

Gender pay gap report 2022

ISG



Message from our CEO

I believe that inclusivity is absolutely key to unlocking our ambitions as a business. At ISG, while we have made significant progress in particular areas, there is still work to do before we can call ourselves truly inclusive and diverse. Encouragingly, construction is transforming – embracing technology, manufacturing, and new ways of working. This will be critical to attracting new people with diverse experiences. And, what really encourages me, is that here at ISG we have the right strategy, culture and opportunities to be at the forefront of the change.



The drive to be more inclusive and diverse across the industry and everything we do will require collaboration and new thinking. This will involve putting strategies in place for how we are addressing a net zero future, skills shortages, environmental and societal impacts, and new demands from clients.

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 the clients, supply chain and communities that we work with. A key part of this conundrum is rethinking how we recruit women into non-traditional and leadership roles, to bring different thoughts and perspectives to how we operate and nurture safe and inclusive work environments.

As a business we are making positive progress, and the good news is that our gender pay gap continues to reduce. We have one of the industry's highest overall percentages of women in the workforce, at 23%, and have reduced our median gap in our UK construction

business by 7.3% since 2018, in addition to our Statutory Board (Stat Board) remaining one of the most diverse in construction with a 50% gender split.

However, we know there is still some work to do, and have identified three focus areas to help sustain how we are closing the gap. To have a truly diverse workforce will require us to close the gap between men and women aged over 35 at ISG, increase the number of women working in the business, and support women to progress so we have greater representation across all levels.

Building on our 'Reaching for balance' strategy to achieve a more inclusive and greater workforce balance at all levels, we launched our new purpose-led business strategy, 'Right thing first', in 2022. Our diversity, equity and inclusion (DEI) agenda plays a key part in our journey to be an outstanding employer, and was supported with the appointment of our first head of inclusion and wellbeing, whose responsibility it is to drive our DEI roadmap and initiatives, such as our global gender

equity network. The network has received high levels of engagement across all our regions and within the senior leadership team.

I want us to become a more inclusive business where people feel a sense of belonging. Not only is it simply the right thing to do, but it is important we make ISG a better place to work and a platform for high levels of creativity, greater resilience, and even more perspectives that will enable us to achieve our ambitions faster.

Matt Blowers
Chief Executive Officer
31 March 2023

About gender pay gap

Gender pay gap reporting

All UK employers with 250 or more employees must extract their gender pay gap data on the snapshot date of 5 April every year. We then have a year to report this information.

We must report separately for each of our legal entities. For a more detailed look at each legal entity, see page 5.

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, such as 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 for all men divided by number of men, and likewise for women. The mean gap is the difference between this figure for men and women, and the median compares the middle pay for a woman with 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 and gives a better indication of distribution of people across pay ranges.

ISG Construction Ltd

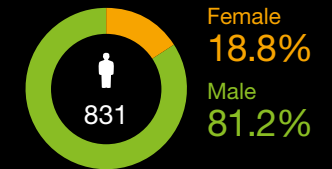
Gender pay gap

Women's hourly rate is

27.4%
lower (mean)

32.7%
lower (median)

Gender balance of workforce



ISG ISG Ltd

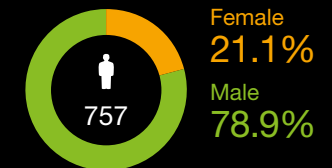
Gender pay gap

Women's hourly rate is

34.4%
lower (mean)

33.5%
lower (median)

Gender balance of workforce



ISG Retail Ltd

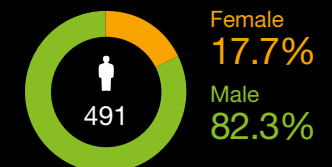
Gender pay gap

Women's hourly rate is

33.4%
lower (mean)

31.0%
lower (median)

Gender balance of workforce



ISG Central Services

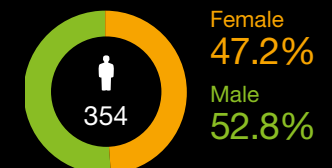
Gender pay gap

Women's hourly rate is

30.9%
lower (mean)

16.5%
lower (median)

Gender balance of workforce



Why is measuring our gender pay gap important?



Zoe Price
Chief Operating Officer
and sponsor of the global
gender equity network



Nicke Harrison
Head of Inclusion
and Wellbeing



Tamara Wright
Growth and Innovation Partner
and co-chair of the global
gender equity network



Lauren Howard
Design Manager
and co-chair of the global
gender equity network

“Understanding our gender pay gap data enables us to develop strategies to recruit, retain and develop women at different stages of their careers. Women’s earning capacity is affected at different points of their lives and by using the data, we can understand the drivers and proactively intervene at these stages.”

“The gender pay gap is just one data point in reviewing gender equity in the workplace, but it is a very important one. It shows the distribution of men and women throughout the leadership structures and, crucially, it helps to identify areas where we can target improvements as we strive to become a more inclusive business.”

“I believe encouraging women’s development into senior roles and recruiting more women into project and site-based roles will not only help to close the gender pay gap, but has also been proved to improve team performance. As co-chair of the new global gender equity network, I am really excited to support the business in improving gender equity in the workplace.”

“Gender pay gap reporting is really important. Annual reporting and monitoring ensure we are moving in the right direction in terms of closing the gap. Statistics show that over a lifetime women will earn significantly less than their male counterparts – it’s this imbalance that needs to be addressed. ISG has been proactive in improving equality in the workplace by establishing a global gender equity network, offering enhanced maternity pay, and developing family-friendly policies.”

Our gender pay gap data

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.

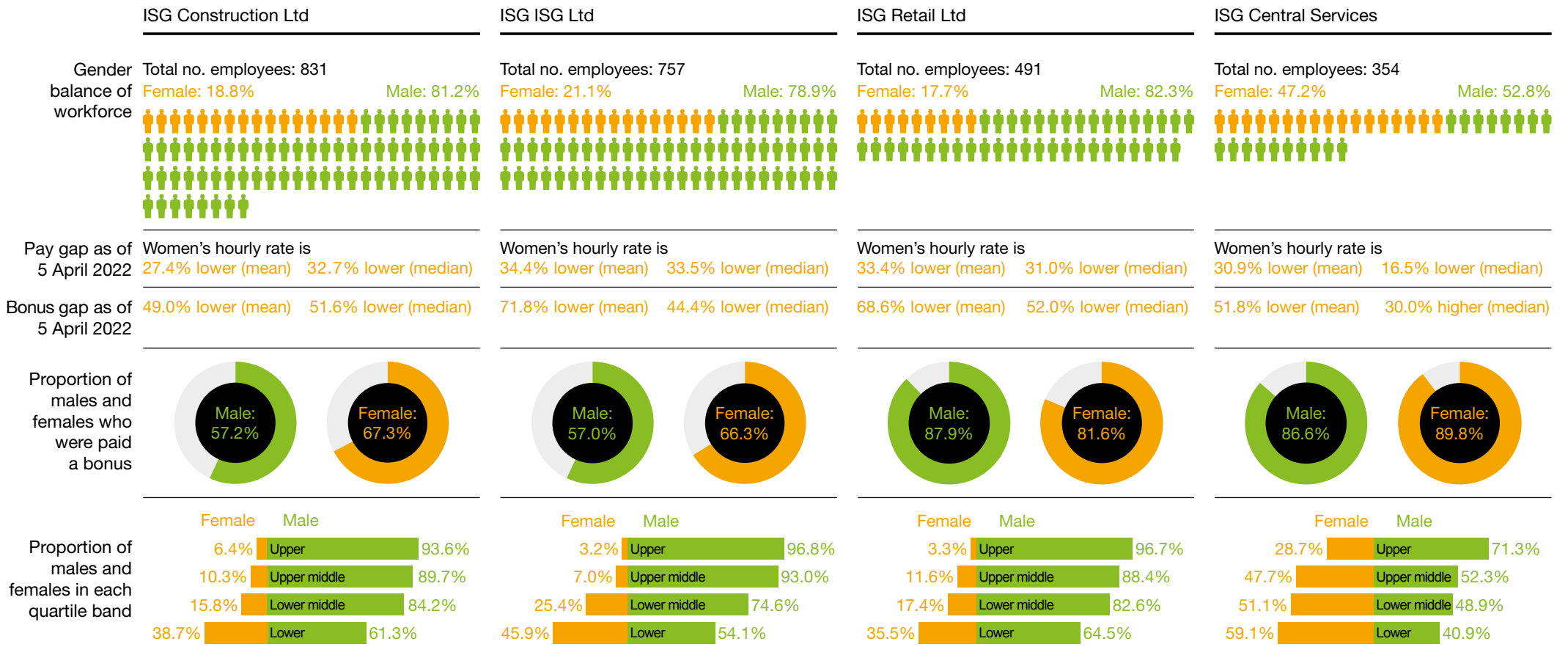
We confirm that ISG's gender pay gap calculations are accurate and meet the requirements of the regulations. The calculations, data and assertions contained in this announcement have been fully assured by ISG's group HR team, which has confirmed that the methodology provided in The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 has been applied correctly.



Matt Blowers
CEO



Jane Falconer
Chief HR Officer



What is our data telling us?

Gender pay gap

The overall trend in our gender pay gap data continues to remain positive, with most of our legal entities improving since we started reporting in 2018.

The percentage of women working across all ISG's legal entities in the UK is one of the highest in the industry, at 23%, and we have a gender-balanced Stat Board.

However, when we look at the types of roles that women occupy, they are more traditionally project or office support roles, or roles within our enabling departments such as in project support, human resources, finance, and marketing and communications.

Our age profile data shows that the gap in the number of men and women widens after the age of 35.

Our figures show there is a positive long-term trend with more men and women receiving bonuses since the first year we reported, with 2020 being an outlier due to the emergence of the COVID-19 pandemic.

To tackle our overall gender pay gap, we have identified three main areas of action:



1. Closing the gap between men and women aged over 35 at ISG



2. Increasing the overall percentage of women in ISG



3. Continuing to support women to progress at ISG so we have greater representation of women at all levels



How are we addressing the gap?

Diversity, equity and inclusion (DEI) roadmap

Our DEI agenda is a key enabler on our journey to be an outstanding employer and create a culture where everyone feels recognised, fairly rewarded, and able to grow, develop and be themselves.

Our DEI roadmap focuses on the following areas:

- **Leadership:** Supporting our senior team to lead on the DEI agenda.
- **Attraction and recruitment:** Reviewing recruitment practices to enable us to diversify our workforce and attract the best talent.
- **Learning and development:** Equipping our people with the knowledge and skills to create an inclusive workplace.
- **Communication and engagement:** Implementing an awareness programme to celebrate diversity across ISG.
- **Policies:** Developing a suite of policies to support our DEI agenda.
- **Data:** Developing tools to track data and measure our success.

We want to make ISG a great place to work and create inspiring workplaces that enable innovation, collaboration and lasting relationships. We are doing this by providing new opportunities for our people to come together, share their lived experiences, and support us to make improvements.



Sally Pearce
Lead Design Manager

“As a single woman, I made the decision to adopt a little girl two years ago, and I have to say that the support from my colleagues and ISG has been very positive. As a new mum to a fast-growing young lady, I will always recommend a future career in construction because there is so much opportunity for women. What I have always loved about this industry is that we build real things that improve people’s lives.”



1. Closing the gap between men and women aged over 35 at ISG

Global gender equity network

In March 2023, and coinciding with International Women's Day, we launched our first global gender equity network, to provide a sense of community for women across ISG in all the regions where we work. The network's key priorities for 2023 include:

- **Mentoring:** Working with our talent team to communicate the central programme and identify additional ways mentoring can support women to progress in their careers.
- **Safe and inclusive environments on site:** Ensuring there are suitable facilities and appropriate personal protective equipment (PPE) available for women.
- **Building confidence:** Rolling out Google's #IAMRemarkable programme. A global movement that empowers everyone, including under-represented groups, in celebrating their achievements in the workplace and beyond.
- **Outreach work:** Supporting our central teams, such as early careers and social value, to promote ISG as

a good place for women to work and challenge the perception of the industry.

Improved family-friendly policies

In 2022 we undertook a review of all our family-friendly policies including maternity, adoption, and partner or paternity leave. We were pleased to be able to increase allowances to match – and in some cases exceed – the industry best, to offer some of the most progressive entitlements in the construction sector.

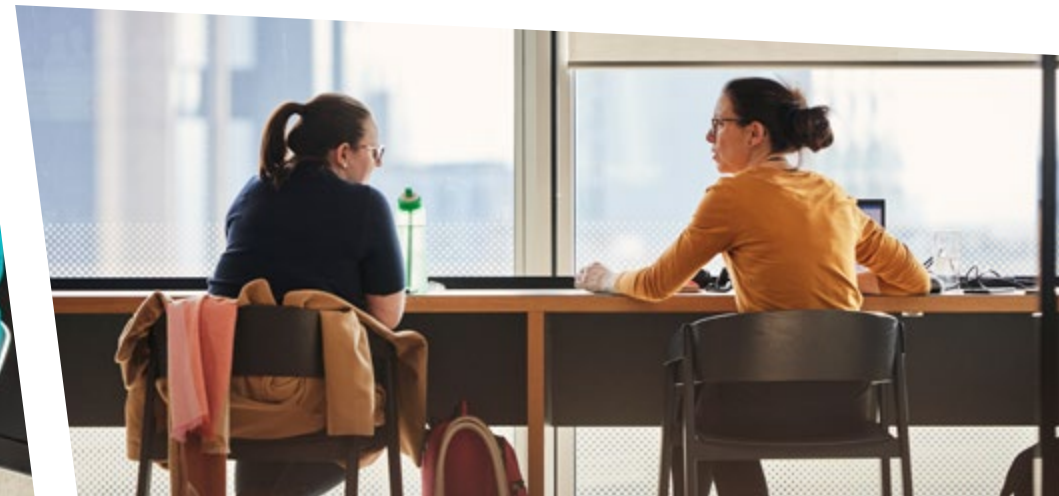
Flexible-working trials to remove barriers for women on site

The benefits of flexible working, and the impact on gender equity, are clear to us. We are continually looking for ways to support more flexible working and build on our well-embedded approach to hybrid working across our business. We know it can be more difficult to offer

traditional ways of flexible and agile working on site, so this year we are undertaking a six-month flexible working pilot scheme on seven of our sites. During this trial the project teams will be testing our different flexible-working models to understand how best to accommodate them and bring more flexibility for everyone who works on site.

New awareness-raising campaigns to promote and celebrate diversity in all its forms

We will increase the number of employee-led networks in 2023 to add to our global gender equity network. We will work in partnership with all our networks to implement a programme of awareness-raising and educational activities centred around 'celebrating difference'. This will include toolkits and guidance for managers on a variety of topics, such as how to support people who are experiencing the menopause.



2. Increasing the overall percentage of women in ISG

Early careers and outreach

We pride ourselves on ensuring we have a pipeline of bright, capable and driven people who are excited about pursuing a career in construction.

To achieve a better gender balance we continue to invest in our early careers programmes, and welcomed 56 graduates, industry placement students and apprentices to ISG in September 2022, 27% of whom were women, including 50% in industry placement positions. All are already making a positive contribution to the business.

Our World of Work Experience (WOWEX) initiative continues to go from strength to strength. The programme gives students, ranging in age from 14-19+ years old, first-hand exposure to careers opportunities in the construction industry. In 2022 we had 35 students from five schools participate. All students learned new skills from the programme, with many going on to say that they would pursue a career in construction management or the built environment.

We continue to invest time and money in science, technology, engineering and mathematics (STEM) activity, and in 2023 became a STEM Circle Member with the Science Museum. Our BIM technician, Ana Yao Sun, featured in the museum's 'Technicians: The David Sainsbury Gallery', which launched in 2022.

We took part in Build UK's Open Doors initiative again this year, inviting prospective early careers talent and people considering a career change to events hosted at six of our project sites and our head office in London. The events gave people a unique opportunity to gain an insight into live construction sites and discover how the buildings in our communities are constructed. The week also provided a great chance for people to learn about the range of skills and professions needed on site, as well as the raft of office-based roles, careers and people who contribute to what we do.

From BIM technician to Science Museum video star: Ana's life is inspiring the next generation.

Ana Yao Sun, a Building Information Modelling (BIM) technician who joined ISG in summer 2019, doesn't love being the centre of attention. When her name was put forward to front a video for the Science Museum in London, UK, as a representative from the construction industry, she questioned it. She freely admits she was "a bit sceptical but willing to give it a go".

Despite her qualms, Ana's glad she pushed herself and got involved.



Read more about Ana's story by scanning the QR code.



2. Increasing the overall percentage of women in ISG

Returners programme

Our new returners initiative supports talented professionals who have chosen to take an extended career break, as they return to the workplace. Working with one of our partners, Women Returners, the programme will look to attract mid- to senior-level individuals with a background in the built environment, who have taken a career break for a minimum of 18 months.

ISG will look to recruit individuals into a number of disciplines on an initial six-month internship, with a strong support network of managers, buddies and mentors. We look forward to welcoming our first intake in September 2023.

Recruitment policy

In line with our commitment to continuous improvement, we continue to review our recruitment practices to identify and address any barriers to entry that are experienced by anyone of any gender. This will be supported by refreshed assessment and selection training that will be reviewed to include principles on inclusive hiring.

A day in the life of... an assistant design manager. Meet Precious.

Our early careers talent is crucial in ensuring we have a pipeline of bright, capable and driven people to deliver thriving places.

We work with our apprentices, placements and graduates, like Precious Benson, to give them the help they need to build foundations for their careers and reach their potential.

Scan the QR code to find out how we are helping Precious, and our early careers talent, feel inspired and empowered to build something special at ISG.



3. Continuing to support women to progress at ISG so we have greater representation of women at all levels

Developing your career

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 2022 we launched our careers hub on our intranet, to ensure our people have all the information they need to feel inspired and empowered to build something special at ISG.

The hub has been developed to help navigate people’s careers at ISG, allowing employees to explore how they can achieve their career goals, and ultimately take actionable steps towards achieving them. We have highlighted the roles of women as part of this, with 66% of our career stories and 50% of our ‘A day in the life of...’ stories from women.

Our Futures Group programme gives those in the early stages of their careers a chance to create and implement innovative solutions to improve the business. Championed by ISG’s Stat Board and senior leadership team, the programme finds ways for participants to tackle real business challenges, while working with and learning from the top leaders in ISG.

Our recent cohort was 30% women, which is more than the overall percentage of women (23%) and each member was matched with a senior-level mentor to support with their personal and professional growth throughout the programme.

We launched a new programme this year, Advanced Futures, which provides support for people to progress into senior-level roles. This has allowed us to develop leaders who empower and encourage their teams to grow, learn, innovate, collaborate and improve.

We are developing new career frameworks, which will result in improved consistency and transparency to career and development routes at ISG.

Mentoring

We know that having access to a mentor is a great way to manage your career, by supporting individuals to define and reach their goals. We launched our mentoring scheme in 2022 to support people to progress in their careers. We will be working alongside our global gender equity network to make sure we promote this programme, so that women at all levels in ISG feel supported to develop their careers.



Emma Elliott
Managing Surveyor

“The Futures Group programme offers insight into your own behaviours and leadership style, and how to tailor these to make you more effective. Being more self-aware and able to practise what you have learned on real business challenges is hugely valuable.”



Holly Jones
Head of Talent Development

“Mentoring is one of the many ways we support the continued growth and development of women at ISG. By matching our more junior women with those at higher levels who have faced some of the very specific challenges that being a woman in construction can bring, we are facilitating some very specific and targeted knowledge-sharing.”

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