



Environmental management policy

ISG is a global construction specialist, delivering places where people and businesses thrive.

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Introduction

This environmental management policy has been produced for ISG Limited (ISG) and its subsidiary companies. It details ISG's declaration of intent in respect of environmental management and aims to assist all employees in meeting minimum environmental legal requirements in line with the environment management policy statement.

This policy has been written to confirm ISG's standards regarding environmental compliance, and the responsibilities of different individuals within the organisation to ensure adherence to it. ISG operates in a number of countries around the world, and it is acknowledged that for each jurisdiction in which ISG operates, specific local environmental compliance obligations and initiatives may also exist. In such instances, additional local policies and procedures may be required to supplement this overarching policy.

The chief operating officer for each business unit and its management team will ensure that this policy is used as the basis of all operation-specific environmental management, and that any processes developed by individual business units incorporate company requirements and appropriate guidance.

Employees have an obligation to comply with ISG's processes and procedures that allow ISG to fulfil its legal obligations. Employees who fail to fulfil or discharge their responsibilities satisfactorily may be subject to disciplinary action.

This policy applies to all people who perform services for or on behalf of ISG, including all full- and part-time employees, directors, agency staff / contractors and all persons employed by ISG and its subsidiary companies.

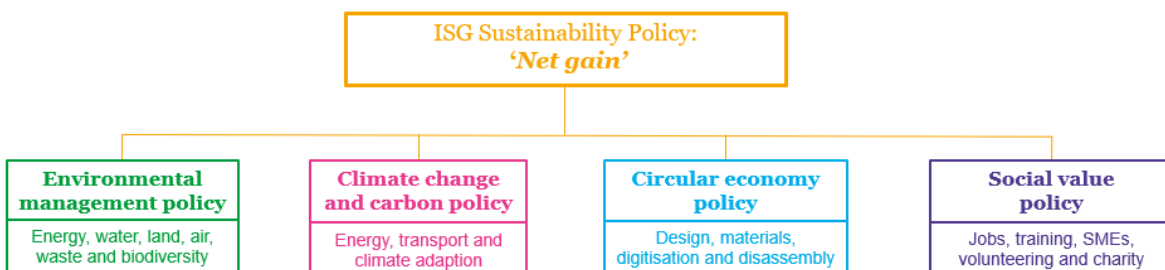
ISG will conduct its activities, so far as is reasonably practical, in an environmentally responsible manner that does not expose the natural environment or our neighbours to unacceptable environmental risks. ISG recognises that while at work, every employee must take reasonable care not to adversely impact the natural environment or our neighbours as a result of work activities.

The policy is based on legal compliance and ISG's internal governance as minimum requirements. In order to minimise the impact upon the environment from our activities, we will:

- Assess the risks to the environment and to our neighbours from our work activities.
- Have effective arrangements in place for the planning, organising, controlling, monitoring and reviewing preventative and protective measures.
- Appoint competent persons to assist in taking the measures required to comply with environmental law.
- Provide employees with comprehensive and relevant information and training on the environmental risks and the preventative and protective measures necessary to control those risks.

All contractors employed by ISG are required to demonstrate a similar commitment to the management of environmental issues.

This policy is one of four policies that constitute ISG's 'Net gain' sustainability strategy, as illustrated below:



ISG is committed to fulfil our environmental obligations through the efficient management of our environmental performance and to take all reasonable measures to conduct our business activities in a safe and responsible manner. Our objective is to integrate the assessment, management and control of environmental issues into our business activities, to minimise negative impacts to the environment and provide positive enhancements where possible.

This statement supports ISG's stance on sustainability, the environment, procurement and the use of materials and products including chemicals, oils and fuels.

We are committed to:

- **Assessing environmental impact** of our operations during planning, design and delivery phases to prevent pollution, protect ecosystems and enhance biodiversity.
- **Identifying and ensuring compliance with relevant environmental legislation** as a minimum and, where possible, approved industry codes of practice and best available techniques.
- **Setting and developing environmental objectives and targets** within our sustainability strategy and annual business plans, which are regularly monitored and reviewed to determine their effectiveness and to ensure continual improvement.
- **Improving environmental performance** and increasing awareness of environmental risks and opportunities by providing training in environmental issues to our employees and supply chain.
- **Responding to climate change** through mitigation and adaptation and to promote responsible procurement and resource efficiency across all areas of our influence including our supply chain and clients.
- **Integrating sustainable environmental considerations** throughout our design standards and construction practices, having regard to ecological constraints, minimising nuisance, energy and water consumption, use of low environmental impact materials, designing out waste and reusing materials, wherever possible.

Environmental responsibilities have been defined for all ISG employees and are contained within the 'Sustainability roles and responsibilities' document, available as part of our management system. All employees and contractors are expected to co-operate with ISG in the implementation of the environmental management policy and ensure that their own work is carried out with minimum risk to the environment.

This statement is regularly reviewed to ensure it remains current and appropriate to the purpose and context of the organisation, including the nature, scale and environmental impacts of our activities, products and services.

For and on behalf of ISG Limited

Signed:



Matt Blowers
Chief Executive Officer

Date: 03rd May 2022

2.0 Organisational responsibilities

As a construction management contractor, ISG is responsible for ensuring that work is performed in compliance with applicable environmental requirements and corporate processes for environmental management. This includes execution and management of all work performed by direct company employees, subcontractors and direct-hire labour regarding compliance with environmental legislation, regulations, commitments, permits and approvals relating to the project.

Environmental compliance begins with design, and involves identification, tracking, and scheduling to integrate environmental requirements. It also includes effective permitting and construction planning to incorporate environmental controls and mitigation measures into construction specifications and plans. Such early actions represent a proactive approach for implementing the environmental management plan.

ISG is responsible for effective management of environmental issues and implementation of mitigation measures ranging from protection of cultural resources, to hazardous waste management, to waterway and wildlife protection. This requires effective scheduling, staging, and communication among project teams, the client, regulatory bodies and local communities. It also requires the ability and flexibility to effectively respond if problems arise, have effective quality control / assurance, and reassess and make improvements when needed.

The environmental management policy is produced and controlled by ISG's group director for sustainable business. ISG's Statutory Board (Stat Board) approves the policy and in doing so ensures appropriate resources are dedicated to its implementation.

The chief operating officer for each business unit is ultimately responsible for the implementation of the standards set out in the environmental management policy, and the execution of business operations in an environmentally responsible manner in accordance with the policy, with the support of the business unit board for the respective business unit.

The immediate responsibility for environmental management in each workplace is carried by the most senior line manager involved.

Details of employee and supplier roles and responsibilities are given in ISG's 'Sustainability roles and responsibilities' document, available in the Company Management System (CMS). This document makes explicit the responsibilities of ISG's Stat Board, chief operating officers, managing directors, directors, account leads, departmental and functional heads, managers, supervisors, advisors and operatives, and all other directly employed employees and / or other employees within ISG, to ensure adequate and effective environmental management.

3.0 Implementation and operation

3.1 Environmental risk assessment and control

At all workplaces, ISG's project management will identify and assess potential environmental risks and record the findings (in the project environmental risk register within the project sustainability plan). Subsequent control measures for the management of these risks will reflect the principle of elimination, followed by reduction, with the adoption of environmental control equipment as a last resort. ISG project managers and supervisors will apply ISG's Environmental Management System (EMS) to their projects as appropriate to meet the specific demands of their workplaces, and to ensure that environmentally responsible work operations are adopted, so far as is reasonably practical.

ISG will provide environmentally responsible work practices through:

- Effective organisation and planning.
- Evaluation of environmental risk.
- Identification of the appropriate controls, so far as is reasonably practical, utilising the EMS.
- Production of suitable and sufficient environmental risk assessments and method statements.
- Supervision, inspection, monitoring and review.

3.2 Legal and other requirements

With support from Waterman's Legal Register, the head of sustainability will maintain a process for identifying and assessing the legal and other requirements applicable to each project. This information will be presented in the project sustainability plan, kept up to date, and communicated to the project management via site-specific environmental / sustainability training.

3.3 Objectives

The sustainability department will develop and maintain documented and measurable environmental and sustainability objectives, as appropriate and in agreement with the Stat Board. These will cover areas for improvement across the whole of ISG. Business units in turn will develop specific objectives as appropriate and in line with those agreed by their respective business unit boards and specific business parameters.

3.4 Training, awareness and competence

ISG will adopt a risk-based approach to ensure all employees are provided with appropriate training and awareness according to their position, the work they are to undertake and their environmental responsibilities. Employees with key environmental roles and the appropriate competency levels will be formally appointed by each business unit. Environmental training requirements will be identified for each level and function across the business, and training provided as necessary. ISG's talent development team will maintain systems for ensuring individuals have acquired and maintained the knowledge and competency required. Records of training will also be maintained by the team.

3.5 Consultation and communication

The EMS is structured to ensure that all employees have a clear understanding of what is expected of them, and the role individuals play, in relation to environmental management. ISG encourages participation in good environmental practice and improvements to company standards from all those affected by its operations. Appropriate means of environmental communication and communication of roles and responsibilities will be planned by each business unit into all works at workplace, operational, contractor and individual level to ensure effective communication and consultation.

3.6 Operational control

ISG will maintain performance standards for activities associated with known environmental risks to ensure that minimum legal requirements are met, effective controls and countermeasures are applied, and risk control is continually improved. Performance standards take the format of a documented EMS. This is subject to regular review, and amendment where necessary, to ensure its continued suitability, adequacy and effectiveness.

Due to the variance of activities, management may need to take account as to the application of the performance standards in certain situations. Performance standards include, but are not limited to, the identified risks involved in the following areas:

■ Ecology

Conducting ecological surveys, where appropriate; assuring the competency of ecological contractors; programming works to avoid sensitive ecological constraints; avoiding damage or disruption to protected flora and fauna; gaining regulatory approvals; and monitoring ecological performance.

■ Nuisance

Conducting baseline surveys, where necessary; gaining regulatory approvals; communicating with potentially affected parties; managing noise, odour, dust, traffic, visual, vibration and light impacts; and monitoring performance.

■ Water

Consulting with regulatory bodies; conducting baseline water quality surveys, when appropriate; managing water abstraction, dewatering and discharge; working near watercourses and tidal waters; controlling washing operations; and monitoring water quality performance.

■ Waste

Reducing construction waste streams; generating waste management plans; storing and handling construction wastes; and ensuring compliant disposal of all waste streams.

3.7 Emergency preparedness

Each business unit will prepare, and periodically test as necessary, emergency plans and procedures appropriate to the environmental risks identified in each workplace.

This may include, but is not limited to, emergency plans for spill response. Emergency preparedness and response plans will be reviewed regularly and following any emergency incident.

Emergency plans will include identification of potential emergencies; nominations of employees to take charge of emergency situations; actions to be taken in an emergency; means of raising the alarm; and identification of any emergency equipment required.

The workplace-specific environmental emergency plans will be communicated to employees during site induction training sessions.

3.8 Document issue and control

The environmental management policy is produced and controlled by ISG's group director for sustainable business. It will be reviewed, and revised as necessary, at intervals not exceeding one year. A copy of the environmental management policy will be issued to all employees, and made available to other interested parties as appropriate.

3.9 Joint ventures

Where a business unit enters into a joint venture with one or more other entities, an agreement will be made, as part of the contract, as to which EMS will be utilised for operations. When proposed that this is not ISG's EMS, business unit board authorisation and Stat Board approval is required.

4.0 Monitoring and reporting

4.1 Monitoring environmental performance

Each business unit will identify and monitor environmental performance across all operations to ensure that, so far as is reasonably practical, risk controls are implemented and effective, environmental management policy requirements and objectives are being met, and lessons are being learned from any management system failures.

The business unit will ensure that there is sufficient approved supervision on a continual basis to adequately monitor environmental performance, including any contractors' environmental performance. Each business unit will maintain records, checklists, forms and registers as appropriate, to document performance measurement.

Reports of performance measurement will be recorded, communicated, discussed and addressed throughout each business unit, and to the Stat Board, as appropriate.

4.2 Environmental incident reporting and investigation

Each business unit will identify responsibilities and standards to ensure that environmental incidents are reported, investigated and reviewed, as appropriate. All environmental incidents will be reported, recorded and subject to appropriate investigation. Where significant environmental incidents occur, these will be reported to the Serious Incident Group (SIG) immediately.

The business unit will maintain processes to ensure that employees and external interested parties are duly notified of relevant environmental incidents and any subsequent investigation, as appropriate. The business unit will provide guidance to ensure that each environmental incident is investigated appropriately, to establish the facts of the event, identification of root causes, and corrective action required to prevent recurrence. Where significant environmental incidents occur which may result in a breach of legislation, the SIG will have an influence on decision-making, assisted by the relevant business unit management and head of sustainability.

4.3 Environmental incident analysis

Each business unit board will ensure that information relating to environmental incidents and supporting data is formally reported within the business unit on a regular basis. This is to enable internal collation, analysis and reporting of data as an additional measurement of environmental performance. This information will be discussed during cross-business unit sustainability forums (within the sustainability department) and distributed throughout ISG as appropriate.

4.4 Audit

Each business unit will undergo audits against ISG's EMS (which forms part of the CMS) on a periodic basis to determine the level of conformity against planned environmental arrangements, and to ensure the EMS remains suitable, adequate and effective.

Results of environmental audits will be forwarded to management for review and action, as appropriate, and a summary reported to each business unit board meeting. Audits will be undertaken by suitable qualified environmental employees to ensure systems comply with the EMS, including environmental legal requirements, ISG best practice requirements and ISO 14001.

4.5 Management review

The business unit boards will review the overall performance of the EMS on a regular basis, to ensure it continues to be suitable and effective. Records of the management review will be kept and distributed as appropriate. These records will include the details and implementation plan of any required corrective action plan, and will be forwarded to the head of sustainability, who is responsible for the maintenance of ISG's EMS.

5.0 Targets

The following targets are currently set to cover environmental management across ISG:

- **Efficient water use on site:** Water consumption to be monitored and targeted across all sites by 2024.
- **Biodiversity gain:** All projects over a £20m contract value will aim for biodiversity net gain by 2030.

This policy was approved by ISG's Statutory Board on 01st May 2022.

For and on behalf of ISG Limited

Signed:



Matt Blowers
Chief Executive Officer

Date: 03rd May 2022