



Document Title: D2 Rail Social Value Strategy

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# DOCUMENT CONTROL

## DOCUMENT APPROVAL

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## REVISION HISTORY

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# 1 INTRODUCTION

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## PURPOSE

This strategy sets out D2 Rail’s approach for providing Social Value. This is in the context of acting as a responsible business and making a conscious effort to contribute to the long-term wellbeing and resilience of individuals, communities, and society in general.

To do this D2 Rail has aligned itself to the requirements of the Public Services (Social Value) Act 2012 and determined how it can take action to improve the economic, social and environmental well-being of the areas that it operates. From an environmental perspective this strategy also articulates D2 Rail’s approach to reducing its carbon emissions and, ultimately, reaching Net Zero by 2050.

As a business, D2 Rail recognises the potential social value has in supporting its key priorities and mitigate its strategic threats. To ensure D2 Rail is held to account, the strategy clearly articulates D2 Rail’s Social Value targets so that progress can be measured reported and where necessary action to be taken to keep D2 Rail on track for delivering its Social Value responsibilities.

## DEFINITION

As stated in the Public Services (Social Value) Act 2012, Social Value encompasses environmental, economic and social wellbeing and its contribution to the long-term wellbeing and resilience of individuals, communities, and society in general. At D2 Rail, we have defined Social Value as:

*“The long term, sustainable improvement for society that can be gained by promoting positive social, economic and environmental impact.”*

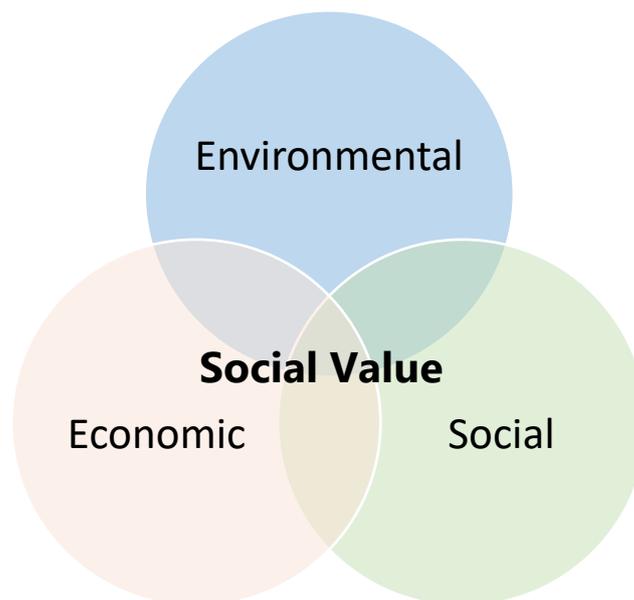


Figure 1: The Social Value Venn Diagram

## RATIONALE

The Social Value Strategy is viewed as a critical piece of business documentation because:

- It links the core values of the business, a series of statements that influence our behaviours and decisions.
- It confirms our commitment and alignment to the Public Services (Social Value) Act 2012, a policy which requires public sector bodies to consider the broader social value when awarding contracts.
- It highlights how a robust social value strategy can mitigate key business risks and exploit opportunities (please refer to Appendix A to the associated risk assessment).
- It demonstrates the businesses social value commitments to the public, clients, and current/prospective employees.

This strategy has been developed based on the experience and views of the Social Value ambassadors and Senior Leaders within the business. The implementation of this strategy is aimed to cultivate a more sustainable, resilient, and inclusive society as D2 Rail seeks to build a positive legacy within our industry and community alike.

## RELATED DOCUMENTS

Document Title
<a href="#">D2 Rail ED&amp;I Policy</a>
<a href="#">D2 Rail ED&amp;I Strategy</a>
<a href="#">Charity &amp; Fundraising Strategy</a>
<a href="#">Mental Health and Wellbeing Strategy</a>
<a href="#">D2 Rail Environmental Policy</a>

## 2 OUR COMMITMENT

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D2 Rail wish to maximise the Social Value benefits in all that we do. In order to do so, we have defined 5 key themes – or pillars - which we will focus on to ensure we not only meet, but go beyond, the requirements stipulated in the Public Services (Social Value) Act 2012.

Our themes have been developed using:

- The definition of Social Value
- The Social Value Model<sup>1</sup>
- Our social value risk assessment on strategic business risks and opportunities (Appendix A)

To maintain alignment to the agreed definition of Social Value, we have ensured our 5 themes each fall into at least one of the 3 key Social Value areas outlined the Public Services (Social Value) Act 2012.

### OUR SOCIAL VALUE PILLARS

Social Value Pillar	Outcome	Social Value Category
<b>We will invest in our people</b>	We will support and develop our people to gain the skills they need to succeed	Economic, Social
<b>We will pioneer equal opportunity</b>	We will create an inclusive workplace for all	Social
<b>We will invest in our communities</b>	We will deliver positive and lasting change to communities built on a foundation of trust	Social, Economic
<b>We will reduce our environmental impact</b>	We will protect the environment and create cleaner places to live and work	Environmental
<b>We will inspire future generations</b>	We will attract and grow young talent	Economic, Social

Table 1: Our Social Value Pillars

The following section will now provide more detail on each pillar including a high-level overview of the key implementation actions within each pillar and the measurable targets for the future.

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1

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/940826/Social-Value-Model-Edn-1.1-3-Dec-20.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/940826/Social-Value-Model-Edn-1.1-3-Dec-20.pdf)

## 3 OUR 5 SOCIAL VALUE PILLARS

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### WE WILL INVEST IN OUR PEOPLE

**“We will develop our people and support them to gain the skills they need to succeed”**

#### How will we do it?

##### ✓ **Employee Wellbeing**

We have developed a supportive network within the business comprised of our qualified mental health first aiders aimed at promoting mental health and wellbeing amongst all employees and support all staff through the Mental Health First Aider training. We monitor the well-being of the team via regular wellbeing assessment questionnaires. We will actively raise awareness of mental health within the team and offer uncompromising support for those who need it.

##### ✓ **Employee Healthcare**

We offer all employees access to private health care because we want to support the health of our people – both physical and mental – and we understand the reassurance and comfort reliable, efficient health care can provide.

##### ✓ **Training/Development and Support**

We have a 6 monthly Performance Development Review (PDR) process where agreed SMART objectives are set, aimed at developing the individual. To support targeted training and inclusion for all, we will develop a clear career path framework (CPF) for each of the roles and functions within the business. Where possible, the functional frameworks will align to a professional accredited body with a defined route to chartership.

#### Our Targets

##### **12 Months (Dec – 2022)**

- ✓ We will host a mental health/wellbeing event.
- ✓ Each function will have a defined CPF to articulate the requirements of the role.
- ✓ The CPF will be used to define the future training requirements and membership levels for the individual.

##### **3-5 Years**

- ✓ Hold a company wellbeing assessment day.
- ✓ Align pay scales to each role defined in the functional CPF.
- ✓ Achieve an 80 % compliance rate of CPF requirements for each role (everyone trained and competent).

## WE WILL PIONEER EQUAL OPPORTUNITY



### “We will create an inclusive workplace for all”

#### How will we do it?

##### ✓ **Equality, Diversity and Inclusion (ED&I) Working Group**

We have established a dedicated ED&I working group made up of a cross section from the organisation giving us the opportunity to listen to a range of perspectives to drive change and further the ED&I agenda. We will manage companywide events and campaigns to increase awareness of the protected characteristics as outlined in the 2010 Equality Act. To help reduce the gender pay gap we will create a clear and objective career path framework and pay scales aligned to each role so that anyone can apply regardless of gender and background.

##### ✓ **Measure and Monitor**

We measure our ED&I performance through annual diversity and inclusion employee questionnaires to highlight any areas for improvement. We will drive continuous improvement and strive for progression in this area, and transparently report progress.

##### ✓ **Holding Ourselves to Account**

We made an industry pledge to help further the ED&I agenda by signing the inaugural ED&I WR and RIA charter. This reflects our commitment to working together with other businesses to build a more balanced, fair and high performing sector.

#### Our Targets

##### 12 Months (Dec – 2022)

- ✓ We will meet the requirements of the pledge in the WR / RIA ED&I charter.
- ✓ We will conduct an initial baseline diversity and inclusion survey.
- ✓ Host knowledge share sessions from leading industry experts for the team to increase awareness on ED&I topics.
- ✓ We will support Woman in Rail events.
- ✓ Each function will have a defined CPF to articulate the requirements of the role.

##### 3-5 Years

- ✓ Aligning pay scales to each role defined in the functional CPF.
- ✓ Achieve an 80 % compliance rate of CPF requirements for each role.

## WE WILL INVEST IN OUR LOCAL COMMUNITIES

**“We will deliver positive and lasting change to communities built on a foundation of trust”**

### How will we do it?

#### ✓ **Support Local Projects**

D2 Rail specialise in supporting complex infrastructure projects in the Northwest, for example, the Northern Hub and currently the Transpennine Route Upgrade West. This work will improve the transport links for millions of people along the route and aims to leave a positive legacy in the area.

#### ✓ **Supporting Local Suppliers**

We have established positive working relationships with local providers for services such as HR and marketing. Where possible, we ensure we purchase locally; for example, office/printing equipment.

#### ✓ **Supporting Local Charities**

We have established strong links with local charities aimed at securing better accommodation and economic wellbeing for people in our community. We hold a minimum of 3 company-wide fundraising events per year to give something back to those in need.

#### ✓ **Creating Local Jobs**

From its beginnings, D2 Rail has been committed to building a business based on skilled local resource. During recruitment, we consider the local workforce and seek to attract and retain a core base of local talent.

#### ✓ **Listen and Connect with Our Local Communities**

We embrace our social responsibility and strive to make a positive contribution to the local community. As such, in recent times, our staff have been encouraged to volunteer with disadvantaged local people, supporting them in increasing their employment chances. Furthermore, we sponsor several local groups/organisations.

### Our Targets

#### **12 Months (Dec – 2022)**

- ✓ Raise at least £1000 for charity from fundraising events.
- ✓ The business shall support 45 volunteering days/year (1 day per person on average).
- ✓ Support local careers with a D2 stall at an industry careers event.

#### **3-5 Years**

- ✓ Facilitate a graduate internship at D2.
- ✓ Partner with an academic institution to share industry expertise.



## WE WILL REDUCE OUR ENVIRONMENTAL IMPACT

**“We will protect the environment and create cleaner places to live and work”**

### How will we do it?

✓ **Environmental Best Practice**

Through our experience and drawing on lessons learnt from previous projects, we demonstrate environmental best practice through:

- Material selection – prioritising the selection of carbon resilient and less carbon intensive materials.
- Construction methodology – through our early collaborative involvement with design teams we can ensure the right choices are made.

✓ **Signatories to the ‘SME Climate Hub Commitment’**

Aligning ourselves with wider government targets, we have signed the SME climate commitment to achieve Net Zero before 2050. The commitment will hold us to account in terms of reducing our carbon emissions and ensure we measure and report our progress whilst doing so.

✓ **ISO 14001 Compliant Environmental Management System (EMS)**

We have reviewed our EMS to ensure it aligns with the Plan-Do-Check-Act principles outlined in ISO14001.

### Our Targets

#### 12 Months (Dec – 2022)

- ✓ Achieve ISO 9001 and ISO 14001 accreditation.
- ✓ Develop and set up the strategy and action plan for ‘net zero by 2050’.
- ✓ Promote active travel through step/cycling challenges.
- ✓ Promote flexible working to enable employees to reduce their commuting.
- ✓ Employ the ‘Train-first’ scheme for business travel expenses.

#### 3-5 Years

In line with the SME Climate Commitment (see Appendix):

- ✓ Halve our greenhouse gas emissions before 2030 through reducing or offsetting the business’s carbon footprint.
- ✓ Achieve net zero emissions before 2050.
- ✓ Disclose our progress on our carbon reduction.



## WE WILL INSPIRE FUTURE GENERATIONS

### “We will attract and grow young talent”

#### How will we do it?

##### ✓ **Apprentice Recruitment**

We see the value and positive impact an apprenticeship can have on both the individual and business. We understand the importance of developing and fostering home-grown talent from the ground up. We recognise the role of developing young talent in addressing the emerging industry skills gap.

##### ✓ **Graduate Recruitment**

We will nurture and develop graduates to enable them to thrive in the industry. As we recover from the pandemic, we need a more resilient workforce, and we are proud to have accepted graduates throughout the challenging period, guiding them on their career path.

##### ✓ **STEM ambassadors**

We want our team to share their expertise to inspire future generations. We encourage and support our team through their STEM ambassador training, enabling them to travel into classrooms and communities to deliver life changing impact for young people.

#### Our Targets

##### **12 Months (Dec – 2022)**

- ✓ Recruit a minimum of 1 apprentice.
- ✓ Recruit a minimum of 1 graduate (or equivalent).
- ✓ Support local careers with a D2 stall at an industry careers event.

##### **3-5 Years**

- ✓ Facilitate a graduate internship at D2.
- ✓ Partner with an academic institution to share industry expertise.

## 4 OUR SOCIAL VALUE IMPLEMENTATION FRAMEWORK

### FRAMEWORK STRUCTURE

We have developed a Social Value implementation framework to help us deliver on our commitments outlined within our 5 pillars.

The framework is built upon a company-wide approach to driving change and is inclusive, involving all employees at all levels of the business. To help us meet our social value targets, we have established separate workstreams to encompass all 5 of the Social Value Pillars with Senior Leader sponsorship at the top. Each workstream is structured in the same way to ensure consistent delivery of the Social Value strategy. Fig 2 illustrates the implementation framework:

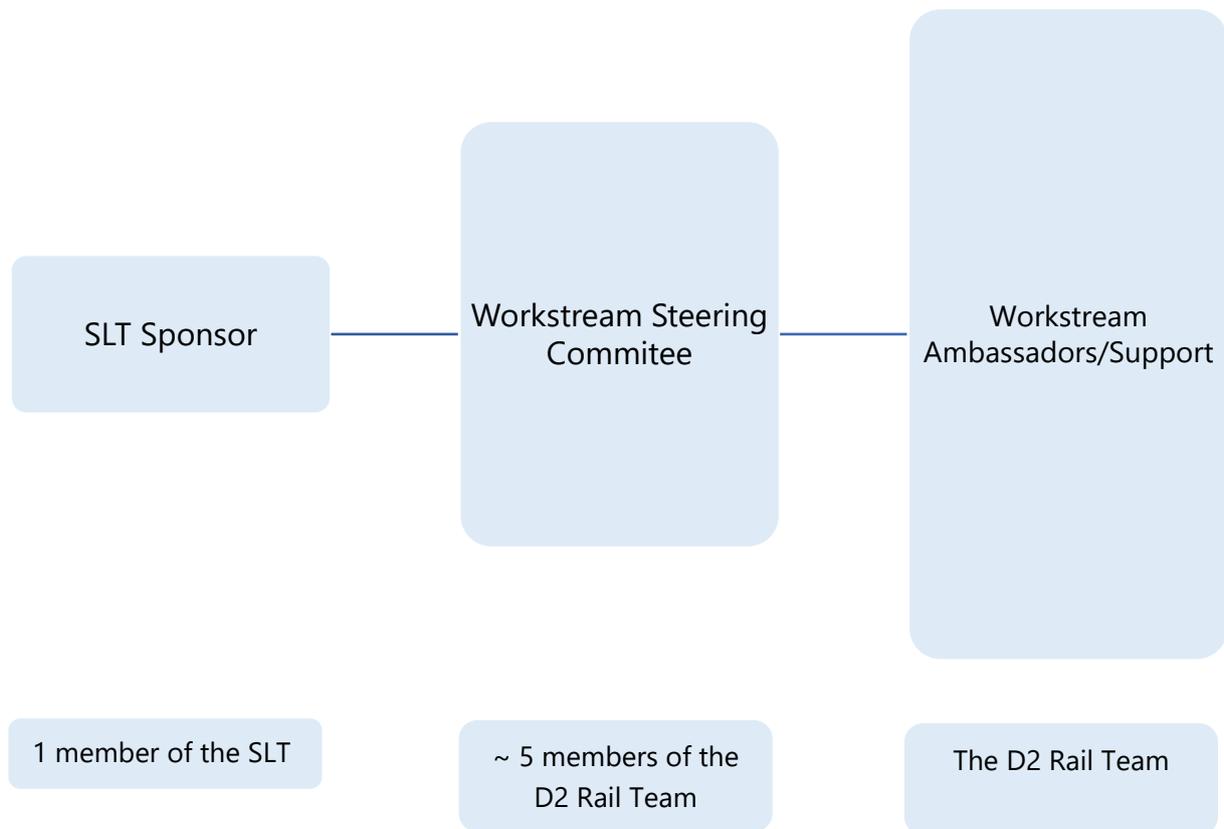


Figure 2: Social Value Strategy Implementation Framework

### FRAMEWORK ROLES AND RESPONSIBILITIES

The roles and responsibilities of the individuals/groups within the implementation framework are outlined in Table 2:

Role	Remit / Responsibility
Workstream SLT Sponsor	<ul style="list-style-type: none"> <li>Attend all workstream steering group meetings.</li> <li>Responsible for measuring progress against any relevant targets identified in the 5 pillars.</li> <li>Work with the company directors to set policy, determine strategy and provide leadership to drive and deliver change.</li> </ul>

Role	Remit / Responsibility
Workstream Steering Group	<ul style="list-style-type: none"> <li>• Hold and participate in periodic working group meetings.</li> <li>• Identify ways in which awareness can be increased: through communication, education and training.</li> <li>• Steer the delivery of the workstream plan.</li> <li>• Cascade any relevant issues or topics to the wider team.</li> <li>• Where relevant, produce periodic communications which are issued to the wider team as a bulletin.</li> <li>• Contribute towards the production of relevant marketing materials to be used on the company website, LinkedIn etc.</li> <li>• Monitor progress against the targets set out in the pillars.</li> </ul>
Workstream Ambassadors/Support	<ul style="list-style-type: none"> <li>• Undertake any relevant mandatory training associated with social value.</li> <li>• Promote best practice behaviours as outlined within the action points in the 5 Pillars.</li> <li>• Engagement with social value activities is recommended and encouraged.</li> </ul>

Table 2: Social Value Implementation Framework Roles and Responsibilities

## DELIVERING THE STRATEGY

To deliver the strategy, each workstream steering group will be responsible for setting up regular meetings to discuss:

- Current topics/discussion points in relation to the workstream.
- Upcoming events/ training opportunities in relation to the workstream.
- Methods of raising awareness within the business related to the workstream through events/awareness campaigns.

Communicating any relevant information to the wider team is an important aspect of driving positive change in terms of social value within the business. To do this, each workstream steering group has pledged to deliver at least:

- A one-page bulletin each period (to be compiled into an overarching 'Social Value Bulletin') issued to all D2 Rail staff.
- A 5-minute workstream update at the D2 Rail periodic Team Brief.

## MONITORING AGAINST THE PLAN

The agreed workstream targets set out in each pillar are referred to and reviewed at each workstream steering group meeting. The SLT sponsor is responsible for monitoring progress against any relevant targets set out in the 5 pillars. Progress reports and any consequent actions are reported to management at SLT meetings.

All workstreams convene to discuss progress at the 6 monthly 'Social Value Progress' meeting. This gives workstreams with joint actions (targets covered within one or more of the pillars) the

opportunity to understand development from all perspectives to build a more complete picture of progress.

If progress against the plan is insufficient, response actions can be developed to bring the strategy back on track during the Social Value Progress meetings.

## REFERENCES

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*Mental Health in the Workplace*. (n.d.). Retrieved from Mental Health Foundation.

## APPENDICIES

### Appendix A: Strategic Business Risk Assessment

We have identified some of our key strategic business risks/opportunities in the table below and demonstrated how they can be mitigated/exploited through improved Social Value policy/practice.

The 'response' column of the table refers to an action point within our 5 social value pillars. More detail on the specifics within the response action point can be found in Section 3: Our 5 Social Value Pillars.

Risk/Opportunity	Cause/Description	Impact	Response – D2 Rail Workstream
There is a risk that market reputation will be affected by insufficient/substandard social value policy and practices.	Driven by public and legal scrutiny, greater cognisance to ethical factors is being applied when awarding contracts.	If the business does not transparently drive change and promote and prioritise such areas, whilst adhering to government and industry standards, there is a risk that the business would suffer damaging reputational implications. Although it is difficult to predict and forecast, is it expected that this in turn would lead to negative financial and commercial performance.	<b>Community Engagement</b> <b>Support Local Charities</b> <b>Create a Diverse Workplace</b> <b>Environmental Best Practice</b> <b>Become a signatory to the 'SME Climate Hub Commitment'</b> <b>Training/Development and Support</b>

Risk/Opportunity	Cause/Description	Impact	Response – D2 Rail Workstream
<p>There is a risk relating to the loss of productivity due to adverse mental health within the workforce.</p>	<p>Mental health issues are the leading cause of sickness in the workplace (Mental Health in the Workplace, n.d.).</p> <p>The pandemic has exacerbated the issue with record numbers of workers in the UK seeking help from the NHS for mental health related issues.</p>	<p>In the UK, a total of 70 million workdays are lost each year due to mental health problems at a cost of £ 2.4 billion to the UK taxpayer.</p> <p>It is proven that maintaining a high level of mental health within the team will reduce the time lost to sickness and therefore improve commercial performance for the business.</p>	<p><b>Employee Wellbeing Network</b></p> <p><b>Employee Healthcare</b></p>
<p>There is a risk that sub-standard Social Value policy and procedures will lead to poor staff retention.</p>	<p>Social value and its constituent parts are widely accepted as having a greater bearing on overall employee satisfaction (Is your business 'levelling up' its social value commitments?, n.d.).</p> <p>Poor levels of staff satisfaction can lead to poor levels of staff retention.</p>	<p>If the business does not foster a positive, inclusive working environment, the existing workforce may choose to work elsewhere. This would lead to the following negative implications:</p> <ul style="list-style-type: none"> <li>• A loss of industry talent and knowledge.</li> <li>• Expenditure of time and money in hiring new staff.</li> <li>• Key resource time required to train and upskill new staff.</li> </ul>	<p><b>Mental Health and Well Being Network</b></p> <p><b>ED&amp;I Network</b></p> <p><b>Employee Healthcare</b></p> <p><b>Employee Training and Support</b></p> <p><b>Become a signatory to the 'SME Climate Hub Commitment'</b></p> <p><b>Pledge and commitment via ED&amp;I Industry Charter</b></p>
<p>There is a risk that the business will suffer a skills shortage.</p>	<p>There is a wider, systemic issue surrounding the emerging skills gap in the rail industry and indeed STEM employment overall (Burroughs, 2020).</p>	<p>There could be a lack of younger, skilled employees to replace experienced staff when they reach retirement age.</p> <p>A lack of trained, skilled staff could seriously affect the capability within the business and thus the overall</p>	<p><b>Apprentice/Graduate Recruitment</b></p> <p><b>Employee Training and Support</b></p>

Risk/Opportunity	Cause/Description	Impact	Response – D2 Rail Workstream
		service offering. This, in turn, could lead to reduced competitiveness in the market and subsequent reduced commercial performance.	
There is a risk that the projects the business are involved in/working on negatively impact the environment.	<p>The Projects could have a negative impact in terms of the environment and carbon production in the following ways:</p> <ul style="list-style-type: none"> <li>• Damaging the natural environment and habitats of protected species.</li> <li>• Poor management of carbon usage in terms of emissions and material choices.</li> </ul>	This could lead to a negative reputational impact and a consequent loss of business, resulting in damaging financial impacts.	<p><b>Environmental Best Practice</b></p> <p><b>Become a signatory to the 'SME Climate Hub Commitment'</b></p>
There is an opportunity relating to reduced carbon footprint and environmental accreditation.	<p>The opportunities or benefits can be broadly split into two categories:</p> <p><u>Improved Reputation</u></p> <p>Environmental accreditation will benefit the businesses reputation.</p> <p><u>Monetary Savings</u></p> <p>Becoming more efficient with our energy usage will lead to lower overheads in the long term from reduced utility bills.</p>	<p>The opportunity will lead to:</p> <ul style="list-style-type: none"> <li>• Increased staff retention.</li> <li>• Increased business prospects.</li> <li>• Greater client assurance and satisfaction.</li> <li>• Financial benefits from reduced overheads.</li> </ul>	<p><b>Become a signatory to the 'SME Climate Hub Commitment'</b></p>

Risk/Opportunity	Cause/Description	Impact	Response – D2 Rail Workstream
<p>There is an opportunity relating to the performance benefits associated with the presence of a diverse workforce.</p>	<p>The performance benefits can be broadly split in two categories:</p> <p><u>Leadership Team</u></p> <p>A diverse leadership team is less likely to succumb to 'groupthink' (Johansson, 2017). This is proven to negatively impact key business decisions and would therefore result in positive performance.</p> <p><u>Workforce</u></p> <p>Various research studies establish that a diverse workforce increases:</p> <ul style="list-style-type: none"> <li>• Innovation: Employees from diverse backgrounds can collaborate to drive innovation.</li> <li>• Employee engagement: Employees who feel more included are automatically more engaged and more productive.</li> <li>• Problem Solving: Employees' different perspectives can bring diverse solutions together, leading to quicker problem solving.</li> </ul>	<p>Performance benefits will lead to a more efficient business and improved commercial performance.</p>	<p><b>ED&amp;I Network</b></p> <p><b>Measure and Monitor</b></p> <p><b>Pledge and commitment via ED&amp;I Industry Charter</b></p>

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Final Audit Report

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