

“ At Barhale our people fundamentally believe in the relentless pursuit of efficiency to realise benefits for our customers and stakeholders and create a sustainable business. The foundation of everything we do is based on a common culture and sense of purpose which is clearly communicated through our Vision, Mission and Values. To achieve our Vision, we have created a powerful business model on our journey to achieving ‘What Good Looks Like’ to clearly guide our processes and I hope to share it and its benefits in this publication. ”



Dennis Curran, Chairman

OUR VISION

To be recognised as the best by our customers, our people, our suppliers and the community in which we operate.

OUR MISSION

Our Mission is to deliver best in class performance against our Three Pillar objectives for profit, safety and environment.

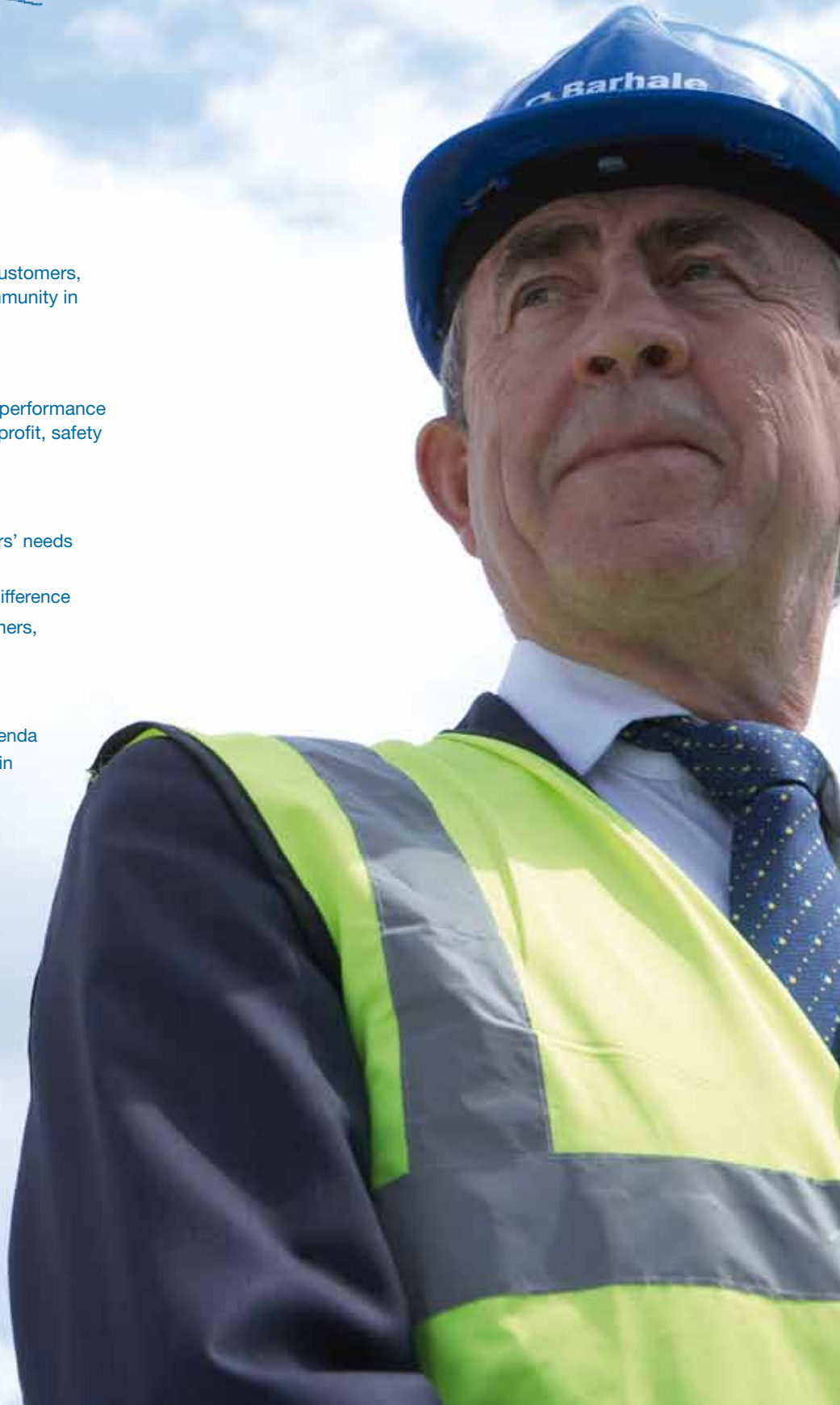
To achieve this we:

- Understand and deliver our customers' needs
- Continuously seek ways to improve
- Believe that each of us can make a difference

We share our success with our customers, our people and our environment.

OUR VALUES

- We put **safety** at the top of every agenda
- Good **communication** is important in everything we do
- We are focused on providing a high **quality** service
- We enjoy an excellent **teamspirit**
- We adopt a **caring** approach towards people and our environment
- We take **pride** in what we do
- Our relationships are based on **trust** and **integrity**



Barhale Sustainability Model



ELEMENT 1

Our Vision, Mission, and Company Values

The key element to any successful business is in having a clear focus and direction and establishing how it will do business. This is communicated through our **Vision, Mission and Values** as set out on the previous page. Barhale's **Values** have been in place for over 25 years and are the benchmark for how we conduct our business both internally and externally.



ELEMENT 3

Our People

Barhale's most valuable asset is its people. They are the foundation of everything we achieve. Our policy of **direct** employment is a major part of Barhale's strategy and philosophy. This stability enables us to maintain effective communications and embed knowledge and competence within the organisation.

Our reputation is built around **our people** and all share a passion to be the best. This is also extended to many of our key suppliers.

At the heart of our service is our ability to mobilise a loyal and committed skilled workforce, who are empowered to deliver. Our successful Near Miss reporting process is just one example of local empowerment in the pursuit of excellence.



ELEMENT 4

Delivery Process

Our business delivery process comprises the three stages of **Winning Work, Doing Work, and Getting Paid**. Any business has to be successful in all of these areas to ensure sustainability.

Winning Work – our aim is to understand our client's needs and to work with them to develop a collaborative, cost effective, value for money service. We are fully aware of the cost challenges facing many of our major clients and already have our own cost initiatives in place to drive down costs within Barhale, so that we can make our contribution.

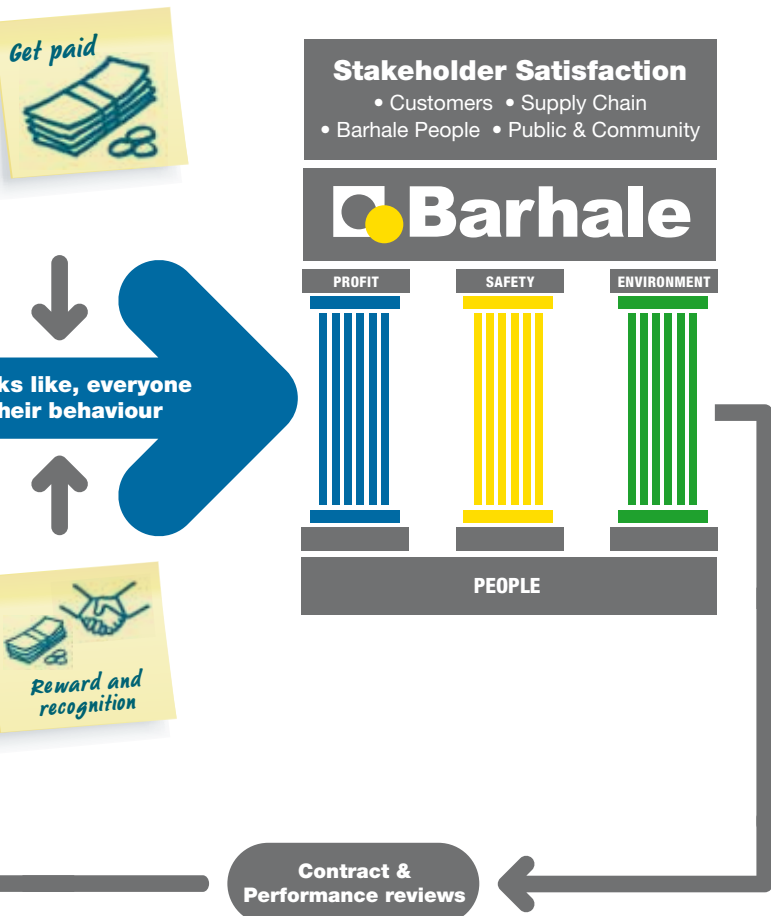
Doing Work – Our in-house construction and specialist support teams focus on doing the basics



effectively and efficiently. This is achieved by thorough planning and monitoring; mobilising the right resources in a timely manner; providing accurate forecasting; and getting the best from our supply chain. We focus on cutting out waste, getting things right first time and above all doing them safely whilst protecting the environment.

Getting Paid – Clients already realise the benefits our collaborative approach to cost management and financial planning delivers. Success on our framework contracts is testimony to our ability to deliver solutions with lower out-turn costs and continuous improvement over successive years.

Do in Partnership With and Supply Chain



ELEMENT 2

Stakeholder Satisfaction

All of our **Stakeholders** are important to us, however it is meeting our **Clients expectations and requirements** that drive a successful business. We align our planning and delivery with our Clients key drivers and ensure we make our contribution to helping them achieve their targets. It is only through establishing a shared understanding of needs and drivers that we can meet and exceed clients' expectations.

We have a clear approach to Corporate Responsibility and Sustainability and use this framework to develop and deliver our products and services in a sustainable and responsible manner.



ELEMENT 5

Benchmarking Our Performance

To ensure effective performance management Barhale developed its 3 Pillar philosophy focused on Profit (cost efficiencies), Safety, and Environment.

Each pillar has a number of high level key performance indicators that are then cascaded to business units. Performance is reviewed monthly at Board level and communicated within the business through graphs and charts.

Not only have we set ambitious targets for improvement, we apply the concept of **"What Good Looks Like (WGLL)"** to benchmark out-performance and to capture best practice.



We are currently seeking to achieve the following high level objectives:

- British Safety Council 5 star rating for both Health & Safety and Environmental Management by 2011
- Times Top 100 Companies to work for by 2011 (One to Watch status in 2009)
- Gold Award from Considerate Constructors Scheme by 2011 (already achieved).



ELEMENTS 6

Continuous Improvement and Generating Efficiencies

The Barhale model includes the process of Contract and Performance reviews to identify both good performance and areas for improvement.

In addition the company continues to drive out cost efficiencies by reviewing its processes and how it undertakes its work. This is an ongoing process and is aligned with our clients needs.

Our **Near Miss Reporting** process was introduced originally to improve health and safety performance but has now been extended to cover the other two pillars of profit and environment. There have been over 10000 near misses reported over the past 12 months across all 3 Pillars. This has become a major contributor to business improvement, sustainability and long term cost reduction.

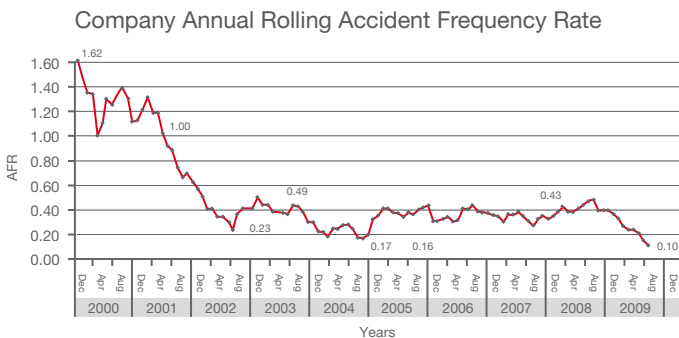
Milestones of Success – The Journey So Far...

Profit (Sustainability)

- The cost efficiency trend measures the relative reduction arising from the following three results:
 - Reducing operating costs by improving HS&E performance
 - Reducing Plant and Material costs
 - Reducing Insurance Premiums
- Reviewing business processes and streamlining the business
- Reporting of Profit Near Misses of:
 - Engagement with the supply chain

Safety

- Reduction of 68% in Rolling AFR since January 2008
- Reduction of 30% in All Accident AFR since January 2008
- Reporting of H&S Near Misses
- Reduction in accidents since the roll-out of:
 - Driver Safety Programme
 - Behavioural Safety Programme



Environment

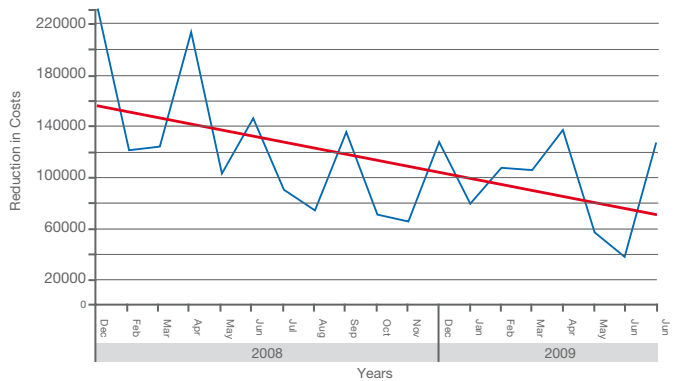
- Reducing our carbon footprint from fuel in vehicles by 30% since 2006
- Reducing the number of environmental incidents (see graph opposite) showing improvement during past twelve months
- Achieving an average score of 34.7 for Considerate Constructors Scheme in 2008 against industry norm of 30.0
- As of July 2009, 68% of our waste was reused or recycled (compared to 75% in 2008)



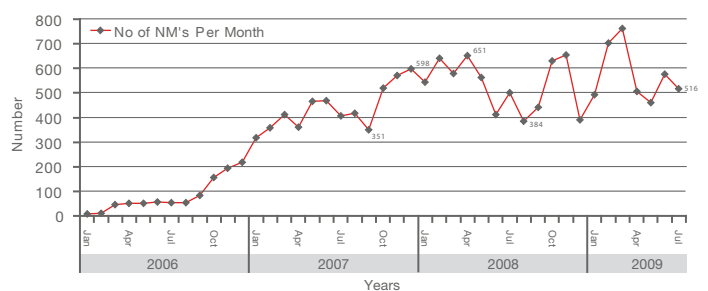
People – 2009 Achievements

- Olympic Delivery Authority (ODA)
 - Worker of the Year (Winner)
 - Supervisor of the Year (Highly Commended)
 - Lessons Learned Award – Near Misses (Highly Commended)
 - Training Award – Behavioural Safety (Highly Commended)
- UKSTT Young Engineer of the Year (Winner)
- Major Installation of the Year Award

Cost Efficiency Trend 2008 - 2009



Near Miss Reporting Number by Month 2006 - 2009



12 Month Rolling EIFR



Huw Preece – Barhale's ODA Worker of the Year, Winner



INVESTOR IN PEOPLE



Key Differentiators

- Industry leading 3 Pillar Near Miss performance enabled by the 'Closing the Loop™' process.
- The Barhale Values at the heart of our People.
- Flexible, national, direct labour model



What Good Looks Like in Customer Experience

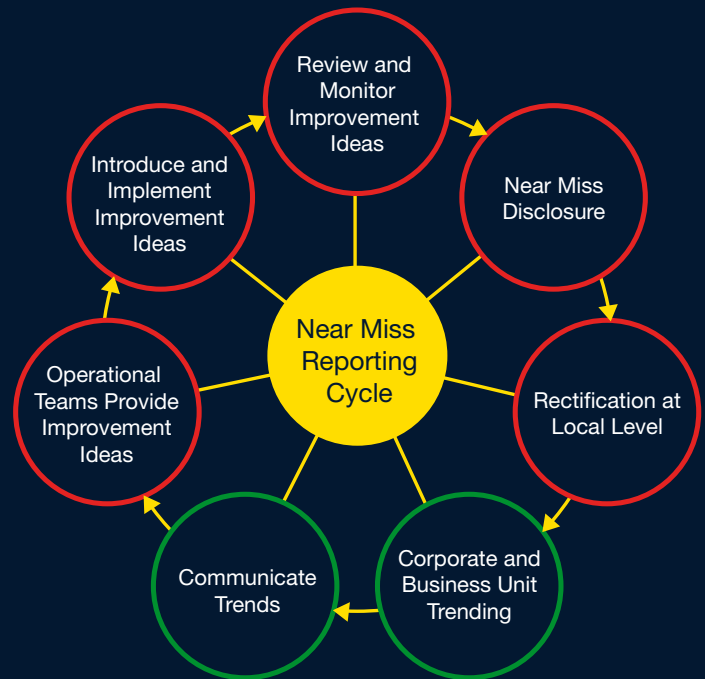
250 members of the Albrighton Parish Council held and attended a celebration supper for the completion of the Flooding Scheme for the Barhale team – “Barhale have done this job in a manner worthy of praise and the council wanted to show their appreciation of them and their client”.

Considerate Constructors Scheme Awards 2009 – “Barhale are a superb ambassador for construction”.

The Queen Mother Reservoir Tunnel Recovery Team through superb team work, on the job thinking and sheer determination returned the tunnel to full operation on the evening of the 29th September 2006.

Closing the Loop™ Process

- Business Unit Level
- Corporate Level



Barhale Sustainability Model

“We are eager to apply this methodology through our early involvement in schemes from inception. Working collaboratively with our clients, we are confident that significant cost savings can be achieved.”

BARHALE SUSTAINABILITY MODEL



“ We will work with our customers and supply chain through collaborative innovation to meet the cost challenges and efficiencies we all face to achieve business sustainability. ”