



Circular economy policy

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

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Introduction

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

This policy has been written to confirm ISG's standards regarding circular economy, 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 circular economy 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 the adoption of circular economy principles, 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.

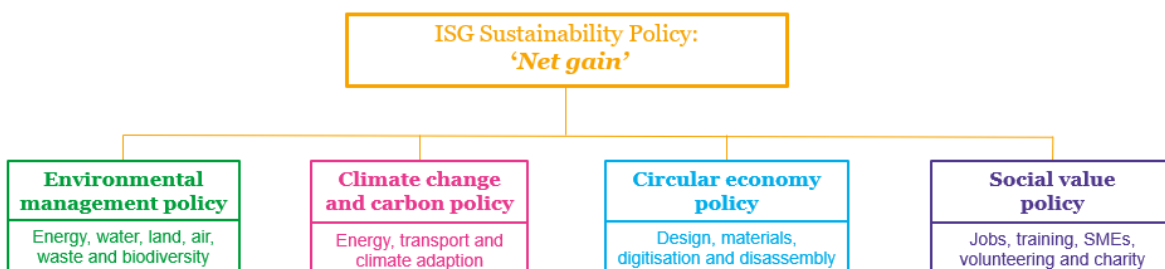
This policy applies to all people who perform services for or on behalf of ISG, including all full- and part-time employees, directors, agency staff / contractors and all persons employed by ISG and its subsidiary companies.

We recognise that circular economy principles are relevant at every stage of a project's life cycle. Construction / development naturally consumes a large quantity of materials and generates waste which must then be processed. The adoption of circular economy principles allows materials to remain in use for longer, preventing waste and helping to move away from our 'take, make and dispose of' society.

Benefits include:

- Meeting client requirements.
- Adhering to relevant circular economy planning requirements at national, regional and city level.
- Securing new business – indeed, local authorities are now extending circular economy considerations into planning.
- Reducing waste, using materials efficiently and ensuring the spaces we create are flexible and adaptable for future occupant requirements.

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



1.0 Circular economy 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 to the adoption of circular economy principles which aim to:

- Deliver design and construction for longevity, adaptability, flexibility and deconstruction at end of use / life.
- Develop processes around the adoption of digital information and digital platforms which will aid reuse and repurposing throughout the lifetime of materials, products and components / systems and at end of use / life.
- Influence Design for Manufacture, Assembly and Disassembly (DfMAD) and pursue a strategy of procuring Modern Methods of Construction (MMC) where this encompasses circular principles.
- Optimise material use and minimise waste.
- Reuse and repurpose materials, products and components / systems at their highest value e.g. at the top of the waste hierarchy, at end of use / life where economically viable, without causing an adverse environmental impact and meeting the requirements of building regulations and other codes for a safe built environment.
- Explore the use of products as a service, where appropriate, particularly in relation to short lifespan products.

We are committed to:

- **Undertaking a product and material inventory / audit** as soon as practicable for demolition, refurbishment and strip-out projects, to identify options for reuse and repurpose of materials, products and components / systems within the same scheme, to other ISG projects or via third-party circular economy partners.
- **Working with circular economy partners** i.e. material and product reuse companies, to reuse and repurpose at their highest value, materials, products and components / systems identified as part of an inventory / audit, prioritising reuse within the same scheme or other ISG projects.
- **Collaborating with innovators, manufacturers and our preferred supply chain** to increase the proportion of reused / repurposed materials installed in our projects, and continuing to engage on the implementation of circular principles and how they can be technically and economically adopted more widely across the construction industry.
- **Assessing the feasibility of existing materials and products for reuse** such as structural steel, raised access flooring and furniture during planning and design development phases for new build, refurbishment and fit out projects.
- **Developing our digital processes** to enable Building Information Modelling (BIM) to capture information needed to enable circular outcomes to be adopted in operation and maintenance as well as at end of use / life.
- **Developing a suite of circular economy indicators** in order to set relevant ISG and project targets using industry agreed metrics and report against performance annually.
- **Promoting circular economy principles** and their adoption across the built environment profession including internal circular economy training, development and lessons learned sharing.
- **Influencing clients** to explore the potential for circular economy principles as part of their real estate portfolio and construction pipeline (such as design for longevity, adaption and flexibility, material inventories, products as a service and adoption of digital information), aligning with life cycle assessment, life cycle costing, whole-life carbon and other impacts.
- **Identifying and ensuring compliance with relevant circular economy 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 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 circular economy policy.

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 corporate processes to enable the adoption of circular economy principles. This includes execution and management of all work performed by direct company employees, subcontractors and direct-hire labour regarding compliance with legislation, approved industry codes of practice, best available techniques, commitments and approvals relating to the project.

The circular economy 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 circular economy policy.

The circular 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 circular economy 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 enabling circular principles 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 management of the adoption of circular economy principles.

3.0 Implementation and operation

3.1 Implementation procedures

ISG collects waste data from all our offices and sites on a monthly basis. At every location, a site environmental champion is identified, who is responsible for waste data collection from our own direct suppliers as well as our supply chain.

Every office and business unit has waste targets, and these targets have to be achieved in order for ISG to deliver against our annual waste reduction, and diversion from waste, targets.

Going forward, every BIM project with a Level of Development over 500 is to compile an ISG materials passport by 2024.

3.2 Objectives

ISG aims to adhere to circular economy principles across its offices and projects. In line with this, we have set the following objectives:

- Deliver design and construction for longevity, adaptability, flexibility and deconstruction at end of use / life.
- Develop processes around the adoption of digital information and digital platforms which will aid reuse and repurposing throughout the lifetime of materials, products and components / systems and at end of use / life.
- Influence DfMAD and pursue a strategy of procuring MMC where this encompasses circular principles.
- Optimise material use and minimise waste.
- Reuse and repurpose materials, products and components / systems at their highest value e.g. at the top of the waste hierarchy, at end of use / life where economically viable, without causing an adverse environmental impact, and meeting the requirements of building regulations and other codes for a safe built environment.
- Where appropriate, explore the use of products as a service, particularly in relation to short lifespan products.

3.3 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 circular economy responsibilities. Circular economy 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.

3.4 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 circular economy objectives. In addition, we will consult with ISG's supply chain to look at their circular economy capabilities via a circular economy maturity matrix, and capture data to help identify those in our supply chain that require additional support.

Our Environmental Management System (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 the adoption of circular economy principles. ISG encourages participation that promotes positive circular economy outcomes to company standards from all those affected by its operations. Appropriate communication of circular economy requirements and of roles and responsibilities will be planned into all works at workplace, operational, contractor and individual level to ensure effective communication and consultation.

Stakeholders will have access to relevant information on our circular economy 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.

3.5 Operational control

ISG will maintain performance standards for activities associated with circular economy identified programmes and initiatives. These are subject to regular review, and amendment where necessary, to ensure their continued suitability, adequacy and effectiveness.

3.6 Document issue and control

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

3.7 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 Environmental Management System (EMS) will be utilised for operations. When proposed that this is not ISG's EMS, business unit board authorisation and ISG Stat Board approval is required.

4.0 Measuring, monitoring and reporting

4.1 Measuring waste data

Our waste data is measured at site level by following the site waste management plan established for each site as part of our CMS.

4.2 Monitoring waste data

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

Data will be collated from every project within each business unit on a monthly basis by an ISG-employed environmental co-ordinator. All subcontractor contracts will require the subcontractor to report on their performance to the site's environmental co-ordinator. Once collated, this data will also be transferred into the Social Value Portal at project or business unit level, to allow the social value of our circular economy performance to be calculated.

4.3 Reporting

Performance against waste targets 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 and its circular economy content 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 the adoption of circular economy principles across ISG:

- **Projects:** All BIM projects with a Level of Development over 500 to compile an ISG materials passport by 2024.
- **ISG:** Internal 'ebay' for materials / storage facility i.e. we will develop methods for storing materials that are removed from one project, which can then be reused on other projects, by 2024.

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

For and on behalf of ISG Limited

Signed:

A handwritten signature in black ink, appearing to read 'MB', written over a light blue horizontal line.

Matt Blowers
Chief Executive Officer

Date: 03rd May 2022