

Being a sustainable business

ISG



Sustainability Report 2017



Message from our CEO



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Over the past year, we have taken significant steps towards achieving our vision to be the world’s most dynamic construction services company, delivering places that help people and businesses thrive. Our corporate goals are designed to help us achieve our vision, and our four core values are our guiding principles that determine our actions and behaviours. These values apply across our 2021 Sustainable Business Strategy which is integral to our success:

Dream smart – we’re always looking for innovative solutions to address our sustainability challenges, and have set stretching but achievable targets for every year up to 2021.

Speak frankly – we are transparent about our sustainability performance and report against our strategy annually. We celebrate our achievements, find out where we can do better, and hold our people accountable to challenge each other.

Always care – our approach to sustainability is beyond box ticking. We care about our people, our customers, our communities and the environment, and aim not only to minimise harm, but maximise our positive impacts.

Never stop learning – we promote best practice, whether it is a new way of reducing waste, or promoting social value, and apply the learnings across our global business to make sure we’re always learning and improving.

We are committed to creating a place for people to thrive in our business, delivering performance we can be proud of, supporting communities which are better for knowing us, and ensuring environments are both protected and enhanced. And we’re well on our way to achieving this.

I’m very proud to say that ISG has retained its leadership status in CDP’s climate change programme. We were once again awarded an A-, which is significantly above both the submission average and the construction industry average. ISG scored ‘leadership’ in each of CDP’s categories, demonstrating our environmental stewardship and the industry-leading approach we’re taking to manage climate change.

We are committed to creating opportunities for training and employment for local people in the areas where we work, and have become more strategic

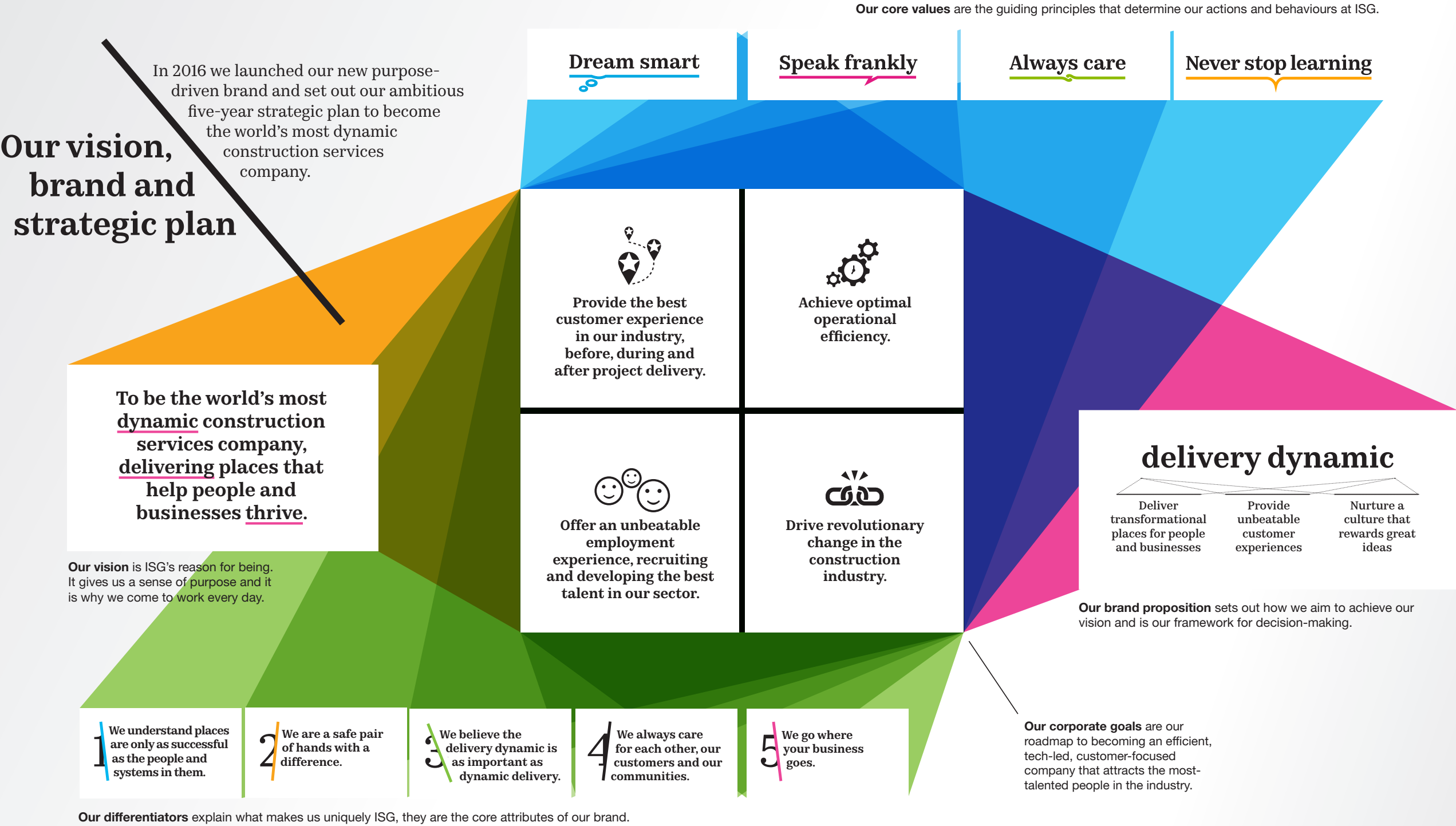
in our approach to social value to maximise our influence. We have created programmes to attract young people to our industry, help unemployed people into work and upskill the existing workforce to improve their employment prospects. In doing so, we help tackle the skills shortage facing the industry, reduce unemployment and improve productivity. In 2017 we nearly doubled the number of weeks that apprentices completed on our sites, and involved over 5,000 students in curriculum engagement activities across the UK.

While we celebrate our accomplishments over the past year, we know there is still more to do. Our 2017 employee engagement survey results highlighted that 71% of our people believe ISG cares about the environment, and 75% agree that ISG encourages charitable giving. These numbers are encouraging, but looking ahead, we aim to increase awareness, invest in training, and empower our people to live by our values, to help ISG achieve our 2021 sustainable business goals.

At ISG, our vision is to become the world's most dynamic construction services company, delivering places that help people and businesses thrive. We know that we can deliver in a way that is smarter, more responsive and more dynamic than anyone else. Delivering built environments that exceed our customers' and communities' expectations of today, by considering their needs of tomorrow.

To help us achieve our vision, we live and breathe by our four core values to dream smart, speak frankly, always care and never stop learning. These are the guiding principles that determine our actions and behaviours. Rooted in our brand, they are what drive us every day and provide the building blocks for our common corporate culture.

They attract the best people to ISG and inspire our teams as well as reflecting our bold ambitions. ISG also has an ambitious strategic plan to help us become better, smarter, and more innovative than ever before, summed up in our four corporate goals.

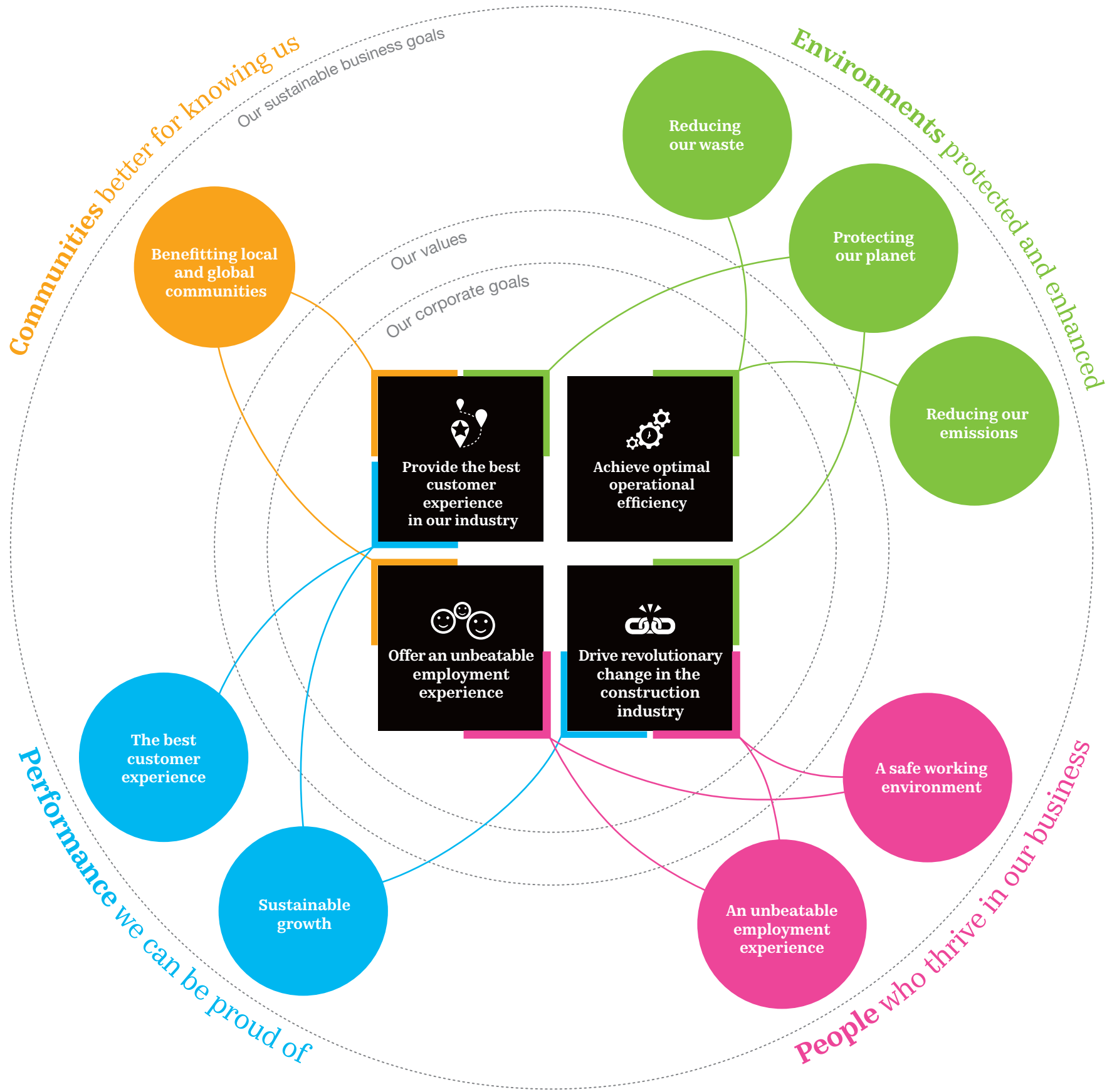


2021 Sustainable Business Strategy – overview

In 2017, we reviewed our 2020 Sustainability Vision in line with ISG’s new vision, values and corporate goals. As our corporate strategy extends to 2021, we have re-aligned our sustainability strategy with this end date. Accordingly, our 2020 Sustainability Vision is now our 2021 Sustainable Business Strategy.

Our areas of focus around People, Performance, Communities and Environments remain the same, and in fact, strongly mirror our corporate goals around customer satisfaction, employment experience, operational efficiency and driving revolutionary change in the industry.

We have introduced new key performance indicators (KPIs) to better capture and report our performance across the business, which are also aligned with the UN Sustainable Development Goals (SDGs). We have set ourselves challenging targets for 2018, 2019 and 2020, which reflect our business ambitions.



Governance

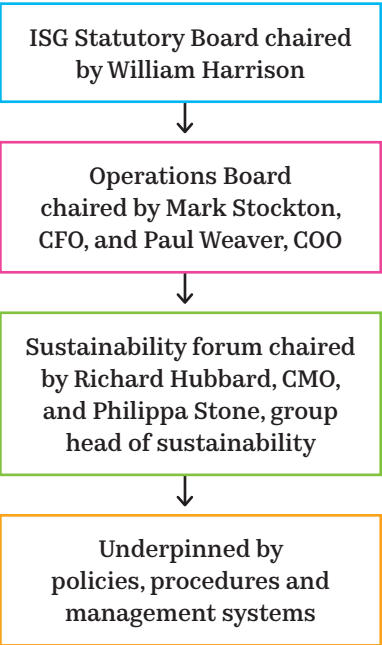
ISG’s core values are at the centre of our governance strategy. The Statutory Board is the primary governance and oversight body for ISG, and its responsibilities include providing entrepreneurial leadership, approving and shaping our long-term strategy, reviewing management performance and upholding our brand.

ISG is led by our CEO, Paul Cossell, who takes overall responsibility for ISG, our strategy and our subsidiaries across the world. Richard Hubbard, chief marketing officer, is the board member responsible for sustainability and Philippa Stone, group head of sustainability, leads our sustainability strategy and implementation. Richard and Philippa chair the quarterly sustainability forum, which is attended

by the sustainability leads from each business unit. Proposals that come out of the sustainability forum are then taken to and considered by ISG’s Operations Board, chaired by Paul Weaver, chief operating officer, and Mark Stockton, chief financial officer. The Operations Board brings together enabling department group directors, from finance, HR, IT, marketing and communications, alongside our business unit managing directors.

Our management systems detail our policies and procedures relevant to the geographies and sectors in which we work, and require projects to set out how they will address sustainability throughout the project life cycle.

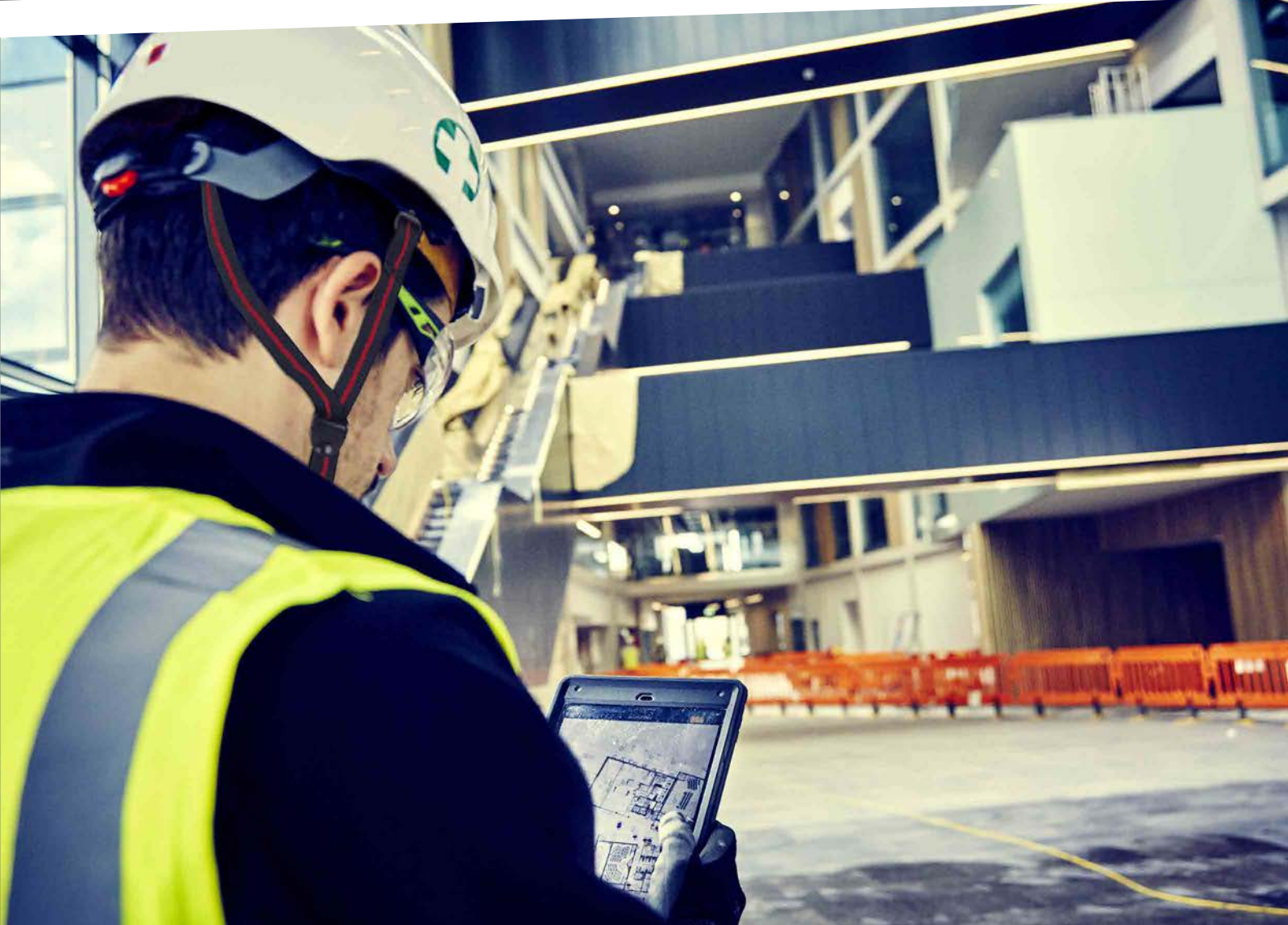
Sustainability governance



Driving change through industry collaboration

We drive change within ISG and the wider industry by taking part in key steering groups and forums. In these groups we collaborate with our peers to share best practice and progress the sustainability agenda. We are active members of the following organisations:

- UK Green Building Council – gold leaf member
- Supply Chain Sustainability School - partner
- Business in the Community - member
- Institute of Corporate Responsibility and Sustainability – organisational member
- Build UK - member
- Considerate Constructors Scheme – founder and partner
- Construction Industry Training Board - approved training provider
- British Safety Council - Member






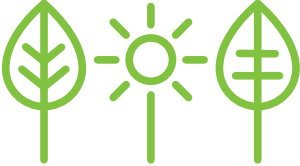
Reporting period

This table details our performance against our 2020 Sustainability Vision.

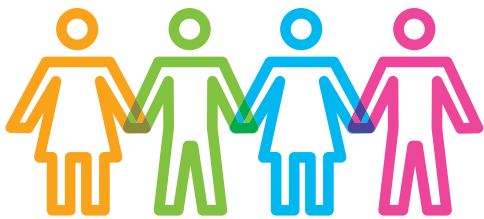
Our 2016 Sustainability Report covered the period 1 July 2015 – 30 June 2016.

To align with our financial reporting, we are now reporting on the calendar year, and this report covers the period 1 January 2017 – 31 December 2017.

All data in the report is aligned with this period unless otherwise stated.

	Sustainable business goals	Performance measures	2016	2017
People 	A great place to work for everyone in #TeamISG	% graduates / undergraduates (UK only)	5.24%	5.60%
		% employees 'proud to work at ISG'	83.1%	85%
		% women	23.3%	24.96%
		% ethnic minorities (UK only)	7.8%	8.12%
	A safe working environment	Accident Incident Rate (AIR)	1.11	1.32
Performance 	Happy customers	Customer satisfaction /10	8.1/10	8.1/10
	Sustainable growth	Underlying EBTA (Earnings Before Tax and Amortisation)	£25.5m	To be published in April 2018
		% revenue from repeat customers	50.6%	49%
Communities 	Benefitting local communities	Average Considerate Constructors Scheme score (UK)	39.1/50	38.9/50
		No. apprentice weeks	682	1,263
		No. students engaged through curriculum engagement activities	875	5,032
	Benefitting global communities	£ donated / fundraised / pro bono value	£252,000	£203,422
Environments 	Reducing our waste	Overall tonnage of construction and demolition waste per £100,000 revenue	5.6T	5.06T
		% construction & demolition waste diverted from landfill	92.5%	96.13%
	Reducing our emissions	Scope 1,2,3 greenhouse gas emissions (tCO ₂ e)	11,643	11,895
		(reduction against 2015 baseline)	-	(21%)
	Protecting our planet	No. reportable environmental incidents	7	0
		% projects by revenue completing environmental certification	50.42%	53.94%

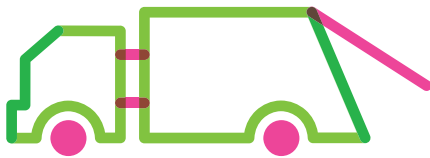
2017 performance at a glance



8.12% ethnic minorities (UK only)
(2015/16: 7.8% UK only)

5,032 students engaged through curriculum engagement activities

(2015/16: 875)



96.13% construction and demolition waste diverted from landfill

(2015/16: 92.5%)

49%

of work from key accounts / frameworks

(2015/16: 50.6%)



1.32 Accident Incident Rate (AIR)

(2015/16: 1.11)



11,895 tCO₂e

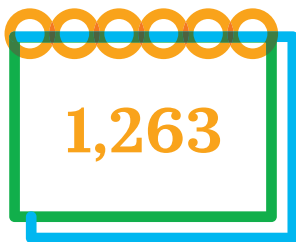
Scope 1,2,3 greenhouse gas emissions

(2015/16: 11,643 tCO₂e)



8.1/10 average customer satisfaction score

(2015/16: 8.1/10)



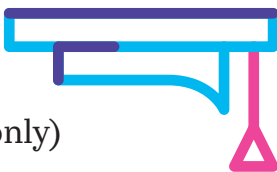
apprentice weeks supported

(2015/16: 682)



53.94% projects by revenue undergoing environmental certification

(2015/16: 50.42%)



5.60% (UK only)

of our workforce are on graduate, placement, trainee and apprentice schemes

(2015/16: 5.24% UK only)



38.9/50 average Considerate Constructors Scheme score

(2015/16: 39.1/50)



£143,422 fundraising and **£60,000** pro bono value

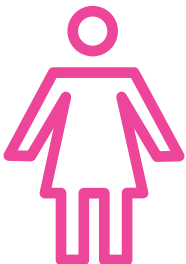
(2015/16: £165,000 fundraising and £87,000 pro bono value)



85%

employees 'proud to work for ISG'

(2015/16: 83.1%)



24.96%

women

(2015/16: 23.3%)

5.06T tonnage of construction and demolition waste per £100,000 revenue

(2015/16: 5.6T)



0 reportable environmental incidents

(2015/16: 7)

People

who thrive in our business

Happiness, pride and engagement: All are measures of employee desire to turn up at work every day and make a difference. We recognise that a sustainable business is powered by its best people – their contributions, values and ideas – and so we won't settle for anything less than a top position among the best companies to work for. Our goal is to create a working environment where our people feel valued, inspired and safe at all times, and we achieve this through comprehensive HR, employee engagement, and health and safety programmes that focus on helping our people to thrive.



Image: Global Value Awards 2017, The Belfry, Sutton Coldfield, UK
Photography: Soren Kristensen

2017 performance at a glance:

- 5.60% graduates / undergraduates (UK only)
- 85% employees 'proud to work for ISG'
- 24.96% women
- 8.12% ethnic minorities (UK only)
- 1.32 Accident Incident Rate (AIR)

What's changed moving forward:

In

- % senior population from under-represented groups
- Employee engagement score (%)

Out

- % graduates, undergraduates, trainees, apprentices
- % women
- % ethnic minorities

A great place to work for everyone in #TeamISG

Promoting diversity

At ISG, we celebrate our people for their wide-ranging achievements, passions, talents and quirks. We are committed to supporting equal opportunities in employment and oppose all forms of unlawful or unfair discrimination on the grounds of colour, race, religion, age, nationality, gender, sexual orientation, marital status or disability. We thrive on debate, create office environments that foster collaboration, encourage our people to think differently and share their opinions.

As a global organisation, it's imperative that we have a business that is more reflective of the communities where we work. Our recruitment partners are encouraged to provide a diverse range of candidates and we openly advertise roles to reach a wider talent pool. Our focus in 2017 was on building diversity into our early career pipeline of talent, including graduates and apprentices.

To support this, we signed the Young Women's Trust's pledge to help more young women in England and Wales into apprenticeships. The pledge says that employers will recognise the value of gender diversity and take action to increase the representation of young women in their apprenticeship programmes.

The diversity of our workforce is hugely important to ISG, ensuring we harness the skills and expertise of the most-talented professionals in the industry. Signing the pledge is also an opportunity to build on the work we do providing a fully inclusive experience for the best and the brightest people.

ISG's 'Women in Construction' industry event, Paris, France



We have also signed up to the Apprentice Diversity Champions Network, which promotes apprenticeships and diversity among employers, and encourages more people from under-represented groups, including those with disabilities, women and members of the black, Asian and minority ethnic (BAME) communities, to consider apprenticeships. The aim is to support the UK government's commitment to increase the proportion of apprenticeship starts by people from BAME backgrounds by 20% by 2020.

Our benefits offering also offers more support for our people and their families. We offer some of the best maternity, paternity, adoption and family-friendly packages in the industry, including enhanced maternity leave, phased and/or flexible back-to-work arrangements, return-to-work bonuses and childcare vouchers. This makes it as easy as possible for our employees to enjoy time with their families, but also to return to work. As an employer, we do not want to lose the skills and experiences that these people bring to the business.



Developing Talent, Delivering Futures

We have developed a comprehensive development training programme designed to kick-start graduates' careers in the construction industry. We call it Developing Talent, Delivering Futures, because we are committed to helping our people grow their skills, ambition and capability into a fantastic career. Our programme gives graduates an exciting insight into the different roles and specialist areas available, and supports them to develop their career paths.

The programme includes:

- A formal training programme covering both behavioural and technical skills from problem-solving and teamworking, to essential health and safety training and technical construction knowledge
- Rotation across core disciplines with the option to add other rotations
- A structured development record to guide graduates in the skills and experience needed across the different roles and specialist areas in the industry
- A dedicated supervisor and line manager to provide support
- A buddy from a previous graduate intake

Our graduate programme was shortlisted for 'Graduate Scheme of the Year' for the Construction News Investing in Talent Awards (CITA), and we were placed on The JobCrowd's 'Top 100 companies for graduates to work for 2017/18'. We entered the awards by sending out an anonymous survey to our current and recent graduates. Questions were wide-ranging, focusing on development, work-life balance and salary. The Top Companies rankings are unique as they are entirely based on employee feedback. Thousands of reviews are written and submitted to The JobCrowd by graduate employees at hundreds of companies across the UK. This means that the companies which qualified and are listed are truly the best places for graduates to work. Being part of this list is a testament to ISG's commitment to be an employer of choice and achieving our corporate goal of offering an unbeatable employment experience.





Anthia Lazarou
Graduate Trainee

I visited a careers fair at the University of Reading and ISG’s stand captured my attention from the get-go. I soon discovered more about the company and was impressed by the scale of ISG’s portfolio. ISG works on some of the most prestigious projects across the globe and I knew I wanted to kick-start my career here. I first joined in 2014 on the industrial placement scheme, and re-joined in 2016 on the graduate programme.

I have a degree in Quantity Surveying from the University of Reading, which gave me the foundation and skills to support my career at ISG. In just a year and a half at ISG, the pace at which I’ve developed as a professional is incredible.

I’ve had the opportunity to rotate across core business units, which has enabled me to get an integrated understanding of the delivery process; from discovering an opportunity to the final snagging and handover of the project. The rotation programme provides some good

“My journey with ISG has exceeded my expectations and I’m proud to be working for a thriving business.”

Anthia Lazarou
Graduate Trainee, ISG



challenges and I was able to quickly adapt to different stakeholders and projects. Not only has this been a great learning experience, but I’ve been able to further develop my critical-thinking skills.

I’m currently working on two office refurbishment projects in central London, and as a graduate, there are a number of tasks I’m challenged with. I truly do learn something new every day. ISG is a company that looks after its employees, with development always

being a top priority. There are multiple training opportunities as the teams I’ve worked with have all supported my growth. It’s such a great feeling to have the support of so many people around you, while learning from the best people in the industry. I could not imagine a smoother transition from my student life to the professional world, and ISG has equipped me with the tools to kick-start my career. My journey with ISG has exceeded my expectations and I’m proud to be working for a thriving business.

Progressing careers

One of our four core values is to never stop learning, which means we encourage and reward great ideas and we constantly strive to improve by seeking new knowledge and skills. Upholding this value is The Academy – a high-quality learning and development programme set up by ISG in 2010 to provide training opportunities for our employees. We know that learning and development is key to recognising talent and rewarding ambition, and we see this as a key aspect in attracting, developing and retaining our employees. It’s been so successful that we not only provide training to our supply chain, but also a number of our customers rely on ISG’s Academy to deliver bespoke training courses.

As part of our overall learning and development curriculum, we have a suite of programmes that support the growth of managers, aspiring leaders and senior leaders. Our Futures Group is made up of ISG’s brightest young minds in the early stages of their career, giving them a chance to create and implement innovative solutions to improve the business. We seek to accelerate their development by exposing them to a wider range of business challenges and the opportunity to build their stakeholder management skills through access to the Board and senior executives within the business. Our employees develop their own skill set, broaden their career opportunities and strengthen their network.

Futures Group

This year’s Futures Group – an independent body of eight smart creatives drawn from across ISG’s business units – presented their business cases to members of the Statutory Board and senior leadership team on 27 June 2017.

Richard Hubbard, CMO, said the event was one of his highlights of the year so far. “The presentation skills were superb throughout and the ideas of the teams were innovative, well considered and persuasively put across, I am particularly impressed with how every team had consulted across the business. Each



individual was a great example of the type of drive and culture we want in ISG. All in all, a fantastic day.”

As part of the day, the Futures Group also spoke about their backgrounds and careers, and the different routes they had taken to arrive at ISG.

Many had progressed through our graduate and trainee schemes, where they have experienced exciting development opportunities across all our business units and service lines.

Working in three project groups, the Futures Group collaborated widely with business leaders to present three separate concepts, including creating

high-tech meeting spaces, knowledge-sharing through short videos, and improving our customers’ experience between bids and project start-up.

Writing in his monthly CEO communication, Paul Cossell described the presentations as brilliant, adding: “I was humbled by the intelligence, hard work and skill displayed in the room and – as was the case last year – we will make sure we progress the ideas presented. While it was a more diverse group this time around I would love to see more women and more non-UK people participating, so that is my challenge to all of you who are eligible to join next time.”

Engaging our employees

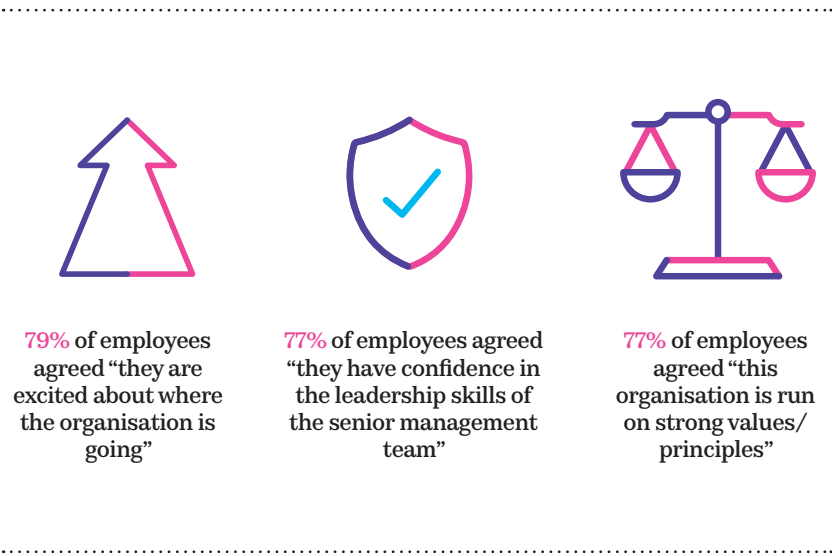
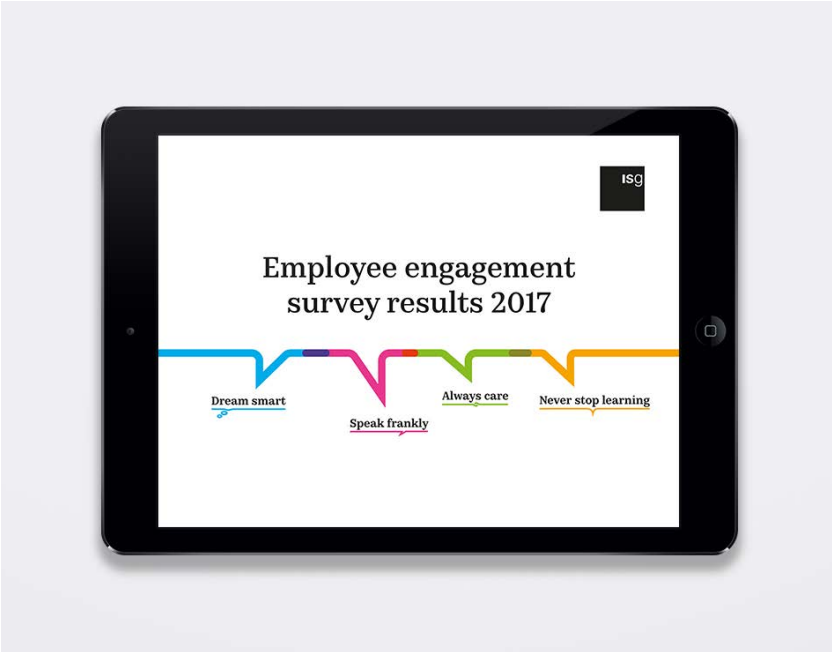
We actively seek feedback from our employees to help shape the future of ISG. We want to find out what ISG is doing well, and what we can be doing better to remain an employer of choice. In 2016, we undertook our first global employee survey that identified areas of improvement including communications, work-life balance, fair pay and career development.

Working with senior leaders across the business, we made impactful changes to address our employees’ concerns in 2017, including launching a new global intranet, an employee suggestion scheme, significantly increasing our investment in training, launching the More for You benefits programme, which included a You Day and discounted gym memberships, rolling out end-of-year communications events globally and the inaugural Global Value Awards, recognising the top 12 employees across the world who live and breathe our values.

In 2017, the survey was co-ordinated by Best Companies Ltd, a company that other organisations use to benchmark themselves against, and who rate the best companies to work for. Over 1,600 employees completed the survey and feedback we received from our people was positive, with a number of areas to celebrate. As a global business, we placed 125th out of over 200 mid-sized organisations, and we have been rated as “One to Watch” with a one-star rating in the UK. This shows promising signs for our future.

Our results also tell us that 70% of our people are engaged and satisfied. Our people told us that they feel proud to work for ISG, that they believe they can make a valuable contribution to the success of our organisation, and that they have confidence in the leadership of their line managers and the senior management team. Our people also said they believe ISG is run on strong values and principles, and that they are excited about ISG’s future.

These are fantastic results, but there are also areas for us to improve. There were three main factors where our people told us improvement could be made. These are with their manager, their team, and



their well-being. We shared the results at the Global Leadership Conference in December 2017, and provided each business unit and enabling department leader with the Best Companies Index (BCI) score achieved at a local level.

In the first quarter of 2018, all business unit managing directors and group enabling directors will communicate their local findings, and engage further

with their people to formulate action plans by the end of March 2018, to ensure ISG remains an employer of choice.

Global Value Awards

Last year, ISG hosted our inaugural Global Value Awards event. As part of the Global Leadership Conference, ISG’s top 41 leaders travelled across the globe to attend the event and celebrate the VIPs on the night – our Value Awards’ nominees.

Selected from 50 winners across the globe and nominated by their local managing director, 12 nominees travelled to Birmingham, UK, from all corners of the world. The 12 nominees were celebrated on the night, with testimonials sharing how they live and breathe ISG’s values.

Each nominee was chosen for one of ISG’s four core values to dream smart, speak frankly, always care and never stop learning. One winner was selected for each value by ISG’s Stat Board, and an overall ‘Best of the best’ winner was also crowned.

“The Global Value Awards were without a shadow of a doubt my highlight of 2017. Spending time with these incredible individuals was humbling and inspiring in equal measure.”

Paul Cossell, CEO



- 1: Jason Leo, Asia, Winner – Dream smart
- 2: Jane Shaw, UK Construction North & Scotland, Winner – Never stop learning
- 3: Elham Youseef, Middle East, Joint winner – Always care
- 4: Paul Burt, UK Retail, Winner – Speak frankly
- 5: Luke Stacey, Engineering Services, Overall winner – Best of the best



ISG’s 2017 Global Value Awards’ ‘Best of the best’ nominees

A safe working environment

Securing everyone’s safety

ISG is committed to safeguarding the immediate and long-term health, safety and well-being of our employees, our workforce and our communities. With a leading performance in our industry, not only in the UK but internationally as well, we continue to strive for excellence and educate our employees, our workforce, and our clients.

	2016	2017
AIR	1.11	1.32
RIDDOR	18	15
Working hours on site	36.2m	30.1m

While our Accident Incident Rate (AIR) increased marginally in 2017, it is still below our corporate target of 1.99, and less than a third of the industry average of 4.27 which represents the performance of the top 23 largest UK construction companies (source: Build UK 2016-2017 Accident Survey Report).

The rise in our AIR can be attributed in part to a slowdown in European Data Centres works. In 2017 we worked 6 million hours less than the previous year. Looking ahead, in 2018 it is likely ISG’s works on Europe Data Centres will revert to previous 2016 levels.

While our AIR increased, our number of reportable incidents decreased from 18 to 15. As defined by the Reporting of Injuries, Diseases, and Dangerous Occurrences Regulations 2013 (RIDDOR), we incurred seven major incidents, eight seven-day injuries, and zero fatalities across the business.

According to the Office of National Statistics (ONS), the construction industry accounted for approximately 7.3% of the UK workforce in 2017. As reported by the Health & Safety Executive (HSE), 103 people died in the workplace in 2017 in the UK. Thirty of these were in the construction industry (29%), demonstrating that our industry poses disproportionately the greatest risk to people’s health and safety.

We record not only incidents and accidents, but near misses as well. These are situations observed by personnel that could potentially result in an incident or accident if not rectified. This pre-emptive mentality enables us to identify and analyse trends in behaviour and site conditions that may require strategic management across the business to prevent harm. Falling tools and materials have historically accounted for 25% of near misses and incidents on ISG’s sites. In response to this, we have recently updated our Working at Height Standard and implemented our mandatory tool tethering policy, and we are seeing positive results as we continue to roll this out.

The five main causes of injuries in the industry are:

- trailing leads and cables
- personal protective equipment (PPE) non compliance
- poor control and use of ladders
- weak housekeeping and material storage
- working at height

As part of our ‘Take 5’ initiative, we encourage our people to take five minutes to check their environment and prepare safely for their works. This goes hand in hand with our latest

initiative ‘Last Minute Risk Assessment’ (LMRA). Engaging not just supervisors but the entire workforce through inductions, tool box talks, workshops and feedback sessions, our LMRA initiative encourages everyone to take the time to conduct a pre-start risk assessment and ensure they are happy with their environment, equipment and task ahead, and feel they can conduct their work safely. We have an open-door policy as well as anonymous reporting procedures, that enable people to talk openly or report anything they are concerned about.

Looking forward into 2018, we are continuing to implement our Working at Height Standard across our international businesses, and we will be rolling out the second phase in the form of our new Riser, Shaft and Floor Void Standard. The standard addresses planning, design, procurement, control of works on site, training and management responsibility. We are also working with some of our strategic supply chain partners in designing prefabricated options, such as modular mechanical and electrical riser solutions. This can help to de-risk our projects through mitigating working at height, working in a confined space, and reducing programme and cost.

The height of the issue

Working at height is one of the biggest immediate killers of people in our industry, accounting for 53% of fatalities in construction in 2017 (www.hse.gov.uk). Combine this with objects falling from height and this accounts for 70% of fatalities in construction in 2017.

We are addressing the risk in a number of ways:

1. In 2017 we implemented a Working at Height Standard to which all sites must comply, building on changes we had already made to the way we work. We define working at height as ‘working at any height above ground level, at ground level or below ground level, where a fall could result in injury.’
2. We rolled out many initiatives including mandatory four-point chin-strap helmets, also known as skyworker helmets, across our entire UK workforce and Engineering Services’ teams in continental Europe.



3. In 2015 we began using pop-up manually operated mobile elevation working platforms (MEWPs) including PecoLift. These vastly reduce the risk of injury from pinning and falling from height. They also significantly reduce damage to materials and finished surfaces as they are manually manoeuvred as opposed to electrically powered, reducing impacts on cost and programme for re-working. By 2017 we completed the full roll-out of this equipment across our UK business and ISG is now the largest user of PecoLift in the UK. We have introduced this equipment to our operations in continental Europe, particularly in the Netherlands and

France. In many cases ISG directly hires and free-issues the lifts to our supply chain, demonstrating safer working practices to the continental workforce. We are seeing positive engagement from the workforce and great results on site.

In 2018 we will be introducing pop-up MEWPs to our operations in more locations, including Luxembourg and the Middle East.



“We believe the four-point chin-strap hard hat is a positive improvement for health and safety standards on site. It improves the helmet’s positioning and stability, and it massively reduces the likelihood of it being blown off in high winds (which are common here in the Netherlands) or accidentally falling down, a risk to be taken into account especially when working at height... going forward we will look into making it an internal standard for all our sites.”

Simone Montalbetti
blu-3

Raising the profile of health and well-being

We have been raising awareness of physical health and fitness for some time, addressing issues around weight, cholesterol, alcohol consumption, and talking about the impacts of unhealthy lifestyles on instances of heart disease and cancer. The conversation has now grown to include mental health.

People working in the construction industry are prone to stress, anxiety and depression for a number of reasons, including long working hours, working away from home, and high-pressured environments due to delivery deadlines. IOSH Magazine, the official magazine

of the Institution of Occupational Safety and Health, has reported that these factors are responsible for over 400,000 lost working days each year. Mental Health First Aid England has reported that 57% of UK employees have experienced mental health issues at work, but less than half have felt confident to open up about it.

In the last 18 months we have been focusing on mental health awareness, in many cases linked to physical conditions, rolling out an internal policy and strategy. In 2017 the first phase commenced with mental health first aid training for all people in the UK with management responsibility, and

a mental health awareness course for all other employees. As we move into 2018, we are starting to roll out awareness across our international businesses.

Through this we aim to:

- raise awareness of the issue
- destigmatise mental health
- equip our people with the ability to recognise when people are at risk and identify causal factors
- encourage people to feel confident in speaking up and seeking support

A construction ‘State of Mind’

Across several projects we have invited specialists in to talk to our teams on site, breaking down the barriers and stigma around mental health. At a ‘State of Mind’ event at one of our flagship projects, the feedback from the ISG team and our supply chain was very positive.

A Steelwork supervisor from a member of our supply chain commented: “The macho world of rugby league has obvious similarities with construction, which I thought struck a chord with the lads, and helped to show how they can help themselves to cope with these types of problems.”



‘State of Mind’ event, London, UK

“The engaging presentation involved personal and emotional testimony from professional rugby league players who are perceived to be ‘tough’ and able to cope with anything, and it was humbling to hear about their personal experiences.”



Fraser Tanner
Project Director, ISG



ISG’s team in Singapore has been driving health and well-being programmes for our people, including organising a pop-up clinic to help identify any medical concerns early

Supporting people living with cancer

Around the world our teams have taken part in initiatives to raise awareness of different types of cancer, and more importantly, promoting safe environments for people to talk if they need support.

Our team in the Middle East took part in the Brest Friends Festival in partnership with the Al Jalila Foundation in Dubai. The charity is the country’s first breast cancer support group and facilitates medical treatment for those who cannot afford it. Members of #TeamISG took along friends and family for the 1.5km walk in a park, donning pink t-shirts and taking part in yoga, personal training sessions and other sporting activities.



In the UK, we have a two-year charity partnership with Macmillan Cancer Support, raising awareness and vital funds for the charity. In 2017 we provided training to 18 employees and members of our supply chain to become Macmillan Neighbours. The role provides specialist knowledge and understanding of Macmillan’s cancer support services, enabling Neighbours to act as a source of support and signposting to the relevant services for anyone suffering from, or

living with, the impacts of cancer. We also took part in Macmillan’s two-week Construction Cancer Coalition, raising awareness of their services across all UK sites, where the working-age male workforce is the hardest demographic for Macmillan to reach.

Top image: Our team in the Middle East took part in the Brest Friends Festival in October 2017

Right image: A team from London took part in a ‘Pretty Muddy’ event in October 2017, raising over £4,700 for Cancer Research UK





Health and safety awards

This year our teams received awards across the international stage, recognising ISG’s continually high performing safety culture.

Royal Society for the Prevention of Accidents (RoSPA) – UK

- Five President’s Awards
- 1 Gold Medal Award
- 7 Gold Awards



British Safety Council (BSC) International Safety Awards

- Three Merits
- Four Passes



Workplace Safety and Health Council – Singapore

- bizSAFE Star accreditation

The bizSAFE Star denotes the highest level of health and safety attainable under the bizSAFE programme, and the accreditation is awarded by the Workplace Safety and Health Council (WSHC) Singapore.



It required a collective effort by every department, discipline and team in our Singapore business to undergo the rigorous audit process and demonstrate exemplary and consistent health and safety performance, both on and off site.

The team was awarded the bizSAFE Star accreditation in 2017.



ISG in Singapore has been awarded the bizSAFE Star accreditation

Performance

we can be proud of

Sustainable growth of our business relies not only on our bottom line, but also on fulfilling our promises to our people, customers and communities. To this end, we establish short- and long-term performance goals that define the means as much as the ends. We focus on factors like customer satisfaction, repeat business, and strategic supply chain investment, ensuring that the journey we are on is not just ours, but also that of our partners. We want everyone in our business to be proud to work for a company for whom success is defined as much by our actions as our accounts.

2017 performance at a glance:

- 8.1/10 average customer satisfaction score
- Underlying Earnings Before Tax and Amortisation (EBTA): to be published in Report and Accounts (April 2018)
- 49% work from key accounts / frameworks

What's changed moving forward:

In

- Net Promoter Score (NPS)
- Underlying Earnings Before Tax and Amortisation (EBTA)
- % spend with strategic supply chain

Out

- Profit before tax



Happy customers

Providing the best customer experience in our industry

It has been over a year since we launched our customer experience (CX) programme, to explore and better understand exactly what our customers think about ISG and the quality of the services we provide.

We have expanded our view of how our performance is measured and moving ahead with our 2021 Sustainable Business Strategy, we now look at not only how ‘satisfied’ our customers are with the end product and our services, but how likely they are to work with us on a repeat basis and promote us to their peers.

Historically, our customer satisfaction surveys were conducted at the end of projects. But we recognise the importance of understanding and pre-empting our customers’ needs throughout their journey with ISG. Meeting and surveying our customers on an ongoing basis gives us the opportunity to be flexible and adapt our approach in line with any changes or challenges they may face. Our expanded customer experience programme addresses this.

Since September 2016, ISG’s in-house customer experience (CX) programme has been gathering information from surveys conducted with our customers around the globe, either through online or face-to-face interviews. The process has been transparent, consistent, and completely independent. Our team has no affiliation to any cluster leader, business unit or managing director. It exists solely as a sounding board for our customers to talk openly and grade our work accordingly. And we are with them at every step of the journey, from the initial kick-off meeting to the mid-term survey and finally at project completion. Data is gathered throughout the entire customer journey to gauge whether we are meeting their expectations, and understand where we are not.

“ISG people were just taking on board all of my problems for me and coming back with solutions.”

Darren Heal
General Electric



How projects are measured

CX surveys are broken down into the following aspects of the ‘customer journey’. Each are scored and we use this data to establish where we are doing well and where we need to improve:

Tender process

- Tender documentation
- Tender meeting
- Consistency between tenders
- Dealing with contractual issues
- Managing new suppliers

Project delivery

- Site management
- Site presentation, signage and branding
- Monitoring and measurement of service delivery
- Cost management
- Supply chain management
- Consistency between project delivery teams
- Change control

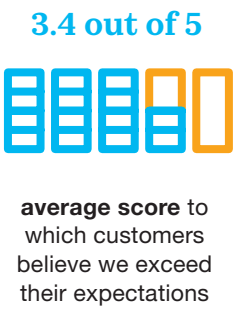
Post-completion

- Taking ownership of issues
- Responsiveness in terms of dealing with snagging
- Timeliness in terms of dealing with snagging
- Quality of communication post-completion

Maintaining contact

- Senior management visibility
- Dialogue with business development
- Attending events
- Holding business reviews
- Receiving marketing collateral
- Managing relationships between projects

2017 CX results



Priority areas to address:

1. Communication
2. Responsiveness dealing with snagging
3. Cost management
4. Change control
5. Ownership of issues



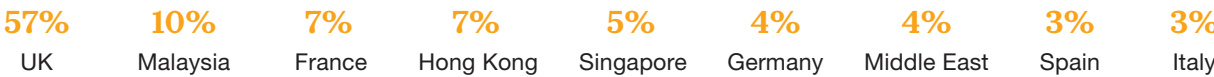
Qualitative research

(one-to-one interviews)
- 72 interviews with ISG leaders
- 74 interviews with customers

Quantitative research

(online questionnaires)
- 623 employee surveys
- 365 customer surveys

Customer research geographies:



Net Promoter Score (NPS)

The NPS is a management tool that is used across various businesses and industries to gauge the loyalty of customer relationships. Not long utilised by members of the construction industry, NPS is calculated based on a response to a single, simple question: ‘How likely are you to recommend ISG to a colleague, business partner or customer on a scale of 0 to 10?’

Customers who score a business between 9 and 10 are called ‘promoters’ – they are enthusiasts who enjoy the experience with the company, and are likely to keep buying their services and refer them to others. Customers who score between 7 and 8 are ‘passives’ – defined as customers who are satisfied with the service but don’t feel a strong connection to the business and are still likely to consider using competitors. Any customers scoring between 0 and 6 are called ‘detractors’. They are unhappy customers who have not enjoyed their experience, they may be verbal about it, influencing others, and could damage the brand and impede on the company’s growth. The average NPS is calculated by ignoring all ‘passive’ scores, adding up ‘promoter’ scores and subtracting all ‘detractor’ scores. This means the NPS can be anything from -100 to +100.

In 2017, our first full year of measuring NPS globally across ISG, we achieved an overall NPS of +20. This is a good start, and gives us a baseline to set targets going forward.

We learned that our customers are most positive when talking about our commitment and our people. Popular phrases that come across are ‘professional’ and ‘approachable’.

In October and November 2017, our UK Retail team received a perfect 10 NPS from two confidential framework clients in the banking sector. The team was singled out for its technical knowledge and for truly understanding the requirements of the customer.

“ISG’s proactive and flexible approach to design and project management ensured sensitive and complex laboratory equipment was delivered and installed within the building during construction.”

David Byrne
CEO of The Doctors Laboratory, Health Services Laboratories (HSL)

When we built a new school for The Linden Academy in Luton, UK, principal Carrie Matthews described ISG as ‘unflappable’, saying: “they [the pupils] cite the hall as being ‘awesome’... it’s very much a testament to the hard work of the design team and the construction team.”

We endeavour to foresee any challenges our customers may face and work with them to offer solutions that can secure or even improve upon their timescales. David Byrne, CEO of The Doctors Laboratory, HSL said: “ISG was selected for its expertise in laboratory design and construction, which was critical to the project’s success. The project required high-level co-ordination. ISG’s proactive and flexible approach to design and project management ensured sensitive and complex laboratory equipment was delivered and installed within the building during construction. This accelerated HSL’s commissioning programme, enabling seamless equipment integration into the building.”



Health Services Laboratories (HSL), London, UK

As we strive to ensure our customers receive the same high standard of service from ISG no matter where they are in the world, we have had positive feedback internationally from customers including Harvey Thompson, general manager of Le Méridien Hotel in Kuala Lumpur, Malaysia: “We would always recommend ISG, they did an amazing job.”

On handover of their new six-storey offices, John Wilson, senior project manager, Standard Life Aberdeen, said: “ISG impressed from the start with their can-do attitude and excellent levels of engagement. The team was proactive and accommodating when design changes were needed due to a company merger part way through the scheme. They acted at a rapid speed and even took on some design elements to keep the programme moving. We were all really impressed with the quality of the finished project and I would recommend the ISG team to anyone.”

“ISG impressed from the start with their can-do attitude and excellent levels of engagement. The team was proactive and accommodating.”

John Wilson
Senior Project Manager, Standard Life Aberdeen

Moving forward in 2018, we are looking to expand our coverage with clients across the globe, targeting mid-way and post-completion CX reviews with at least 80% of our strategic accounts, and repeat and new customers.

In order to deliver what our customers need, we must ensure our people fully understand their roles in customer experience and challenge everyone to look at how their roles link with the customer journey, asking themselves what they can stop, start or continue doing. With a 360° view on how we can improve all our services, our internal CX team is working to ensure we truly answer what our clients are looking for in their tenders, and that our project delivery teams manage the customer journey both on and off site. Our specialist departments also help deliver against client targets such as environmental assessment schemes, and all contribute to growing customer satisfaction from 8.1/10 to 9/10 by 2021.

Group head of customer experience, Di Nagy, says: “Building on the feedback we have already gathered, we have some essential information that will help us to realise our first corporate goal of providing the best customer experience in our industry.”



Standard Life, Edinburgh, UK



Le Méridien Hotel Kuala Lumpur Hotel, Malaysia

Sustainable growth

Growing through repeat business

For multinational companies, the ability to be responsive to the changing world is paramount. That’s why at ISG, our vision is to become the world’s most dynamic construction services company, delivering places that help people and businesses thrive. We strive to be ready and prepared to respond to our clients’ evolving needs. We set out to forge deep and enduring relationships that drive efficiency and bring value to our customers’ businesses. Just as importantly, we operate in anticipation of their next requests, ensuring our business is smart, agile, and ideally positioned to help take them into the future.

Tim Laycock, major projects lead (interim), Manchester City Council, commented: “In delivering the EBN (Educational Basic Needs) schools expansion programme through the NWCH (North West Construction Hub), ISG has shown themselves to be a highly capable and collaborative framework partner. We’ve very much worked as a blended team, establishing excellent working relationships supported by effective two-way communications. This has led to the delivery of a number of high-quality schools, on time and to a very high level of user satisfaction. We are confident that similar successes will be achieved through the remainder of the programme.”

We continue to build a resilient business, with a backbone of significant, repeat customers both on a national and international scale.

In 2017, we chose to tighten our measure of what it means to be a repeat customer. Customers only qualify as a repeat customer if we have worked with them at least twice in the past three years.

Looking ahead we have set ourselves year-on-year increases to the percentage of revenue generated from repeat customers, increasing by a total of 16%, from 49% in 2017 to 65% by 2021.



Our ability to achieve this, and deliver an outstanding service no matter where a client’s next project is located, is greatly influenced by ISG’s flexibility and shifting a cultural change to erode siloed ways of working to grow strategically important customer accounts.

As part of the work we have been doing with our customer experience programme, and the vital feedback we receive from clients feeding into our strategic account management, we believe there are five drivers to meeting our customers’ needs:

- 1. We change because our clients change
 - We best serve our clients by being responsive to change
- 2. We build better when we build trust
 - The best projects derive from the strongest relationships
- 3. We know more for knowing our clients
 - Our culture of knowledge-sharing means we can offer a global response customised to our clients’ needs

- 4. We strive to be where our clients want to be
 - An agile and global mindset ensures we can go where needed
- 5. We believe being open opens doors
 - Speaking frankly is vital to our success as a business

Ensuring we can deliver the same high-quality service to our clients on an international stage means we must continue to work with and develop our supply chains to meet their needs. Some geographies can be more challenging than others, and we must consider all aspects of supply chain delivery including quality, health and safety performance, and their capacity and capability to meet growing sustainable performance measures that our clients expect to achieve across their portfolios. The only way to achieve this is to engage and understand our supplier bases around the world, working with them to drive continuous improvement.

Collaborating with our supply chain

In 2017, during the review of our sustainability strategy, we incorporated a new key performance indicator (KPI) representing the role of supply chain engagement in supporting sustainable growth.

As a principal contractor, the services that we deliver for our clients rely on successful procurement, management and collaboration with proven supply chain partners.

Growing our supply chain is important for ensuring diversity and maintaining flexibility to meet the needs of our customers.

Increasing the proportion of strategic supply chain partners, who are co-operative, collaborative, transparent and demonstrate a proven and reliable track record in delivery, is key to reducing risk, providing a greater level of cost certainty, and delivering the best quality service and product for our clients, while maintaining the highest health and safety and environmental performance standards.

This approach has come from the success of our UK Fit Out and Engineering Services businesses in the UK and continental Europe, with strategic supply chain partners accounting for over 55% of turnover in 2017. Projects completed within the last five years with our strategic partners have had zero disputes.

Understanding the holistic impacts of our strategic partnerships on the sustainable performance of our business, we have incorporated this new KPI and corresponding targets into our 2021 Sustainable Business Strategy. Our focus is to grow our proportion of strategic supply chain partners, working closely with them to deliver spaces that help people and businesses to thrive.

In 2017 we focused on increasing our supply chain base and proportion of strategic partners in our UK Fit Out and Engineering Services businesses, while starting to assess and further develop relationships within our UK Construction business. In addition to strategic subcontractors, we have also engaged with key material and equipment suppliers. This enables us to monitor,

% Spend with strategic supply chain partners

Performance	Targets		
2017	2018	2019	2020
51.2% (UK Fit Out and Engineering Services (UK FO/ES))	60% (UK FO/ES)	60% (UK FO/ES + UK Construction)	60% (UK-wide)
55% achieved	51.2% (UK Construction)	51.2% (UK Retail)	



Members of ISG’s supply chain management team

and where appropriate engage directly with, suppliers to ensure timely delivery to our projects, and explore innovations to drive resource efficiency and reduce waste. Direct supplier engagement also empowers us to lead discussions on value engineering solutions, and in certain instances, procure directly key plant and materials across several projects, providing greater cost and programme certainty for our clients.

Our strategic supply chain engagement and relationship development is facilitated and nurtured through not only our project delivery teams and supply chain management team, but every department and team in ISG including

sustainability, health and safety, quality, Building Information Modelling (BIM) and 3D visualisation. We firmly believe in sharing knowledge and ideas for the betterment of all.

We aim to achieve 60% strategic partnership compliance across our UK supply chain by 2021. We will not look to increase this further as we must ensure we maintain a diverse and flexible foundation of suppliers who provide economic and delivery resilience. We will maintain this by continuing to grow our supply chain base, while continually developing strategic partnerships with more of our proven supply chain.

Achieving efficiency through technology

Part of ISG’s corporate vision and goals is to be a tech-led business that drives revolutionary change in the construction industry. Supporting this vision are the strides we have been taking in key digital innovations like BIM, 3D visualisation, smart buildings, bespoke apps, and augmented reality.

We are using these technologies to improve the way we do business not only at the macro-scale, improving construction methodologies, building efficiencies, and supporting our clients and consultants to improve decision making, but also at a grass-roots level, supporting our teams and our supply chains to streamline and enhance the flow of information required.

A major part of our digital support structure for construction management relies on documented processes, such as the technical submittal (tech sub) form. This process requires project supply chain members to submit material or product compliance information for approval by ISG and our clients’ design teams prior to construction. Depending on the scope of project specifications and deliverables, this can be a lengthy form requiring a variety of evidence to be submitted.

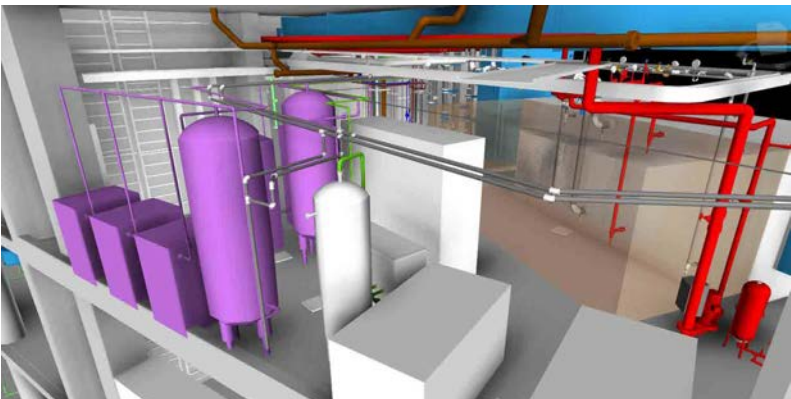
Another major requirement of an increasing number of projects is BIM (Building Information Modelling), enabling our clients and their facilities management teams to better model and manage their built asset, and plan for whole life cycle costing.

Two requirements of BIM are a geometric model and a data model. The geometric model illustrates the building layout. The data model is used to support the operation and maintenance (O&M) of the building, and CAFM (computer aided facilities management). To collect the data for these models, ISG has structured and digitised our tech sub form to collect the necessary information during preconstruction, and enable us to automatically process data and associate it with both the geometry of the building (location of services), and upload it to the clients’ building management systems.

By digitising the tech sub, we have empowered our supply chain to provide all required information in one instance,

“Generally, the process of inputting asset information into BIM Level 2 projects can often be complex and requires substantial resource. Using the ISG plug-in has streamlined our efforts and we are able to upload large quantities of data quickly and effectively to asset models.”

Matthew Tatler
Design Engineer, Sayes & Co Ltd
Referring to a project that was shortlisted for BIM initiative of the year at the 2017 Building Magazine Award



3D Section views through building information models (BIM), showing M&E building services within the building fabric and architectural finishes. Each asset can be tagged with manufacturers details and technical product information that assists efficient construction and improves whole life facilities management.

removing the need for duplicating workload through multiple submissions on multiple platforms. It also maintains the data integrity in a digital format that can be used by all stakeholders throughout the project lifecycle, and

supports evidential requirements of green building certifications such as BREEAM and LEED. The data can also be attached directly from the tech sub to the BIM model via a project-specific ISG app which simplifies the process.

Developing supply chain competence and expertise

The Supply Chain Sustainability School is a collaboration between clients, contractors and their first-tier suppliers who have a mutual interest in building the skills of their supply chains. Through the membership fees paid by Partners such as ISG, the school is able to provide free practical support to supply chain members in the form of Continuing Professional Development (CPD) accredited e-learning modules and training workshops, tailored self-assessment and action plans, benchmarking tools, networking opportunities, and access to thousands of online resources.

As a Partner of the school, we encourage our supply chain members to benefit from free access to this industry guidance and training materials on topics including resource efficiency, carbon reduction, responsible sourcing, social value and legal compliance. On average, our supply chain members have increased their sustainability competence by 12% from the baseline of their initial self-assessments.

In 2017 we worked with the school on a number of social value initiatives, including supporting industry events

“ISG has been a valued Partner of the Supply Chain Sustainability School since 2013. They have been particularly involved in the social value agenda and we have welcomed their expertise in this area. ISG has demonstrated a commitment to further developing the sustainable performance of their supply chain in 2018, and we look forward to working with them on this.”

Emma-Jane Allen, Sector Manager (Construction & Homes)
Supply Chain Sustainability School

such as a Construction Supplier Day in York, helping regional Small Medium Enterprises (SMEs) understand how they can better engage and benefit from social value initiatives on their projects and support client targets. We also contributed to a report by the school titled ‘Social value and design of the built environment’. The report

highlights ISG’s work at the Eden School in Blackburn, UK, which created social value by allowing students to use the on-site meeting rooms, reaching out to local employment and training providers, providing work experience for unemployed people, hosting student tours and fundraising activities for local charities.



Supply Chain Sustainability School social value event

Supporting local economies

While we continue to develop existing supply chain members to become strategic partners, we must grow our supply chain base and maintain a breadth and depth of capabilities to meet our project demands. With this in mind, identifying and engaging businesses including SMEs in the areas surrounding our projects can help to improve our supply chain diversity and resilience while supporting local economies. We may contract services directly, or through other supply chain partners, depending on the size and capabilities of local suppliers.

In February 2017, ISG was awarded the Westminster City Hall Refurbishment in London. The Council was keen to promote social value within the borough, and introduced a number of rigorous targets and KPIs for the project. These included taking on apprentices, NEET (not in employment, education or training) young people, individuals from the local area and engaging with local businesses.

We hosted a ‘Meet the Buyer’ event in May 2017, at the Abbey Community Centre in Westminster, a short walk from the site. The event was an opportunity for local businesses to meet with ISG, learn more about the project and the opportunities available. The ISG project team presented to attendees on ISG as a business, the range of work package opportunities available throughout the project, and the social value targets and drivers they can contribute to, providing an understanding of how we work contractually and the support we can offer them in the tendering and supply chain approval process and throughout the project with our management systems and processes.

An additional talk was given by Westminster Council’s employment coach, Ben Swift, who gave prospective businesses an insight into the assistance and funding available for anyone taking on employees from the local community.



‘Meet the Buyer’ event, London, UK

“It was great to meet ISG to discuss the Westminster City Hall Project. The meeting was really useful and I’d like to thank Steve and the project team for showcasing the number of opportunities that we can potentially work together on both this project and others as well.”

Les Bexfield
Cascade

To date £56,157 has been spent within the local borough and two jobs have been provided to local residents. One person was previously long-term unemployed due to being a full-time carer for a family member, and was taken on directly by ISG as our site office manager. The other is an ex-homeless client of Westminster’s employment and housing team, and has been subcontracted by ISG to take professional photography of the project site and key events.



Supply chain event, Birmingham, UK



Supply chain event, Birmingham, UK

Communities

better for knowing us

The nature of our work means we impact on the daily lives of communities around the world every day. For this reason, we strive to be considerate and respectful of people, and their homes and environments, and always care about their well-being. At the same time, we work to give back to those communities where possible, sharing our skills, knowledge and time to improve the world around us. We believe our industry has a responsibility and opportunity to make a difference, and we aim to lead that charge.



2017 performance at a glance:

- 38.9/50 average Considerate Constructors Scheme score
- 1,263 apprentice weeks
- 5,032 students engaged through curriculum engagement activities
- £143,422 fundraising and £60,000 pro bono value

What's changed moving forward:

KPIs have not changed in 2018.

Benefitting local communities

Promoting social value

ISG is a socially responsible contractor, focused on maximising the value of clients’ investment, be it in the public or private sector. By investing time and resources in achieving social value on our projects, we create an enduring legacy on behalf of our clients and the communities we live and work in.

Our social value strategy focuses principally on creating opportunities for training and employment for local people. We seek to attract young people to the construction industry, help unemployed people into work and to help the existing workforce upskill to improve their employment prospects. In doing so, we help tackle the skills shortage, reduce unemployment and improve productivity.

We deliver this through a variety of means. Our projects are supported in the delivery of bespoke employment and skills plans. In addition to our local partnerships, we have a corporate partnership with The Princes Trust, providing ongoing support to young people aged 11-30, supporting them towards education, training and jobs. We grow innovative solutions to the skills shortage such as our WOWEX World of Work Experience project, and our L3 in Professional Construction Practice, in the UK.

Providing work experience with the WOW factor

Part-funded under the Construction Industry Training Board (CITB) Innovation and Prototypes funding stream, ISG launched the WOWEX programme in January 2017. WOWEX is a work experience programme for young people with an interest in construction, and is aimed at meeting the future skills demands of the industry.

The first placement was successfully delivered to students from Stockport College at our Manchester office in the UK, and gave four groups of students an immersive week of practical and site-based experience on ISG projects. This has enabled students to gain first-hand knowledge of work in our industry, considering which discipline they may wish to pursue. The WOWEX programme was shortlisted as a finalist in the Skills Initiative of the Year award category at the Building Awards 2017.



ISG’s WOWEX (World of Work Experience) initiative, Manchester, UK

“I truly appreciate your team’s efforts in organising such an insightful experience and giving me the opportunity to be a part of it; my experience has provided me with direction and information which has fuelled my ambitions to pursue a career as a project manager.”

Safeena
Stockport College student



Temperate House, Kew Gardens, London, UK

Supporting apprenticeships

ISG is committed to supporting apprenticeships directly and through our supply chain. In 2017, we provided 1,263 weeks of apprentice training across our business. Where possible we will always endeavour to further develop and retain talent through career paths within ISG.

Bally Gill joined ISG on our project site at Kew Gardens’ Temperate House in London, UK, while completing his Level 2 and Level 3 Business Administration apprenticeship, and subsequently has joined ISG full time as a trainee quantity surveyor.

When asked about his career progression, Bally said: “During my apprenticeship, I was able to develop the skills I had already as well as gain new ones, such as my speaking and negotiating with clients and contractors and improving day-to-day

organisational skills. I was able to find a clear path from my daily activities and discover what it was I wanted to do with my future as well as gain formal qualifications. Working with ISG has been a really great experience for me. I went in doing a business administration apprenticeship and after two months of being on site I was assisting the quantity surveyors on a regular basis. They took me under their wing and showed me how to work out cost-value procedures, showed me how projects worked with certain clients. I learned how JCT and NEC contracts work, which are the main contracts used in construction. I had two really supportive site managers and they constantly encouraged my learning on site.

“Working with ISG has been a really great experience for me. I went in doing a business administration apprenticeship and after two months of being on site I was assisting the quantity surveyors on a regular basis.”



Bally Gill
Apprentice

Being a considerate contractor

ISG is committed to safeguarding the health, safety and well-being of our workforce and the public, while endeavouring to use our presence as an opportunity to engage and benefit the communities where we work.

As a founding member of the Considerate Constructors Scheme (CCS) over 20 years ago, engaging and benefitting our local communities is ‘business as usual’ for ISG.

In 2017 we celebrated a record CCS haul of 22 National Site Awards – four gold, seven silver and 11 bronze awards – reflecting the exemplary performance of our project teams across the UK.



Our Bristol Business School project for the University of the West of England was awarded a CCS Gold Award



Caring company award for ISG in Asia

ISG in Hong Kong and Commtech Asia were awarded the Caring Company Award 2017-18 by The Hong Kong Council of Social Service, in recognition of our continuous commitment in caring for the wider community, our people and the environment.

The Caring Company Scheme aims to cultivate corporate citizenship by promoting strategic partnerships among

businesses and social services partners in Hong Kong. Awards are presented each year to recognise organisations with outstanding involvement in corporate social responsibility programmes.

From organising our own in-house fundraising initiatives, volunteering at local events for charitable causes, implementing sustainability measures across our project, and providing our employees with an outstanding work experience, we are always involved and actively seeking opportunities to be caring ambassadors.

2017 saw ISG and Commtech Asia working in partnership to contribute to charitable and environmental causes. Highlights include our participation at the Eastern Community Green Station, Eastern District second hand carnival and Repair Café, a fundraising event involving fixing and recycling appliances clocking 120 hours of volunteer service. Another is the ‘Lap Dog Challenge’ run, which saw five members of both businesses complete a total of 461 laps and a combined distance of 187km in five hours raising money for the Lighthouse Club Benevolent Fund, a non-profit organisation that provides charitable welfare and assistance to the construction community in Hong Kong. Alongside four other firms across the industry, a total of HK\$1.2 (approximately £120,000) was raised at the event.

The company’s ongoing Sustainability efforts include our drive to recycle waste, go paperless across our offices and project sites, and our best practice approach in accordance with environmental management standards. ISG is also a proud supporter of the WWF-Hong Kong’s ‘no shark fin’ policy, which seeks to protect the species in the region.



Partnering with the Singapore DSA

ISG has been supporting the Singapore Down Syndrome Association (DSA) for over seven years, raising funds through charity events, creating work experience opportunities to encourage workplace integration for individuals, and providing time, advice and technical support for property projects.

The DSA’s vision is to be ‘the Centre of Excellence for individuals with Down syndrome, their families and the community’, and this is supported by its mission to ‘develop individuals with Down syndrome through lifelong learning and social integration, and support families through specialist services, information and education’.

Committed to enabling a richer life for all people with Down syndrome, DSA Singapore’s success stories include the career journey of ISG’s office administrator, Chunru Lin, who joined ISG over five years ago.

Over the years, Chunru’s contribution and development at ISG has impressed everyone and enabled her to fulfil her potential through learning and social integration at work. Upon receiving an award for five years’ service at ISG, Chunru said: “Thank you to my dear colleagues who have provided assistance and friendship throughout my time here at ISG.”

Continuing and expanding ISG’s support for DSA, one of our next projects is leading the planning, delivery and completion of a new initiative to develop an Independent Living and Training Centre. The centre will be a full-scale apartment used for training purposes, helping young adults to adjust before living on their own. It will include two



Top image: Chunru Lin receiving her five-year service award from ISG’s managing director in Singapore, Gary Allin

Bottom left image: Artist’s impression of the new DSA Independent Living and Training Centre

bedrooms, a kitchen, toilets, laundry and family room.

Along with this, two mock-up offices will also be built to allow training for those wishing to consider work opportunities in an office environment.

Mr Andrew Soh, assistant director, community partnerships and corporate communications, at the DSA, commented: “As a self-funded charity here in Singapore for the past 21 years, we are extremely heartened and excited

to be able to once again collaborate with the management and staff of ISG. ISG’s partnership with the Down Syndrome Association to undertake the creation of the Independent Living and Training Centre is a significant milestone towards establishing independent living for people with Down syndrome, while fostering a long-term working relationship for both parties.”



“Thank you to my dear colleagues who have provided assistance and friendship throughout my time here at ISG.”

Chunru Lin
Office Administrator, ISG

Championing the National Skills Academy for Construction in the UK

We have now completed our three-year National Skills Academy for Construction (NSAfc) programme, helping nearly 4,000 people to find training and employment.

The initiative, created by the Construction Industry Training Board (CITB), promotes the industry, encourages new entrants, supports people looking for employment, and provides opportunities to upskill existing workers.

Many ISG employees supported the NSAfc and its associated activities, alongside their regular day jobs.

Our increased focus on social value has been recognised by our clients. Wigan Council's Karen Hewitt said: "ISG has provided exceptional value, working with those who are far from the workplace and readying them for employment. Additionally, their partnership with local colleges has supported numerous students. We are absolutely delighted!"

Following our work with the NSAfc, we have been shortlisted for the Construction News Training Excellence Award, with the results to be announced in July 2018.

We have also received £120,000 of funding from the CITB for a further three-year programme, which will run until 2020.

Our achievements:



3,867 people benefitted



518 qualifications passed



230 placements provided



16 project teams involved



100% targets delivered



53 apprentice starts



188 councils, schools, colleges, charities and training providers partnered with



One ISG project skills coordinator supporting the teams



224 supply chain members involved



ISG's WOWEX (World of Work Experience) initiative has included visits to project sites, including to Manchester Corn Exchange in February 2017

Benefitting global communities

Supporting charities around the world

In 2017, ISG raised over £143,000 for charities, supporting various human health, education, disaster relief and environmental protection causes. We have also donated over £60,000 in services and materials pro bono to support community enhancement projects.

Highlights include:

- £60,000+ for Macmillan Cancer Support, UK
- £60,000 pro bono for Thomas Wolsey School's sensory cabin, Ipswich, UK
- £21,000+ (RM120,000) for Make a Wish Foundation and Karunai Ilam Girl's Orphanage, Malaysia
- £9,000 for Jigsaw4U children's cancer charity, UK



“It’s been a pleasure working with ISG and we have been particularly impressed with how much hard work and effort went into making our 2017 ‘Just Say the Word’ campaign a success, raising over £20,000 in two weeks.”

Jade McShane
Corporate Account Manager
Macmillan Cancer Support



Partnering with Macmillan in the UK

In 2016, ISG's employees in the UK voted for who they would like to be ISG's next UK charity partner. Out of four leading UK charities, over 50% voted for Macmillan Cancer Support. ISG is now one year into our two-year partnership with Macmillan, raising money for their vital support services, while also raising awareness among our people. With the construction industry being heavily male-dominated, our partnership is enabling Macmillan to engage one of the hardest demographics to reach – the working-age male.

Since our official launch in March 2017, we have:

- Raised over £60,000 towards our £200,000 goal, providing 114 grants, helping fund Macmillan's Mobile Information and Support Service (MISS) tours, and funding a Macmillan nurse for eight months
- Empowered 35 charity champions across our offices and sites



- Trained 18 Macmillan Neighbours to support anyone living with cancer
- Participated in Macmillan's Mighty Hikes in Scotland
- Ran marathons and cycled up and down the UK
- Hosted bake sales, well-being days and charity evenings
- Held coffee mornings across the UK, in offices and on sites

In June 2017, we partnered with five other companies in the built environment for the Macmillan



Construction Cancer Coalition. The coalition was an opportunity to break down walls and encourage men to 'Just Say the Word' and get checked for cancer. In two weeks, ISG raised over £20,000 towards Macmillan's goal of £120,000, and engaged every site and office across the UK with awareness materials and team challenges, to get everyone involved.

We also understand talking about the effects of cancer can be hard for people, and knowing where to seek information and help may be daunting. To help make support more accessible, we trained 18 volunteers from ISG and our supply chain to become 'Macmillan Neighbours'. This is a role that provides volunteers with vital skills and knowledge that enables them to listen to, comfort, and signpost anyone who needs support to the appropriate Macmillan services available online, over the phone, or in person.

Fundraising record for ISG's Malaysia business

In November 2017, our team in Malaysia hosted a charity auction event in Kuala Lumpur for over 170 guests, attended by our employees, customers, supply chain members and industry partners. A range of items were auctioned including artwork, travel packages, and sports paraphernalia. We also sold 250 #TeamISG global charity cookbooks, which featured a collection of recipes shared by our people from around the world.

Over £21,000 was raised (RM120,000) for the Make a Wish Foundation and the Karunai Ilam Girls Orphanage in Malaysia.

ISG's commercial director, Daniel Phipps, said: "It was a fantastic evening and was extremely well supported by our very generous clients and industry partners. I am personally very pleased that we were able to support two charity organisations which make such a positive difference to people's lives."

We also sold 250 #TeamISG global charity cookbooks, which featured a collection of recipes shared by our employees from around the world.



ISG's team in Malaysia raised over £21,000 (RM120,000) for Make a Wish Foundation and Karunai Ilam Girls Orphanage, at its charity auction event in November 2017



Donating time and skills in Ipswich

In addition to various fundraising activities, ISG teams, along with our supply chains and clients, have also volunteered their time and resources to support those in need. Projects have included community gardens, youth centres and a homeless kitchen.

Thomas Wolsey School in Ipswich, UK, caters for pupils aged three to 16 with complex physical disabilities, medical needs and sensory impairment. Having been the victims of vandalism and fire damage, the school was left without vital space for their children's therapy.

ISG's team in Ipswich engaged 12 members of our supply chain, including specialist joinery subcontractor, TMJ Interiors, to design and install a cabin containing multi-sensory rooms, using lights, sounds and textures to help children with their learning and provide a calming space for difficult times.

James Taylor, MD of TMJ Interiors, said: "What a worthwhile project. It was our pleasure to donate many of the materials and to assist in developing the design of the sensory cabin."

School business manager, Teresa Snowling, said: "With many of our children suffering from sensory impairment we understand the need for them to enjoy a calm, relaxed sensory space along with the need to create experiences which they may never have the opportunity to experience during their lifetime.

"Sometimes the only way we can get a reaction from a child is when they are placed within a sensory environment and what a joy it is to see a child able to engage in this way and to maybe see a smile or a look of excitement or enjoyment on their face. The sensory log cabin means so much to so many of our children, their families and the wider community.

"The school has been overwhelmed by the generosity and kindness of ISG and all other contractors. With their hard work, determination and commitment our pupils now have a wonderful sensory room to support their diverse range of needs"



ISG's team in Ipswich engaged 12 members of our supply chain, including specialist joinery subcontractor, TMJ Interiors, to design and install a cabin containing multi-sensory rooms, using lights, sounds and textures to help children with their learning and provide a calming space for difficult times.

Environments

protected and enhanced

We are all responsible for protecting and preserving our natural environments; as a construction services company responsible for shaping the places of tomorrow, we take that responsibility particularly seriously. Not only do we challenge our construction teams to resource efficiently, but we strive to be leaders for our customers in achieving or surpassing their environmental goals. In our offices, we urge our people to think and act responsibly, by showing leadership and setting behavioural standards.

2017 performance at a glance:

- 5.06 tonnes construction and demolition waste per £100,000 revenue
- 96.13% construction and demolition waste diverted from landfill
- 11,895 tonnes CO₂e scope 1,2,3 greenhouse gas emissions
- 0 reportable environmental incidents
- 53.94% projects by revenue undergoing environmental certification

What's changed moving forward:

From 2018 our waste reduction targets and performance will be measured on our production of construction waste only.



Reducing our waste

Our waste strategy is firmly focused on reducing waste production and diverting as much of our waste from landfill as possible. The following four strands outline our approach.

- 1. Streamlining our waste supply chain across the UK
- 2. Introducing a new sustainability data management system, STREEM
- 3. Educating the workforce
- 4. Working closely with our strategic suppliers and subcontractors

Rationalisation of our UK waste supply chain

In the second half of 2017 we approached our strategic waste management contractors in order to streamline services across the UK. By partnering with waste management companies that can meet or exceed our requirements, and those of our clients, and provide expert and effective waste management advice, we hope to improve waste prevention methods and divert as much of our non-hazardous waste from landfill as possible, via reuse and recycling.

Our waste partners have committed to:

- meet ISG’s strict requirements regarding legal duty of care compliance
- comply with our minimum reporting standards
- move towards compliance with PAS 402, an independent specification on reporting waste data
- support ISG’s resource efficiency and waste reduction targets by assisting sites in moving away from a skip provision service to a comprehensive waste management service.

We will be closely managing and monitoring this throughout 2018 in order to share best practice across our international businesses.

“We are looking forward to building a closer relationship with ISG and contributing to their sustainability goals around waste management. We are delighted to be a waste contractor of choice for ISG, and we too strive to improve the communities where we work and where we operate. In working with ISG, we will promote the use of best practice in waste management and encourage the use of waste-reducing construction methodologies and products.”

Ben Ellis
Outsourced Sales Manager, M J Church



ISG works with Powerday as one of our strategic waste management partners. They are one of the few contractors in England that is certified to the PAS 402:2009 – Waste Resource Management – Specification for Performance Reporting

Sustainability data management

Our new Sustainability Tool for Reporting Engagement and Environmental Management (STREEM) was launched in September 2017, to:

- streamline data entry for project sites
- align systems with our other IT platforms
- support in-depth data analysis and reporting to drive performance improvement.

We developed STREEM for compatibility with our internal IT systems and to simplify the data entry process for our site teams and strategic waste management partners. It is essential that we not only receive full and accurate data from our waste supply chain in compliance with the PAS 402 standard, but also that this data can be entered and analysed in the most efficient and effective way. We have therefore worked with our preferred waste management contractors to map their waste reports to STREEM so they can upload the data on our behalf, saving time and reducing duplication of administrative tasks.

Through STREEM, we can perform trend analysis to identify where inefficiencies may lie across projects with similar characteristics. We will also continue to use the data to benchmark our performance across business divisions and geographies.

Enabling efficiency through education

Achieving operational efficiency is greatly impacted by our approach to resource efficiency, waste prevention, and the engagement of our clients, our design consultants, our workforce and our supply chain.

A simple barrier can be the level of understanding of wider environmental impacts, and how personal actions and attitudes contribute to the issue. Taking responsibility and caring cannot be forced, it comes through education and empowerment.

Working with our suppliers, our clients and our communities

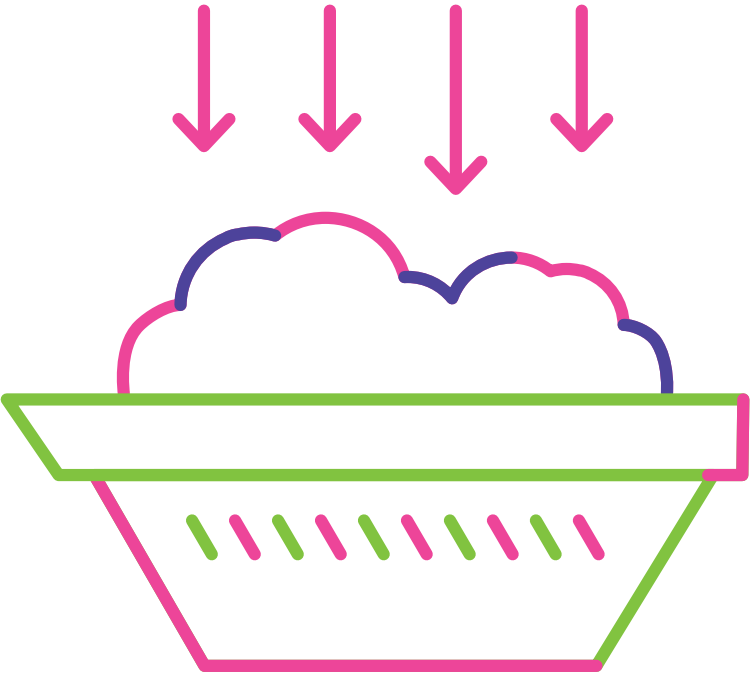
All materials and goods are a commodity and have a value, be it financial or intrinsic. The old adage ‘one man’s trash is another man’s treasure’ is apt.

While ISG strives to minimise waste to reduce environmental impacts and financial cost, we also understand the links to creating social value in our communities from free donations.

Our approach to waste minimisation and management identifies the most appropriate solutions dependent upon programme, logistics and cost.

Where the scope of strip out and demolition is largely out of ISG’s control, and a result of client and design specification, we endeavour to find reuse opportunities for goods and materials, on our sites or in our communities, within the often short amount of time available in pre-construction.

In order to reduce the production of waste from ISG’s fit out and construction activities, we work with our supply chain partners to develop and implement innovative solutions around material selection, pre-fabrication, storage and transport, and installation methods in order to increase both time and resource efficiency.



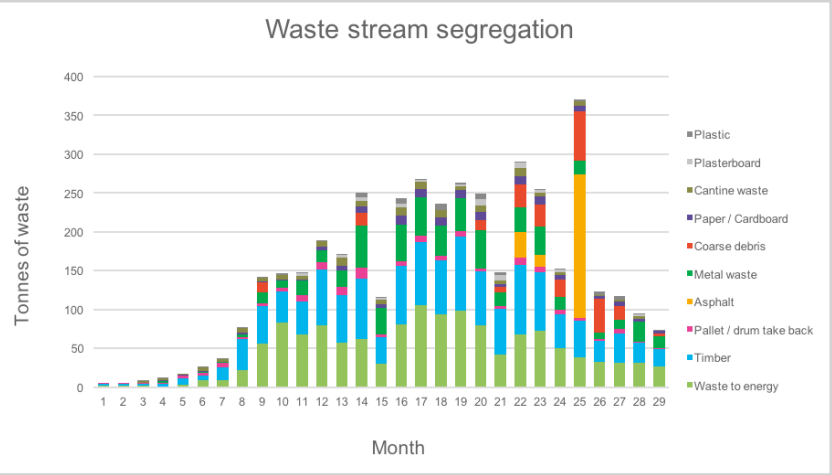
Rethinking waste in the Netherlands

On a large development in the Netherlands, considerations for effective waste management were embedded during preconstruction, with incorporation of requirements into the subcontract work packages including:

- maximising off-site manufacture and prefabrication
- take back schemes for packaging, pallets and cable drums
- a 'just in time' policy for arrival of materials to avoid damage and over ordering
- covered storage area requirements for weather-proofing porous materials
- a dedicated area reserved for offcuts that could be reused elsewhere.

The success of the waste management strategy on site, over two years of construction, was a result of collaboration between the logistics team, an engaged waste carrier, and education of the workforce and ISG management team, on the environmental, cost and programme benefits of local waste treatment options.

Segregation into 10 streams was the most effective solution for the removal of significant volume waste types. It also reduced skip transfers, which minimised carbon footprint, and ensured the project's proportion of reuse and recycling remained the highest



treatment route, a preferential option in the waste hierarchy over local options for energy recovery.

Other innovations included:

- diversion of organic food waste from the canteen to a local pig farmer
- a bespoke cage for transporting three 660-litre bins at a time safely across the large campus, reducing impacts on site logistics
- reuse of waste concrete for pedestrian routes
- reuse of sawdust from the site workshop as absorbent spill kit material.



“We are proud of our performance on waste management in the Netherlands and will be rolling out this approach across our European portfolio.”

Alistair Mackintosh
Operations Director
ISG



Crate-ing savings with SAS

We have targeted our strategic suppliers and subcontractors, by spend and waste performance, to see where they may have an innovative new technique or product that we can trial on our projects. The first successful trial was with SAS ceiling tiles on a central London project.

Ceiling tiles, while available in standard sizes, are often manufactured in bespoke sizes to meet client and designer demands. This means that standardising containment for transport is costly and unrealistic. Until recently, in almost all cases, bespoke wooden pallets would be constructed in order to contain the tiles, and then disposed of after reaching sites. This is highly inefficient and wasteful.

SAS has developed an adjustable plastic crate solution that can be expanded or contracted to fit a range of ceiling tile shapes and sizes. This crate can then be returned to their manufacturing plant for reuse. However, SAS traditionally uses third-party haulage companies to deliver its goods, and these vehicles may move on to any number of delivery jobs, making it logistically impractical to return the crates.

Due to the significant investment in manufacturing the plastic crates relative to traditional pallets, it is important that they are returned, and as such there is an associated deposit / hire cost. While it is less than the cost of waste disposal, so far it has been a challenge for SAS to gain uptake from ceiling installation subcontractors. This is because in most cases principal contractors, rather than subcontractors, are responsible for waste disposal.

To determine whether a business case for adoption of the reusable crates could be made, one of our central London projects was used as a trial.

Ceiling tiles were delivered in 47 reusable plastic crates, rather than 28 wooden crates of three different sizes. Each wooden crate costs between £40 and £50, which is charged to ISG. It takes two operatives approximately 10 minutes to make each wooden crate. Assuming an average hourly rate, in line with the Living Wage Foundation's

Wood vs. Plastic

Material	Wood	Plastic
Crates	4,200	47
Waste	280 tonnes	0 tonnes
Embodied carbon	8.4TCO ₂ e	6.8TCO ₂ e <small>(diminishing with each reuse)</small>
Costs incurred	£313,000	£14,100 <small>(additional hire or deposit costs may apply)</small>



National Living Wage of £8.75/hr (2017), that's £2.92 per crate.

Twenty-eight empty wooden crates would weigh 1.87 tonnes and cost approximately £750 in total to be removed from site. Across 150 average-sized office fit out projects in a year, that would cost £112,500 in waste disposal, and £188,250 in packaging costs, to ISG and our customers. It would also result in £12,250 of unnecessary labour costs, plus the cost of materials to SAS. Each reusable plastic crate has a one-off cost of £250. If it is reused four times, then it becomes more cost-efficient than the traditional wooden pallets. There is also a significant carbon saving to be made. 280 tonnes of timber crates potentially wasted over 150 projects contains approximately 8.4 tonnes of embodied carbon. Forty-

seven reusable plastic crates contain a total of 6.8 tonnes of embodied carbon, which further reduces with each reuse.

If a reliable returns system can be developed and the crates tagged for management, the cost savings to the manufacturer, principal contractors and clients over time is significant. The efficiencies across the entire industry could be ground-breaking.

This trial will be rolled out on a number of projects in 2018, to make the business case for adoption on all ISG projects across the UK.

Supporting our communities and the circular economy

As part of ISG's commitment to reducing waste, we endeavour to promote reuse of materials as far as possible, be that on site, between multiple projects, or via donation to charities, where materials can be given a new lease of life. In 2017 we donated over 150 tonnes of goods and materials to charitable causes, including community support groups, social enterprises, education and training facilities, community centres, and disaster recovery organisations helping to rebuild schools and hospitals in poverty, war and natural disaster stricken countries.

To facilitate such donations and expand our reach, we have recently engaged Globechain, an online platform, developed to connect companies, charities and SMEs in a global supply chain, to promote the reuse and upcycling of unwanted materials.

As the construction industry continues to move beyond recycling towards the Circular Economy and reuse, platforms such as Globechain represent an invaluable resource. With more than 10,000 charity network users, the system streamlines the donation process, making the most of opportunities within a short strip-out programme.

Groups receiving items via Globechain give feedback on how and where the items have been used, the equivalent money saved and the social impact. Many groups utilise materials in community projects, training and upskilling workshops, including ex-offenders, NEETs and individuals affected by homelessness. Across a number of projects, our teams have engaged with the online platform during their preconstruction and demolition phases. Our client at a private members' club refurbishment was very keen to utilise Globechain to donate items arising from the strip out of their building.

Loose and easily dismantled elements such as carpet tiles, small joinery items and ceiling tiles are simple to donate and are often in demand. More complex items, including light switches, ironmongery, lighting and glazed partitions, are also popular but require

“With circular economy principles being the focus of corporate as well as government bodies and the UN, the construction industry is faced with a huge task of embracing new business models, that not only offer a sustainable way of working from the design phase all the way through to completion, but also the need to differentiate themselves by engaging communities.”

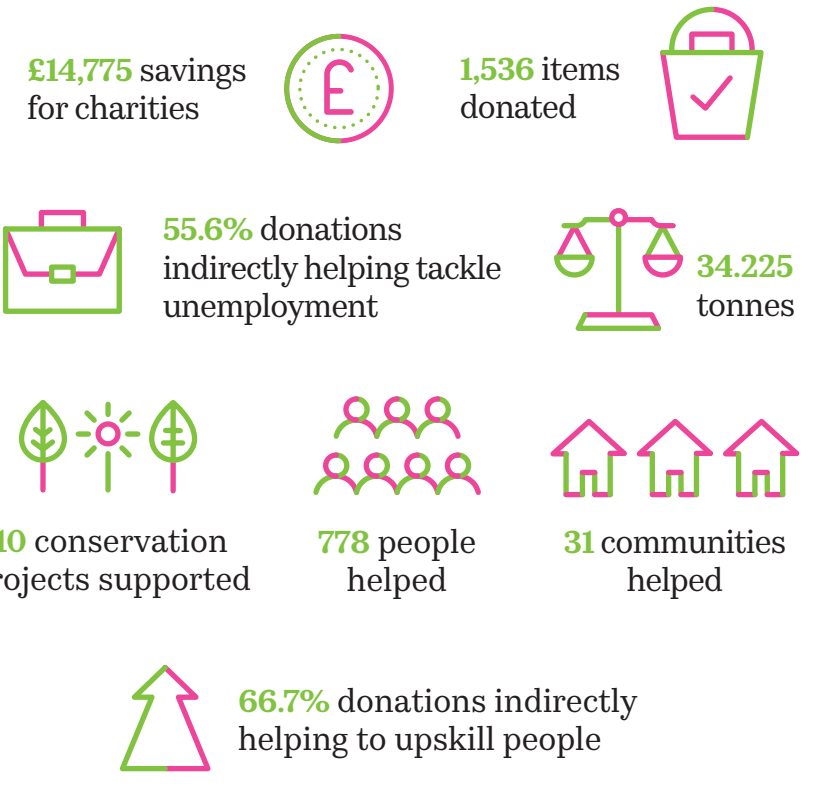
May Al-Karooni
Founder and CEO, Globechain



more care and time in order to remove them in a reusable condition. For this reason, a balance was needed, taking into account cost, time and programme constraints. We were able to work with our strip-out contractor to make the most of practicable items, and arranged for them to be safely dismantled and removed from site to a holding yard, allowing charities more time to collect their items.

By actively engaging and working collaboratively with our strip-out contractor, we were able to stretch the donation scope to include more logistically challenging items such as glazed partitions, marble and electrical equipment, making a valuable contribution to the client's sustainable aspirations for the project, and to the communities around us.

Globechain donations



Reducing our emissions

Leading the industry in tackling climate change

2017 was the fourth year ISG has voluntarily responded to the CDP climate change programme. For the second year running we have maintained our ‘leadership’ status by scoring A-.

We are in the top 21% of companies in our sector, after achieving a score significantly higher than both the CDP submission average, and industry average, of C. Our score demonstrates our commitment to transparent reporting, reducing greenhouse gas emissions and achieving our corporate goal of achieving optimal operational efficiency.

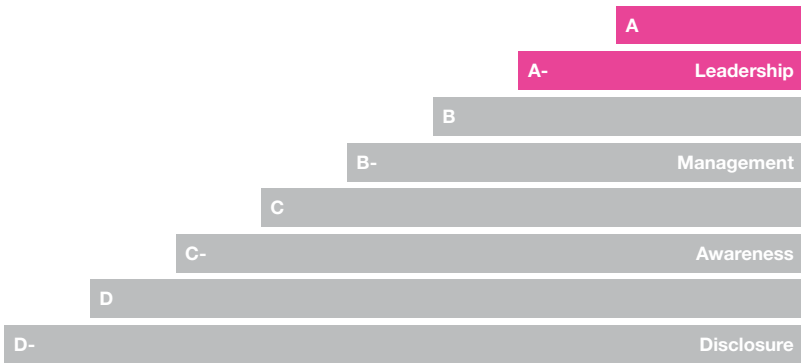
CDP Score 2017



The categories are:

- Leadership (A/A-):** Implementing current best practices
- Management (B/B-):** Taking co-ordinated action on climate change issues
- Awareness (C/C-):** Knowledge of impacts on, and of, climate change issues
- Disclosure (D/D-):** Transparent about climate change issues
- F:** Company did not respond, or responded and did not earn any points

CDP Score 2017



F: Failure to provide sufficient information to CDP to be evaluated for this purpose

Every year, international not-for-profit organisation, CDP, with the support of investors representing \$US100tn, engages businesses to respond to its climate change questionnaire. The aim of the programme is to enable better-informed decision-making on climate action.

More than 5,600 companies across 71 states and regions now disclose to CDP, generating the world’s largest database of corporate environmental information, covering climate, water and forest-risk commodities.

Transparency and reporting

We are pleased to report that we have reduced our global greenhouse gas emissions in line with climate change science. ISG has committed to set an emissions reduction target in line with climate change science and is currently working towards approval with the Science Based Targets initiative.

Utilising science-based target methodologies, ISG has established a draft target to reduce total emissions by 21% by 2021 and by 71% by 2050.

Due to the contract-based nature of our business, our emissions can increase or decrease significantly based on the type of work that we carry out in that year, and whether we pay for energy used on-site. To minimise this volatility, we have decided to report our emissions against a three-year rolling average.



	Market-Based Financial Control (i.e. equity share)				
Emission Source	2015 Emissions (tCO ₂ e)	2016 Emissions (tCO ₂ e)	2017 Emissions (tCO ₂ e)	Three-year rolling average	Variance: 3-year rolling average v 2015 baseline
Business travel (Flights, Rail, Taxi)*	4,002	4,285	4,573	4,287	7%
Upstream Transportation & Distribution	4,833	1,442	3,098	3,124	-35%
Vehicle Mileage	3,639	3,151	2,248	3,013	-17%
Liquid Fuels	3,044	1,482	701	1,742	-43%
Electricity	1,379	776	935	1,030	-25%
Gaseous Fuels	269	255	107	210	-22%
Refrigerant Gases	176	252	233	220	25%
Total emissions	17,341	11,643	11,895	13,626	-21%

*All emissions have been independently verified by Carbon Credentials Energy Services Ltd, with the exception of Business Travel which, in 2015 was calculated from cost data, and has been extrapolated in 2016 and 2017. Emissions from business travel were not reported in 2015 or 2016.

When comparing the three-year rolling average emissions figure to our 2015 baseline, ISG has reduced emissions within the boundary of its target by 21% and we have therefore achieved our 2021 target to reduce emissions by 21 %. However, we must continue to mitigate our emissions impact across the business to ensure that we remain on-track to achieve our long-term 2050 target.

From thorough analysis, we have identified root causes of the reduction as:

1. An increased proportion of larger, higher value, longer duration projects resulting in:
 - faster connection to grid energy
 - reduced reliance on diesel-powered site generators and plant
 - more delivery staff dedicated to single sites rather than travelling to multiple projects.

2. Introduction and uptake of Office 365, enabling online collaboration:

- 50% of staff using Skype for Business, reducing business travel

Other highlights include:

- use of electric vehicles on sites
- incorporation of renewable technologies for temporary power on project sites
- procurement of renewable grid energy

Protecting our planet

Managing our impacts and enhancing our environments

As a responsible business, ISG considers its environmental impacts at the global and local level in line with our ISO 14001: 2015 accredited management systems. Each project is assessed based on local environmental factors and project-specific scopes of work, and produces the relevant plans and procedures to manage and minimise these impacts, while identifying opportunities for enhancement.



Sustainability goes full circle at The O2

Since June 2016, ISG has been transforming the remaining undeveloped section of The O2 in London, UK, into a designer outlet village containing over 80 new retail spaces with a combined area of circa 400,000 sq ft.

The flagship project is a shining example of a holistic approach to planning a development that addresses the environmental, social and economic pillars of sustainability.

Careful control of contaminated land

Built on the Greenwich Peninsula, adjacent to the River Thames, the site was historically marshland and home to a gasworks and shipping yard in the 19th century. After decommissioning, the site was left heavily contaminated.

As part of the scope of works, ISG developed a resource-efficient solution whereby existing piles have been reused in situ and additional foundations installed, including a raft slab, to support the new retail development. We exposed the existing pile caps, which meant disturbing the ground, to install drainage systems below the existing marker barrier down into the contaminated layer below.

With our groundworks contractor, we developed an earthworks material management plan, in compliance with Greenwich's Environmental Method Statement (EMS) for the peninsula. This detailed robust procedures for disturbance, removal, storage and disposal of highly contaminated material.



The ground was tested to identify any hazardous substances that required safe removal, and any non-contaminated material that could be retained and reused. This minimised any unnecessary waste removal costs, procurement of infill material, and impacts on programme.

One substance discovered in the ground was 'Blue Billy', a distinctively coloured, highly caustic chemical that is hazardous to human health and the environment. Resulting from the use of hydrated (wet) lime for the processing of coal gas, invented by William 'Billy' Murdoch in the late 1700s, the waste product is blue in colour when exposed to air, making it clearly visible. This was one of many substances identified in the ground which was removed for careful disposal under strict health & safety measures.



BREEAM 'Outstanding'

The scheme is on target to be the highest scoring BREEAM 'Outstanding' retail project in the UK to date, under the 2014 assessment scheme. ISG has worked very closely with the design team and BREEAM assessor, from preconstruction, to ensure that the target is achievable from the start. For example, we used our internally maintained list of BREEAM-compliant responsibly sourced materials, to ensure that at least three manufacturers held the required BES6001 or ISO 14001 certifications for each material being assessed. This supported the specification process and gave the client confidence that 'Outstanding' could be achieved with minimal cost uplift.

We are also contributing to innovation points where possible, and the project's leading performance in the Considerate Constructors Scheme has achieved a score of 45/50, already securing maximum points under Responsible Construction Practices.

Enhancing the environment

Due to the environmental harm caused by the historic use of the peninsula, ISG is committed to enhancing the environment wherever possible, leaving a positive legacy behind when the project is complete.

Where the site office and welfare accommodation is currently situated, ISG has committed to installing a garden space to meet the future needs of the local community. We have engaged four landscape architecture students from Greenwich University to develop and put forward a proposal for the garden, and we have run a graphic design competition with Ravensbourne College students to design the seating. We are keen to raise awareness of environmental issues among the workforce and the public, with workshops from environmental experts and information displayed on our site hoarding. We invited non-profit organisation, Friends of the Earth, to visit the site and give a talk on the importance of bees. Many species are endangered and the peninsula does not currently provide a suitable habitat to enable them to thrive. With free bee-saver kits including flower seeds, the session was well received by the employees on site. The community garden will also incorporate a 'Bee World' as part of the design.



Benefitting the community

From the start, the team was keen to find meaningful and truly beneficial ways of engaging with the local community. Their work with education and training providers, environmental organisations, and community groups, has been carefully considered and succeeded by involving the entire workforce. Highlights include:

- 81% local labour
- Seven apprentices and trainees
 - Greenwich Labour and Business (GLAB)
 - Knight Dragons Apprenticeship Scheme
- 120 students engaged
 - Millennium Primary School
 - Ravensbourne College
 - Greenwich University
- Charitable fundraising: Macmillan
- Community project: Age UK Men in Sheds

We are also contributing to innovation points where possible, and the project's leading performance in the Considerate Constructors Scheme has achieved a score of 45/50, already securing maximum points under Responsible Construction Practices.

Delivering sustainable spaces

Delivering the places of tomorrow requires the ability to think big, collaborate widely, and build in real capacity for change. For this reason, everything we do at ISG, from our work with our customers to our relationships with our own people, is focused on delivering smarter and more resilient spaces.

In line with this, ISG has a vast experience of delivering projects that meet the requirements of international green building certification standards, including BREEAM (Building Research Establishment Environmental Assessment Method), LEED (Leadership in Energy and Environmental Design), Ska rating, and WELL Building Standard. Our in-house sustainability department includes qualified assessors who support our projects. We also provide consultancy services to clients to help them maximise the sustainable potential of their projects within their budget.

Over the last decade we have seen a rise in the number of projects we deliver to these standards, from approximately 15% to over 53%.

In the last two years, we have seen the continuing trend for clients pursuing multiple assessment standards for their spaces, in some instances in conjunction with significant social value targets around local supply chain and employment, adding a further level of complexity and increased procurement and performance demands of our delivery teams.

We have risen to the challenge and in 2017 we completed two high-profile office fit outs for well-known developers, both achieving award-winning standards.



Landsec: leading by example

In March 2017, our refurbishment and fit out of Landsec's new headquarters in Victoria, London, UK, was awarded the Best of BREEAM 2017 award.

Having achieved the first BREEAM 'Outstanding' against the new 2014 Refurbishment and Fit Out assessment scheme, along with WELL CertifiedTM Silver, Full Project FSC® Certification (sourcing responsible forest products), and reduction in embodied carbon (over 11%), the offices are a credit to Landsec's investment and commitment to embedding sustainability right from concept through to completion.

The strategy was designed to deliver on Landsec's sustainability commitments, including:

- procuring 99.97% of materials from sustainable sources, including 79% recycled aluminium, 44% recycled carpet tiles and 100% sustainably sourced timber
- achieving an 11.75% reduction in embodied CO₂ impact compared with the initial design baseline, through efficient use of materials e.g. reusing existing furniture, specifying frameless glazing and omitting suspended ceilings
- reducing operational energy use through Energy Star labelled equipment, LED lighting and efficient building services

- CIBSE TM54 energy modelling at the design stage to help bridge the energy performance gap. Landsec's sustainability team is now using this during seasonal commissioning, to assess operational performance against design intent.

Working alongside Landsec, KKS Architects, Long & Partners, Stuart Brown Partnership, Sturgis carbon profiling LLP, and RES Design, the project achieved its award status thanks to true collaboration, transparent communication, and a real team effort.

“This project proved that a ten year old space can be refurbished to world class standards in both sustainability and wellbeing. We really pushed the boundaries with this project and the learning is already proving to be invaluable for our teams and customers”

Edward Dixon
Sustainability Insights Director,
Landsec

80-100 Victoria Street Fit Out:
Embodied Carbon (A1-A5)

Baseline Emissions	1,018,000	kgCO ₂ e
Baseline Emissions	898,460	kgCO ₂ e
Baseline Emissions	119,540	kgCO ₂ e

= 11% - 12% reduction
on completion to baseline

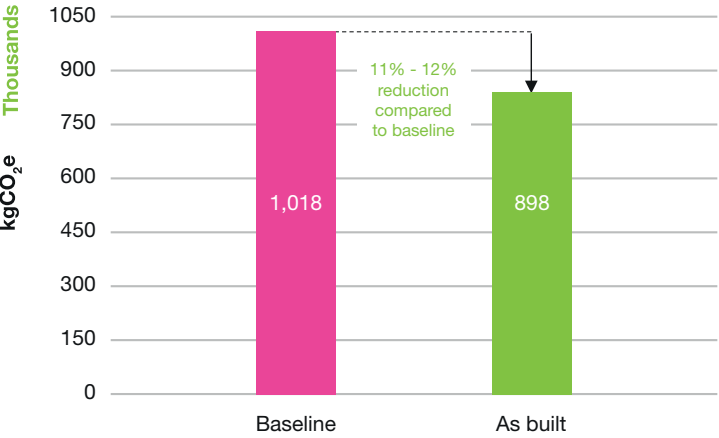


Figure 1: Net Embodied Carbon Saving

Selecting the right supply chain was key, and our strategic subcontractors worked with us to find the best, most sustainable solutions for the project.

Some of the most stringent requirements to achieve BREEAM 'Outstanding' were the resource efficiency and waste management credits.

With a waste production target of <0.4t/100 sq m floor area, and a requirement to reuse or recycle more than 75% of all waste streams on the project, robust planning and early design intervention was imperative. We undertook a Designing out Waste (DoW) workshop with the client and consultants during preconstruction in order to review material selections and prefabrication opportunities. We subsequently undertook the same exercise with each subcontractor as part of their tender process, and carried ideas through onto the construction site.

Two of the biggest successes were in the design and construction of the internal partitions, reducing their waste by over

75%, and the complete elimination of packaging waste from the light fittings by using reusable crates.

Paul Campbell, project manager for London Drywall, said: "One of the main challenges we have experienced throughout the DoW and build process has been the re-education of our workforce. A fresh approach to our construction techniques and storage methods was required throughout our site team, from fixing personnel to labourers. Preconstruction meetings and daily task briefings with our operatives, with firm emphasis to the goals and techniques were planned, and proved key to our waste reduction success.

"Moving forward from this project, we are implementing mobile plasterboard offcut storage areas as a standard company practice, and we are in the process of educating our wider workforce of the systems and techniques which have contributed to the success here."

Going hand in hand with the responsible sourcing of materials requirements for

119,540 kg CO₂e saved
is equivalent to:



Carbon sequestered by
x3,100 tree seedlings
grown for 10 years



x430 return flights
London – Glasgow



x13 homes' annual
energy demand



x4,260 incandescent
lamps switched
to LEDs

Towards 2021

Since launching our first sustainability strategy in 2013 we have made steady progress in our focus areas of People, Performance, Communities and Environments. Our reporting has dramatically improved during this period and our efforts have shifted from data gathering to analysis and implementing change. We now also have stretching targets in all areas for every year up to 2021.

We remain focused on decoupling economic growth from environmental damage, evidenced by our waste reduction and greenhouse gas emissions' reduction targets, the latter in line with the science-based targets initiative. We also have an increased focus on delivering social value across the UK.

Our ambition to be a tech-led company goes hand in hand with our sustainability

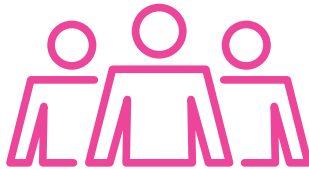


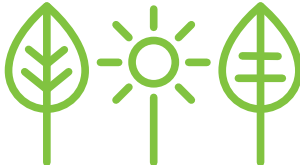
strategy, and will have many sustainable benefits including reducing our environmental impacts, upskilling our people and our supply chain, and delighting our customers.

Keep up to date on our progress by visiting our website and following our social media channels.

Follow @ISGplc.



2021 Sustainable Business Strategy – targets

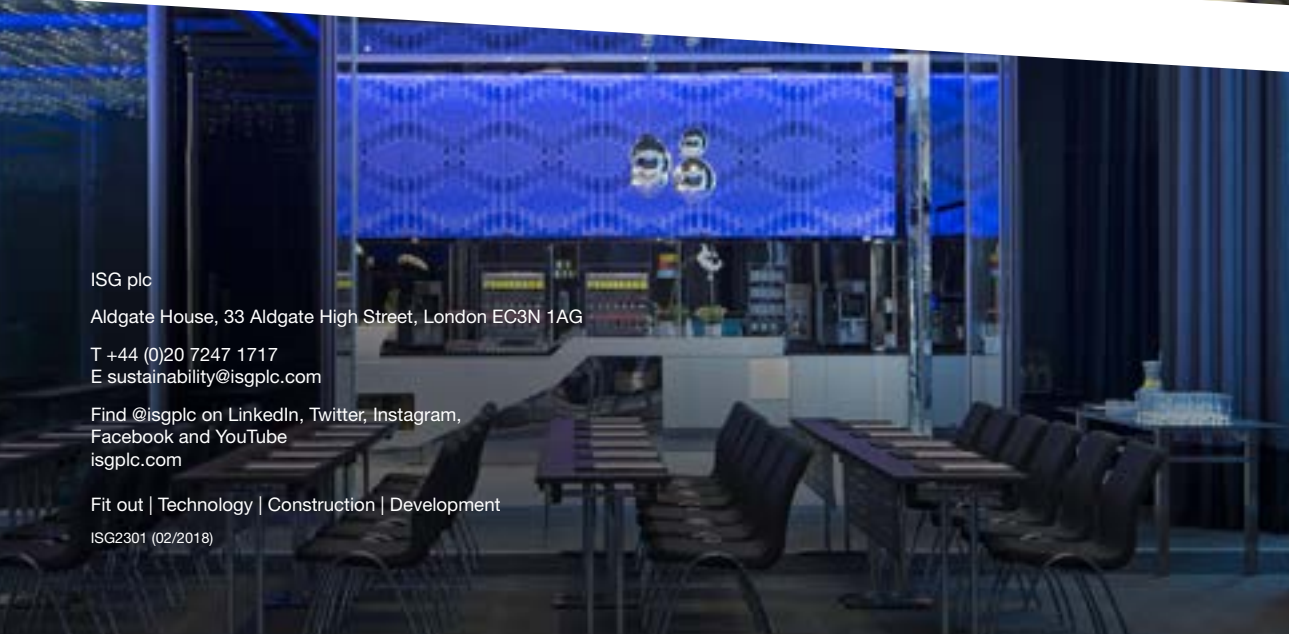
					Targets		
	Sustainable business goals	Corporate business goals	UN Sustainable Development Goals	Performance measures (KPIs)	2018	2019	2020
<div>People</div> <div></div>	An unbeatable employment experience	Drive revolutionary change in the industry	5 Gender equality	% senior population from under-represented groups ¹	develop strategy for implementation	11%	12%
			10 Reduced inequalities				
	A safe working environment	Offer an unbeatable employment experience	8 Decent work and economic growth	Employee engagement score	>80%	>85%	>90%
			% employees proud to work at ISG	>90%	>90%	>90%	
			3 Good health and well-being	Accident Incident Rate (AIR)	<1.99	<1.99	<1.99
<div>Performance</div> <div></div>	The best customer experience	Provide the best customer experience	8 Decent work and economic growth	Average customer satisfaction score	8.6/10	8.8/10	9/10
	Sustainable growth	Drive revolutionary change in the industry		Net Promoter Score (NPS)	+25	+30	+35
				Underlying EBTA (Earnings Before Tax and Amortisation)	£30m	£40m	£50m
				% revenue from repeat customers ²	55%	60%	65%
				% spend through ISG's strategic supply chain ³	60% UK FO/ES 51.2% UK CON	60% UK FO/ES/CON 51.2% UK Retail	60% UK-wide
<div>Communities</div> <div></div>	Benefitting local and global communities	Offer an unbeatable employment experience	11 Sustainable cities and communities	£ donated / fundraised / pro-bono value	>£100k	>£100k	>£100k
			4 Quality education	No. apprenticeship weeks	>1,759	>1,935	>2,128
		No. of students engaged through curriculum enhancement activities and work placements		>803	>884	>972	
	Provide the best customer experience	11 Sustainable cities and communities	Average Considerate Constructors Scheme Score (UK)	≥38/50	≥38/50	≥38/50	
<div>Environments</div> <div></div>	Reducing our waste	Achieve optimal operational efficiency	12 Responsible consumption and production	Overall tonnage of construction waste per £100,000 revenue (UK)	<2.89T	<2.74T	<2.61T
	Reducing our emissions		15 Life on land	% construction & demolition waste diverted from landfill	≥96%	≥97%	≥98%
			7 Affordable and clean energy	Scope 1, 2 and 3 greenhouse gas emissions (tCO ₂ e)	<14,913	<14,393	<13,699
			13 Climate action	(reduction against 2015 baseline)	(14%)	(17%)	(21%)
	Protecting our planet	Provide the best customer experience / drive revolutionary change in the industry	14 Life below water	No. reportable environmental incidents	0	0	0
			15 Life on land				
			9 Industry, innovation and infrastructure	% projects (by revenue) completed to industry recognised environmental assessment certification standards	Customer-led		

¹ Senior population defined as band 7 and above

² Revenue from repeat customers has been redefined as repeat work for customers within three years of a previously completed project, across all geographies and sectors

³ Strategic supply chain partners are those with whom ISG has framework agreements in place

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