



Climate change and carbon policy

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

Contents

1.0 Climate change and carbon policy statement

2.0 Organisational responsibilities

3.0 Implementation and operation

- 3.1 Implementation procedures
- 3.2 Legal and other requirements
- 3.3 Objectives
- 3.4 Training, awareness and competence
- 3.5 Consultation and communication
- 3.6 Operational control
- 3.7 Document issue and control
- 3.8 Joint ventures

4.0 Measuring, monitoring and reporting

- 4.1 Measuring carbon emissions footprint
- 4.2 Monitoring carbon emissions performance
- 4.3 Reporting
- 4.4 Management review

5.0 Targets

Introduction

This climate change and carbon policy has been produced for ISG Limited (ISG) and its subsidiary companies. It details the ISG’s declaration of intent in respect of carbon reduction, and aims to assist all employees in meeting minimum carbon reduction requirements in line with the climate change and carbon policy statement.

This policy has been written to confirm ISG’s standards regarding carbon reduction, 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 carbon management 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 for the organisation and management of carbon reduction initiatives, 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.

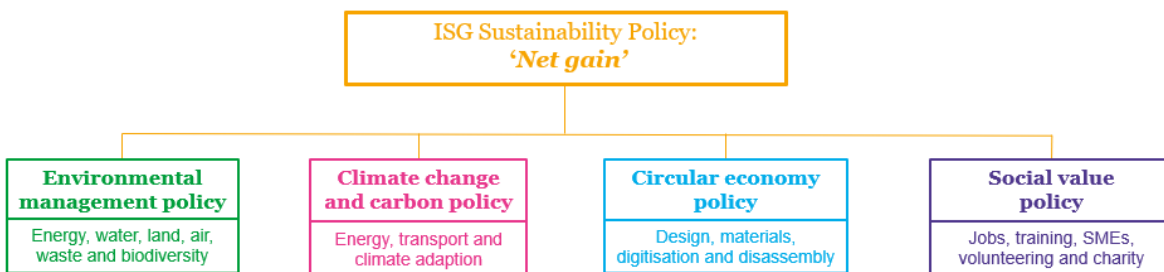
This policy applies to all people who perform services for or on behalf of ISG, including all full- and part-time employees, directors, agency staff / contractors and all persons employed by ISG and its subsidiary companies.

We recognise that carbon is created at every stage of a project’s life cycle. Construction / development naturally produces a significant level of carbon, and reporting on our approach to carbon reduction could not be more important than it is now.

Benefits include:

- Meeting client requirements.
- Addressing public / community needs and concerns.
- Adhering to legislation and other compliance requirements.
- Securing new business.
- Generating positive employee feedback.
- Providing ISG with a license to operate.

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



1.0 Climate change and carbon policy statement

This statement supports ISG's stance on sustainability, the environment, procurement and the use of materials, products and components / systems. It also outlines our commitment towards a net zero carbon built environment, specifically aiming to:

- Take a whole-life view of carbon in the projects we deliver.
- Deliver fossil fuel free construction operations, while optimising energy use on sites.
- Support our clients to operate net zero carbon buildings.
- Take a holistic view of sustainability through our delivery, balancing the drive to a low-carbon economy with that of both circular principles and delivering real social value.

We are committed to:

- Targeting net zero carbon in our operations by 2030.
- Developing and introducing an internal carbon fund to be paid into by ISG's business units and implemented from 2024 onwards.
- Utilising money raised through our internal carbon fund to invest in the research and development (R&D) of low-carbon technologies and methods of construction.
- Collaborating with our supply chain and innovative organisations to support the uptake of new low-carbon technologies in the construction industry.
- Developing a strategy to measure and reduce embodied carbon through the projects we deliver.
- Creating an aftercare service and app to support our clients in operating their assets in line with the original design intent.
- Developing and delivering carbon literacy training to all ISG employees, thereby working to integrate carbon reduction into the decision-making processes of our workforce.
- Utilising our experience to influence and support our clients in delivering a net zero carbon built environment, striving for earlier engagement in order to maximise the opportunities to reduce embodied, construction and operational carbon.
- Identifying and ensuring compliance with relevant low-carbon planning requirements at national, regional and city level, and influencing industry best practice to ensure we are continually showing leadership and therefore driving revolutionary change.

Responsibilities regarding the above commitments have been defined for all ISG employees and are contained within the 'Sustainability roles and responsibilities' document, available as part of our overall management system. All employees and contractors are expected to co-operate with ISG in the implementation of the climate change and carbon policy and ensure that their own work is carried out where required, to enable carbon reduction targets to be achieved.

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 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 carbon reduction requirements and corporate processes for carbon 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.

The climate change and carbon policy has been produced for all activities undertaken by ISG that form part of our scope of works; this includes offices, sites and off-site operations. ISG recognises that regulations, customs and practices will differ between business units, but will adopt and implement, as a minimum, the standards set out in the climate change and carbon policy.

The climate change and carbon economy 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 climate change and carbon policy, and the execution of business operations in a responsible manner in accordance with the policy, with the support of the business unit board for the respective business unit.

The immediate responsibility for carbon 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 reduction of carbon emissions through ISG's operations.

3.0 Implementation and operation

3.1 Implementation procedures

ISG collects carbon data from all our offices and sites on a monthly basis. At every location, a site environmental champion is identified, who is responsible for data collection from our own direct suppliers (unless received by central services) as well as our supply chain.

Every business unit and project will have carbon targets, and these targets will have to be achieved in order for ISG to deliver against our carbon targets.

Going forward, ISG will aim to be a net zero carbon organisation by 2030.

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 kept up to date and communicated to employees and other relevant interested parties as appropriate.

3.3 Objectives

Driving revolutionary change in the construction industry is one of ISG's four corporate goals. In support of achieving this goal, one of our key measures is to reduce our greenhouse gas emissions (GHG) – with the overall aim of being carbon neutral by 2030.

In line with this, we have set the following objectives:

- Develop and introduce an internal carbon fund to be paid by ISG's business units and to be implemented from 2024 onwards.
- Utilise money raised through our internal tax fund to invest in the R&D of low-carbon technologies and methods of construction.
- Collaborate with our supply chain and innovative organisations to support the uptake of new low-carbon technologies in the construction industry.
- Develop a strategy to measure and reduce embodied carbon through the projects we deliver.
- Create an aftercare service and app to support our clients in operating their assets in line with the original design intent.
- Develop and deliver carbon literacy training to all ISG employees, thereby working to integrate carbon reduction into the decision-making processes of our workforce.
- Utilise our experience to influence and support our clients in delivering a net zero carbon built environment, striving for earlier engagement in order to maximise the opportunities to reduce embodied, construction and operational carbon.
- Identify and ensure compliance with relevant low-carbon planning requirements at national, regional and city level, and influence industry best practice to ensure we are continually showing leadership and therefore driving revolutionary change.

3.4 Training, awareness and competence

ISG will ensure all employees are provided with appropriate training and awareness according to their position, the work they are to undertake and their responsibilities in reducing carbon emissions. Carbon literacy 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

We will consult with our stakeholders on a regular basis. Our stakeholders include the residents within our operating areas, our supply chain, our partners, our clients, local authorities and the representatives where we operate. We will make sure we understand their views and needs and take these into account, as best as we can, in the design and ongoing management of our developments, bearing in mind ISG's overall carbon reduction objectives. In addition, we will consult with ISG's supply chain to look at the initiatives they have adopted with regard to eliminating carbon emissions in their operations. This is key to our approach, as Scope 3 supply chain emissions will form the biggest portion of our overall footprint.

The Environmental Management System (EMS) is structured to ensure that all personnel have a clear understanding of what is expected of them, and the role individuals play, in relation to carbon management. ISG encourages participation that identifies routes to reducing the carbon footprint of our operations, our client's operations and our supply chain operations. Appropriate means of communication of carbon requirements and of roles and responsibilities will be planned into all works at workplace, operational, contractor and individual level to ensure effective implementation of the policy.

Stakeholders will have access to relevant information on our carbon management performance, presented in a way that is clear and concise and shows how we are progressing. Reporting will be delivered through an annual update and via social media updates. We will publish our achievements in order to build ISG's reputation in this area.

3.6 Operational control

ISG will maintain performance standards for activities associated with carbon reduction programmes and initiatives. Our GHG footprint is measured using the GHG Protocol, operational control methodology as laid out in our GHG Monitoring and Reporting procedure. These are subject to regular review, and amendment where necessary, to ensure their continued suitability, adequacy and effectiveness.

3.7 Document issue and control

The climate change and carbon economy 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 climate change and carbon policy will be issued to all employees, and made available to other interested parties as appropriate.

3.8 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 notification is required.

4.0 Measuring, monitoring and reporting

4.1 Measuring carbon emissions footprint

Our GHG footprint is measured following the GHG Protocol Scope 1, 2 & 3. Our boundaries are defined by operational control, with further detail on the emission types recorded contained within the GHG Monitoring & Reporting Procedure.

2021 will be used to provide a new operational control baseline to aid in setting appropriate targets for the business. From this baseline, targets for offices and sites will be set using a science-based methodology, and aligned with our corporate target of being a net zero carbon organisation by 2030.

4.2 Monitoring carbon emission performance

We will measure and monitor agreed carbon performance criteria via our bespoke sustainability reporting tools. We will use a range of tools to collate and monitor our carbon management achievements, depending on project needs, client requirements and project size. These include:

- ISG's sustainability monitoring tool – STREEM.
- One Click LCA, eTool and EC3 for measuring project's embodied carbon.

Data will be collated from every project within each business unit on a monthly basis. All subcontractor contracts will require the subcontractor to report on their performance to the site's environmental co-ordinator. Data will be collated by the nominated sustainability consultant on our carbon management tracker, and then uploaded to STREEM. This will also be transferred into the Social Value Portal at project or division level, to allow the social value of our carbon reductions to be calculated.

4.3 Reporting

Performance against our carbon reduction target will be reported to each business unit board in the form of a league table on a monthly basis. A red-amber-green traffic-light system report will be used to highlight those projects or offices that are not meeting their targets.

League table data will be further collated and reported to the Stat Board on a quarterly basis.

4.4 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 climate change and carbon across ISG:

- **ISG:** To operate as a net zero carbon organisation by 2030.
- **ISG:** To implement an internal carbon fund which business units contribute to from 2024 onwards.

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