Code of ethics and business conduct

August 2019
Message from our CEO

At ISG, we maintain high standards of ethical and business conduct. ISG’s reputation for acting lawfully, responsibly and ethically plays a critical role in the success of the company and our ability to generate growth.

Continuing to conduct our business in this manner will help ensure long-term success.

We are a people business that is committed to acting professionally, fairly and with integrity in all of our business dealings and relationships, within all jurisdictions in which we operate. We expect our suppliers, and others working for or on our behalf, to act in a similar manner.

Working in a demanding, fast-moving, increasingly complex and global business environment, we recognise that each one of us faces challenges, difficult choices and decisions in our daily lives. Our values and behaviours shape both our culture and the way we work.

This code of ethics and business conduct (the Code) provides a clear set of standards for all of us to follow. It covers the law and principles governing our behaviour and decision-making processes, both now and in the future.

At the heart of our Code is the basic principle that we always follow the laws of the countries in which we operate. Beyond the law, we must always be guided by our values and ensure that we do the right thing for our stakeholders – including fellow employees, customers, suppliers and the wider community; this can often mean going further than the law may require.

However, the Code also requires you to think – to follow the spirit of what our principles are trying to establish – and apply these to ask what is right. The Code is not intended as a substitute for good judgement, and it does not cover every situation that you may encounter, or every law that applies to our global business.

Our Code lets others know what they can expect when dealing with ISG and the ethical standards we embrace. We should seek to hold each other to account and to challenge when we feel standards are being undermined, or our reputation is being put at risk. We encourage the reporting of suspected wrongdoing, either via usual reporting lines or through our whistleblowing policy; any concerns raised will be taken seriously, investigated thoroughly and managed in a confidential manner.

We will ensure that our Code is reviewed and updated on a periodical basis, so that it remains relevant to our work and evolving priorities. The latest version of our Code will always be made available on the ISG website, in order that it can be openly viewed by our customers, suppliers, employees and other interested parties. It is also accessible on our company intranet.

Overall responsibility for ensuring adherence to this Code rests with the ISG Statutory Board together with the managing directors of each area of our business and the heads of each enabling department.

Paul Cossell
Chief Executive Officer
August 2019
ISG’s vision is to become the world’s most dynamic construction services company, delivering places that help people and businesses thrive.

Across our extensive international office network, our work encompasses fit out, construction, engineering services and development, delivered by local people and supply chain.
At ISG, we are committed to providing a working environment that is free from risks to the health and safety of our employees, contractors and visitors to our premises and projects. We will ensure an adequate provision of welfare facilities at work, as far as it is practicable.

To implement our statement – and to comply with our legal obligations – we have developed processes and procedures that are contained within management systems. In the UK and several other countries in which ISG operates, these processes and procedures have been certified as meeting the requirements of OHSAS 18001. We are endeavering to gradually introduce such standards throughout our global business.

Adherence to such management systems will ensure that:

- we take all reasonable steps to minimise accidents and incidents of ill health to our employees, clients, supply chain, third parties, visitors and members of the public
- we provide, so far as is reasonably practicable, adequate control of the health and safety risks arising from our work and associated activities
- we are committed to ensuring full compliance with our legal obligations and all current health and safety legislation in respect of our business activities
- we will endeavour to follow and lead industry best practice and comply with our clients’ health and safety requirements
- information, instruction and training is provided to our employees that is appropriate to their roles and responsibilities within the organisation
- we encourage and actively promote health and safety innovation, best practice and improvement initiatives, through the involvement of our people, subcontractors and management systems
- suitable and sufficient resources are given to health, safety and welfare across all levels of the business
- we regularly consult and communicate to our people on health and safety issues and listen when feedback is given
- we create and maintain a positive health and safety culture and ensure that it is our highest priority across all levels of the business
- systems are in place to regularly monitor and review our health and safety performance; we aim to operate systems that allow for continual improvement. Various key performance indicators (KPIs) are used to provide visibility on where improvements may be needed. Such KPI data is regularly reviewed by the ISG Statutory Board.

We regularly review our procedures to ensure they are appropriate to the nature and scale of our occupational health and safety risks, and remain relevant and appropriate to the purposes of the business.
At ISG, we believe that corrupt acts are wrong under any circumstances; they expose ISG and our employees to the risk of prosecution, fines, debarment from tendering for business and other penalties, as well as damaging reputations and increasing the cost of doing business.

This statement confirms ISG’s intention and commitment to comply with the Bribery Act 2010 (the Act), to take measures to operate and carry out business in an open, honest and fair manner and to adopt a zero-tolerance policy towards bribery and corruption.

The purpose of this statement, together with our wider policies on anti-bribery and gifts and hospitality, is to set standards of behaviour that help prevent ISG from becoming involved in bribery and corruption. The principles underpinning this are the same in every country in which we operate, regardless of business sector and local customs and practices.

**At ISG, we seek to ensure that we:**

- adopt the approach that it is better not to do business at all than to risk doing corrupt business
- review our policies regularly to ensure their effectiveness, taking into account any feedback, questions and suggested areas for improvement
- have in place adequate procedures to prevent the risk of bribery and corruption, both to aid compliance, and to investigate fully any matters of potential non-compliance with our policies
- train all relevant employees to ensure they understand our policies, the requirements of the Act, how to spot issues and raise concerns, the responsibilities placed upon them and the potential penalties involved for non-compliance
- monitor the giving and receiving of gifts and hospitality, and that approval procedures are understood and complied with
- maintain systems and processes to make sure that no employee suffers any adverse consequences as a result of reporting any suspicion of bribery or corruption.

Everyone who is employed by ISG anywhere in the world in any capacity is bound by these policies, including directors, officers, employees, agency workers and contractors. We expect all agents, intermediaries and other business partners to act consistently with our principles and to act ethically in all their dealings with, or while performing services on behalf of, ISG.

Compliance does not mean that we cannot entertain our customers, suppliers and partners as part of normal commercial relationship building, which is a legitimate part of business. It means that any gifts and hospitality need to be acceptable and proportionate. It is important to be extra careful when dealing with public officials, as any form of gift giving or hospitality could be perceived to be improper.

We must also avoid actual or perceived conflicts of interest, which means we should avoid being in a position where we (or close relations) can personally gain from, or be influenced by, a personal or business relationship or interest in the course of performing our duties for ISG. Where there is any such risk, it must be reported, to allow decisions to be taken to avoid any conflict risk.

A copy of ISG’s policies on anti-bribery and gifts and hospitality are available from the company secretary upon request – these policies are also available within the business, via various sources. Any questions regarding these policies or the Act should be directed to the company secretary, and matters can also be escalated to the CEO where appropriate.
Introduction

We have a zero-tolerance policy towards all forms of slavery, servitude, forced labour and human trafficking. Our overarching values are defined via a policy document; this confirms our stance on slavery, human trafficking, forced labour, debt bondage and the sale/exploitation of children.

We are aware that the biggest slavery and human trafficking risks for ISG lie in our supply chains, particularly the supply chains of our subcontractors in higher-risk jurisdictions.

As part of our subcontractor due diligence procedures, we are in the process of incorporating an additional section into our vetting process. In the UK, potential new subcontractors are required to sign up to our ‘Anti-slavery and human trafficking supply chain commitment’ (the Supply Chain Commitment) as part of the subcontractor approval process. It is our intention that ISG-approved contractors, whether based in the UK or overseas, will progressively be required to sign up to our Supply Chain Commitment.

To view our Supply Chain Commitment document:

Click here

We have also confirmed improvement actions that have taken place within the Group during the past 12 months, or are planned during the next year, to reduce the risk of slavery or human trafficking taking place within ISG or our wider supply chain.

To view ISG's most recent modern slavery and human trafficking policy statement, which was approved by our Statutory board on 31 January 2019 and signed by our CEO:

Click here
Creating a diverse business is not only the right thing to do, it 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.

We are committed to eliminating discrimination and encouraging equality and diversity in all of our business activities, including the provision of services and employment. This commitment underpins all our policies and practices. We seek to maintain a positive working environment in which we respect each other – our people, clients and suppliers.

It is our policy to ensure that there shall be no discrimination or less favourable treatment of any person because of gender, sexual orientation, marital or civil partner status, gender reassignment, race, religion or belief, colour, nationality, ethnic or national origin, disability (both physical and mental), age, pregnancy or trade union membership, or the fact they are a part-time worker or a fixed-term employee.

This applies to all who work at ISG, and also equally applies to the treatment by our people of our supply chain, applicants, visitors and clients, as well as the treatment of our people by these third parties.

We are committed to engaging, promoting, and training our people on the basis of their capabilities, qualifications and experience, without discrimination. We will also avoid unlawful discrimination in all aspects of employment, including recruitment, promotion learning and development, transfer opportunities, conditions of service, pay and benefits, health and safety, grievance and disciplinary procedures and termination of employment, including redundancy.

All employees will receive an equal opportunity to progress within ISG; it is in our interests to ensure the business has access to the widest possible labour market.

We will not tolerate direct or indirect discrimination, victimisation or harassment, whether intentional or unintentional. In the event of any of the above occurring, disciplinary action will be taken, which may result in dismissal.

To support our equality and diversity objectives we will be open and transparent and commit to reporting our performance.
At ISG, we recognise the importance of learning and development and the part it plays in our investment for the future. ‘Never stop learning’ is one of our core values, and the development of our people is paramount; it is critical that the organisation has the skills and capabilities it needs to succeed. Our commitment to excellence and continuous improvement supports our ambitions to give people the opportunity to fulfil their potential. It also confirms our duty to act responsibly and safely in all that we do, proactively meeting our statutory obligations.

In support of ISG’s learning and development needs, our in-house learning and development hub provides our people with access to high-quality learning and development opportunities, the aims of which are shown below.

Management and personal development

- To provide a suite of development programmes for our entry talent, from Higher apprentices and graduates, through to our potential future leaders and senior leaders.

- To provide access to development that builds both management capability and also provides learning for all employees as they seek to enhance their contributions to the business.

- To provide an effective induction programme for new staff.

- To provide access to all statutory and mandatory programmes for all staff.

- To ensure there is effective reporting and accountability for the performance and delivery of any learning and development.

Ongoing learning and development

- To ensure there is a clear link between an individual’s performance development review and learning and development plan.

- To identify and provide timely learning and development opportunities for people in order that they are set up for success and can perform effectively.

- To ensure training is given to relevant staff when new business processes are introduced.

- To ensure appropriate training is given when there are changes to legislation or working practices.

Supply chain

- To utilise high-calibre learning and development partners to fulfil our learning and development requirements.

- To provide, where applicable, for the training of our supply chain (such as designers and subcontractors).

Legal compliance and risk management

- To provide appropriate and timely training to meet health, safety, quality, environmental and other legal responsibilities, and to ensure legislative compliance in all areas of the business.
Sustainability

This statement outlines our approach to sustainability and corporate responsibility. It should be read in conjunction with our vision and values, corporate strategy and supporting policies in relation to social, environmental and economic issues. We are committed to promoting the sustainability agenda through our own business operations, and supporting our clients to achieve their sustainable business goals.

We strive to create a place for people to thrive in our business, deliver performance we can be proud of, support communities who are better for knowing us, and ensure environments are both protected and enhanced.

We are committed to driving continual improvement, to deliver more sustainable, efficient construction and business processes in those areas where we have direct control, or the ability to influence others.

Aligned with our ‘All 4 by 24’ goals, our sustainable business strategy supports our effort to create value for our business and society by:

**People**
- offering an unbeatable employment experience by promoting equality and diversity, investing in training, development and succession planning, to recruit, retain and develop the best talent in our sector
- conducting our business responsibly to ensure the health, safety and well-being of all stakeholders and environments affected by our activities

**Performance**
- providing the best customer experience in our industry, by embedding a customer-focused culture that drives continual improvement, and supports our customers before, during and after project delivery
- achieving sustainable growth by working with repeat customers, and building strong, strategic supply chain partnerships
- achieving optimal operational efficiency, to secure profit through a resource-efficient culture, and sharing the benefits of this experience with customers and supply chains

**Communities**
- creating social value by investing in and collaborating with community, charity and supply chain partners local to our project sites and offices
- generating upskilling and employment opportunities, to support communities and reduce the social and economic impacts of unemployment and underemployment
- supporting global communities via strategic partnerships across our international locations

**Environments**
- driving revolutionary change in our industry to secure its sustainable future
- reducing our greenhouse gas emissions and our impacts on climate change through tech-led innovation, and working with our peers through industry collaborations
- driving resource efficiency and circular economy, through responsible procurement, efficient construction, and working with suppliers and charity partners to reuse materials
- delivering healthy and sustainable spaces that meet customers’ present and future needs
- promoting sustainable building solutions that reduce the impacts of whole-life cost and resource depletion.
Social responsibility

We are dedicated to building a dynamic legacy, in the places we build and the communities we build within. The nature of our work means we impact on the lives of communities around the world. We believe our industry has a responsibility and opportunity to make a difference, and we aim to lead that charge.

We are committed to creating enduring value in these communities and we support our employees to use their time and skills to benefit their local communities.

**We focus on:**

- creating training and employment opportunities for local people, both within ISG and our supply chain
- engaging with schools, colleges and universities, as well as charities, to support STEM (science, technology, engineering and mathematics) learning, enterprise skills and employability
- supporting the next generation of construction professionals
- and tackling the skills gap
- providing financial and ‘in kind’ support to charitable organisations
- promoting volunteering opportunities, matched giving and payroll giving, to enable our people to support their personal charitable interests
- working with hard-to-reach groups to promote social inclusivity
- delivering innovative programmes to encourage under-represented groups into the industry to enhance diversity
- investing in supply chains close to our projects
- engaging with social enterprises.

We have set targets within our sustainable business strategy and report our performance annually.
The environment

This statement confirms our intentions and commitment to fulfil our environmental compliance obligations and to take every reasonable measure to conduct our business activities in a safe and responsible manner. We aim to minimise negative impact and, where possible, provide positive enhancements to the environment. This statement should be read in conjunction with other relevant sections of our Code, including the sustainability section.

We are committed to:

- setting environmental objectives and targets within our sustainable business strategy and annual business plans, which are regularly monitored and reviewed to determine their effectiveness
- integrating sustainability throughout all aspects of the organisation
- protecting the environment, including biodiversity and ecosystems, preventing pollution and nuisance, promoting responsible procurement and resource efficiency and circular economy and responding to climate change through mitigation and adaptation
- continually improving our management systems to enhance environmental performance and minimise the impact of our activities on the environment.

This statement is regularly reviewed so that it continues to be appropriate to the purpose and context of the organisation, including the nature, scale and environmental impacts of our activities, products and services.

Our environmental procedures form part of our management systems and are made available to all employees. In the UK, these procedures have been certified as meeting the requirements of ISO 14001 Environmental Management Systems.
At ISG, we are committed to providing a generic and standard set of processes, procedures and methods for a procurement system that is fair, equitable, transparent, competitive and cost effective.

When managed effectively, procurement systems help drive growth, increase profitability at the same time as reducing margin erosion, facilitate fair competition, reduce the possibilities of abuse, improve predictability of outcome and allow the demonstration of best value.

The term supplier is used in this statement as a collective term for material or equipment supplier, sub contractor, consultant or professional services provider.

Supply chain management and Monitoring

We are committed to working with our suppliers by measuring key performance indicators in areas such as design, preconstruction, construction, costs and sustainability, to ensure that we continually improve our supply chain performance. We also ensure our supply partners have similar sustainable and ethical business practices that align with our own.

Compliance and due diligence

We select our suppliers carefully on every project. Initially they have to be pre-qualified and meet certain criteria in terms of health and safety, financial health and appropriate insurance levels. As a business, we must not allocate work to suppliers where there is a heightened risk that they might fail. Suppliers must be financially sound and free of any reports where they could bring the reputation of ISG into disrepute.

Anti-bribery, fraud and corruption

All employees within the business are expected to operate in a fair, honest and transparent manner. All activities carried out on behalf of the business must not be considered improper or cause any speculation that a conflict of interest might be in operation. No improper advantage must be afforded to any one party in decision-making when letting contracts out. ISG employees must never be beholden to an economic agent.

Human rights and anti-slavery

We are committed to ensuring our supply chain, and indeed their supply chains, operate within the confines of the law about employment, taking cognisance of the Modern Slavery Act 2015. Our employees and our supply chain should ensure they do not knowingly deal with any party which exploits labour or engages in human trafficking.

Commercial and regulatory

With the many different frameworks that the business operates in, ISG and its employees must ensure they uphold the governance by which those frameworks are constructed. When awarding contracts to our suppliers, it must be in accordance with all local and national laws, and in keeping with a fair and transparent manner.

Sustainability, ethics & integrity

As part of the relationships built with our suppliers, we can work in unison to help drive efficiency, minimise waste and help encourage innovation. All decision-making must be made with honesty, openness and fairness. We must encourage our suppliers to be transparent with their decision-making, along with striving towards continuous improvement. The sourcing of goods and services must be from ethical sources where possible, ensuring appropriate certification schemes, like the FSC and the PEFC, are promoted.

Corporate social responsibility

At the heart of our work is people. ISG strives to ensure that people are the top priority in our decision-making and feel our suppliers should also prioritise people. ISG works closely with suppliers to encourage local employment, education - particularly for young people, and encouragement to give back to the local community. ISG will also look to engage with a local supply chain in an effort to reduce carbon emissions.
Resource efficiency

This statement supports ISG’s stance on sustainability, the environment, procurement and the use of materials. It also sets a framework for responsible resource management including energy, water, materials and waste.

We are committed to minimising our resource consumption and complying with all applicable legislation within the countries in which we operate.

Energy and water

We are committed to:

- monitoring and minimising the use of energy and water from our operations
- supporting our stakeholders with their energy and water requirements
- reducing and reporting our greenhouse gas emissions.

Materials and waste

We are committed to:

- using and promoting the waste hierarchy to prevent waste arising, and minimising waste to landfill
- working with our customers, consultants and supply chain to ‘design out waste’ and minimise design change impacts on procurement and construction
- promoting the reuse of materials and / or those containing a high recycled content
- promoting the use of durable materials and products with enhanced lifespan and whole-life costing
- encouraging the use of materials with a low embodied energy / carbon impact
- promoting ‘paperless’ management procedures
- promoting the use of paper from sustainable or recycled sources
- utilising resource management and site waste management plans
- purchasing energy-efficient products which can be easily reused or recycled wherever possible
- maximising waste stream segregation for reuse and recycling on site and in offices.

We have set targets within our sustainable business strategy and report our performance annually.
We are committed to the continuous improvement of quality across all areas of ISG’s operations, and to remain at the forefront of implementing best practice initiatives within our business and management systems.

To implement this strategy and to achieve our quality objectives, we have developed processes and procedures that are contained within our management systems. In the UK and several other countries in which ISG operates, these have been certified as meeting the requirements of ISO 9001; compliance with this standard is mandatory for all ISG employees and ISG business partners operating in these countries. It is our aim to introduce such standards throughout our global business over time.

This will ensure that:

- we fully understand all applicable requirements of our customers and interested parties and are committed to satisfying their needs
- we will establish quality objectives which will be regularly monitored and reviewed to benchmark their effectiveness
- our policy and management systems are regularly reviewed for continuing suitability and effectiveness, to ensure they are ‘fit for purpose’ in the context of our business and the strategic plans they are helping to deliver.
With effect from 25 May 2018, The General Data Protection Regulation (GDPR) came into effect within all European Union member states. This new regulation describes how organisations, including ISG, must collect, handle and store personal information to ensure compliance.

GDPR applies regardless of whether data is stored electronically, on paper or on other materials. To comply with the law, personal information must be collected and used fairly, stored safely and cannot be disclosed unlawfully.

GDPR is designed to improve the privacy rights of individuals in relation to the information that organisations store on them, and it supersedes current data protection legislation.

ISG is committed to complying with data protection legislation and good practice.

**Data protection law**

GDPR is underpinned by the following six important principles, whereby personal data must be.

- processed fairly and lawfully and in a transparent manner in relation to individuals
- obtained only for specific, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes
- adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed
- accurate and kept up to date
- held for no longer than necessary
- processed in a manner that ensures appropriate security of the personal data.

**How will ISG ensure compliance?**

At ISG, we have undertaken, or are currently in the process of undertaking, a variety of tasks to ensure that we comply with GDPR. These include:

- the updating of data protection policies and procedures
- auditing existing processes to better understand how we use personal data, where it is stored, how secure it is, who has access to it and what processes are used to send such data both internally and to third parties externally
- the development of system changes / data cleansing
- the roll-out of suitable training for our employees, contractors and freelancers.

**Data protection officer**

In accordance with the requirements of GDPR, ISG has appointed a (DPO) to oversee the development of our data protection policies and procedures to help ensure we are all complying with these. The DPO sits on the risk committee and the ISG business change board to ensure GDPR is highly visible within the company.

An external data protection consultant provides specialist advice about ongoing data protection issues and helps ISG mitigate its data protection risks. The DPO reports directly to ISG’s chief financial officer.
At ISG, we are committed to complying with all applicable tax laws, and work to a tax strategy that is transparent, aligned with business objectives and acceptable to tax authorities in the jurisdictions in which we operate.

Failure to comply with tax compliance requirements can result in fines and penalties, as well as damaging reputations and increasing the cost of doing business. It is our intention to adhere to all tax compliance and disclosure requirements, in addition to engaging with tax authorities in an open and constructive manner.

The purpose of this statement, along with ISG’s tax strategy governance policy and wider tax policies, is to set the framework for meeting compliance obligations and define the approach to strategic tax planning.

We are absolutely against any activity by corporate entity, employee or associated person that facilitates tax evasion activities by both related and unconnected parties.

**People and responsibilities**

- Business unit directors are responsible for their business tax compliance and risk management.
- Group Tax Function is responsible for the Group’s tax risk management and managing the impact of tax on the reputation of the Group.

**Communication**

- Business units must communicate to the Group Tax Function without delay all tax audits, significant errors, risks or concerns, so that advice can be provided in a timely manner.

**Group structure**

- The Group seeks to ensure that the legal structure of the business is appropriate to support Group operations, while not resulting in unnecessary tax risk.
- Business units seeking to incorporate a new entity, open a branch or commence operations in a new jurisdiction must seek input and sign off from the Group Tax Function.

**Tax risk management**

- All ISG businesses must keep a register of tax risks.
- Business unit managing directors and financial directors are responsible for implementing appropriate controls to manage identified risks.
- The Group Tax Function advises on appropriate controls to tax risks.