



# Social value policy

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

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## Introduction

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

This policy has been written to confirm ISG's standards regarding social value, 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 social value 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 social value 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.

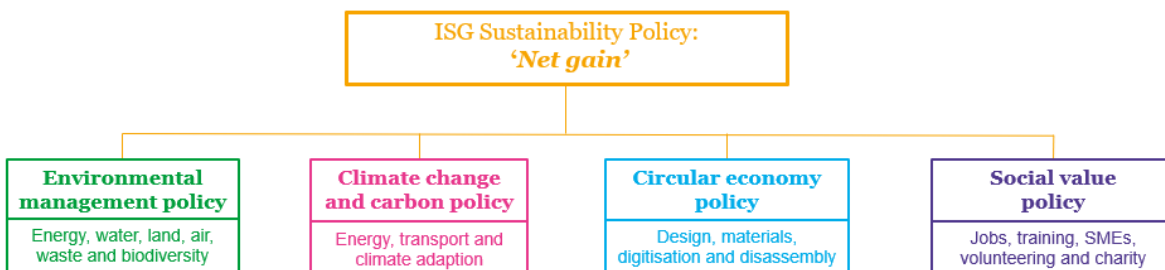
This policy applies to all people who perform services for or on behalf of ISG, including all full- and part-time employees, directors, agency staff / contractors and all persons employed by ISG and its subsidiary companies.

We recognise that social value can be created at every stage of a project's life cycle. Construction / development provides a significant opportunity to create social value for local communities, the local economy and the environment, and reporting on our social value 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 – indeed, local authorities are now extending social value considerations into planning.
- Generating positive employee feedback.
- Providing ISG with a social license to operate.

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



## 1.0 Social value policy statement

ISG's aim is to ensure that we consider and maximise the social value and beneficial impact that we bring to the communities in which we operate, both during the course of our works, and once we have completed our projects. We aim to achieve a Group social value, as measured by the Social Value Portal, of 25% of turnover by 2024 and 50% by 2030. This statement supports ISG's stance on sustainability and commitment to social value delivery.

We are committed to:

### ■ Assessing local needs and engaging stakeholders

We are committed to starting our involvement before we submit a tender return, by getting to know the area, understanding local authority needs, and identifying what is valuable to the local community.

### ■ Developing community partnerships

We aim to use 'Appreciative Inquiry' techniques wherever possible, to involve the community in setting project objectives and targets, and feeding back on whether they have been delivered.

### ■ Leaving a long-term legacy

We believe that to ensure we deliver a positive long-term legacy, we must commit to staying involved with the communities we work with for the longer term, ensuring we follow up with our 'Appreciative Inquiry' community groups, and measuring the long-term value the community feels has been brought by the project.

### ■ Delivering measurable social value

We are committed to measuring the social value created across all ISG's activities using the National Themes Outcomes and Measures (TOMs) Framework in the following categories:

**Jobs:** Promoting local skills and employment:

- Employing local people
- Creating opportunities for disadvantaged and disabled people
- Improving skills for local people
- Improving employability of young people

**Social:** Promoting healthier, safer and more resilient communities:

- Reducing crime
- Creating a healthier community
- Helping vulnerable people to live independently
- Engaging more closely with the community
- Ensuring satisfied residents

**Innovation:** Promoting social innovation:

- Considering other measures / partnerships and collaborative bespoke projects

**Environment:** Protecting and improving our environment:

- Developing more energy- and water-efficient buildings
- Reducing climate impacts
- Improving resource efficiency
- Reducing waste
- Reducing air pollution
- Promoting sustainable and ethical procurement

**Growth:** Supporting growth of responsible regional business:

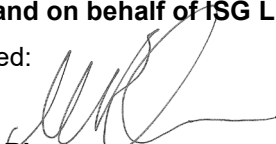
- More opportunities for Small Medium Enterprises (SMEs) and Voluntary Community Small Enterprises (VCSEs)
- Improving employee well-being
- Promoting a workforce and culture that reflect the diversity of the local community
- Embedding social value in the supply chain

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 social value 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: 03<sup>rd</sup> 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 for social value management. 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 social value 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 social value policy.

The social value 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 social value 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 social value 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 social value management.

## 3.0 Implementation and operation

### 3.1 Implementation procedures

We recognise that we have an impact on the communities in which we operate, both during the course of our works, and once we have completed our projects. To help ensure we consider and maximise the social value and beneficial impact to communities, we have the following social value mission statement:

#### **Our social value mission statement**

To produce and support sustainable business which has a positive impact on existing, new and evolving communities through added social value. We aim to produce a real difference to people's lives, by enhancing the social, environmental and economic well-being of those communities in which we operate.

We recognise that our relationships with the communities in which we operate, and with the local authorities that serve them, are crucial to our business. Our aim is for ISG to be a leader in creating social value. We aim to make a real difference and have a positive impact in helping support communities, and ensure that we continually contribute to the creation of an inclusive society and sustainable environment as a result of our work.

ISG currently has a significant social value investment programme. A considerable amount of data is already being captured via team members, subcontractors and regions etc. We have identified that the key data to be collected, recorded and evaluated includes:

- Framework targets
- Section 106 obligations
- Supply chain initiatives
- Community engagement initiatives
- Employee charity and volunteering initiatives

For many years we have attracted young talent to the construction industry, helped unemployed people into work and helped the existing workforce upskill to improve their employment prospects. What sets us apart is that we believe that to deliver true value to society we need to go beyond the norm of meeting key performance indicators (KPIs) set by our clients and planners, and establish what the communities in which we work truly value. While we will continue to improve local job prospects, local spend, the environment and support local not-for-profit organisations, it is important we listen to the voice of local stakeholders to ensure we deliver long-term value to our communities.

We have identified four key areas of activity that need to be covered in our operations, in order to fulfil our social value policy and objectives:

- **Identifying**  
Ensuring we identify and assess the social value opportunities at tender stage and throughout the submission process which will then be delivered should we be successful.
- **Recording**  
Collating relevant project data to record outcomes.
- **Measuring**  
Placing a monetary value on each outcome in order to calculate and monitor our performance on a project-by-project basis, as well as employee charity and volunteering initiatives.
- **Reporting**  
Celebrating details of our performance with internal and external parties.

#### **Tender, planning and design**

Ensure social value considerations are incorporated into the tender, planning, specification and design process in accordance with the project social value plan.

### **Social value plans**

Agreed social value plan templates will be used to set out initiatives on each project, and these will be developed and updated over the project's lifetime. The final social value delivered will be monitored against the original target set when initially acquiring the business opportunity.

Social value plan outputs per tender / project will be completed and signed off by the head of social value. Progress against these plans will be monitored throughout the project by the social value advisor and reviewed by a social value manager or the head of social value at each stage. When a project is completed, achievements will be reviewed against best practice and a lessons learned document as part of the project case study.

### **Social value co-ordinators**

A social value champion / co-ordinator will be nominated in each of the business units to ensure that ISG's social value policy and approach is fully understood by all employees. Each project above £1m and with a minimum duration of 16 weeks will appoint a social value co-ordinator to ensure social value targets are met, and to collect all the relevant data, using the Social Value Portal or equivalent tool.

### **Communications plan**

A communications plan will be introduced for internal and external parties. This will ensure all ISG employees, subcontractors and other stakeholders understand their roles and responsibilities with regard to both our social value policy and implementation plans, as well as project-specific social value plans.

### **Strategic partnerships**

ISG will maintain performance standards for activities associated with social value identified programmes and initiatives. Any possible corporate partnerships are to be discussed with the head of social value to ensure they align with ISG's social value strategy.

### **Volunteering policy**

A volunteering policy is in place to enable employees to contribute their time and skills to support and add value to local charities. Employee charitable and volunteering initiatives will be recorded so they form part of our monthly reporting requirements

### **Gifts and hospitality policy**

Charitable donations are included within ISG's gifts and hospitality policy. This explains how employees can donate for ISG's nominated / identified national and local charities.

### **Supply chain**

Consider how best to work with our supply chain to identify its social value investment.

### **Case studies**

A case study will be prepared by the social value advisor / manager at the end of each project. As a minimum this will include:

- The project's social value plan targets
- Achievements against the targets
- Photographs relating to the social value activities undertaken
- The total social value generated – calculated through the Social Value Portal.
- Lessons learned
- Legacy left for the community

### **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

ISG aims to produce and support sustainable business which has a positive impact on existing, new and evolving communities through added social value. We aim to produce a real difference to people's lives, by enhancing the social, environmental and economic well-being of those communities in which we operate. In support of this, we have set the following objectives:

- To actively pursue a policy of promoting and implementing social value within our agreed activities.
- To promote ISG's social value policy and objectives to all personnel, partners, stakeholders, the public and any other interested parties, including in the provision of training.
- To keep the relevant business units and enabling departments within ISG informed of social value best practice, as well as of changes in social value legislation or other requirements which may affect them.
- To implement training and awareness activities to ensure that our employees and supply chain are aware of this policy, our strategy and objectives, and their responsibilities in supporting us.
- To seek progressive improvement in our social value performance by monitoring and measuring agreed activities that may have an impact on the community, through collaboration with our supply chain, key stakeholders, customers, communities in which we operate and any other interested parties.
- To collaborate with our supply chain, key stakeholders, customers and communities to maximise value by focusing on activities that provide a natural fit with our business.
- To leave a positive legacy through our work with existing communities and to ensure that we deliver benefits for them and create more resilient and sustainable places.
- To tailor our community investment activities and key ISG programmes to support the vision of the local authorities and to the specific needs of the local communities.
- To monitor and measure the social value delivered through our activities and ISG programmes, and continuously try to increase the value that we create.
- To ensure that all contractors employed by ISG comply with our commitment to the management of social value issues.

To monitor our performance against these objectives, we will:

- Support our supply chain partners, to enable them to monitor, evaluate and report the impact of their operations on our behalf.
- Agree evaluation plans with all new and existing partners.
- Collate and analyse appropriate impact data from each of our projects, and use this information to inform continual improvement.
- Select charity partners that support the aims and objectives of our social value strategy and the local communities in which we operate.
- Continuously try to increase the value that we create.

### 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 social value responsibilities. Social value 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 social value objectives. In addition, we will consult with ISG's supply chain to look at their social value journey via the Social Value Maturity Index, and capture data to help identify those in our supply chain that require additional support.

Our social value management systems are structured to ensure that all employees have a clear understanding of what is expected of them, and the role individuals play, in relation to social value management. ISG encourages participation that promotes positive social value outcomes to company standards from all those affected by its operations. Appropriate communication of social value 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 social value 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 social value identified programmes and initiatives. Any possible corporate partnerships are to be discussed with the head of social value to ensure they align with ISG's social value strategy. Performance standards take the format of documented data recording on social value management systems. 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 social value 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 social value 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 Environmental Management System (EMS) (which incorporate social value procedures) 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 Measuring, monitoring and reporting

### 4.1 Measuring social value performance

ISG is committed to using the TOMs Framework to measure social value across the business. ISG's social value policy is built around a commitment to make a real difference and have a positive impact to those communities in which we operate. We have developed a set of TOMs which represent practical social value outcomes that ISG can deliver. We will measure our added value across the following five areas:

**Jobs:** Promoting local skills and employment:

- More local people in employment
- More opportunities for disadvantaged and disabled people
- Improving skills for local people
- Improving employability of young people

**Social:** Promoting healthier, safer and more resilient communities:

- Reducing crime
- Creating a healthier community
- Helping vulnerable people to live independently
- Engaging more closely with the community
- Ensuring satisfied residents

**Environment:** Protecting and improving our environment:

- Developing more energy- and water-efficient buildings
- Reducing climate impacts
- Improving resource efficiency
- Reducing waste
- Reducing air pollution
- Promoting sustainable and ethical procurement



**Growth:** Supporting growth of responsible regional business:

- More opportunities for Small Medium Enterprises (SMEs) and Voluntary Community Small Enterprises (VCSEs)
- Improving employee well-being
- Promoting a workforce and culture that reflect the diversity of the local community
- Embedding social value in the supply chain

**Innovation:** Promoting social innovation:

- Considering other measures / partnerships and collaborative bespoke projects

#### 4.2 Monitoring social value performance

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

- In-house, bespoke social value trackers
- ISG's sustainability monitoring tool – STREEM
- The Social Value Portal

Data will be collated from every project above a certain value and duration, against the national TOMs framework, and collated across ISG. Where a project has social value KPIs it will be required to take out a licence on the Social Value Portal to monitor and record social value. All subcontractor contracts will require the subcontractor to directly report on their performance on the portal, against the social value targets set within the contract. For other projects, data will be collated on the social value tracker and then uploaded to STREEM. This data will then be transferred into the Social Value Portal at business unit level, to allow the total social value to be collated across each business unit and ISG overall.

#### 4.3 Reporting

The Social Value Portal is a practical, integrated online solution for delivering social value, aligned to public policy and legislation. The online Social Value Portal allows consistency and complete transparency and will facilitate benchmarking and reporting across ISG. Monthly reports will be provided to ISG's chief operating officers and the Stat Board, to confirm our progress against relevant targets.

#### 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

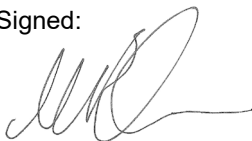
The following targets are currently set to cover social value across ISG:

- To achieve social value equivalent of a minimum of 25% of turnover, as measured in the Social Value Portal, by the end of 2024.
- To achieve social value equivalent of 50% of turnover by 2030.

**This policy was approved by ISG's Statutory Board on 01<sup>st</sup> of May 2022.**

**For and on behalf of ISG Limited**

Signed:



**Matt Blowers**  
**Chief Executive Officer**

Date: 03<sup>rd</sup> May 2022