

## **A Contractors Guide To:**

## Social Values

Discover the essential contractor's guide to combining social values into construction projects. Learn how to prioritise sustainability, ethics, and community impact for a more dedicated approach to building. Dive into practical strategies and insights to align your construction work with broader social responsibilities.



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In today's construction landscape, the incorporation of social values stands as a powerful force, reshaping the industry's core principles.

From the roots of environmental sustainability to the branches of community engagement, ethical labour practices, and diversity, social values have become the bedrock of the construction sector's principles. This transformative shift signifies a move towards a more comprehensive, sustainable, and socially aware construction approach.

Envision a scenario where collaboration among individuals and organisations is actively contributing to the creation of thriving and sustainable communities. This is precisely the essence that Social Value aims to deliver, a concept swiftly ascending the priority list in the construction sector.

Unlike the gradual adoption of sustainability principles and CSR over the last few decades, Social Value and TOMs have rapidly come into place, evolving from a concept to a pivotal force in construction practices within a mere five years.

The acceleration of Social Value's prominence can be attributed to two key catalysts.

Firstly, the implementation of government legislation, notably the Social Value Act of 2012, has played a crucial role in elevating the significance of Social Value within construction projects.

Secondly, businesses, particularly in the post-COVID era, have acknowledged their responsibility in contributing to societal wellbeing, recognising their pivotal role in community development.



The COVID-19 pandemic, despite its challenges, acted as a unifying force, prompting businesses to realise their role in fostering social value and 'levelling up' communities. What was once considered a mere luxury has now become an integral and lasting change in the way the construction industry conducts its operations.

However, amid this transformation, the absence of a legal definition for Social Value has resulted in confusion about how to effectively incorporate it into construction practices. In response to this need for clarity, our team of Social Value experts from Saint Global has compiled a straightforward guide. This guide aims to walk you through the evolution of Social Value, its current trajectory within the construction industry, and practical steps for initiating your own Social Value initiatives.

In the construction landscape, the integration of social values has become a potent force reshaping the industry's core principles. Moving beyond the traditional emphasis on environmental sustainability, construction now focuses on community engagement, ethical labour practices, and diversity.

Social values have become the cornerstone of the industry's principles, signifying a transformative shift towards a more comprehensive, sustainable, and socially conscious construction approach.

As the construction industry continues to evolve, embracing Social Value not only aligns with the changing expectations of stakeholders but also positions businesses as agents of positive change. This paradigm shift encourages the creation of construction projects that not only showcase engineering prowess but also serve as symbols of social responsibility and community enrichment.



## What are social values?

#### Social

The social aspect of social values revolves around the well-being of individuals and communities. It accentuates the interconnected nature of human interactions, underscoring the importance of fostering positive social environments and cohesive communities. This core principle goes beyond individual welfare, recognising the collective strength derived from supportive communities. By emphasising empathy, inclusivity, and community engagement, we pave the way for a society that thrives on shared values and mutual well-being.

#### **Economic**

The economic facet of social values revolves around policies and business practices designed to enhance social well-being. Acknowledging the profound impact of economic structures on community health, this dimension recognises the symbiotic relationship between economic policies and societal welfare. It encourages businesses to adopt practices that not only drive economic growth but also contribute meaningfully to the betterment of society. By aligning economic goals with social responsibility, industries can foster sustainable development that uplifts communities and ensures equitable prosperity.

#### **Environmental**

The environmental dimension of social values takes centre stage in navigating the challenges posed by our rapidly evolving world and operational activities. Sustainability involves adopting methods that meet present needs without compromising the ability of future generations to meet their own. Embracing sustainable practices extends beyond mere compliance; it represents a proactive



commitment to the preservation of our planet's ecosystems. From harnessing renewable energy sources to implementing waste reduction strategies, the integration of sustainable practices serves as a crucial step towards building an environmentally conscious and socially responsible future.

The significance of Social Value lies in its capacity to prompt thoughtful consideration of our actions, encouraging individuals and organisations to assess whether their attempt to contribute positively to society and how they might impact future generations. By fostering an increased sense of social consciousness, Social Value transcends the realm of big projects to surround daily activities.

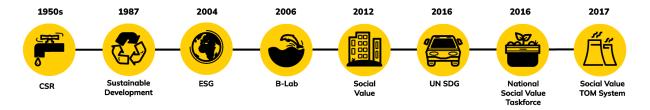
The impact of social value on communities is profound, with organisations that commit to providing social value becoming catalysts for positive change. Leaders within these organisations implement a diverse range of actions that genuinely enhance people's lives.

Such initiatives may involve awarding contracts to local suppliers, contributing to public realm projects, encouraging staff to volunteer for charitable causes, offering apprenticeships, or providing work experience opportunities for individuals seeking a second chance in life, such as those who have experienced confinement.

In essence, the commitment to social value becomes a transformative force that actively forms the communities for the better.



## The History of Social Values



Embracing a legacy in human history, construction businesses uphold values of community contribution, fair treatment, and environmental care. These timeless principles guide our ideology, reflecting in every angle of our operations. The essence lies in understanding how these values seamlessly combine into the very fabric of our business, shaping a responsible and careful approach. In an era where social impact is paramount, construction organisations play a crucial role by recognising the profound connection between social practices and sustainable success. By aligning with these enduring values, we not only build structures but also foster a legacy of positive impact on society and the environment.

#### CSR - 1950s Corporate Social Responsibility

A theme to create focus outside of profit

CSR is a term coined by American economist Harold Bowen to reflect the need for businesses to pursue policies which align with the needs of society. CSR became the theme which encouraged businesses to support local communities alongside their profit targets



#### Sustainable Development - 1897

A concept to bring greater attention to the environment

As a result of the Brundtland Report, 'World Commission on Environment and Development', a global agenda for change was established for the United Nations and 'citizen groups' to align around long-term environmental strategies

#### **ESG - 2004**

#### **Environmental Social Governance**

A yardstick by which to assess impact

ESG emerged as a set of requirements used by investors to assess the impact a company has on the environment and communities. ESG gained further traction in 2012 with the start of a series of open letters from Larry Fink, CEO and chairman of investment company BlackRock, in support of environmental sustainability being a core investment goal.

#### B-Lab - 2006

A nonprofit network mobilising businesses to be a force for good

B-Lab is known for certifying B Corporations, which are companies which meet high standards of social and environmental performance, accountability and transparency.



#### Social Value - 2012

A holistic measure of social, environmental and economic value

The Public Services (Social Value) Act requiring public sector buyers to assess the positive contribution to society of all contracts was passed into law. At the same time, the term Social Value entered common vocabulary

#### **UN SDG - 2016 United Nations Sustainable Development Goals**

A set of 17 globally agreed goals to help improve our world

The goals, developed collaboratively by the United Nations, act as a guide for better sustainable behaviour and a framework for sustainability reporting.

#### National Social Value Taskforce - 2016

A network facilitating good Social Value practice in the public sector and business community

The task force welcomes any organisation to engage in leveraging collective knowledge effectively implementing the Public Services (Social Value Act) 2012.

#### Social Value TOM System - 2017

The framework by which organisations can quantify their Social Value contribution

The Social Value TOM System of measures were published as the principal tool for reporting Social Value to a consistent standard and based on the Social Value Act's themes of social, economic and environmental well-being.



## Why are Social Values Important to Construction Businesses?

The UK government now requires that social value is evaluated as part of the tender process for most of its biggest outsourcing contracts – some of which are worth billions of pounds.

Governed by the Public Services (Social Value) Act of 2012, the evaluation of bids now incorporates the allocation of up to 10% of marks dedicated to social value considerations – a pivotal factor that can determine the success or failure of a bid. This approach is not confined to the government alone; local councils are adopting similar methodologies, not only in their procurement processes but also in urban planning.

On a global scale, the United Nations has devised 17 Sustainable Development Goals, addressing pressing issues such as poverty, inequality, and climate change. These transformative initiatives are seamlessly integrated into the metrics for measuring and monitoring social value across both public and private sectors, underscoring the critical importance of precision in organisational practices, as no entity can afford to overlook these crucial considerations.

Social values are crucial to the construction industry for several reasons:

**Community Impact:** Construction projects often have a significant impact on local communities. Embracing social values ensures that projects contribute positively to the community by creating jobs, enhancing infrastructure, and respecting the cultural and social fabric of the area.



**Stakeholder Relations:** Construction projects involve various stakeholders, including residents, government bodies, and businesses. Adhering to social values helps build positive relationships with these stakeholders, fostering cooperation, support, and a favourable reputation.

**Workforce Well-being:** The construction industry relies heavily on a skilled and diverse workforce. Incorporating social values means prioritising fair labour practices, worker safety, and well-being, which, in turn, contributes to employee satisfaction, loyalty, and productivity.

**Ethical Business Practices:** Social values guide ethical decision-making within the construction industry. Adhering to ethical standards builds trust with clients, partners, and the public, ultimately contributing to the industry's credibility and long-term success.

Environmental Responsibility: While environmental concerns often fall under the umbrella of social values, they deserve specific mention. The construction industry has a significant environmental impact. Integrating social values involves adopting sustainable practices, reducing carbon footprints, and minimising ecological disruption.

**Regulatory Compliance:** Many social values align with legal and regulatory requirements. Adhering to these values ensures compliance with laws and regulations, reducing the risk of legal issues and penalties that can negatively affect a construction project.

Long-Term Viability: Society's expectations of businesses, including the construction industry, are evolving. Companies that incorporate social values are more likely to adapt to changing societal norms, positioning themselves for long-term success in an environment where responsible and socially conscious practices are increasingly valued.



# The Significance of Communicating Social Values Efforts Through a Strategic Approach

In such a rapidly evolving industry, businesses are quickly recognising the importance of social values as they reshape the industry's core principles and become a principal part of contracts and tenders when working for Tier 1's. This shift towards social responsibility is no longer a "trend" but a fundamental transformation in the way businesses continue to operate.

### Importance of a Social Values Strategy

Effective communication through a well-defined Social Values Strategy allows you to correctly represent yourself within the industry, which holds a range of beneficial factors from building trust and credibility to standing out to ideal clients.

The purpose of a social values strategy is to guide and articulate a company's commitment to ethical, sustainable, and socially responsible practices. It serves as a blueprint for integrating values that align with societal expectations into the core of the business operations. This strategy aims to foster transparency, build trust, and communicate the company's dedication to making a positive impact on the community and the environment. By outlining clear goals and initiatives, a social values strategy provides a framework for decision-making that extends beyond profit motives, encompassing a broader sense of corporate responsibility. Ultimately, the purpose is to not only meet ethical standards but to actively contribute to social betterment, creating a lasting and meaningful connection with stakeholders while promoting long-term sustainability and resilience for the business.



#### **Examples:**

<u>Graham - Corporate Social Responsibility</u>

**ARUP - Corporate Social Responsibility** 

Scrape - Corporate Social Responsibility

#### A Long-term Focus

Maintaining a long-term focus within your Social Value Strategy is imperative due to the dynamic landscape of the construction industry, the ability to look beyond immediate gains and towards enduring impact is a hallmark of visionary leadership and a successful campaign laid out with effective measurement. A steadfast commitment to long-term goals allows companies to weather short-term challenges, adapt to changing circumstances, and build a resilient foundation for growth. In the realm of social values, a sustained focus enables businesses to cultivate deep and meaningful relationships with stakeholders, foster lasting positive change in communities, and establish a legacy for the brand. Embracing a longterm perspective not only ensures the longevity of company but also positions it as a driving force for positive societal transformation, embodying the values and results

## **Building Trust & Credibility**

Building trust and credibility is a foundational pillar of a successful social values strategy within the construction industry. At its core, this involves transparently communicating a company's commitment to ethical and socially responsible practices. Establishing trust goes beyond meeting industry standards; it requires a genuine and consistent effort to align business operations with articulated values.



Through a collaborative approach, businesses can develop strategies that not only meet but exceed expectations, showcasing a dedication to transparency and accountability. This commitment resonates with clients, investors, and the broader community, fostering a positive perception of the company's integrity. Trust is cultivated through consistent actions, and a well-crafted social values strategy ensures that every aspect of a business reflects its professed values, ultimately resulting in the development of a strong, trustworthy, and credible brand within the construction sector.

## Standing Out in A Crowded Marketing Place

As markets become saturated, businesses are constantly seeking ways to stand out from the competition. A well-crafted Social Values strategy can serve as a powerful differentiator. When consumers are faced with multiple choices, they are more likely to gravitate towards a brand that not only offers quality products or services but also actively contributes to the betterment of society. Through effective communication, a company can highlight its commitment to social values, creating a unique selling proposition that resonates with its target audience.

#### **Attracting and Retaining Talent**

Companies that adeptly communicate their commitment to social values gain a competitive edge in talent acquisition, attracting high-calibre professionals who resonate with their ethos. This not only establishes the organisation as an employer of choice but also fosters a workplace culture where employees become advocates for the company's societal contributions. Beyond recruitment, a robust social values strategy enhances employee morale and engagement, contributing to higher retention rates. When staff members feel



a genuine connection to the organisation's commitment to social responsibility, a sense of pride emerges, cultivating a positive work environment. This heightened engagement is a powerful factor in retaining skilled professionals who are aligned with the company's values, reducing turnover.

Moreover, employees proud to be associated with a socially responsible organisation become ambassadors, positively influencing the company's reputation. This organic word-of-mouth promotion extends the company's positive image both within the workforce and externally, enhancing its standing in the industry and community. In essence, an effective social values strategy not only attracts top talent but also contributes to a workplace culture of pride, engagement, and loyalty. This, in turn, creates a positive reputation that resonates both within and beyond the organisation, positioning it as a socially responsible and desirable place to work.

## Winning Tenders, Winning Work

Correlating a company's social values strategy with the Social Value goals of Tier 1 contractors is a highly effective approach for attracting and winning work in today's competitive business environment. Tier 1 contractors, often key players in major projects, increasingly prioritise working with suppliers and subcontractors who share their commitment to social responsibility. This is becoming more and more prevalent and is a requirement on ALL Government Tenders and is ever-increasing across Tier 1, Tier 2 Tender Requirements and PQQ Registries.

By aligning social values strategies, businesses can demonstrate a shared dedication to ethical practices, sustainability, and community engagement. This alignment not only enhances the overall reputation



of the collaboration but also positions both parties as responsible and conscientious contributors to societal well-being. Companies that integrate their social values with the goals of tier 1 contractors signal a holistic commitment to creating positive social impact, fostering trust among clients and stakeholders. This alignment can be a decisive factor in winning contracts, as clients are more likely to favour partnerships that reflect shared values and a collective dedication to driving positive change.

## **Building your Social Values Strategy**

This is where Saint Global Marketing come in, the UK's number 1 construction marketing agency, who understand the critical importance of a well-crafted social values strategy in the construction industry. Saint holds a team of seasoned professionals who ensure a thorough understanding of your values, objectives, and target audience. Saint work purely within construction marketing and is guiding businesses in aligning their operations with socially responsible practices, crafting compelling narratives, and implementing strategic communication plans. From fostering transparency to enhancing stakeholder engagement, Saint offers a comprehensive suite of services aimed at helping companies build and communicate a strong social values framework.

Partner with Saint Global Marketing to not only differentiate your brand in the competitive construction sector but also to create a lasting positive impact within your community and industry.



## What is greenwashing? - The Harsh Truth Behind Social Values

Within the construction industry, the deceptive practice of greenwashing has become a prevalent issue. Greenwashing refers to the deceptive practice of conveying a false or exaggerated impression of environmental friendliness or sustainability in an organisation's products, services, or overall business practices. Companies engaging in greenwashing attempt to present themselves as more environmentally responsible than they genuinely are, often through misleading marketing or communication strategies.

The term "greenwashing" is a blend of "green," which is commonly associated with environmentally friendly practices, and "whitewashing," which refers to the act of covering up or glossing over undesirable facts. Greenwashing can take various forms, including the use of eco-friendly language, symbols, or images without substantial environmental efforts behind them.

### **Example of Greenwashing**

An example of Greenwashing would be; Green Construction Solutions Ltd, which proudly advertises its commitment to environmental sustainability, claiming to dispose of waste in a responsible and eco-friendly manner while championing recycling initiatives. Their promotional material emphasises their dedication to reducing their carbon footprint and being stewards of the environment. They promote themselves as "eco-friendly," "green," or "sustainable" without providing specific details about their environmental initiatives."



However, a closer inspection reveals a different reality. Behind the scenes, Green Construction Solutions Ltd. continues to dispose of construction waste irresponsibly, contributing to environmental degradation. Their recycling efforts are superficial at best, with a significant portion of materials ending up in conventional landfills.

This greenwashing tactic allows the company to appear environmentally conscious to the public while neglecting genuine efforts towards sustainable practices. It deceives customers who trust the company's proclaimed commitment to green construction, ultimately undermining the credibility of authentic environmentally responsible businesses in the industry.

More recently, some of the world's biggest carbon emitters, such as conventional energy companies, have attempted to rebrand themselves as champions of the environment. Products are greenwashed through a process of renaming, rebranding, or repackaging them. Greenwashed products might convey the idea that they're more natural, wholesome, or free of chemicals than competing brands.

### Why is Greenwashing Harmful?

Greenwashing is deceitful and unethical because it misleads investors and consumers who are genuinely seeking environmentally friendly companies or products. Often, green products or services can be sold at a premium, making them more expensive, which can lead consumers to overpay. If greenwashing is revealed, it can seriously damage a company's reputation and brand.



## How to avoid greenwashing in future projects?

First and foremost, stay true to your environmental goals and aspirations when managing your business and projects. Clearly articulate these goals in straightforward terms and substantiate them with factual evidence, normally within a Social Values Strategy. Keep accreditation claims concise; overwhelming stakeholders with assertions about who has acknowledged your sustainability efforts can lead to confusion.

If your genuine commitment is towards executing sustainable projects, ensure that the investments and personnel dedicated to these initiatives within your business are visible. Transparently showcase the resources in place to drive such environmentally conscious projects.

Avoid making sustainability claims for your business or ongoing projects that cannot withstand thorough examination. Refrain from using marketing language that overstates the situation or, worse, fabricates environmental benefits that lack substance.

Incorporating measurement systems like TOMs (Themes, Outcomes, and Measures) provides an effective means of quantifying the impact of social value activities, ensuring accurate and credible assessments. By adhering to these principles, businesses can safeguard against greenwashing and foster genuine environmental responsibility in their future projects.



### Is Greenwashing Illegal?

In the UK, environmental claims made to consumers are governed by the <u>Consumer Protection from Unfair Trading Regulations 2008</u> (CPRs).

(This is soon to be relocated to the <u>Digital Markets</u>, <u>Competition and Consumers Act 2023</u>.)

These are defined broadly but include making misleading statements about a product or service (including by omitting material information) if it is likely to affect consumers' purchasing decisions.

Similar rules exist for business-to-business environmental claims under the Business Protection from Misleading Marketing Regulations 2008 (BPRs).

The BPRs prohibit "misleading advertising". This is defined as advertising likely to deceive another business and affect its economic behaviour or which, for those reasons, is likely to injure a competitor (regulation 3).

"Advertising" is defined broadly to include any form of representation used to promote products or services (regulation 2).

Environmental claims are also governed by regulatory codes, in particular the Competition and Markets Authority's (CMA) Green Claims Code (GCC) and the Advertising Standards Authority's (ASA) CAP Code (rule 11).

The GCC is based on six overarching principles. Environmental claims must:

1) be truthful and accurate



- 2) be clear and unambiguous
- 3) not omit or hide important information
- 4) be substantiated,
- 5) consider the product or service's full life cycle, and
- 6) comparisons must be fair and meaningful



## How to Measure Social Values | An Introduction to the TOM System

A robust measurement framework is your foundation, so making the right choice is essential to set you up for success. It should define the themes most relevant to your community, the desired outcomes that will have the greatest impact and the measures that quantify that impact. For example The Social Value TOM System

The TOM System stands for 'Themes, Outcomes and Measures' and aligns with the UN 17 Sustainable Development Goals. It is the market-leading measurement framework for tracking and quantifying Social Value. It enables you to measure Social Value within your organisation and your supply chain.



## Work- opportunity for all

The jobs you create directly impact your community. Give someone without a job an income and an opportunity to develop their career. It will not only change their life, but it change the lives of those around them.



#### **Economy- Inclusive growth**

Build diverse and sustainable supply chains and eradicate unethical practices.

#### **Community- Empowering communities**

Track the impact you have on the people around you, from volunteering to donating to local causes.

#### Planet- Safeguarding and restoring our world

Measure the impact you have on the environment and track your journey to net zero.

#### **Innovation**- Promoting social innovation

There are plenty of innovative ways to create Social Value. It might not be an established path to follow, but if you provide skills to your local community, or curb damage to the environment, you create Social Value.

## The Social Value TOM System is the most established and trusted framework for measuring Social Value today:

- A single measurement and reporting standard for consistency
- Flexible for procurement, contract management and business measurement



- Can be scaled to support business needs
- Wide adoption supports benchmarking
- Can be mapped to GRI and the United Nations Sustainable Development Goals
- Powered by robust data sources including the ONS, Unit Cost Database and the Treasury Greenbook

## Evaluating Social Value (The Proxy Values & Social Value £)

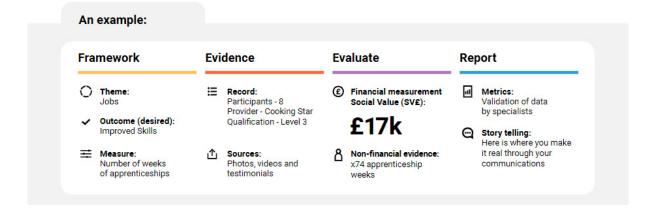


The 'good' an organisation delivers can be calculated in financial terms (or SV£) using proxy values. Most importantly, the calculation reflects the benefit above what might happen without the activity. This is calculated, behind the scenes, using robust data sources such as the Office of National Statistics, Treasury Greenbook or Unit Cost Database.

The Proxy Values require the valuation of "non-market goods and services" and the National TOMs approach aims to be consistent with the relevant techniques outlined in these guidelines.



In addition to a financial metric, it is important to 'tell the story' of the Social Value through supporting narrative and images which bring the outcomes to life.





## **Working with Saint**

Saint Global is a leading company that recognises the importance of a comprehensive approach in the modern construction landscape. The company supports construction firms by guiding them through the incorporation of crucial social values such as environmental sustainability, ethical labour practices, and more. Saint Global is committed to assisting construction companies through solid initiatives such as training and apprenticeships, support for local businesses, and the promotion of volunteering endeavours.

This empowers construction firms to not only meet industry standards but to contribute to social well-being meaningfully. The Social Value TOM System emphasises measurable outcomes in alignment with the UN 17 Sustainable Development Goals and serves as a robust tool for construction companies to monitor and assess their social impact.

The Social Value TOM System covers various themes crucial for societal progress, including inclusive employment opportunities, economic growth, community empowerment, environmental stewardship, and social innovation. Through strategic partnerships with Saint Global, construction companies can navigate the industry landscape with a focus on sustainability and socially conscious practices. This collaborative effort ensures that construction projects comply with ethical standards and contribute positively to communities and the planet.

In essence, Saint Global is not just a traditional construction marketing agency but also a motivation for positive change within the industry. By aligning with the company's expertise, construction firms can



become pioneers in fostering a construction sector that prioritises social values and sustainable practices. This collaborative journey with Saint Global signifies a commitment to a construction future that not only meets present needs but also actively contributes to the wellbeing of societies and the preservation of our planet.

Contact us today to work with your own Social Value Advisor. materials ending up in conventional landfills. fabricates environmental benefits that lack substance.

Incorporating measurement systems like TOMs (Themes, Outcomes, and Measures) provides an effective means of quantifying the impact of social value activities, ensuring accurate and credible assessments. By adhering to these principles, businesses can safeguard against greenwashing and foster genuine environmental responsibility in their future projects.



## **Need further support? Check out:**

**Construction Insider Toolbox Construction Insider Resources** 

Additionally, the team at <u>Saint Construction Support</u> provide a wide range of business support from marketing to the accountancy. They are turning construction businesses arround and nothing like it has been seen within the industry.

Arrange a free call today.