What is Social Value?
Social Value has become part of the legislative landscape through successive Acts across GB

“An act to require public authorities to have regard to economic, social and environmental well-being in connection with public services contracts and for connected purposes.”
Public opinion is changing
Public policy is aligning with investor concerns

BlackRock’s Message: Contribute to Society, or Risk Losing

Andrew Ross Sorkin
DEALBOOK JAN. 15

On Tuesday, the chief executive of BlackRock, from one of the most firestorm in the corner stretches from Wall Street to

Laurence D. Fink, informed business leaders contribute to society.

Legal & General Investment Management’s real estate arm plans social value score for investments

LGIM Real Assets, the £24.9bn (€28bn) real estate arm of UK fund giant Legal & General Investment Management, made a commitment that 20% of its commercial will have a “social value score” over the next

NO POVERTY
QUALITY EDUCATION
AFFORDABLE AND CLEAN ENERGY
LIFE ON LAND
SUSTAINABLE CITIES AND COMMUNITIES
GOOD HEALTH AND WELL-BEING
PEACE, JUSTICE, AND STRONG INSTITUTIONS
REDUCED INEQUALITIES
RESPONSIBLE CONSUMPTION AND PRODUCTION
GENDER EQUALITY
Dear Client,

Since BlackRock’s founding in 1988, we have worked to anticipate our clients’ needs to help you manage risk and achieve your investment goals. As those needs have evolved, so too has our approach, but it has always been grounded in our fiduciary commitment to you.

Over the past few years, more and more of our clients have focused on the impact of sustainability on their portfolios. This shift has been driven by an increased understanding of how sustainability-related factors can affect economic growth, asset values, and financial markets as a whole.
La Salle - Real Estate Long Term Demand - Underpinned by Social Value Factors

Figure 1: The Secular Demand Drivers for Real Estate DTU + E

Source: LaSalle (01/17)
What is the Social Value Portal?
Social Value Management and Delivery

Social Value Portal is the market leader in social value measurement and reporting. We work with customers to measure, manage and maximise their broader contribution to society.

Measurement
An nationally approved accounting methodology for measuring social value in terms of economic, environmental and social impact.

Procurement
A procurement platform for social value to help organisations manage the tender process and to unlock social value in the supply chain.

Contract Management
An interactive solution designed to help organisations set targets and manage performance and store evidence.

Reporting
Live reporting with interactive dashboards and displays including geospatial mapping of value by area.

Our social measurement solution is based on the National TOMs.
The TOMs will be mapped against the Global Goals.

The Global Goals
For Sustainable Development
Private Sector Customers

lendlease

bam

COUNTRYSIDE
Places People Love

WILLMOTT DIXON

Berkeley Group

HS2

FIRST BASE

Legal & General

sodexo

VolkerWessels

Dodd Group

ARGENT

marlborough

PATRON

BOUYGUES CONSTRUCTION

BARCLAYS

BUCKINGHAM
Group Contracting

UBS

Grosvenor

GallifordTry

PROLOGIS

Land Securities

Connect Plus Services
How do we measure Social Value?
The Social Value Measurement (TOMs) Framework

The Themes, Outcomes and Measures (TOMs) are based on the principles of cost benefit analysis and SROI, but simplified to make it easier to use and applicable across all sectors.

<table>
<thead>
<tr>
<th>Theme</th>
<th>Outcome</th>
<th>Measures</th>
<th>Units</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth and Jobs</td>
<td>More local people in local work</td>
<td>No. Young Offenders</td>
<td>No. people</td>
<td>£58,611/per</td>
</tr>
<tr>
<td></td>
<td>More opportunities for local SMEs and VCSEs</td>
<td>No. Voluntary hours</td>
<td>No. hrs</td>
<td>£14.43/hr</td>
</tr>
<tr>
<td></td>
<td>A More Resilient Third Sector</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Vulnerable people better supported</td>
<td>Spend in local supply chain</td>
<td>£ spent</td>
<td>Local Spend</td>
</tr>
<tr>
<td></td>
<td>Crime is reduced</td>
<td>Reduced CO2e</td>
<td>tCO2e</td>
<td>£64.66/tCO2e</td>
</tr>
<tr>
<td></td>
<td>Reduced carbon emissions</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total Social Value = \( \text{Sum(Measures*Value)} \)

Values are sourced from UK Govt. data base and calculated according to the ‘green book’ methodology.
Mapping the TOMs against the Global Goals

More than 290
More than 280
More than 130
The National Social Value Task Force

Public, private and 3rd sector
Supported by Cabinet Office and Crown Commercial Services.

Current members:

- Balfour Beatty
- Baxendale
- Big Society Capital
- Birmingham City Council
- Bristol City Council
- Cabinet Office/DCMS
- CBI
- CIPS
- Countryside Properties
- Coventry City Council
- Crown Commercial Services
- Demos
- Durham Council
- Engie
- Federation of Small Businesses
- Greater London Combined Authority
- Greater Manchester Combined Authority
- Home Office
- IWFM
- Kent Fire Brigade
- London Fire Brigade
- Manchester City Council
- NEPO
- Scape Procure
- Sheffield City Council
- Social Value UK
- Sodexo
- Solihull
- Star Procurement
- Stone King
- Surrey Council
- TUC
- NEPO
- ORBIS
- Supply Chain Future
- Transport for London
- TUC
- UKSSD
- Waltham Forest
- Wates
- West Midlands Combined Authority
- Westminster Council
- Willmott Dixon Foundation
- Wirral
National Social Value Measurement (TOMs) Framework

18 months consultation prior to launch

- Flexible, option-based framework
- Downloaded over 4000 times
- Provides a consistent measurement solution
- Creates a level playing field for business
- Allows benchmarking
Key challenge: addressing the Climate Emergency

Some of the new measures:

<table>
<thead>
<tr>
<th>Theme</th>
<th>Outcome</th>
<th>Short description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs: Promote Local Skills and Employment</td>
<td>Improved skills for a low carbon transition</td>
<td>&quot;Just transition&quot;: Retraining workers from high carbon industries</td>
</tr>
<tr>
<td></td>
<td>NT54</td>
<td></td>
</tr>
<tr>
<td></td>
<td>NT10b</td>
<td>Low carbon apprenticeships</td>
</tr>
<tr>
<td>Growth: Supporting Growth of Responsible Regional Business</td>
<td>More opportunities for local MSMEs and VCSEs</td>
<td>Expert business advice to achieve net zero carbon</td>
</tr>
<tr>
<td></td>
<td>NT15a</td>
<td></td>
</tr>
<tr>
<td></td>
<td>RE18a</td>
<td></td>
</tr>
<tr>
<td></td>
<td>RE73</td>
<td>Decarbonisation work opportunities for MSMEs</td>
</tr>
<tr>
<td></td>
<td>NT44</td>
<td>Achieving net zero carbon by 2030</td>
</tr>
<tr>
<td></td>
<td>NT46</td>
<td>Corporate travel schemes to reduce air pollution</td>
</tr>
<tr>
<td>Environment: Decarbonising and safeguarding our world</td>
<td>Carbon emissions are reduced</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Air pollution is reduced</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Safeguarding the natural environment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>NT68</td>
<td></td>
</tr>
<tr>
<td></td>
<td>RE65</td>
<td>Offsets or mitigation initiatives on biodiversity</td>
</tr>
<tr>
<td></td>
<td>NT70</td>
<td>Plastics recycling rate</td>
</tr>
<tr>
<td></td>
<td>RE74</td>
<td>Elimination of single use plastics</td>
</tr>
<tr>
<td></td>
<td>NT71</td>
<td>Local partnerships for circular economy solutions</td>
</tr>
</tbody>
</table>

How can the TOMs support measurable activities that make a difference?
Building a sustainable measurement framework through data collection

Update proxies, add or remove measures

TOMs Release

Application / data gathering

Update proxies, add or remove measures

NT 2020: TOMs expansion, Inequality, environmental issues
Alignment with UN Sustainable Development Goals
Working groups: Good / Fair Work, Climate emergency
Benchmarking / building the evidence base – what does “good” look like?
Regionalisation / localisation of TOMs framework
Wellbeing

Taskforce review

Feedback to Social Value Taskforce

Taskforce review

The Social Value Portal – Strategy Day
Conclusions