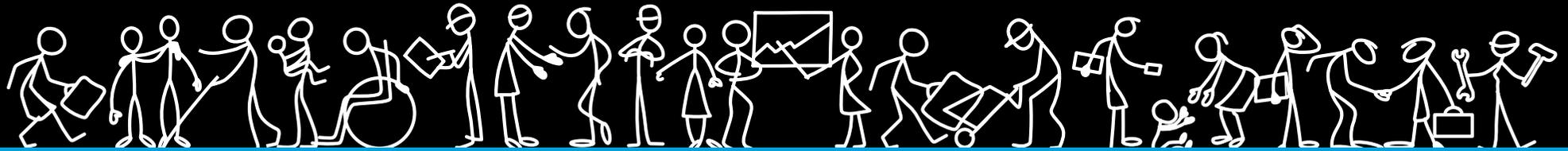


Gender pay gap report 2020

Reaching for balance



Message from our CEO

We know that more inclusive and diverse organisations benefit from greater innovation, increased employee engagement, better decision-making and most importantly, different perspectives, skills and expertise. I truly believe that having a diverse talent pool makes us better, and we are committed to increasing diversity at all levels across ISG.



We have taken significant steps over the past year to accelerate the speed at which we are closing the gender pay gap, and have seen an improvement against our previous results. I'm incredibly proud that ISG now has one of the most diverse boards in our industry, with a nearly 50:50 gender split, following the recent promotion of Karen Booth to be our new chief financial officer. I'm also pleased to share that this year, 37% of our apprentices and 23% of our graduates are women, and 25% of our workforce is female – but we still have more to do.

As a business, we need to set the conditions for a balanced workforce at every touchpoint, which means engaging with pupils, teachers and parents at a much earlier stage. It also means becoming better at explaining why the construction industry is a place for aspirational and talented individuals, regardless of gender, race or ability.

Inspiring the next generation of talent in the industry is essential if we are to create a more diverse workforce, and in 2020, we turned our in-person World of Work Experience (WOWEX) programme virtual, reaching 175 students and hosting 12 online courses for pupils to learn more about a career in construction. In 2020, ISG also placed on the UK government's Top 100 Apprenticeship Employers list,

and in 2021, we are committed to doubling our intake of early careers talent. Also in 2021, we will be focusing our efforts on building manager capability, educating hiring managers and signing up for the STEM (science, technology, engineering and mathematics) Ambassador Programme.

Although we've made some significant strides, we now need to build on this. Our 'Reaching for balance' diversity strategy aims to accelerate our workforce balance at all levels by focusing on four key areas:

1. Representing diversity at all levels
2. Recruiting a balanced workforce
3. Retaining a balanced workforce
4. Removing barriers to success

We recognise that creating a truly diverse and inclusive workforce will require a considered and consistent approach that will take time to generate the results that we all want to see. Publishing our annual gender pay gap data is a significant step towards finding solutions collectively as an industry to close the gap. How we collectively address the gender imbalance across the industry is key to ensuring that both the current and future workforce more accurately reflects our society. As individual organisations, we have the ability to

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. At ISG, we are committed to being part of that collective effort, to finding the right people to drive the business forward, and to creating an environment where everyone can thrive.

Paul Cossell
Chief Executive Officer
30 April 2021

Our gender pay gap headlines

Our data

We've calculated the pay and bonus data from our legal entities across the UK with 250 or more employees which are:

- ISG Construction Ltd – our three 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 departments across the UK

We welcome the opportunity to publish our gender pay gap findings, and are committed to taking significant steps towards closing the gap in our industry.

For full pay gap information for each legal entity, have a look at page 13.

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, including 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 divided by the number of employees, and measures the average pay for a woman against the average pay for a man. The median compares the middle pay for a woman and 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.

ISG Construction Ltd

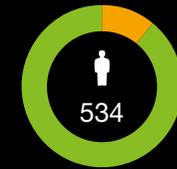
Gender pay gap

Women's hourly rate is

24.9%
lower (mean)

27.7%
lower (median)

Gender balance of workforce



Female
11%
Male
89%

ISG ISG Ltd

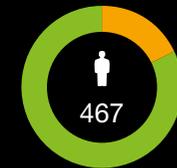
Gender pay gap

Women's hourly rate is

36.6%
lower (mean)

42.5%
lower (median)

Gender balance of workforce



Female
18%
Male
82%

ISG Retail Ltd

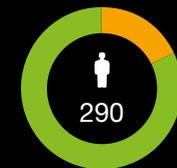
Gender pay gap

Women's hourly rate is

33.8%
lower (mean)

32.3%
lower (median)

Gender balance of workforce



Female
18%
Male
82%

ISG Central Services

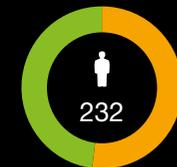
Gender pay gap

Women's hourly rate is

18.1%
lower (mean)

9.8%
lower (median)

Gender balance of workforce

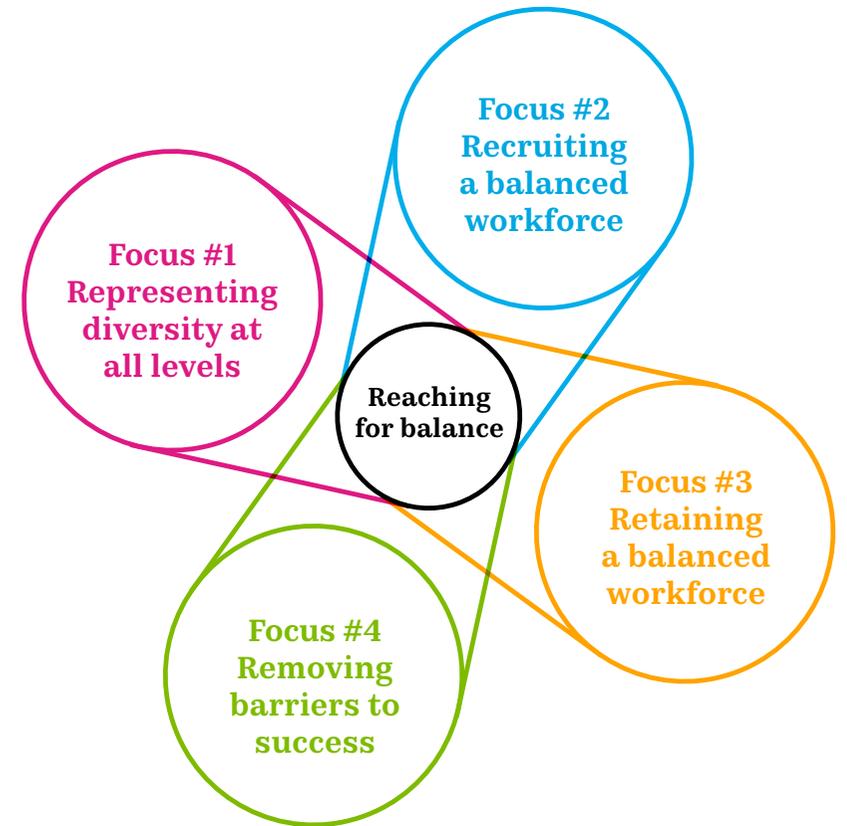


Female
52%
Male
48%

ISG's 'Reaching for balance' diversity strategy

We are dedicated to equipping ourselves with the organisational agility to respond quickly and effectively to the ever-changing nature of business today. Creating a diverse business is not only the right thing to do, it also helps us to become the kind of global business we want to be. Our 'Reaching for balance' diversity strategy aims to accelerate our workforce balance at all levels by 2024.

In 2021, we will continue to focus on recruiting a balanced workforce, generating a more balanced leadership succession pipeline, removing potential diversity imbalance barriers, and ensuring that we have an inclusive culture that celebrates diversity at all levels. We will be facilitating feedback sessions with our employees and the themes will be integrated into our 2024 diversity strategy.



Focus #1

Representing diversity at all levels

Ensuring our business vision and strategy has diversity, celebration and improvement at its core.

1. **Lead** – taking a stand for the industry by recognising that a diverse, balanced and inclusive workforce is important to creating more engaged, more productive teams where everyone has the opportunity to shine and thrive.
2. **Consult** – interrogating our data to understand and address gender gaps, and regularly asking our people what they think is going well and what we can do differently to encourage better diversity balance at ISG.
3. **Connect** – ensuring we make strong connections with our communities and end users in order to best understand how to reflect those populations through our workforce, while continuing to work with and attract new, like-minded customers, who also recognise that diversity balance is vital to sustainable businesses.



What we've done

In 2020, we promoted Nicola Coughlin (pictured right) to technical services director for our UK Fit Out business.

During her 20 years' service at ISG, Nicola has led technical and engineering-led projects, and in her new role, Nicola will be driving UK Fit Out's commitment to reducing risk and championing best practice across all projects.

We are continuously working to become as inclusive as possible, and in 2020, two members of #TeamISG were finalists for The European Women In Construction & Engineering (WICE) Awards.

The WICE Awards aim to make construction and engineering more desirable careers for women. Last year, Mirna Ayoubi, design manager, and Sophie Newcombe,

senior design manager, were both shortlisted for the Best Young Woman In Construction Award. Sophie took home the top prize on the night in recognition of her being an exemplary role model for young women looking to start a career in construction, and for her outstanding contribution to ISG and the wider industry.

Focus #1

Representing diversity at all levels

Statistics show that on average, women in the UK construction industry currently account for under 10% of the workforce, and this figure is often lower in senior-level positions. In line with ISG's 'Reaching for balance' diversity strategy, ISG's Statutory Board (Stat Board) is committed to attracting, investing in and creating a more inclusive, diverse and equal workforce at all levels. ISG currently has the highest percentage of women on board level among the UK's top 10 contractors, with a nearly 50:50 gender split.

In 2019, Jane Falconer, chief HR officer (top-right image) was appointed to the Stat Board after joining ISG in 2017. As a member of the board, Jane is instrumental in supporting ISG's continued focus on investing in its people, and maintaining ISG's reputation as a great place to work by developing and delivering a dynamic and cohesive people strategy.

In 2020, Zoe Price, chief operating officer - UK Construction (middle-right image) was promoted to the Stat Board, after eight years with the business. Zoe played a leading role in the growth of ISG's public sector framework offer, where she helped more than triple the revenue it generated from public sector frameworks within three years. Zoe now leads the entire UK Construction business.

In 2020, Karen Booth, chief financial officer (bottom-right image) was promoted to the Stat Board after joining ISG in 2019 as finance director for Engineering Services. Karen played a pivotal role in supporting ISG's global Engineering Services business to embed resilience through growth in its opportunity pipeline from new geographies and sector diversification.

As we continue on our journey to tackle the gender gap and achieve an equal representation at all levels of the business, we are currently tracking above the average for our industry – 37% of our apprentices and 23% of our graduates are women, and 25% of our overall workforce is female. Representation at all levels leads to more meaningful, broader conversations with different perspectives. There is evidence to show that more diverse businesses perform better, and ISG's Stat Board is committed to increasing diversity at all levels this year.



Focus #2

Recruiting a balanced workforce

Proactively addressing the shortage of women in our industry from primary school level and beyond.

1. **Enthuse** – increasing our outreach programmes to schools to educate pupils, both boys and girls in equal measure, about careers in construction, and re-evaluating our apprenticeship and graduate programmes to ensure we are attracting a balance of men and women to entry-level roles.
2. **Attract** – challenging our recruitment processes to ensure we are proactively seeking out both men and women with the required capabilities and cultural fit for our business.
3. **Convert** – attracting experienced professionals from outside our immediate industry to improve the diversity of our management and leadership teams, and benefit from their different perspectives and experiences.

What we've done

We are investing in our early careers talent pool and doubling our intake.

To build a more diverse talent pipeline and excite young people about a career in construction, ISG is increasing its early careers intake. We are also diversifying our early careers offering to include graduate, apprentice and industry placements in finance, HR, sustainability, marketing, proposals and Building Information Modelling (BIM). We are also committed to recruiting non-cognate graduates to improve diversity, and to working closely with organisations promoting opportunities in the construction industry for both females and ethnic minorities.

To improve the talent and diversity pipeline of young people entering the construction industry, we've developed our World of Work Experience initiative – WOWEX.

An interactive programme, WOWEX gives students first-hand exposure to career opportunities in the construction industry. We have also developed a similar week of work experience activity for all contractors to download and use, offering young people a taste of what life is like in the construction industry. To comply with COVID-19 guidelines, we moved the programme from in-person to online, hosting 12 courses for 175 students. Ranging from ages 13-19, 38% of students who took part

in WOWEX were female, and 52% from ethnic minority communities. Following the programme, all students said they knew more about professional careers in construction, 94% said they had learned new skills, and 71% said they would consider a career in construction management.



Focus #2 Recruiting a balanced workforce



To create a more objective hiring process and ensure all candidates receive a fair and consistent interview process, ISG's talent team has rolled out a new candidate journey and hiring process. At each stage of the process, candidates are assessed against ISG's four core values and capability framework, as well as a technical assessment at both interview stages of the process. Candidates applying for more senior roles will also take a psychometric assessment, aligned with our values and to better understand future employees' work preferences.

To ensure more people are involved in hiring decisions, a member of the talent team conducts a phone interview with all candidates, which is then followed by two interviews with the hiring managers, HR and the business leader within the department. All people managers are now also required

to go through a new three-step assessment and selection e-learning module, which covers ISG's hiring process, interview skills and best practice, followed by a knowledge quiz at the end of each module.

In 2020, we created a new candidate guide to provide future recruits with more information about ISG, our culture and strategy, approach to diversity and inclusion, the recruitment process, and how they can build something special at ISG. At the same time, we created a guide for hiring managers to support them through the recruitment process. As part of ISG's business strategy and to support our ambitious growth plans, it is important that every hiring manager is a brand ambassador, and provides candidates with a positive experience of ISG from the outset.

Focus #3

Retaining a balanced workforce

Creating frameworks to help people navigate their personal career development at ISG, with supportive development opportunities aligned to their career ambitions.

1. **Retain** – mapping out our people’s career paths to identify when, why and where women might be leaving ISG and putting actions in place to mitigate this, and analysing promotions by gender to get greater visibility of male / female split at all levels, and setting targets for improvement to close the gap.
2. **Mentor** – establishing a progressive mentoring programme to drive greater employee satisfaction, stronger retention rates and improved diversity, as well as identifying future leaders with gender balance ambition at all levels.
3. **Celebrate** – appreciating that men and women may require different support at work and celebrating the value of diversity in the workforce to encourage honest conversations.

What we’ve done

Upholding our value to ‘Never stop learning’ is Smartspace – a high-quality learning and development vehicle set up by ISG.

Our benefits offering, ‘More for You’, provides more development opportunities for our employees. Supporting our value to ‘Never stop learning’, we cover the fees for relevant chartered professional bodies and offer a wealth of learning and development opportunities through Smartspace, our learning academy. In 2020, ISG employees completed 7,785 e-learning courses.

ISG’s Futures Group is made up of our brightest minds in the early stages of their careers, giving the individuals a chance to create and implement innovative solutions to improve the business.

Championed by ISG’s Stat Board and senior leadership across the business, the Futures Group finds ways to tackle real business challenges, while working with and learning from the top leaders in the company. Last year’s group was 33% female and 22% were from ethnic minorities, and each member was matched with a senior-level mentor to support them with their personal and professional growth throughout the programme.

Celebrating our people through our annual Value Awards.

Our annual Value Awards recognise employees and teams that go the extra mile. Each year we celebrate our successes in each of our business units, and then bring together winners to celebrate the ‘Best of the best’ at ISG’s Global Value Awards Gala Dinner. In 2020, ISG recognised 53 winners globally across a range of nationalities, ethnicities and a nearly 50:50 gender split.



Focus #3

Retaining a balanced workforce



At ISG, we understand the importance of gaining insight and experience in an industry, while studying towards a degree. That's why we offer university students the opportunity to work on high-profile, live projects for 12 months, helping to bring the theory they are learning to life. For a second year running, we sponsored the UK's Women in Property Midlands Student Awards, which seek out the best built environment degree students, and encourage organisations to partner with universities that are early in the education process and improve the students' knowledge of the career options available to them. And in 2020, Emily Cardy, assistant site manager at ISG, took home the accolade.

Nominated by Nottingham Trent University, where she was studying Building Surveying, the judges praised Emily,

describing her as 'confident, an excellent candidate, very professional, impressive and knowledgeable, and an inspiration from the moment she set foot in the room'. Emily has now joined ISG as an assistant site manager in our UK Construction business, initially working part-time during her final year at university, before moving into a full-time role following her graduation.

Emily commented: "I am delighted to have won this award and to secure a role with ISG. The experience has made me realise that I should believe in myself and has encouraged me to share my experiences with people that may not believe they can do it. It doesn't matter what age, or gender you are, or what background you have, if you have a passion for property then the industry will want you!"

In 2019, placement trainee, Charlotte Ripley, was also named a winner at the Women in Property Midlands Student Awards. After 12 months of working as a placement student at ISG, Charlotte commented: "As well as giving me a much stronger foundation of construction knowledge, I think my time at ISG has helped instil a much better work ethic within myself. I think being on site and seeing real progress has reignited my excitement for being a part of the industry, and really driven home what I am working towards." She added: "I think one of the best things about my placement has been the opportunity to work on such a variety of projects. As my first experience working in the industry, it has been brilliant to work with multiple project teams and gain a well-rounded perspective of construction at ISG."

Focus #4

Removing barriers to success

Recognising that we must engage our leadership to be accountable for proactively removing the barriers preventing gender balance in our organisation.

1. **Recognise** – ensuring leadership development and performance measurement includes recognition for those who build and engage diverse teams, fostering creativity, innovation and collaboration, and creating an environment where everyone can celebrate and share their different perspectives.
2. **Eradicate** – training all our hiring managers and leadership in our business-wide assessment and selection process to ensure we are fair, consistent and inclusive in how we select candidates.
3. **Family-friendly** – ensuring that we have family-friendly and modern working practices that support everyone. This includes flexible working, home working, and progressive maternity and paternity policies, as well as shared parenting policies to help both men and women feel valued for the contribution they make and supported in their life choices.



What we've done

We are committed to encouraging equality, inclusion and balance in our workforce by increasing representation of women and improving ethnic diversity across the business.

For us to determine the actions we need to take, first we need to understand how our people from these groups feel about ISG. We have partnered with an independent coach to facilitate several sessions, which will allow us to engage with as many people from around the business as possible.

The outputs of these sessions will be anonymous, but themes will allow us to develop meaningful action plans, and continue to define our diversity strategy to ensure ISG is as diverse and inclusive as the communities where we work and play.

Our benefits offering, 'More for You', provides more support for our people and their families.

We offer some of the best maternity, paternity, adoption and family-friendly packages in the industry, including enhanced maternity leave, phased and / or flexible back-to-work arrangements, and return-to-work bonuses.

Focus #4 Removing barriers to success



Hasti Rezvan, a placement student at ISG, has been working on a T-Level placement as part of her Business Studies course at Richmond upon Thames College in Twickenham, UK. The college, which ISG recently delivered an innovative teaching block for, is one of ISG's original Learning Alliance partners for its game-changing Level 3 Applied Diploma in Professional Construction Practice. Hasti joined the ISG project team on site one day a week as part of her learning secondment.

The college and its new £34m campus building generated more than £53m of social value during its construction, including creating 10 apprenticeships and 41 new jobs. The delivery of this flagship college will not only benefit Richmond Borough residents, but is also set to become a major careers

hub and community destination for students and employers. As luck would have it, Hasti's placement has led to her dream career. "I find construction exciting," she says. "I think it's the variety of work that really interests me – every day is different and each week I'm excited to see what I'll be learning about when I get to site." Day-to-day work for Hasti has involved learning about structures, site inspections and the overall construction process. While she has found every task challenging, she's proud of what she's learned in such a short space of time.

"It's a learning curve every day, but I get through that with the support of the people around me," she explains. "The people at ISG are so easy to talk to and bounce questions off; they're always available to listen to and learn from. It's helping me

become more confident every day, and I'm learning quickly about the complete construction process."

Hasti has been so impressed with construction and her placement experience that, after completing her A-levels, the next step on her career path is applying for the ISG apprenticeship scheme. "I've been so pleased to get the opportunity to work with ISG," she finishes. "I'm really fortunate – it's given me a grounding in construction and a really clear vision of where I want to get to next."

Statutory disclosures

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

- ISG Construction Ltd – our three 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 departments 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.



Paul Cossell

Paul Cossell
CEO



Jane Falconer

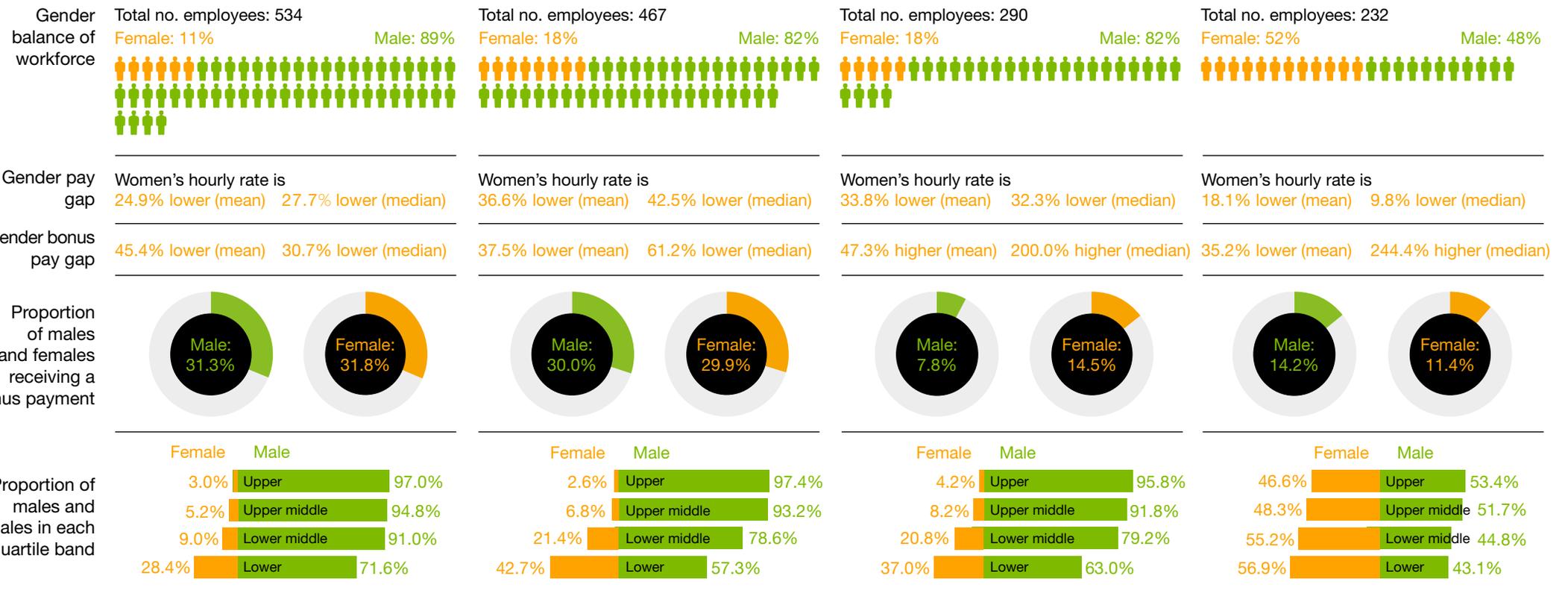
Jane Falconer
Chief HR Officer

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