Gender pay gap report 2021 Reaching for balance

ISG

Message from our CEO

The world and our industry are changing and being a more inclusive and diverse organisation has never been more important. The drive for a net zero future, skills shortages and an increased focus on environmental and societal impacts are fuelling new ways of working, new demands from our clients, and new expectations from existing and potential employees.



We need to attract more people into the industry; we need people with new skills and ways of thinking; and we need people that will help us truly reflect our clients, supply chain and the communities that we work with.

Our 'Reaching for balance' strategy aims to accelerate our workforce balance at all levels. Our science, technology, engineering and mathematics (STEM) outreach work is focused on engaging with pupils, teachers and parents at a much earlier stage. We're adapting our processes and systems to drive out bias, improving our recruitment and onboarding to make it more consistent and fairer, and making sure we create a family-friendly, supportive and inclusive working environment for all.

The good news is that our 2021 figures show the mean gender pay gap in our construction business has reduced by over 50% in the past five years, we've welcomed our highest percentage of female graduates and apprentices into our early careers programmes this year, and our Statutory Board (Stat Board) remains one of the most diverse in the industry. But we need to do more. As an industry we are making progress, but the numbers still don't make great reading and that has to change. Clearly there is no quick fix and the measures that we put in place today may not start to bear fruit for many years, but we must not let that hold us back.

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. It is not just a case of ticking a box, but something that requires fundamental behaviour change across the business.

We can debias our systems and processes, but ultimately we need everyone in our business to really understand and believe that a more diverse and inclusive business makes for better decision-making, improves innovation and makes ISG a great place to work.

In 2022, we will be really shifting the dial when it comes to diversity and inclusion at ISG. We are currently in the process of developing a new purpose-led business strategy focused primarily on environmental, social and governance (ESG) factors. Our approach to equality, diversity and inclusion will be a critical enabler to the success of that strategy, and is the focus of one of the key workstreams that are building out the strategy over the coming months.

I want us to become a truly diverse and inclusive business. It's not going to happen overnight, but we have an approach in place which I am confident will enable us to make ISG an organisation that nurtures high levels of creativity, greater resilience and even more perspectives that will enable us to achieve our ambitions faster.

Matt Blowers Chief Executive Officer 4 April 2022

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 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

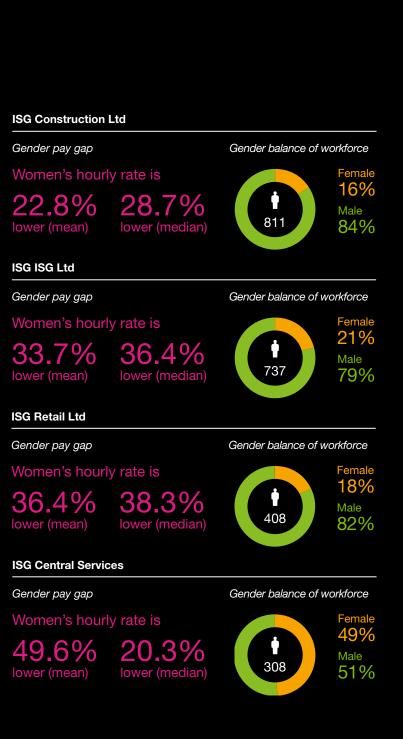
The gender pay gap is the difference between the average pay of all men and women across the business. It captures both the mean and median gender pay gap based on the hourly rate of pay. The gender pay gap is driven by various factors, including an imbalance of men in senior, higher-paid roles. It is 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.

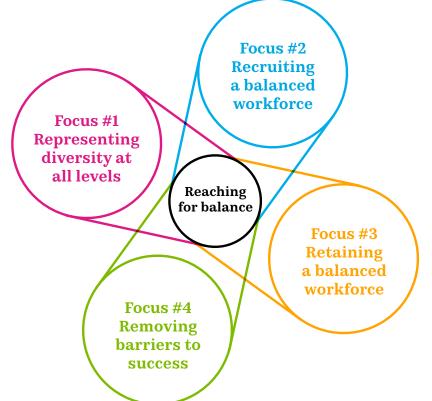


ISG's 'Reaching for balance' strategy

Creating a diverse and inclusive business has never been so critical.

The world is changing at a rapid pace and our clients are increasingly looking to us to help them improve their environmental and societal impact. To do this, we are going to need to attract people with new skills and working styles to our business, and our 'Reaching for balance' strategy will play a key role in helping us do that.

Our strategy is focused on achieving greater workforce balance at all levels of the business by recruiting a balanced workforce, generating a more balanced leadership succession pipeline, removing potential barriers to diversity balance, and ensuring that we have an inclusive culture that celebrates diversity at all levels.





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 in creating more engaged, more productive teams where everyone has the opportunity to shine and thrive.

2. Consult – asking our people what they think is going well and what we can do differently to encourage better diversity balance at ISG.

3. Connect – making strong connections with our communities and partnering with clients to best understand how to reflect those populations through our workforce.



What we've done

In 2021, ISG's vice chairman and former CEO, Paul Cossell, was appointed as chair of Build UK. This gives us an important and unique opportunity to facilitate real change across our industry by working closely with Build UK to promote a diverse and inclusive culture across its construction members.

We also continue to have one of the most gender diverse boards within our industry with an almost 50:50 split – the highest among the UK's top 10 contractors.

We pride ourselves on being a premium and dynamic brand, and aim to reflect those same characteristics in our employment offering to help build a more diverse pipeline of talent, and excite young people about a career in construction. We continue to invest in our unique early careers programmes, and this year doubled our intake for a second year in a row. We welcomed 164 graduates and apprentices to the business in 2021, 37% of whom were female, and all of whom are already making a positive contribution to the business.

In celebration of the great work undertaken by our apprentices, we use opportunities like National Apprenticeship Week (NAW) and International Women's Day (IWD) to showcase our early careers talent and those that support them.

To achieve a better gender and ethnicity balance, we worked with an independent coach to facilitate several workshop sessions so we could understand how people from those groups felt about ISG. The outputs of these sessions have helped us develop meaningful action plans, and continue to define our diversity strategy to ensure ISG is as diverse and inclusive as the communities in which we operate.

We also work closely with our clients to explore ways in which we can promote and celebrate diversity and inclusion on our projects and in the communities in which we work.

Focus #1 Representing diversity at all levels



Lizzie Warburton: Celebrating young talent

In 2021, Lizzie Warburton joined ISG as one of our degree apprentices working as an apprentice project manager on the refurbishment of the National Cycling Centre in Manchester.

Hear more about Lizzie's story

BPIC Awards: Partnering with our clients to champion diversity and inclusion

We are continuously working to become as inclusive as possible. In 2021, we were recognised with two accolades at the Black Professionals in Construction (BPIC) Awards, as a result of the work we did partnering with a global media client on a diversity and inclusion programme designed to inspire an under-represented talent pool. ISG was announced as Best Industry Contractor, and our senior social value manager, TJ Jacobs, received the Best Inclusion Innovation award.

Read more about the work we did



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 about careers in construction.

2. Attract – training our hiring managers across the business to ensure our recruitment and onboarding experience is positive, consistent and fair.

3. Convert – attracting people from outside our immediate industry to improve our diversity and benefit from different perspectives and experiences.



What we've done

We continue to invest time and money in STEM activities across the organisation. We again took part in Build UK's Open Doors initiative, inviting prospective early careers talent, and people considering a career change, to events hosted at 10 of our project sites and our head office in London. The events gave people the opportunity to gain an insight into live construction sites and discover how the buildings in our communities are constructed. They also provided a great chance to learn about the range of skills and professions we need on site, as well as the variety of office-based roles, careers and people that contribute to what we do.

Our World of Work Experience initiative – WOWEX – continues to go from strength to strength. The programme gives students, ranging in age from 13-19, first-hand exposure to career opportunities in the construction industry. To overcome COVID-19 restrictions, we introduced a virtual programme in 2021, with 12 online courses that

reached 175 students. We have also signed up to the UK government's Disability Confident employer scheme, and are using our learnings to develop a programme and work experience opportunities for students with special educational needs and disabilities (SEND) who need extra support.

In 2021, all line managers across the business received training in recruitment skills and processes to ensure candidates have a positive, consistent experience with ISG from the outset.

Building on this, our new onboarding hubs provide new joiners and their line managers with all the tools and skills needed for the first six months of employment.

We have also signed up to join the second stage of a 12-month programme – Workforce Integration Network (WIN) Design Lab – led by the Greater London Authority (GLA) in partnership with the diversity and inclusion consultancy firm, The Equal Group. Launched in January 2021, the initiative supports large businesses in tackling the under-representation of young black men aged 16-24. We hosted workshops with our supply chain and used the opportunity for businesses to come together and collectively discuss the causes of under-representation.

In 2021, we increased our focus on attracting people who have served in the armed forces to come and work with us. We worked closely with Buildforce to promote construction to ex-service personnel and reaffirmed our commitment to the Armed Forces Covenant, offering extra support through ISG's 'More for You' employee benefits package, plus training, employment and mentoring opportunities for service leavers.

Focus #2 Recruiting a balanced workforce



Laura Dawes: Ensuring a healthy work-life balance

From adventure sports to flight sergeant... life as an RAF Air Cadet has reaped the rewards for Laura.

In addition to creating tender documents for new business opportunities, proposals coordinator, Laura Dawes, juggles the commitments of a young family with her volunteer work as an Adult Flight Sergeant and leading Duke of Edinburgh expeditions.

Read more about Laura's story



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. Develop – providing every employee with the opportunity to grow and reach their potential at ISG, with clear career paths and learning opportunities for all.

2. **Mentor** – supporting mentors to fulfil their responsibilities and championing women's mentoring schemes across the industry.

3. Commit – investing in high-potential talent, with bespoke development programmes for people at different stages in their careers.



What we've done

It is important to us that every employee is given the opportunity to grow and reach their potential at ISG, and we offer a range of programmes and activities to support this.

In support of our core value to 'Never stop learning', we enable our people to develop their knowledge and skills through high-quality learning and development. Our talent development team delivered over 6,400 training days, launched 98 new courses and enabled people to complete 21,350 e-learning courses last year.

We have also been formally recognised by the Chartered Institute of Building (CIOB), Royal Institution of Chartered Surveyors (RICS), Institution of Civil Engineers (ICE) and Chartered Institution of Building Services Engineers (CIBSE) professional bodies. In 2021, we secured extra funding from the Construction Industry Training Board (CITB) to align our first-line manager programme with ISG's capability framework and develop a blended approach to allow global delivery, supported by a suite of e-learning modules.

In addition to employees receiving annual performance and development reviews, we have increased the visibility of internal job opportunities and introduced a mid-year review to further strengthen our focus on continuous feedback and development.

Our high-potential programmes include ISG's Futures Group, which ensures our top talent can accelerate their development and maximise their potential. The programme offers intensive training and development and the opportunity to create and implement innovative solutions to improve our business. Championed by ISG's Stat Board and senior leadership, the Futures Group finds ways to tackle real business challenges, while working with and learning from the top leaders in the company. Of our 2021 cohort, 45% were female and 27% 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.

In 2021, building on the success of the Futures Group, we introduced our new Advanced Futures Group for more established talent in the business. This group is currently leading the development of ISG's new business strategy.

2021 also saw us launch our mentoring toolkit, to support mentors in fulfilling their responsibilities as part of a company-wide programme for those looking for insight and guidance from experts within the business. Many of our senior female leaders are actively involved in the Mentoring Circle – a female mentoring programme aimed at those working in a commercial role in our sector.

Focus #3 Retaining a balanced workforce

Retaining and developing talent to build organisational resilience is a key part of how we deliver an unbeatable employment experience. It's important that we provide each employee with the opportunity to grow and reach their potential at ISG and to support this, we have invested in our employee's career paths and increased the visibility of our internal opportunities.



Maeva Moreno: Taking up a new challenge

Maeva Moreno has been with ISG for three years. Having started her ISG career as a design manager for our regional construction team based in Bristol, designing schools for ISG's Department for Education (DfE) framework programme, she decided to take up a new challenge as a design manager for our UK Fit Out business, based in London.

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"I am a very ambitious person and just knowing that I am working for a company that can keep offering me opportunities in the future only makes me want to continue building something special with ISG. Three years ago, I didn't know ISG was going to become so important for me, and now I am so proud to be part of the family."

Hear more about Maeva's story

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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. Listen – seeking the views and advice of people around the business and using the findings to inform future actions and drive continuous improvement.

2. Innovate – introducing modern working practices that support everyone, including hybrid working and progressive family-friendly policies.

3. Support – prioritising employee well-being by creating an environment where people feel safe, supported and free to be themselves.



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.

The workshops we ran with representatives of both our female and ethnic communities in ISG have helped us determine the actions we need to take to improve.

We have used the feedback to develop diversity and inclusion awareness training that we are now rolling out to every person across the business.

We also used it to inform questions relating to diversity that we included in our annual employee b-Heard survey for the first time in February 2022. The results show that over 90% of our employees did not feel discriminated against or that discriminatory remarks were tolerated in the workplace, and approximately 80% felt the recruitment process is fair and everyone is treated equally – regardless of their background.

Through our 'More for You' employee benefits offer, we provide 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.

In 2021, we launched 'Work for You', a new workplace strategy designed to improve well-being through greater flexibility and healthier, tech-enabled workplaces. Central to the strategy is the introduction of hybrid working, which allows people to split their time between their normal place of work and working remotely. We are also exploring how we can enable a more flexible working approach on our construction sites, and our Futures Group has been trialling some possible solutions that we will be exploring further in 2022.

At ISG we want to foster belonging, with an environment where people feel secure and supported to bring their whole self to work. We are doing this with initiatives such as our first global Pause for Mental Health campaign in 2021, which allowed us to start breaking down some of the stigmas surrounding mental health by encouraging open and honest conversations. We're eager to build on this, and a working party is looking at increasing awareness and accessibility of our health and well-being resources, while building a strategy for the future.

Focus #4 Removing barriers to success



Natalie Coates: Rising to the challenge

Project manager, Natalie Coates, joined ISG's UK Retail team as a graduate in 2014, entering the construction industry with no previous experience or exposure. Fast-forward nearly eight years, and Natalie has grown to be one of the business unit's brightest and most innovative individuals, but her journey to become a project manager wasn't without its challenges.

"The industry can be challenging as a young female, as you're rarely exposed to this type of industry as a child. Understanding the huge spectrum of disciplines and individuals you will liaise with as a project manager is a learning curve. In reality, you never stop learning, and the more you soak up the better! Being able to use the knowledge of those around you is a valuable resource, and the relationships you build will serve you for years to come."

Read more about Natalie's story here

Elisa Antoine: Achieving global recognition

Every year we celebrate the people who have excelled in our Value Awards. Voted for by their colleagues, the 'Best of the best' Value Award winners come together at the Global Value Awards Gala Dinner to celebrate their achievements and find out who has been named ISG's overall Global Value Award 'Best of the best' winner for the year.

2021's winner was senior design manager, Elisa Antoine, who was recognised for going above and beyond expectations to support her team and clients. Elisa was described by her peers as embodying all four of our core values – Dream smart, Speak frankly, Always care and Never stop learning – in her behaviours and through her work.



Statutory disclosures

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

- ISG Construction Ltd our 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.





Matt Blowers CEO

Jane Falconer Chief HR Officer

	ISG Construction Ltd	ISG ISG Ltd	ISG Retail Ltd	ISG Central Services
	Total no. employees: 811 Female: 16% Male: 84%	Total no. employees: 737 Female: 21% Male: 79%	Total no. employees: 408 Female: 18% Male: 82%	Total no. employees: 308 Female: 49% Male: 51%
	Women's hourly rate is 22.8% lower (mean) 28.7% lower (median)	Women's hourly rate is 33.7% lower (mean) 36.4% lower (median)	Women's hourly rate is 36.4% lower (mean) 38.3% lower (median)	Women's hourly rate is 49.6% lower (mean) 20.3% lower (median)
Gender bonus pay gap	15.7% lower (mean) 39.3% lower (median)	80.7% lower (mean) 52.9% lower (median)	65.6% lower (mean) 64.3% lower (median)	93.0% lower (mean) 31.4% higher (median)
Proportion of males and females receiving a bonus payment	Male: 55.9% Female: 48.1%	Male: 47.7% Female: 46.7%	Male: 83.6% Female: 83.3%	Male: 69% Female: 76%
Proportion of males and females in each quartile band	Female Male 5.1% Upper 94.9% 8.5% Upper middle 91.5% 14.6% Lower middle 85.4% 34.2% Lower 65.8%	Female Male 4.4% Upper 95.6% 6.6% Upper middle 93.4% 20.4% Lower middle 79.6% 48.4% Lower 51.6%	Female Male 1.0% Upper 99.0% 11.8% Upper middle 88.2% 17.8% Lower middle 82.2% 38.6% Lower 61.4%	Female Male 29.3% Upper 70.7% 48.0% Upper middle 52.0% 56.0% Lower middle 44.0% 60.0% Lower 40.0%

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