generations. We are committed to the provision of a strong and active leadership and have a dedicated Health, Safety, Quality and Environment (HSQE) department which monitors our procedures and operations to ensure the highest standards are achieved.

Our Business Management System is accredited to:

- ISO 45001: 2018 for Health and Safety
- ISO 14001: 2015 for Environment
- ISO 9001: 2015 for Quality

We also hold a number of industry accreditation including RISQS, Constructionline, Safe Contractor, UVDB Verify and CHAS.

Story Health and Safety Culture

- We work with our staff on behaviour and cultures including:
- Behavioural Safety including recruiting a behavioural safety specialist
- Environmental Awareness including having a full time Environmental & Ecology Specialist in house.
- Working with MIND to increase awareness of mental health

Our Plan Safe: Work Safe campaign was launched in 2009 and continues to create an instinctive culture throughout our business with regard to health and safety.

Story Contracting recognises the importance of environmental sustainability and has set the following corporate targets:

- a. >95% of non-hazardous waste will be diverted from landfill
- b. An annual reduction of carbon generated by 10% year-on-year
- c. 100% Forest Stewardship Council (FSC) timber or equivalent to be used.

Data is captured at site level and monthly divisional and company reports prepared in order to measure compliance with these targets. The HSQE reporting system will allow reports to be completed for each project.

In addition, Story Contracting aims to ensure that it manages project-specific targets for environmental sustainability. As part of this commitment we will:

HSQE Focus Areas

- Provide sustainable solutions
- Measure and monitor environmental impacts
- Increase recycling
- Maintain ISO accreditations
- Reduce the CO2 emissions of our fleet
- Minimise waste in design, construction and use

HSQE Measures

- Carbon reduction
- Waste Reduction
- Water wastage reduction
- Reduction in environmental incidents





PLAN SAFE: WORK SAFE

- Meticulous planning and preparation
- Method statements/documentation underpin our activities
- Involve and select the right people for the planned works
- Ensure suitability of plant and equipment

- Daily briefs encourge feedbace
- Safe Work Policy
- Hazard Spotter/Improvement Spotter process
- Work activities regularly audited
- Lessons Learned process drives continuouse improvement



Network Rail 'Route to Gold' Gold





Royal Society for the Prevention of Accidents (RoSPA) Gold

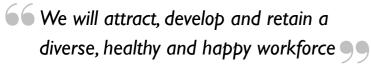




Awarded site safety banner



WORKPLACE AND LOOKING AFTER OUR PEOPLE



We are innovative and award-winning with a reputation for first class delivery. We employ capable, motivated and engaged people who are prepared to work hard for great rewards. With our ambitious plans for the future, people want to join the Story family. We recognise and reward talent and have numerous examples of people who joined as trainees and apprentices and are now in Senior positions within the organisation.

Story Contracting have a firm commitment to employing people within it's geographical areas and promote the fact that they:

- Operate from seven regional locations, and employ local people across disciplines and roles.
- Operate a living wage for all employees and offer excellent benefits and rewards, including childcare vouchers and family-friendly working.
- Have a full-time occupational health service and subsidise medical expenses
- Excellent training and development for all staff.

Our culture

Whether you work in Rail, Plant, Construction or Central Services Story Contracting pull together as a team to make every project a success. Each and every person that works with Story makes a valuable contribution to the journey and we all regularly share in our joint achievements. A Story person has a strong work ethic, is proud of the brand and enjoys working for a business that values its people and rewards success.

Listening to Staff

As part of our commitment to our workforce, we operate a "Great Place to Work" Forum where the Chief Executive and HR Director meet with staff to discuss frustrations, improvements and ideas. This is then reported back to the wider workforce. Many changes have been made to policy and procedures by listening to staff.



Graduate/Apprentice and Trainee Programme

Our Graduate Programme attracts talent in England and Scotland and we are delighted that our latest intake of Engineering Graduates are both female, in line with the Women in Engineering agenda.

Our trainees and apprentices are paid well above industry average, full training, and our retention rates are high. We commit to offering our graduates/apprentices and trainees a full time role at the end of their training.

Occupational Health and Employee Well Being

We have a full time in house Occupational Health Nurse, as well as physio and massage resource every week. Pre employment health screening, monitoring of absence due to sickness and a medical professional in the business every day, means we have early intervention for potential issues.

We also offer every employee Health Shield, which means that all staff can claim back medical expenses for consultancy fees, investigations, dental treatment, optical treatment, massage and holistic therapy. This helps maintain a healthy workforce.



Victoria Cousin, Graduate Engineer:

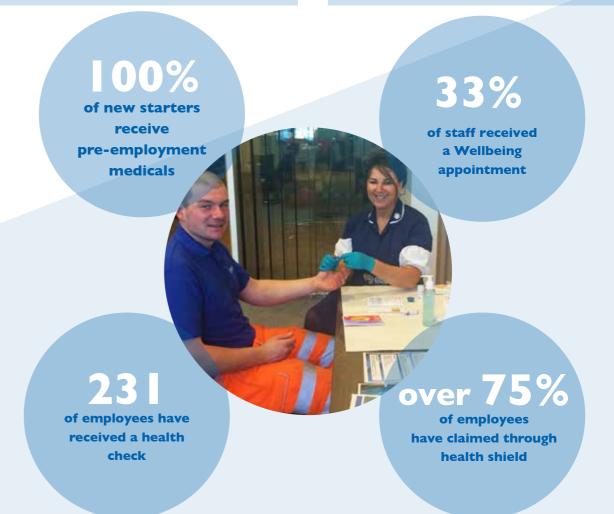
"You gain so much experience at Story and I've had direct contact with the senior management team already – It's really incredible."

Workplace Focus

- · Invest in our staff
- Have employees who recommend Story Contracting as a great place to work
- Maximise information from "Great Place to Work"
 Forum and communicate with staff about improvements made as a direct result of employee suggestions
- Review and address the gender pay gap, as well as addressing the male dominated board room
- Have an Occupational Health focus and actively encourage employees well being

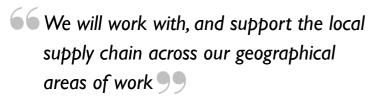
Workplace Measures

- Retention of staff
- Monitoring sick days
- Staff training days
- Number of staff using Healthshield
- Number of apprentices and trainees applying and joining Story
- Number of graduates applying and joining Story
- Employee survey results
- Great Place to Work Forum actions delivered
- Number of staff using in house physiotherapist
- Pre-employment health screening findings and referrals





INDUSTRY AND SUPPORTING THE LOCAL SUPPLY CHAIN



Story Contracting's background is as an SME. We therefore have an inherent recognition of the value that SME organisations can bring to our supply chain and the wider industry. Over 50% of our spend is directly with SME's. We will therefore:

- Seek out SMEs amongst potential suppliers
- Encourage our teams to utilise locally based SMEs on projects where possible within geographical restraints.
- Encourage and support local SMEs who are considering entering the market
- Look for investment opportunities within SMEs to help them expand capability and capacity
- Work with SMEs to understand their business drivers so that we can align workload opportunities
- Where possible encourage the usage of Charitable organisations (inc Voluntary Organisations and Social Enterprises)

Story Contracting actively monitors our payment performance to ensure fair payment to our suppliers. In turn we expect that our key suppliers will also demonstrate compliance with this ideal throughout their supplier payments.

We understand that SME businesses are often developing their overall business capability and as such may need practical support during their day-to-day activities so that the benefits of working with dynamic, efficient SMEs can be realised without needlessly stifling their ability to perform.

We will therefore support SMEs by:

- Understanding their need to maintain positive cashflow and being willing to find ways to facilitate this, either through improved payment terms or potential financing arrangements.
- Being open to revising contractual terms, accreditation requirements, and the like where this is reasonable having regard to the size and risk involved in any particular scheme. We also recognise that it is important to measure the quality of our subcontractors and supply chain, as they can have a huge impact on Story Contracting's reputation. To help us ensure we get the right companies, we run a PQQ process ahead of any orders where we check everything from finances, health and safety, modern slavery act compliance and references where appropriate

Industry Focus

- Establish increased use of framework agreements
- Improve terms of business
- Celebrate success with PR and comms for projects using local supply chain
- Ensure we, and our supply chain adhere to the 'Fair Payment Charter'

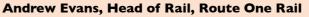
Industry Measures

- Meet or exceed payment timescales
- Number of local business contracted and percentage of business contracted with SME's
- Evidence of 'Fair Payment Charter' across our business



Jamie Kelly, Director - First in Rail

"Working with Story has allowed us to share resources and knowledge, which ensures project needs and concerns are met. Working collaboratively also gives visibility of each other's pipeline and allows us to combine our work programme to maximise our resource level which includes knowledge, capability and plant, which has seen and continues to see efficiencies for our clients."



"Story encourage early involvement, which gives us confidence in supply, and through having this valued relationship we are able to develop 360° feedback on supply and management of projects."



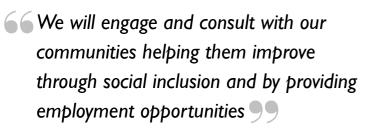


Lee Sedgwick, Project Manager, Taziker Industrial

"It's important to us that Story use the local supply chain, and by working collaboratively has encouraged and allowed us to have a grounded, honest working relationship."



COMMUNITY



Story Contracting actively engage with communities throughout the year in our operational locations as well as on specific projects. This work is done in a variety of locations benefitting many different areas of the community.

Our work with the community could be described as 2 different activities:

- Engagement and stakeholder management in areas directly affected by projects
- Adding social value, increasing employability and supporting local organisations

Engagement and Stakeholder Management

Story Contracting actively provide meaningful consultation, participation and communication with our local communities, businesses and other interested stakeholders in order to minimise the impact of all our projects.

We have an employee within the marketing team whose role includes working with the community and stakeholders, and managing all feedback received to help us measure how we're doing.

Some examples of the type of engagement we undertake:

- Community workshops to explain plans, timelines and projects
- Letter drops to those particularly affected with advice on how to get more information
- Signs and information displayed at areas most affected
- Training project and site managers to be responsive and sympathetic to local needs
- Engaging local school children in projects to encourage career in construction and engineering
- Engaging with local school children to create safe behaviours around construction sites

Feedback

At Story Contracting we strive to be the best at all times and to do it right. To achieve this we rely on feedback received from clients, customers, the general public and other stakeholder. Feedback is invaluable to us; It helps us to identify what we do well and need to continue, and where things have gone wrong and what we can do to put it right.

To learn more about our Feedback Procedure and how to get in touch with us, visit: www.storycontracting.com/contact/

Social Value Projects

Each year, Story Homes and Story Contracting come together to work on a project that provides sustainable social value in our regions.

In 2019, we will continue our 2 year project that commenced in 2018 working with MIND to deliver projects in Cumbria, Scotland, Yorkshire and Manchester. This campaign has so far involved:

- Year round mental health campaign focusing on all positive interventions that can help
- 5% of all staff trained as Mental Health First Aiders
- Working with our suppliers and sub-contractors
- Worked with Carlisle and Eden Mind to refurbish a 3 storey property which now houses all Mind staff as well as providing a vital 365 days a year mental health sanctuary for local people in crisis
- Employees were involved in a wide variety of fundraising challenges
- Generally removing the stigma in Story's around mental health

This initiative has seen a direct benefit to both our business and the local community.

In 2018, we also engaged with specific projects to deliver social value projects with and for them that enhanced reputation and sustainability in local areas.

Increasing Employability

Story Contracting have a commitment to employing, training and developing local people working with existing providers of employability. We are currently working with Inspira in England and Apex in Scotland, and have provided over 30 people who are classed as long term unemployed, with work experience, advice and training and in many cases we were able to secure employment opportunities for them. In addition, with regard to the wider employment agenda, we also:

- Actively engage with several higher and further education sectors to provide graduate, apprentice and trainee opportunities. We attended careers events in Edinburgh, Glasgow, Cumbria and Birmingham as well as working with local schools to offer opportunities and advice.
- Ran a dream placement programme for local school leavers which involves selecting students through an interview process.
- Worked with local schools and offer in-school and on-site opportunities and experience. Story Contracting also run workshops in conjunction with local secondary schools about careers in construction and engineering. Story Contracting run safety seminars for primary schools using activity books to help improve safety of local children near construction sites.

In 2019, we will continue our commitment to communities and help inspire future generations.



Refurbishing Hammonds Pond Miniature Railway

In the last 3 years over

4375,000

of direct financial support to

130

organisations, charities
and individuals



Working with local communities