

# Anti-slavery and human trafficking – annual statement



## Introduction

This statement is made pursuant to Section 54(1) of the Modern Slavery Act 2015 (the “Act”) and constitutes ISG Limited’s (previously ISG plc) annual slavery and human trafficking statement.

Our statement sets out the steps that ISG Limited and its subsidiary companies have either already taken during the financial year to 31 December 2020, or the current financial year, or may intend to take during the next 12 month period, to prevent modern slavery and human trafficking in its business and supply chains.

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.

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 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.

This statement is made by ISG Limited on its own behalf and on behalf of all its subsidiary companies within the ISG group. Subsidiary companies of ISG Limited that are incorporated in the UK and also subject to the reporting requirements under s. 54 of the Act are:

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

## COVID-19 impacts

2020 was not the year we expected it to be, and as the pandemic began to take hold, ISG took bold action to prepare the business for what lay ahead.

Throughout 2020, we worked closely with our supply chain partners to introduce and adopt new safety measures and working practices. We held a series of webinars for suppliers to understand their pressure points and concerns and to provide guidance/support. ISG continued to prioritise prompt payment to our suppliers and subcontractors.

The global COVID-19 pandemic has created unprecedented disruption for the construction industry. ISG recognise that risks have increased for the most vulnerable members of society from a human rights perspective.

Set against this backdrop, ISG has made strong progress further developing our anti-slavery strategies, greatly assisted by the formation of our new internal anti-slavery forum, which was established at the start of this year (as described in more detail later in this statement). However, some planned activities, or those in development at the start of the pandemic, have not progressed as quickly as we had hoped. This includes delays in fostering relations with key external agencies to build on-site awareness/training, supply chain/on-site right to work and anti-slavery audits and senior manager face to face anti-slavery training. Significant challenge/change has also been experienced within our key supply chains.

We are currently in the process of assessing progress made to date with our various anti-slavery initiatives, ongoing priorities, and resource requirements, in-light of the additional challenges the pandemic has created.

## Structure and supply chains

ISG is a dynamic global construction services company. Our people specialise in fit out, construction, engineering services and development and are dedicated to delivering places that help people and businesses thrive.

With a worldwide turnover of c. £2.0 billion for the financial year ended 31 December 2020, and an employee base of c. 3,000, we have operations in 10+ countries. Our operations are predominantly based in the UK, but we also have businesses in Europe, the Middle East and Asia. For more information on ISG, download a copy of ISG Limited’s Annual Report – [here](#).

We are seeking to apply the principles detailed in this statement across relevant parts of the group but acknowledge it is taking time to achieve consistent standards, especially overseas and within all of our supply chains.

ISG has historically been managed on a decentralised basis. However, in the more recent history of the group, various changes have been made to centralise certain key functions and standardise internal procedures to better align each of the group businesses. This approach is also being adopted in managing the risk of modern slavery.

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 to our customers.

In common with many companies operating in the construction industry, 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.

## Prevention of modern slavery within ISG and our supply chains

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. Continuous improvements in education, awareness and processes are key to eradication, and we will work proactively alongside suppliers that need and seek our assistance.

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:

- 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.

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.

We are also in the process of developing a user-friendly on-site practical guide for our operational parts of the business, designed to clarify what to do in the event of concerns being raised around individuals from our supply chain who may be the victim of slavery/forced labour.

ISG is a member of the Gangmasters and Labour Abuse Authority (“GLAA”) Construction Protocol. This involves a collaboration with some of the biggest names in the UK construction industry to develop innovative and creative ways to get ahead of those who may be looking to exploit workers. We recognise that pro-active action is required to help safeguard the rights and freedoms of certain vulnerable individuals. ISG is committed to working in partnership with this peer group to share information which may stop or prevent exploitation of workers within the construction industry and to collaborate in helping to raise awareness of the subject and the issues that surround it.

During early 2021, at the request of the Statutory Board of Directors, a new forum was established to address slavery and forced labour risks around the business. The aim of this new forum is to ensure a greater representation of key areas of the business in discussing/agreeing anti-slavery priorities and helping to further mitigate potential risk. The forum, which meets on a regular basis to assess and review the progress and actions taken, now involves greater operational and supply chain representation, to include the Group Commercial Director, Head of Sustainability, Operational Improvement Director, Head of Compliance, Managing Director and Legal Counsel representation, and the Company Secretary.

To date, the forum has made good progress in various areas, including the development and launch of a new right to work/anti-slavery supply chain questionnaire, a new on-site anti-slavery guidance note and deployment of the latest Supply Chain Commitment document (as referred to below).

Members of this forum recently took part in an externally facilitated workshop, to consider actions taken to date within the business, future priorities, and resourcing requirements.

## Risk Assessment

In identifying the risk that modern slavery poses to our business, there are a number of industry publications that we have reviewed in order to understand the context of our key risks. Reviewed publications included:-

- CIOB’s report “Modern Slavery: The Dark Side of Construction”
- CIOB’s report “Building a Fairer System: Tackling Modern Slavery in Construction Supply Chains”
- FLEX report “Shaky Foundations: Labour Exploitation in London’s 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
- Hoarding and fencing contractors

Key sub-contractors providing services to ISG in the above trades are now required to complete a detailed right to work/anti-slavery questionnaire. In some instances, sub-contractors may be selected for a full right to work/anti-slavery audit, conducted by ISG’s in-house Business Assurance team. The use of our right to work/anti-slavery questionnaire is being rolled-out to a greater number of our key sub-contractors throughout the course of this year. All responses, key trends and concerns are analysed by our Compliance and Business Assurance teams and reported to the Risk Committee at regular intervals.

## 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’. Earlier this year, via ISG’s new anti-slavery forum, we updated our Supply Chain Commitment to take into account key themes of the Ethical Trading Initiative Base Code; we are currently in the process of launching this via our key sub-contractors. A copy of our latest Supply Chain Commitment can be found on ISG’s website at [www.isqltd.com](http://www.isqltd.com).

However, we acknowledge there is still more work to do within our supply chains. 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.

In terms of our supply chain, we are in the process of taking additional steps to strengthen our approach to due diligence and ability to identify risk. Additional resource has been allocated to our Business Assurance team with a view to undertaking more regular right to work and anti-slavery compliance audits within our supply chain. This will enable us to assess the understanding and knowledge that our supply chain partners have in this crucial area, and will also provide the opportunity to educate around the subject of modern slavery. On a random basis, subject to COVID-19 restrictions, we are also carrying out on-site spot checks to verify right to work documentation; this will also include engaging directly with sub-contractor employees, who are working on ISG managed sites, to safely discuss welfare issues and proactively identify potential ‘red flag’ modern slavery risks that may be present.

ISG is currently implementing a new on-site pre-enrolment system, which will hold the details of all those individuals on ISG’s sites. This will require subcontractors to provide information about their employees before they commence work on site, and will allow for individual sub-contractors, who are

working on ISG sites, to be provided with key information prior to arriving on-site.

During the last 12-months supply chain forums have taken place with a variety of our key supply chain partners. In April 2021, the forum (which was attended by c. 130 key sub-contractors via a virtual platform) discussed right to work and modern slavery, raising further awareness of the issue and the role and commitment ISG has made to eliminate this illegal practice.

At project level, there are a number of actions that we are implementing, including:-

- Investigating avenues to better worker engagement, building greater trust and transparency
- Use of access control systems on sites, where practical, to record and flag any issues around operatives working hours
- Inclusion of modern slavery awareness into our project monthly stand downs

To further support the above actions, we have taken part in an industry pilot programme on worker engagement. Three ISG sites have been involved in the trial, with workers at each site taking part in a series of anonymised call cycles. These call cycles interviewed the workers on several areas relating to human rights and ethical employment, allowing the results to be aggregated and analysed for any red flags. Early analysis has identified that the sample size across 3 sites is currently too small to identify any consistent issues and a larger trial is to be investigated.

At one of ISG's high-profile sites, we have worked with our client to implement a series of supply chain ethical audits, aimed at identifying management system improvements focused on human rights and ethical employment behaviours. Initial feedback on this trail has identified that the format of the audit was not ideally suited to the construction sector, and we are working with the client and its consultant partner to highlight improvements that can be made.

Through 2021 we are investigating how the above trials on worker engagement and supply chain gap analysis can support our due diligence processes at ISG.

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## Training/awareness

An update on modern slavery and awareness is included in our UK on-site 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. We maintain a proactive approach to ensuring that all new employees joining the business, in one of these relevant roles, complete the training module within a 90-day window from commencement of their employment.

During 2019, we developed links with external authorities to raise further awareness within ISG and our wider supply chain. This has included working with both City of London Police and Thames Valley Police. Unfortunately, COVID-19 has dramatically limited our ability to further develop on-site awareness training via these external agencies, however we are committed to re-building these links as a matter of priority,

recognising the universally positive feedback we have received from our on-site teams.

Elements of our supply chain are 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.

We are also committed to carrying out regular governance training at a Director/Senior Manager level. Each year we focus on specific governance/compliance related topics; at our 2020 event, attendees learned about the prevention of illegal workers and modern slavery awareness. These courses are designed to keep important governance related subjects at the forefront of key decision-makers, as well as developing a better understanding of the risks posed and how to report, deal with and record matters in a consistent manner.

Towards the end of 2019, our Company Secretary and Head of Sustainability participated in an IEMA accredited online training and support programme (END Slavery), run via Ardea International. This provided the opportunity to discuss common challenges in tackling the issue of modern slavery with peers from within the construction sector. The programme has instigated the concept of a pilot programme to help identify exploitation on construction sites in the UK; the pilot is scheduled to commence prior to the end of this year.

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## Measuring effectiveness

ISG is currently in the process of developing its systems in a variety of areas, to include new pre-enrolment and supply chain software. Once these new systems and processes have been fully developed and effectively embedded within the business, it will allow for progress to be tracked in a variety of areas, including mitigating risk from slavery and human trafficking.

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## Ongoing review

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

ISG remains focused on rolling out training and obtaining sub-contractor commitments, the development of 'right to work' checks and balances amongst our supply chain, on-site spot checks to identify 'red flags', from both a right to work and modern slavery perspective, and the development of anti-slavery key performance indicators.

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Approved by the ISG Limited Board of Directors on 27 May 2021.

### For and on behalf of ISG Limited

Signed:



Paul Cossell  
Chief Executive Officer

Date: 27 May 2021