



Anti-slavery and human trafficking: annual statement

This statement is made pursuant to Section 54(1) of the Modern Slavery Act 2015 (the “Act”) and constitutes ISG Limited’s annual slavery and human trafficking statement for the financial year ended 31 December 2023.

Introduction

This statement is made on behalf of ISG Limited and its below listed subsidiary companies which are also subject to the reporting requirements under Section 54 of the Act:

ISG Construction Limited
ISG Retail Limited
ISG Fit Out Limited
ISG Engineering Services Limited

Our statement sets out the steps that ISG Limited and its subsidiary companies have taken during the financial year to 31 December 2023 to prevent modern slavery and human trafficking in our business and supply chains. Where relevant, we will also update on priorities, initiatives, or further improvements that we are planning to focus on in 2024 and beyond.

Forced or compulsory labour, human trafficking and other kinds of slavery represent some of the gravest forms of human rights abuse in any society. We all have a responsibility to be alert to the risks in both the ISG business and our supply chain.

ISG’s values require that all workers are treated with dignity and respect. We are fundamentally opposed to slavery, human trafficking, forced labour, debt bondage, the sale or exploitation of children and all exploitative practices in the workplace.

ISG’s business

Our vision is to become the world’s most dynamic construction services company, delivering places that help people and businesses thrive.

We work across a range of sectors, offering two core services:

Construction

Primarily focused on the UK, we deliver a range of construction projects for both private and public sector clients. We have experience delivering projects varying in scale from small and bespoke to hyperscale. Our projects include research centres and science labs, schools, prisons, datacentres, leisure facilities, distilleries, and commercial properties.

Fit Out

Our origins as a business are in fit out, and we have a highly competitive track record in this field. We deliver at every scale in sectors such as offices, retail, and hospitality – across the UK, Continental Europe, and the Middle East.

We are seeking to apply the principles detailed in this statement across all parts of ISG, but acknowledge it takes time to achieve consistent standards, especially overseas and within all of our substantial and complex supply chains.

ISG's supply chain

The ISG business model means that we work in partnership with a large number of sub-contractors and other suppliers to fulfil commercial and contractual obligations for our customers. To give an indication of the size of our supply chains, within the UK business alone (as currently registered on our supply chains systems as at 27th June 2024), we had c. 6,500 sub-contractors (of which 107 are considered to be part of our strategic subcontractor network, representing c. 63% of our subcontractor spend) and c. 2,500 materials suppliers (of which 102 are considered to be part of our strategic materials supply network).

In common with many companies operating in the construction industry, and as the above figures confirm, our supply chain is complex. There are often many tiers of suppliers between ISG (as the main contractor) and the source of the raw materials and labour we use.

Risk assessment

In identifying the risk that modern slavery poses to our business, there are a number of steps we took in order to understand the context of our key risks. This included:

- External gap analysis that provided us with an overview of company-wide policies and approaches to reduce risk of worker exploitation and modern slavery in our own operations and our supply chains.
- Internal gap analysis of policies and procedures to gain understanding of where focus and resources should be targeted.
- Reviewing the following publications:
 - Stronger 2gether “Construction Modern Slavery due diligence collaborative project”
 - Unseen business impact report 2023
 - Independent Anti-Slavery Commissioner “Operation Cardinas and Beyond: addressing exploitation risk in the construction sector”.

Specifically, through our operations we are aware that there are particular areas within our supply chains that we identify as higher risk. These include:

- Multi-service agents, including security
- Freelance labour agencies
- Cleaners
- Drylining
- Formwork and concrete gangs (including screeding)
- Façade Contractors
- Groundworks
- Hoarding and fencing contractors

Addressing the risks

Policies to prevent modern slavery

ISG is committed to conducting all aspects of its business in an ethical and transparent manner. We acknowledge our duties and responsibilities under the Act. ISG requires that all contractors, suppliers, and other partners do not engage in any such practices, and do not knowingly themselves contract with third parties which do.

ISG values require that it terminates business relations with any contractor or supplier found to be in serious or deliberate breach of anti-slavery and/or human trafficking obligations. We would only seek this ultimate sanction as a last resort, preferring to work with members of our supply chain to assist in the education and improvement process, where possible, and also in cases where relevant suppliers show a willingness to learn and improve.

Sustainable procurement policy

ISG continues to improve understanding and taking responsibility for any adverse environmental, social, and economic impacts of purchasing. The Sustainable Procurement policy assists all employees in meeting minimum supply chain requirements and delivers benefits through better selection of products and services.

We are committed to providing a great place to work for our employees, and this is at the heart of our business strategy. We comply with local minimum age and wage laws and do not employ child labour.

All our employees (i.e., those who are paid directly via ISG) are:

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- paid by bank transfer; we do not allow payment to be made into third party bank accounts, thus minimising the risk of forced or compulsory labour. All ISG employees must receive details of hours worked/pay (within their payslips) when they are paid, and this must also clearly show deductions for tax and social security contributions; and

- vetted for the right to work in the country where they are employed. Where employees require a work permit/VISA we ensure they have the necessary documentation in place.

Code of ethics and business conduct

ISG is a people business that recognises that each one of us faces challenges, difficult choices, and decisions in our daily lives. The code of ethics and business conduct provides a set of guiding principles to ensure that our business and our employees comply will all laws and regulations in an appropriate manner.

Whistleblowing policy

As a responsible employer, we take the welfare of our employees (and others working on our behalf) seriously. Our Whistleblowing Policy encourages employees to report wrongdoing (including exploitation) in any form. We are committed to investigating all matters raised through our Whistleblowing Policy via robust and transparent processes.

Due diligence processes

As part of our sub-contractor due diligence pre-qualification (PQQ) procedures, within the UK we vet our sub-contractors through a due diligence process. All potential new sub-contractors, who progress through our pre-qualification process, are required to sign up to our '*anti-slavery and human trafficking supply chain commitment*' (the "Supply Chain Commitment") before they can be classed as an "ISG approved sub-contractor."

In addition to our UK approved sub-contractors, we also work with a large variety of other suppliers both in the UK and overseas. We are committed to ensuring that all our supplier groups, wherever they are working, sign up to our Supply Chain Commitment and wider due diligence procedures.

ISG operates an on-site pre-enrolment system. This requires sub-contractors to provide information about their employees

before they commence work on site, and allows for individual sub-contractors, who are working on ISG sites, to be provided with key information prior to arriving on-site. In 2024 we will continue the process of further embedding and developing this system into the site operations of ISG's many and varied project sites.

We continue to audit the right to work and modern slavery status of our sub-contractors, having identified those suppliers and trades which are considered to be high risk. This has included:

- Supply Chain right to work & modern slavery compliance audit – this is a risk-based audit, focusing on reviewing subcontractor's internal governance policies and workers' right to work documentation. During the course of 2023, ISG conducted twelve sub-contractor audits.

- Project based right to work & modern slavery compliance audit – this is an evidence-based audit, to provide us with greater visibility of modern slavery risks in our supply chain and in our suppliers' supply chain. Seven audits have been undertaken over the last 6 months.

Results from these reviews are highly informative on the variance in understanding of the subject matter and employer responsibilities between sub-contractors. Through these audits, we have identified several areas for improvement within our supply chains, to include a better focus on right to work documentation, the certification of such documents, and ensuring the legibility and completeness of information.

Associations/memberships

ISG continues to partner with the anti-slavery and exploitation charity, Unseen. To date, Unseen has conducted a desktop review of our policies and procedures designed and carried out visits at project sites within the UK, and engaged on-site operatives on a confidential basis, to ascertain if they are at risk, or currently victims of slavery, forced labour, or financial exploitation. We have also partnered with Unseen on their business impact report, which offers a comprehensive overview of actions being taken to tackle modern slavery risks and promote ethical employment practices. Most recently, ISG has

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worked with Unseen to create a case-study on bridging organisational gaps, enhancing oversight, and building stakeholder engagement.

ISG also continues to be a participant of the United Nations Global Compact. We are committed to aligning and embedding the Ten Principles of the United Nations Global Compact into our strategies and operations, and committed to respecting human and labour rights, safeguarding the environment, and working against corruption in all its forms.

Training/awareness

We have a programme of modern slavery awareness training within ISG.

An update on modern slavery and awareness is included in our UK on-site and online health & safety induction training processes.

Relevant employees within the group (to include those working in supply chain, procurement, human resources, health & safety, and senior on-site roles) are required to complete a modern slavery and human trafficking e-Learning training module. This course covers the requirements of the Act, ISG's obligations, our supply chain expectations, and the potential consequences for non-compliance. It also confirms reporting routes for employees who may have slavery and/or forced labour concerns for fellow employees or members of our supply chain teams. We maintain a proactive approach to ensuring that all new starters to ISG, in one of these relevant roles, complete the training module within a 90-day window from commencement of their employment.

Elements of our supply chain are also encouraged to subscribe to classroom and e-Learning modules run by the Supply Chain Sustainability School (of which ISG is a partner), which includes content relating to modern slavery and human trafficking, and awareness training.

Measuring effectiveness

We continue to work on developing Modern Slavery key performance indicators that we will use to measure the effectiveness of communicating awareness of core policies and procedures, and our actions to address modern slavery risks.

During 2023, we received one whistleblowing report in relation to modern slavery. After a thorough investigation, we did not identify any evidence of modern slavery.

Ongoing review and development

We continue to review and evolve our anti-slavery and human trafficking policies and procedures, as we progress towards the adoption of a common approach throughout our global businesses. During 2024, ISG will:

- continue, and where appropriate update, the training on modern slavery and human trafficking provided.
- continue 'right to work' checks and balances amongst our supply chain via project-based right to work & modern slavery compliance audits.
- further refine anti-slavery key performance indicators.
- refresh our internal anti-slavery forum, which was established at the start of 2021. Through this forum, progress made to date with our various anti-slavery initiatives, ongoing priorities, and resource requirements are reviewed.
- improve how we publicise ISG's whistleblowing policy via implementation of Modern Slavery project packs to reinforce the message to our employees (and particularly our on-site operatives who work via our sub-contractor supply chains) that slavery or forced labour concerns can be reported via such routes.
- work towards the business partnership with the Stronger 2gether not for profit organisation, which provides support and training in tackling labour exploitation.
- resume regular governance training at a Director/Senior Manager level by developing a plan for the 2025 'Governance Day' event.
- develop and implement a Modern Slavery policy.



Approved by the ISG Limited Board of Directors on 28 June 2024.

For and on behalf of ISG Limited

Signed:

A handwritten signature in black ink that reads 'ZPrice'. The 'Z' is stylized with a large loop, and the 'Price' is written in a cursive-like script.

Zoe Price
Chief Executive Officer

Date: 28 June 2024