

Gender pay gap report 2023

ISG



Message from our CEO

This year, I was incredibly proud to be appointed as ISG's first female CEO, joining just a handful of other female leaders in construction. As an industry, we have historically lagged others when it comes to gender diversity, although we are seeing year-on-year positive changes and that is certainly the case here at ISG. But I am determined that we do even better – and understanding our gender pay gap data is critical in enabling us to develop strategies to recruit, retain and develop women at different stages of their careers.



I am pleased to report that we continue to make progress in narrowing our gender pay gap across all areas of our business. Our 2023 data shows we have successfully reduced our mean gender pay gap in all four of our legal entities, while the median pay gap for three of our key operating entities, which comprise 85% of our workforce, has also narrowed.

We have also seen a small increase overall across the business in women in the upper quartile, which shows we are moving in the right direction – although we readily acknowledge that we have to remain steadfastly focused on our diversity objectives.

Creating a culture of belonging

So we are definitely moving in the right direction, and what I find even more heartening is the progress we are making towards becoming a truly inclusive business.

In 2023 we took big strides forward in building the foundations to make our business more representative of wider society, and create a culture of belonging. Through our diversity, equity and inclusion (DEI) roadmap, we have shifted the dial when it comes to creating an inclusive workplace. We've equipped our leaders and our people with knowledge and skills to take real ownership of this journey through training and awareness campaigns, and reviewed our recruitment process and DEI-related policies. Additionally, we've developed tools to help us measure and track our success, and supported the

emergence of a series of employee-led networks to act as a force for good and a critical friend, helping us to identify and make further improvements. The first of these was our global gender equity network, I-NoW, which launched in March 2023 and has been instrumental in helping us maintain focus and energy around our diversity objectives.

Changing the conversation

It is no secret that our industry is facing a skills shortage – and we are not alone in recognising that the way to address this challenge is by attracting people from outside our traditional talent pools.

Last year we published our Wide Angle report 'Rethinking the skills conundrum', which explored how construction planning data is an untapped resource with significant potential to address the skills challenges that impact public and private sector organisations.

One of the conclusions, which particularly resonated with me, was the importance of providing a compelling case outlining why construction is a natural home for the most aspirational, creative and innovative minds. The opportunity we have to positively engage young people, in an era of persistent threat from the climate crisis, with a message of personal empowerment in the solution for this global challenge is incredibly powerful.

I'm clear that our collective ability to explain the pivotal nature of the work we do to advance the net zero agenda,

to champion how our buildings support the innovation that delivers new vaccines, treatments and cures, that educate our communities and support social mobility, is how we will inspire a new generation to love construction. As individual organisations, we can positively affect behavioural change and make our businesses more inclusive and diverse places to work, but our industry needs to collectively work harder to positively change the conversation and perception of careers in construction.

We need to set the conditions for a balanced workforce at every touchpoint – engaging with pupils, teachers and parents at a much earlier stage, actively supporting and engaging with STEM subjects in school, looking outside our industry for inspirational leaders, and becoming much better at explaining why the built environment is 'the' home for aspirational and talented individuals, regardless of gender.

I am proud of the progress we have made, but we need to do more, and we need to do it quickly if we are to secure the pipeline of talent our industry needs in the future.

Zoe Price
Chief Executive Officer
4 April 2024

About gender pay gap

Gender pay gap reporting

All UK employers with 250 or more employees must report their gender pay gap data on a specific date each year, known as the snapshot date. For ISG, this date is 5 April every year. Therefore, this report is about our workforce on 5 April 2023.

We must report separately for each of our legal entities. For a more detailed look at each legal entity, see page 4.

About gender pay gap reporting

The gender pay gap is the difference between the average pay of all men and women across the business. It captures both the mean and median gender pay gap based on the hourly rate of pay. The gender pay gap is driven by various factors, such as an imbalance of men in senior, higher-paid roles. It is not a measure of equal pay.

Gender pay gap v equal pay

The gender pay gap is different from equal pay. Equal pay is a legal requirement whereby companies must ensure they are paying men and women the same for performing similar roles or work of equal value, as set out by The Equality Act 2010.

Mean and median

The data is calculated by showing the mean and median. The mean is the average, or the total of all hourly rates for all men divided by number of men, and likewise for women. The mean gap is the difference between this figure for men and women, and the median compares the middle pay for a woman with the middle pay for a man when all hourly rates are listed in order. It's important to note that the median is less affected by numbers at the top end of the pay spectrum and gives a better indication of distribution of people across pay ranges.

ISG Construction Ltd

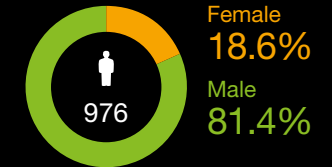
Gender pay gap

Women's hourly rate is

24.6%
lower (mean)

25.2%
lower (median)

Gender balance of workforce



ISG ISG Ltd

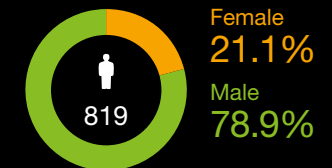
Gender pay gap

Women's hourly rate is

33.3%
lower (mean)

33.0%
lower (median)

Gender balance of workforce



ISG Retail Ltd

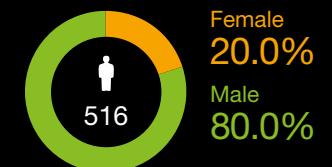
Gender pay gap

Women's hourly rate is

32.8%
lower (mean)

28.2%
lower (median)

Gender balance of workforce



ISG Central Services

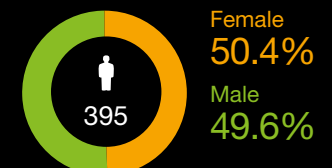
Gender pay gap

Women's hourly rate is

24.8%
lower (mean)

22.7%
lower (median)

Gender balance of workforce



Our gender pay gap data

ISG Limited has four legal entities in the UK with at least 250 employees:

- ISG Construction Ltd – our UK construction businesses
- ISG ISG Ltd – our office fit out and engineering services businesses in the UK
- ISG Retail Ltd – our UK-wide retail construction and fit out business
- ISG Central Services – our enabling functions across the UK

Under the gender pay regulations, we are required to report our gender pay gap data for each of these entities as set out below.

We confirm that ISG's gender pay gap calculations are accurate and meet the requirements of the regulations. The calculations, data and assertions contained in this announcement have been fully assured by ISG's group HR team, which has confirmed that the methodology provided in The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 has been applied correctly.



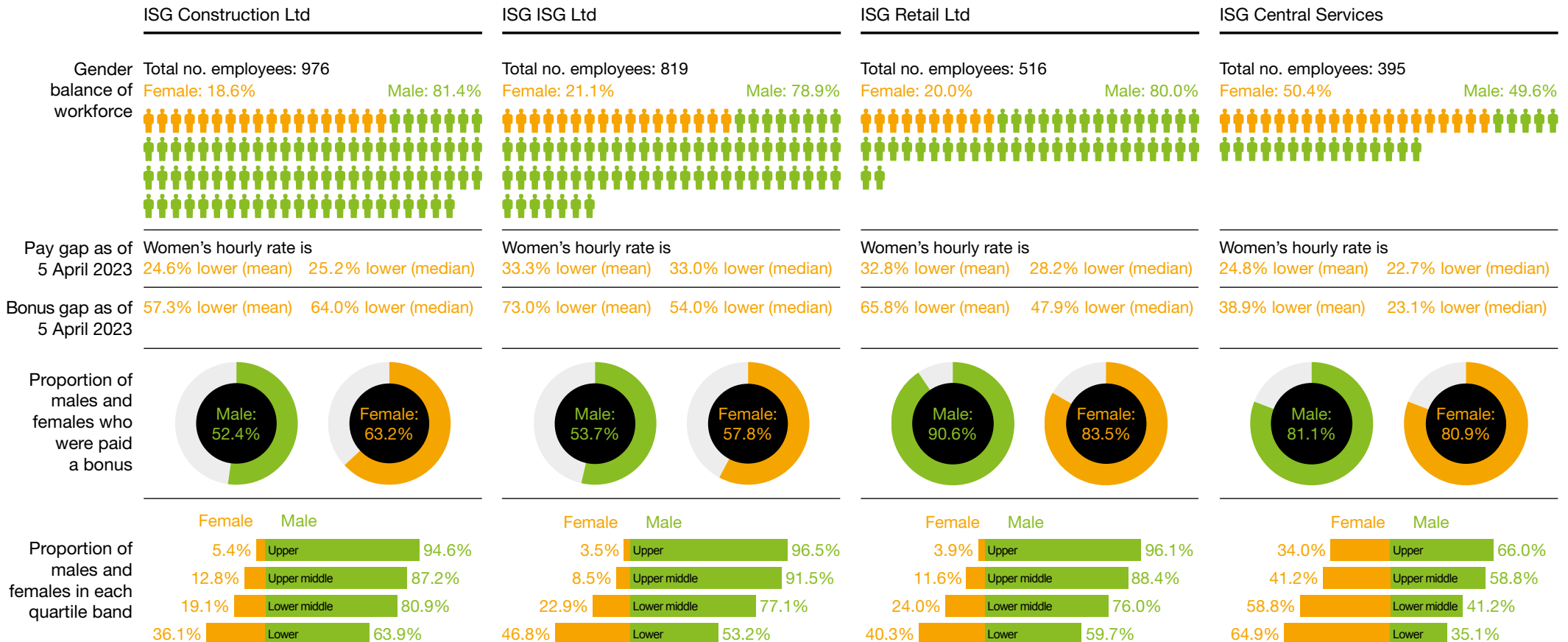
Z Price

Zoe Price
CEO



J Falconer

Jane Falconer
Chief People Officer



What is our data telling us?

Gender pay gap

The overall trend in our gender pay gap data continues to remain positive, with all our key focus areas improving since we started reporting in 2018, and an improvement in mean gender pay gap seen in every legal entity since last year.

We are still reporting lower proportions of women in the most senior roles, including roles that have been seen as more traditionally male roles, such as operational directors, project managers, commercial managers and construction managers. However, we have seen a slight increase overall across the business in the number of women in the upper quartile since last year.

The overall percentage of women working across all ISG's legal entities in the UK is one of the highest in the industry and has increased again, to 24.3%. We also have 40% representation across our Executive Leadership Team, and this year we appointed our first female CEO. However, we are still seeing women occupy the more traditional project or office support roles, or roles within our enabling functions, such as in project support, human resources, finance, and marketing and communications.

Our age profile data shows that the pay gap between men and women widens after the age of 35.

Bonus gap

Attracting and retaining a high-calibre workforce is crucial to delivering our strategy and ensuring we deliver to the highest possible standards. One of the ways we do this is through our bonus plans.

Every employee at ISG has the opportunity to be part of a bonus plan – whether that is a project or broader business-related bonus. From our data we can see that there are more men in project-related positions that attract project bonuses, and more men in senior roles that attract higher annual bonuses.

Our figures show there is a positive long-term trend with more men and women receiving bonuses since the first year we reported, with 2020 being an outlier due to the emergence of the COVID-19 pandemic.

To tackle our overall gender pay gap, we have identified three main areas of action:



1. Increasing the overall percentage of women in ISG



2. Continuing to support women to progress at ISG so we have greater representation of women at all levels



3. Increasing the overall percentage of women aged over 35 at ISG



1. Increasing the overall percentage of women in ISG

Early careers and outreach

We pride ourselves on ensuring we have a pipeline of bright, capable and driven people, who are excited about pursuing a career in construction.

To achieve a better gender balance, we continue to invest in our early careers programmes, and have partnered with organisations such as Girls Under Construction to promote new career opportunities. In September 2023 we welcomed 54 graduates, industry placement students and apprentices to ISG, 32% of whom were women. All are already making a positive contribution to the business.

Our WOWEX initiative continues to go from strength to strength. The programme gives students, ranging in age from 14-19+ years old, first-hand exposure to career opportunities in the construction industry. In 2023 we had 177 students attend 17 WOWEX events. All students learned new skills from the programme, with many going on to say that they would pursue a career in construction management or the built environment.

We continue to invest time and money in science, technology, engineering and mathematics (STEM)

activities, and in 2023 became a STEM Circle Member with the Science Museum.

We took part in Build UK's Open Doors initiative again this year, inviting prospective early careers talent and people considering a career change to events hosted at seven of our project sites, our head office in London, and our offices in Cardiff and Reading. The events gave people a unique opportunity to gain an insight into live construction sites and how buildings in our communities are constructed. The week also provided a great chance for people to learn about the range of skills and professions needed on site, as well as the diversity of office-based roles, careers and people who contribute to what we do.

One of the key priorities for our global gender equity network is to support our early careers team with inspiring more women and girls to choose construction as their industry of choice. We encourage team volunteering days where our people go into schools, colleges and universities to talk about the roles that are available in the industry, and what it is really like to work in construction.

From textile design student to junior proposal designer: How Helena used her skills to seek a new creative challenge

Helena finished her degree in Textile Design at the Arts University Bournemouth in 2021. She later found herself seeking a new creative challenge and decided to give graphic design a chance. This led her to explore ISG's work experience opportunities and from there she was able to develop the skills to become a junior proposal designer.

Scan the QR code to hear more about Helena's journey and what a day in her life looks like.



Expanding our reach

Attracting people from outside our traditional talent pools is increasingly important as we seek to address the skills gap and build a diverse and balanced workforce.

In 2023 we increased our focus on attracting people who have served in the armed forces to come and work with us. This resulted in us being recognised with the highest honour, of a Gold Armed Forces Covenant award, as part of the Defence Employer Recognition Scheme, for providing employment opportunities for service leavers and ex-armed forces personnel in England.

In 2023 we pledged £200,000 of our Apprenticeship Levy to help small and medium-sized businesses (SMEs) in the north of England to create apprenticeships that invest in and provide new opportunities for local communities. This has seen us successfully offer support to 25 organisations, which have created opportunities for over 30 apprentices across 11 different sectors and in six counties. We also

carry out regular quarterly check-ins to ensure apprentices and organisations continue to thrive through our local community support.

Due to the success of the initiative, we have made a similar pledge of £200,000 to support apprenticeships and provide opportunities for local communities in 2024.

In a small village like Corbridge, the right career opportunity can be a hard find. That was true for Amber, who had a passion unfulfilled, until now.

Pursuing a career in youth work wasn't easy. After securing a part-time role as a youth worker at the age of 17, it wasn't until 10 years later that the Corbridge Youth Initiative opened a position as project co-ordinator. Through funding from ISG's Apprenticeship Levy Pledge, Amber now balances a university degree with day-to-day responsibilities in her new role, loving every moment and dreaming of what she can accomplish.

Scan the QR code to read more about Amber's story.





Returners programme

In 2023 we launched our Returners Programme initiative, which supports talented professionals who have chosen to take an extended career break of 12-18 months as they return to the workplace. Working with one of our partners, Career Returners, we welcomed three returners in 2023, who were all assigned buddies and mentors as they transition back into the workplace.

Recruitment policy review

In line with our commitment to continuous improvement, we will review our recruitment policy to identify and address any barriers to entry that are experienced by anyone, regardless of gender. We will do this by working in partnership with our employee-led networks to help identify the steps we need to incorporate to attract and select people from under-represented groups. This will be supported by refreshed assessment and selection training that will be reviewed to include principles on inclusive hiring.



Fiona McManus
Design Manager

“I’m very excited to have this opportunity to join ISG as a design manager on the first ISG Returners Programme. I took an extended maternity break and really enjoyed the special time I had at home with my two daughters. As my little one approached her second birthday, I felt the time was right to return to work. I feel very grateful that I will have the support of the ISG team and Career Returners when I start my new role.”

2. Continuing to support women to progress at ISG so we have greater representation of women at all levels

Developing your career

It is important to us that every employee is given the opportunity to grow and reach their potential at ISG, and we offer a range of programmes and activities to support this.

In 2023 we worked with our global gender equity network to understand how we can ensure our mentoring programme is an attractive and useful proposition for women at ISG. We will be implementing these findings in 2024 to ensure we are running an inclusive programme.

Our Futures Group programme gives those in the early stages of their careers a chance to create and implement innovative solutions to improve the business. Championed by ISG's Executive Leadership Team, the programme finds ways for participants to tackle real business challenges, while working with and learning from the top leaders in ISG.

Developing our career pathways

We are continuing our focus on providing opportunities for career and personal development with the introduction of our career pathways and self-profiling tools.

Our first tool was launched for our project management community. Aligned to the globally recognised Association for Project Management (APM) standards, the tool enables our employees to understand the competencies required and what good looks like at ISG.

Complemented by our established capability framework, individuals' self-profile, providing their skills, sector and project experience, project management competence and capability.

We continue to launch further delivery-focused and functional frameworks, e.g. design management, planning, commercial and finance, and people, with others planned in 2024.

Our career frameworks all provide increased clarity for our employees in identifying areas of expertise that can be further developed through new internal project opportunities and learning.



Pari Malek Mokhtari
Planner

“Having the opportunity to take part in the Futures Group has been great for my personal and professional development as I've been able to build new connections, share knowledge, and learn new skills from diverse, experienced professionals across a range of business units. Their insights have helped me enhance my understanding of the intricacies within my chosen field, which has helped refine my career objectives, pinpoint areas for growth, and chart my path towards success.”



Charlotte Bishop
Design Manager

“The programme has been instrumental in providing a framework for me to develop my leadership skills, expand my network, and gain insight into wider business perspectives. Through collaborating on projects and mentorship, I have been able to practise my strategic thinking, effective communications, and adapt the ways I approach challenges with new tools learned through the training workshops. This has enabled me to take on greater responsibilities, and I feel I have contributed meaningfully to the success of my business unit.”

3. Increasing the overall percentage of women aged over 35 at ISG

Improved family-friendly policies

Following our review of all our family-friendly policies in 2022, when we increased maternity and paternity allowances, we now have an industry-leading benefits offering, designed with health and well-being in mind. We also built on this by focusing on making sure people are aware of these policies.

Our global gender equity network, I-NoW, will be running webinars to promote the benefits on offer, destigmatise the practice of taking time out, and make sure people can access these policies.

New awareness-raising campaigns to promote and celebrate diversity in all its forms.

Following I-NoW, we launched three further employee-led networks in 2023. These are the race and faith network, ISG's pride network, and our menopause champions. We will continue to work in partnership with all our networks to implement a programme of raising awareness and educational activities centred around the theme of 'celebrating difference'.

As part of launching our menopause champions' network we held a global webinar on World Menopause Day, where we launched our 'Menopause Guidance for Managers', heard from people who were experiencing menopause symptoms, and discussed the best ways for people to support their colleagues.



Amanda Gould
PA and Office Manager

“Our menopause champions have already seen a lot of information shared on our network channel, and the support we give each other is great. Particularly in the menopause café sessions I run, which are open to anyone who wishes to attend. I hope that through these, and events like our menopause virtual panel discussion last year, our platforms will continue to provide education for anyone affected by menopause, and encourage more people not to struggle on their own.”



Tom Smith
Chief Commercial
Officer

“I wasn't personally aware of the specific impact the menopause could have on the women here at ISG and the consideration that it deserves. I am sure we all probably know someone who has experienced or is currently going through menopause, so I'm very keen to be educated to increase my understanding. I also hope that others in ISG will do the same and join me for what is a very important cause.”

Diversifying our workforce and creating a sense of belonging

Diversity, equity and inclusion (DEI) roadmap

Our DEI agenda is a key enabler on our journey to be an outstanding employer and create a culture where everyone feels recognised, fairly rewarded, and able to grow, develop and be themselves.

Twelve months on from the launch of our DEI roadmap, we are already seeing a positive impact. Not just on gender equality, but also in helping us achieve our goal to diversify our workforce and create a sense of belonging in everything we do.



“I learned a lot about myself and my colleagues. The Courageous Conversations workshop was a surprising day for us all, and it left me feeling thoughtful but energised around how to do things differently. It’s incredible how seemingly small actions can have such a big impact, and I’m excited to run a session with my team.”

Sophie Brewitt

Group Director of Marketing and Communications

“Having an inclusive environment where people feel comfortable to speak up and contribute is key to having high-performing teams. The Courageous Conversations workshop was very helpful in highlighting the role leaders play in influencing this, both by their intentional and unintentional actions and responses. I found the toolkit relating to leading psychologically safe teams particularly practical and useful.”

Murray Steele
Group Finance Director



Our DEI roadmap focuses on six priority areas:

- 1. Leadership:** Supporting our senior leadership to lead on the DEI agenda.
 - In 2023 we held a Courageous Conversations workshop with our Senior Leadership Team to help them understand their role in developing an inclusive culture, and what they need to know to support their teams to set the right tone in relation to DEI.
 - We will continue to build on this in 2024 by rolling this out to all senior leadership across ISG.





2. Attraction and recruitment: Reviewing recruitment practices to enable us to diversify our workforce and attract the best talent.

- 2023 saw us introduce robust data capturing to our recruitment process to give us insight into the diverse backgrounds and talent we attract to ISG – and which roles people apply for.
- We also introduced an adjustments policy to remove any barriers for current employees, and candidates participating in our recruitment process, who are disabled or have a long-term condition.
- We will continue to build on this in 2024 by engaging with our employee-led networks to review our recruitment process.

3. Learning and development: Equipping our people with the knowledge and skills to create an inclusive workplace.

- In 2023 we developed toolkits to empower our people to learn more about the diversity of our business and how to support their teams and wider colleagues. Some examples include our menopause guidance for managers, inclusive language glossary, and Ramadan toolkit for managers.
- 2024 will see us build on this by reviewing our mandatory DEI e-learning and working with our employee-led networks to inform the course content.

4. Communication and engagement: Implementing an awareness programme to celebrate diversity across ISG.

■ In 2023 we set up four global employee-led networks:

- ISG’s Network of Women (I-NoW): Our gender equity network.

- Race and faith network: Our network for people of minoritised races and faiths.
- ISG’s pride network: A community for LGBTQIA+ employees and their allies.
- Menopause champions: A community which runs monthly virtual menopause cafés.

■ Our networks support our work to raise awareness of specific issues and create spaces for people to come together and form communities.

■ We have also created an online hub of DEI information, including toolkits and an inclusion calendar.

■ 2024 will see us launch our new intranet and share more content through all our communication channels, making key cultural and inclusion dates an important part of the conversation for teams. Additionally, we will launch at least two new employee-led networks – a carers network and disability network.

5. Data: Developing tools to track data and measure our success.

■ In 2023 a new HR system was implemented, allowing the capture of more robust data from our employees, and enabling us to measure workforce demographics and monitor the success of our DEI initiatives.

■ 2024 will see us develop data dashboards and equip managers and leaders to utilise these.



6. Policies: Developing a suite of policies to support our DEI agenda.

- In 2023 we launched our new DEI policy alongside our Respect at Work campaign, to challenge discrimination and exclusion in the workplace and empower people to take action.
- The campaign saw our sites and offices globally stop work for 30 minutes to watch a short, impactful video of colleagues discussing their experiences in the construction industry. We provided managers with a presentation to facilitate discussions after the video, a toolkit to explain how to challenge or report disrespectful behaviour, and posters to promote the campaign across our sites and offices.



It's important that you speak to somebody.



“It was just a joke mate...”

Be conscious of how your words and behaviour affect others.



Nicke Harrison
Head of Inclusion and Wellbeing

“We know that if we are going to recruit and retain talented women at all levels, then having a sense of belonging for everyone is crucial. That is why our flagship DEI campaign last year focused on Respect at Work. The campaign empowered people to speak up, challenge others and reflect on our own behaviours, as we all have a part to play in creating an inclusive culture.”

Images: Our Respect at Work campaign brought teams together across ISG to discuss how to challenge discrimination and empower people to take action.

The role of I-NoW: Our global gender equity network

In March 2023, coinciding with International Women's Day, we launched our global gender equity network, I-NoW, to provide a sense of community for women across ISG in all the regions where we work. The network is already playing an important role in all three elements of our action plan. The network's key priorities so far include:

1. Increasing the overall percentage of women in ISG

- **Outreach work:** Supporting our central teams, such as early careers and social value, to promote ISG as a great place for women to work and challenge the perception of the industry.

As a STEM ambassador, the network is inspiring the next generation of talent by supporting the Open Doors and World of Work Experience (WOWEX) initiatives. This is in addition to other initiatives with the social value team, and volunteering opportunities to be supervisors or buddies for young women starting their careers in construction.

2. Continuing to support women to progress at ISG so we have greater representation of women at all levels

- **Mentoring:** Working with our talent team to communicate the central programme and identify additional ways mentoring can support women to progress in their careers. In 2024 we will continue to promote the mentoring scheme globally, and are working on an initiative to connect people with shared experiences across the business.
- **Building confidence:** Rolling out Google's #IAmRemarkable programme, which is a global movement that empowers everyone, including under-represented groups, in celebrating their achievements in the workplace and beyond. Starting initially with the I-NoW steering committee before broadening out, we have so far seen 61 people attend these empowering sessions. We are reviewing the feedback from this first cohort before we launch the wider training programme in 2024.



Tommy Ralph
Talent Development Coordinator
and member of the I-NoW
steering committee

“We want to create an inclusive environment where everyone feels recognised, fairly rewarded and able to grow within our business. Our mentoring programme provides opportunities for women at all levels to share their experiences, by being mentors and role models, and by giving access to support and guidance to help manage their careers and reach their goals.”



3. Increasing the overall percentage of women aged over 35 at ISG

- **Safe and inclusive environments on site:** Ensuring there are suitable facilities and appropriate personal protective equipment (PPE) available for women. The network rolled out an on-site trial of five-point PPE with several of our female employees, testing a variety of products and reporting their feedback, and working to introduce PPE suitable for everyone across all our sites. In 2024 the team will also engage in an internal review of an ISG minimum standard for on-site welfare facilities.

Image: In 2023 I-NoW supported our STEM partnership with the Science Museum, which was also the venue where our CEO, Zoe Price, launched our Wide Angle report, 'Rethinking the skills conundrum'.



Hear from apprentice construction manager, Ashlyn Vaikkath, who joins our group director of sustainable operations, Peter Kelly, to discuss our 'Rethinking the skills conundrum' report, and how collaboration between education and business is needed to address a built environment and wider society need, and guide future skills requirements.

Scan the QR code to watch their discussion. You can also download a copy of the Wide Angle report.



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