



NG Bailey

Responsibility Report • 2019

Our One Approach to Business



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Our One Approach to Business



Trinity Shopping Centre, Leeds

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Welcome

In 2018/19, I am pleased to report that we launched our revised One Approach to Business strategy outlining our commitments to operating responsibly through to 2021, our centenary year. As a family-owned business, one of our core values is integrity, to us that means acting responsibly in everything that we do and our new strategy seeks to focus on the areas critical to our stakeholders and most relevant to our business. 2018/19 saw the business expand and we welcomed Freedom, a leading provider of facilities and power engineering services to the NG Bailey Group. I am delighted that they feature in the Group report for the first time this year.

Our performance this year has been strong across all areas of the strategy. We have invested in developing our customer experience resulting in a significant improvement in our Net Promoter Score and have delivered some exceptional projects across the Group. We achieved a 15% reduction in our carbon intensity per employee and invested in the wellbeing and mental health of our people, providing mental health training to over 400 managers and supervisors, signing the Time to Change mental health pledge and launching our own

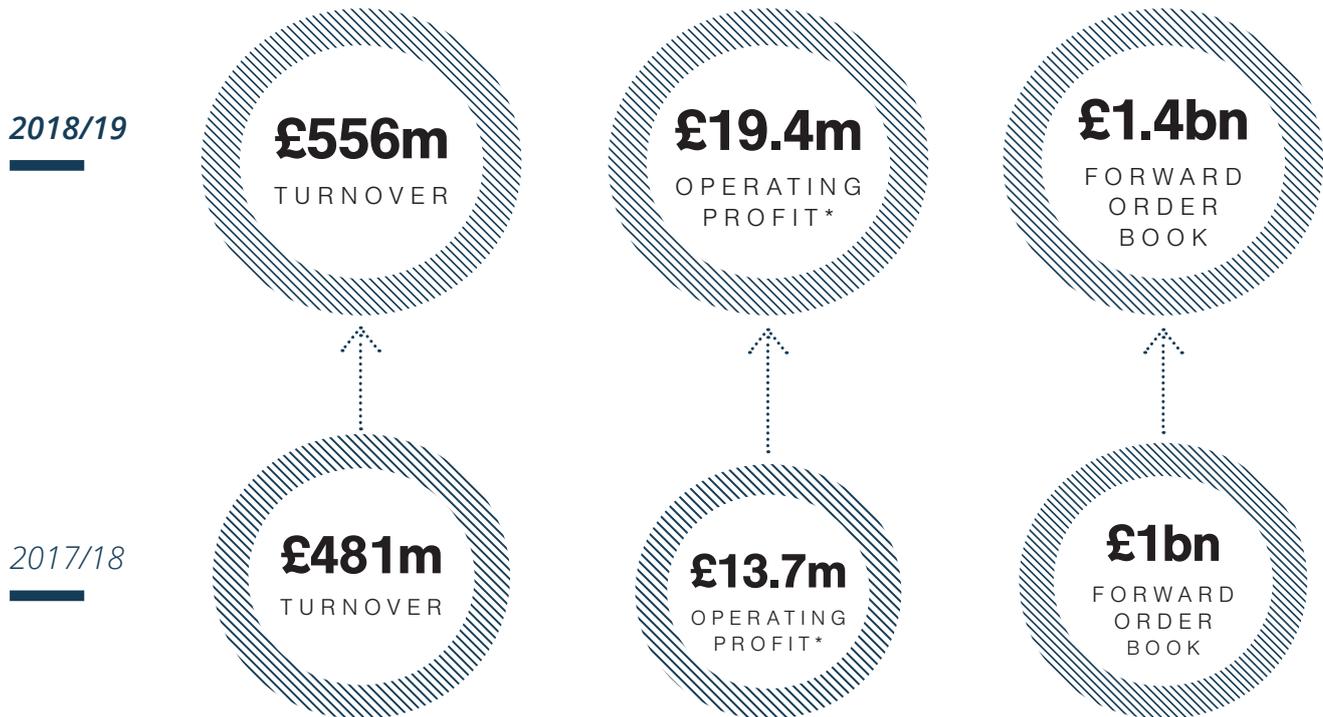
bespoke online knowledge and wellbeing hub. We continue to promote the Fairness, Inclusion and Respect agenda for our industry, and have engaged with over 2,000 students across the UK, inspiring the next generation to join the construction and engineering sector. Following a hugely successful charity partnership with Alzheimer's Research UK, I am delighted that we raised a fantastic £112,000 for essential dementia research.

We recognise that responsibility remains important to our customers, employees and the communities in which we work. The next 12 months will see us focus on building on the success of this year and continuing to deliver against our plan. We value meaningful feedback, so please send any questions or comments to responsibility@ngbailey.co.uk.

A handwritten signature in black ink, appearing to read 'D Hurcomb', written in a cursive style.

DAVID HURCOMB
Chief Executive

Our financial performance



I am delighted to be able to report that 2018/19 was another very strong year for NG Bailey with a 42% increase in underlying operating profit* driven by the acquisition of Freedom in March 2018. This is against a backdrop of a challenging general economic environment, as the uncertainty surrounding Brexit and global unease continues.

Freedom is a leading provider of facilities and power engineering services and the acquisition builds on our long-term strategy of sustainable growth in our chosen markets such as data centre telecoms and ports. Following the acquisition of Freedom, we amalgamated our IT Services and Facilities Services businesses together with Freedom into a new Services division. We will focus on maximising income by working with our customers to ensure we fully support them with NG Bailey's increasing capability, so that we can mutually benefit from growing relationships.

In this current trading environment one of our differentiators is the strength of our balance sheet as customers look for strength and stability in their supply chain over the project life cycle. Net assets were £133.9m at the period

end (2018: £139.0m) which is strongly cash backed. We have cash and liquid investments with a market value of £76.6m (2018: £84.9m) at the period end.

Across our businesses, we continue to be highly selective in our 'bid no bid' process in order to win work at margins commensurate with the risk. We continue to deliver our strategy to achieve a broad balance in the business across the three sectors of building construction, rail/ infrastructure and services and this will remain our strategic goal. For the forthcoming year, our £1.4bn order book and continued commitment from the Government to defence and infrastructure spending, puts us in an excellent position despite the current environment.

MIKE PORTER
Chief Financial Officer



Urban Sciences Building, Newcastle

An award winning business

Our business performance continues to be recognised by the industry, and during the last year we have won, and been shortlisted for a wide range of industry awards including Contractor of the Year and Training Excellence in the Construction News Specialist Awards; Engineering Company of the Year at the National Centre for Diversity Grand Awards; Carbon Reduction in the EDIE Awards; Education and Training Excellence and Supplier and Contractor Excellence at the Rail Business Awards; Large Contractor of the Year and Excellence in Training and Development at the Electrical Contractors Association Industry Awards.

Our people were recognised at the H&V News Awards taking home the prize for Apprentice of the Year, over 21

Building Services Engineer of the Year and Heating and Ventilation Apprentice of the Year at Building Engineering Services Association (BESA) Awards and recognition for our HR colleagues in the Best Recruitment Team category at the In-house Recruitment Awards.

We were proud to once again have our safety performance recognised by the Royal Society for the Prevention of Accidents (RoSPA) with nine gold medal awards, one gold achievement award and the highly coveted Order of Distinction, RoSPA's highest accolade.

These achievements are a testament to the hard work and dedication of all our people at NG Bailey.



Engaging our stakeholders

NG Bailey is a business founded on its values of Passion, Integrity and Excellence. When coupled with our mission “to responsibly, design, build, operate and maintain buildings, infrastructure and IT services”, and as embodied in our vision “to create exceptional environments for present and future generations”, our One Approach to operating responsibly is integral to our culture and underpins everything that we do.

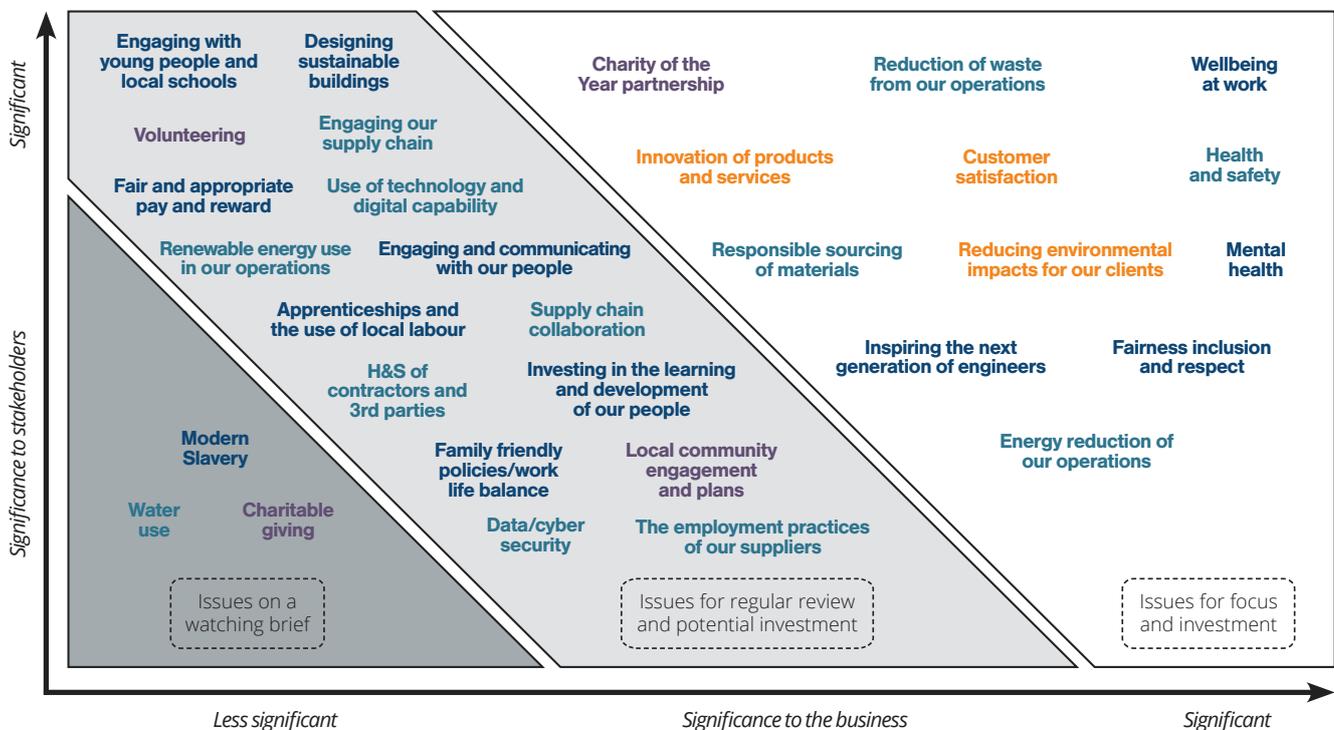
The materiality process

We know our customers, our employees, communities and other stakeholders demand the highest levels of operational and technical excellence from us as a business. That is why, following the final year of our five year strategy, we took the opportunity to revisit our approach to our responsibilities and sustainability by engaging our stakeholders and conducting a materiality review.

Materiality is about identifying the issues that matter most to our business and our stakeholders, and therefore we examined the economic, social and environmental issues that are of most concern to our stakeholders against those that pose risks or present opportunities to NG Bailey.

Undertaking this analysis* enabled us to identify the issues that stakeholders want to see us prioritise as a business and cover in our reporting. The findings of our analysis are as below:

NG Bailey Materiality Matrix



Key - alignment to key strategy outcome

- Recognised employer of choice
- A safe and sustainable business
- The partner of choice in our industry
- Giving something back

* It is important to note that the materiality assessment above represents a snapshot in time and is subject to external influences and the changing priorities of the business.

Our One Approach to Business

Our refreshed One Approach strategy builds on the success we have already achieved and responds to the material issues for our business. The strategy focuses on achieving four key outcomes through 11 workstreams by 2021.

A safe and sustainable business

The safety of our people and all those who work on our projects comes first and foremost, but we also take our environmental and supply chain impacts seriously too. We have invested in renewable energy initiatives across our business and continue to improve the sustainability and efficiency of our offices and operations. We understand the importance of a sustainable supply chain and by 2021 we hope to have achieved the ISO 20400 sustainable procurement standard.

A recognised employer of choice

Recognised as 'One to Watch' by the Sunday Times Best Companies to Work For, we recognise how important our people are to the business. We are actively developing our approach to Fairness, Inclusion and Respect and working to provide clear progression and development opportunities for our current employees. By providing educational resources and workshops we hope to inspire the next generation of engineers through our INSPIRE school engagement programme.

The partner of choice in our industry

We appreciate that our customers face sustainability challenges of their own and we recognise that we have the ability to help reduce their impacts through the services we offer. We are committed to working with our customers to understand how we can support their sustainability goals.

Giving something back

As a business we play an important role in the communities we work in. We invest in supporting our employees in their charitable efforts through financial and in-kind support and provide further investment through our employee nominated charity partnership. Alongside this, we continue to work with our customers to support community projects and provide other support where appropriate.



The Sustainable Development Goals

The Sustainable Development Goals (SDGs), launched by the United Nations in 2015, are the 'blueprint' to achieving a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate, environmental degradation, prosperity, and peace and justice. The 17 SDGs were originally applied to countries, but it soon became increasingly apparent the role that business can play in transforming the world in support of these goals.

For the first time, this year we have reported with the SDGs in mind. Our business has the potential to support all the

SDGs, however we are able to directly influence some more than others. Where our One Approach to Business strategy contributes to the achievement of the SDGs we have indicated this alignment throughout the report and for our key performance indicators using the relevant symbols.

We continue to make a positive impact as a result of our strategy and believe the six SDGs we are able influence most as a result of our strategy and activities are outlined below:

SUSTAINABLE DEVELOPMENT GOALS



Our SDG reporting matrix

Reporting against the SDGs encourages further transparency and accountability and that's why in 2018 we adopted the SDGs as part of our revised One Approach to Business strategy.

The table below illustrates how our strategy and commitments map to the SDGs and where you can locate supporting content detailing activities undertaken by the business.

A safe and sustainable business



GOOD HEALTH AND WELL-BEING

- Our safety performance [pg 10]
- Celebrating one year of zero harm [pg 10]



AFFORDABLE AND CLEAN ENERGY

- Reducing our environmental impacts [pg 12]



RESPONSIBLE CONSUMPTION AND PRODUCTION

- Recycling Lives [pg 13]
- Saying goodbye to single use plastics [pg 11]
- Engaging our supply chain [pg 11]



CLIMATE ACTION

- Reducing our environmental impacts [pg 12]



LIFE ON LAND

- Managing habitats that benefit biodiversity [pg 11]

The partner of choice in our industry



QUALITY EDUCATION

- Creating sustainable learning environments [pg 15]



DECENT WORK AND ECONOMIC GROWTH

- Partnering for skills in the South West [pg 16]



INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Investing in our customers' experience [pg 14]
- Developing energy infrastructure for the future [pg 14]
- Saving energy, costs and carbon for our customers [pg 16]
- Sustaining success with our offsite capability [pg 15]
- Innovation for power infrastructure [pg 14]



SUSTAINABLE CITIES AND COMMUNITIES

- Collaborating with our customers [pg 14]
- Transformation for Hospital Trust [pg 15]

Recognised employer of choice



GOOD HEALTH AND WELL-BEING

- Happy and healthy workforce [pg 18]



DECENT WORK AND ECONOMIC GROWTH

- Inspiring the next generation of engineers [pg 20]
- Investing in skills fit for the future [pg 20]
- Experiencing engineering [pg 21]
- Upskilling our Armed Forces [pg 20]



REDUCED INEQUALITIES

- A fair and inclusive place to work [pg 21]

Giving something back



NO POVERTY

- Christmas at Kidz Klub [pg 24]



GOOD HEALTH AND WELL-BEING

- Midlands in Mind [pg 24]



QUALITY EDUCATION

- Taking to the sea with BBBJV [pg 25]



PARTNERSHIPS FOR THE GOALS

- Charity Partnership Success [pg 22]



MULTIPLE SDGs

- Helping our people support the causes they love [pg 25]

To find out more about Sustainable Development, please visit sustainabledevelopment.un.org.

A safe and sustainable business



Our safety performance

Our Group-wide commitment to put Safety First & Foremost and our ongoing investment in our Don't Walk By campaign has continued to improve the safety and wellbeing of our people in the workplace.

This has resulted in over five million RIDDOR free hours, a fantastic example of our Safety First & Foremost principal in action. In recognition of our performance, RoSPA have awarded us nine Gold Medal Awards across the business, one Gold Achievement Award, and NG Bailey Group has received the highly coveted Order of Distinction, RoSPA's highest accolade, awarded for achieving over 15 consecutive Gold Medal Awards.

Number of RIDDORS



Number of Don't Walk By's



However, unfortunately this year we had seven RIDDOR incidents, impacting three of our employees and three contractors, and we also had a dangerous occurrence. We are dedicated to fully investigating and learning from any incident that occurs, to ensure controls are put in place to prevent further incidents.

We recognise that any incident or injury to one of our people is one too many, that is why we have continued to encourage our people to report any unsafe observations, occurrences or actions as well as recognise and acknowledge safe ones so we can share best practise across the group. This commitment to continuous improvement is demonstrated through a 38% increase in near miss reporting through our Don't Walk By campaign.



Celebrating one year of zero harm

Freedom (part of our Services division) demonstrated safety success achieving a full year of zero harm in 2018/19. Following a programme designed to encourage

all employees to consider their working environment, their personal actions and the identification of potential hazards or risks with regular reporting to resolve them, they had no reportable accidents or injuries that prevented colleagues from working. These efforts to improve the health and safety culture of their workforce has also resulted in Freedom being presented with a prestigious safety award by client, Northern Powergrid, for being the Leading Safety Performer in 2018.

*For comparative purposes only the unsafe observations, occurrences and actions have been reported in the graph. The total number of Don't Walk By's reported throughout the year was 17,427. However this includes 4,588 reports of security concerns and 'commendable practice'.



NG Bailey's commitment to Safety First & Foremost can be seen in every aspect of the working environment



Saying goodbye to single use plastics

In a time of increasing visibility of global and national plastic use, our Services division have made innovative changes to reducing and recycling plastic from both their site and office locations. Utilising a local plastic recycling plant we were able to re-process over 1,800 plastic buckets into new goods such as plastic pipes, waste bins, flower pots and dashboards. This waste stream would have likely ended up in landfill in most other instances. Furthermore, Freedom has adopted a zero disposable plastic policy across all its office locations, with the remainder of the Group looking to implement the same policy in 2019.



Engaging our supply chain

As part of our continued efforts to engage with our supply chain, almost 200 suppliers were engaged across the business through Customer of Choice events this year. The events, which were held regionally, were an opportunity for our procurement teams to share the priorities and expectations of the business in order to develop relationships and foster trust. Furthermore, 39 supply chain quality audits were conducted, providing an opportunity for us to learn more about capabilities and innovation in the supply chain and, to provide advice and support to encourage a collaborative approach to delivery and a quality output for all. In addition, our Balfour Beatty Bailey Joint Venture (BBBJV) team held a supplier engagement event attended by over 170 delegates from across the globe. The event saw us share our project (Hinkley Point C) scope alongside the quality, procurement and engineering expectations for the project and we reinforced the importance of embedding a nuclear safety culture, with 100% of the attendees saying that they enjoyed the day.



Managing habitats that benefit biodiversity

Freedom, part of our Services division, work with a number of significant land owners across the UK, providing environmental land management services for these estates. One such client is EDF, where we manage 2,000 hectares of land in England and Scotland. As part of this partnership we work collaboratively with other partners and volunteers across the estate to protect and enhance the rich biodiversity of the local fauna and flora. This includes management of vegetation and woodland, creating new habitats for rare species, undertaking ecological surveys, and working with clients to understand local needs. Last year, two of our major sites at Dungeness and Sizewell retained the Biodiversity Benchmark, the only standard that certifies management of business landholdings for wildlife.



A safe and sustainable business



Reducing our environmental impacts

A key focus for becoming a safe and sustainable business is to reduce our impact on the environment, and therefore we have set targets for the Group to reduce its carbon intensity per employee by 5% every year for the lifetime of the strategy.

This year, following continued efforts across the Group, we exceeded our target and achieved a 15% reduction in our carbon intensity, reaching 1.58 tonnes of carbon equivalent per employee (tCO₂e/employee) (see figure 1 below).

This is equivalent to an incredible 1,025 tonne reduction year on year by encouraging our people to make changes to their

working routine and environments and replace non-essential travel with our Skype for business capabilities. This change resulted in over 3.7 million minutes of calls being made over the year. We also carefully considered our energy procurement and expanded our scope of low carbon electricity purchasing within the Group, resulting in a market based intensity measure of 1.39 tCO₂e/employee, equivalent to a 21% reduction year on year. 70% of our purchased electricity across the Group is now backed from low carbon sources and we continue to use solar photovoltaics and biomass to power and heat our properties, and this year we generated almost 336,000 kWh of solar energy.

Following the acquisition of Freedom (now part of our Services division) we have included their impacts in our footprint for the first time (see revised Group performance in the figure below). This integration has seen our intensity metric increase to 2.50 tCO₂e/employee (2.34 tCO₂e/employee market based measure). This material change to our footprint means that the 2018/19 reporting year will now become our new baseline for future reporting.

2018/19 Carbon intensity comparison | Figure 1

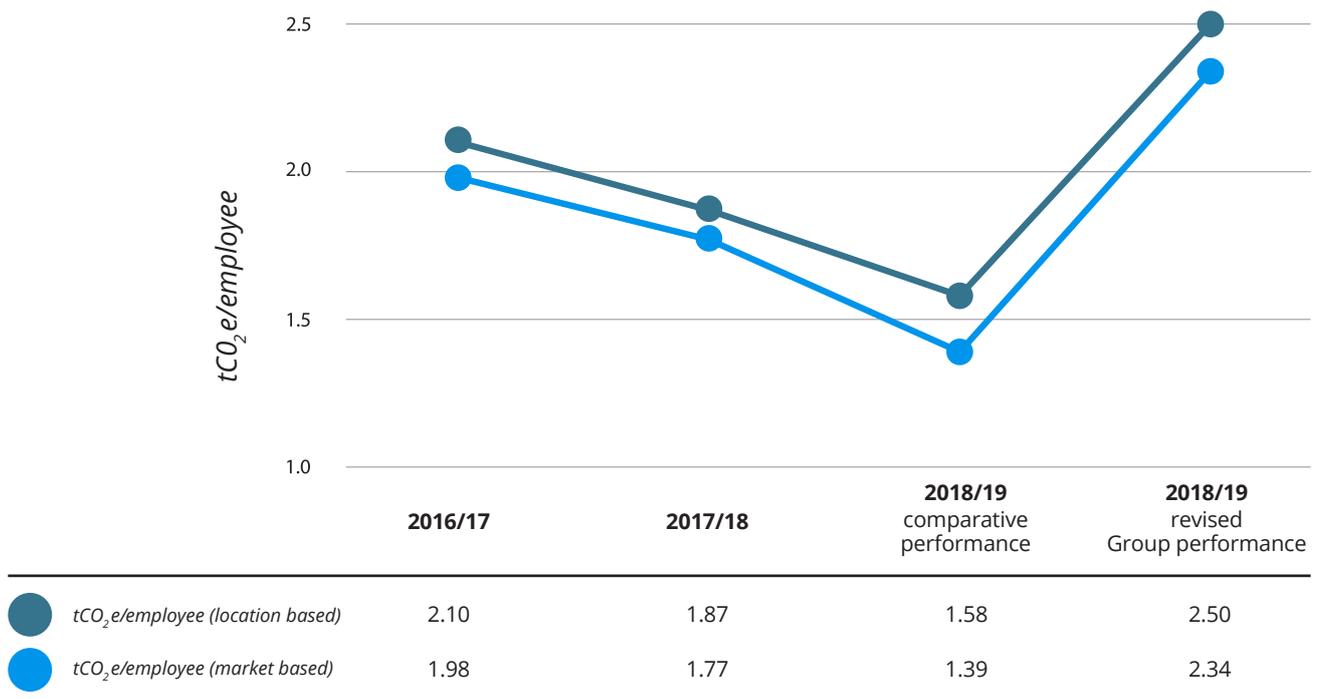
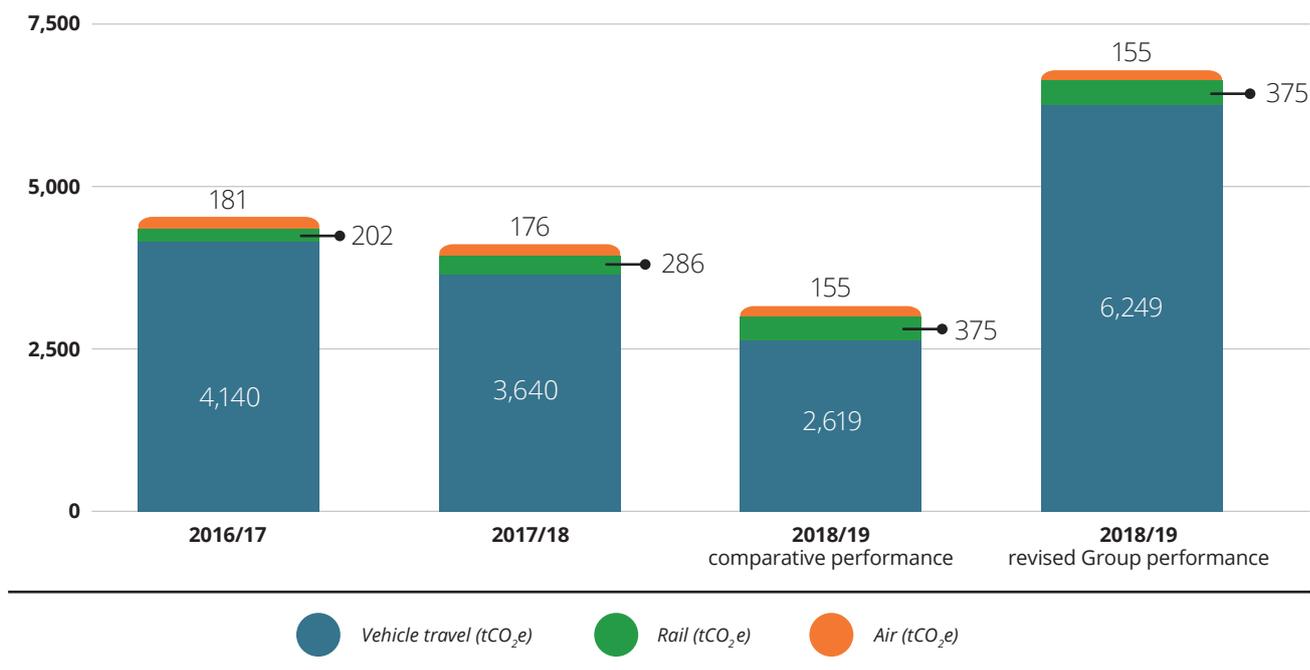


Figure 1: Carbon intensity of NG Bailey our operations for the past 3 years. The 2018/19 revised Group figure reflects our new Group structure with the addition of Freedom.

Travel related carbon (tCO₂e) | Figure 2

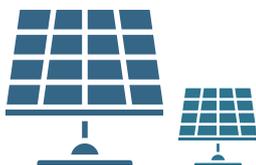


We know that business related travel continues to be our largest impact, representing 83% of our revised Group footprint. However, we are delighted that our comparative performance shows we achieved a decrease of over 1,000 tonnes of carbon due to a reduction in business mileage of almost three million miles. Vehicle travel does remain a core element of how we service our contracts and customers and we continue to examine ways to reduce our travel related carbon footprint. This year our average vehicle carbon profile was 103g/CO₂/km, and following a review of our fleet policy we have reduced the emissions cap of individual vehicles to a maximum of 130gCO₂/km. We have also ensured that hybrid vehicles are available as an alternative option to standard diesel and petrol vehicles, with them currently accounting for just under 10% of our Group fleet. We will continue to review this policy, and as technology continues to improve we will adjust our approach appropriately, ensuring we are providing sustainable and responsible fleet options for the Group.



70%
of our
purchased
electricity is
sourced from
low carbon
generation

Generated 335,995kWh of renewable energy from solar, equivalent to powering 91 average homes for a full year.



Generating social value with Recycling Lives

We recognise the importance of managing our resources

well to minimise the waste we generate. Last year we reviewed our waste management strategy in an effort to not only reduce the waste we generate, but to better manage the waste we do. To facilitate this goal, we partnered from August 2018 with a new waste provider, Recycling Lives, and achieved an overall landfill diversion rate of 95% since the contract commenced.

By partnering with Recycling Lives we are contributing not only to more efficient waste management, but also to helping individuals into independent living, rehabilitating ex-offenders and delivering meals to vulnerable people across Lancashire and Cumbria - all of which generates social value through savings to society.

To date, our partnership with Recycling Lives has generated a social value of over £3,000 and contributed to 319 meals being served.

We are unable to report waste as a Group at present but Freedom continue to manage their waste responsibly. 2018 saw them achieve zero waste to landfill and they continue to work to minimise waste generated across the business having eliminated single use plastics from their offices.

The partner of choice in our industry



11 SUSTAINABLE CITIES AND COMMUNITIES

Collaborating with our customers

This year our Midlands Engineering team collaborated with Willmott Dixon in support of their sustainability targets, taking part in their 2018 Trainee

Challenge and contributing to two community projects. The challenge was to give back to the community by completing a project, whilst providing an environment for trainees to independently complete a small project from start to finish.

Eight of our employees were tasked with the building and fit-out of a summer house for Macintyre Care; a charity that runs numerous care homes across the country where they care for residents of varying disabilities. We installed emergency lighting, power and heat with a charity football event being arranged to fund-raise the costs for the materials required.

Furthermore, seven of our people transformed a garden area and built a new stage for pupils at Hazel Oak School, a school for children with moderate learning difficulties. This included replacing external bib taps, the provision of power outlets and the connection of an external water feature.



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Innovation for power infrastructure

Freedom has developed and patented Point of Connection masts (POC-MAST™), designed to fit into multiple varieties of

existing overhead electric line systems without the need for costly and disruptive power outages.

This award-winning innovative solution provides an easy to install and cost effective method of connecting to existing electricity infrastructure. The introduction of POC-MAST™ also brings significant safety benefits, reducing the requirement for heavy lifting machinery and less time working at height for our Services engineers. Environmental impacts can be mitigated through reducing the requirement for concrete foundations, avoidance of the diesel generators and their associated carbon emissions.



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Developing energy infrastructure for the future

With the UK's energy demands changing, the power generation industry has looked to solar and

wind renewables and battery energy storage to meet the UK's future energy needs. Freedom, part of our Services division, are currently drawing on their diverse skill-base and knowledge of the energy market to develop efficient battery energy storage to determine what the future of electric vehicle charging will look like. Having delivered a number of smaller EV charging projects alongside an array of renewable connection works, we hope to partner with an array of key clients to provide a high quality, turnkey capacity matching service, full system design, installation and maintenance.



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Investing in our customers' experience

This year our Group net promoter score has increased significantly to a score of 31. This score is reflective of how we value our customers' feedback and how their

satisfaction is paramount to us. This year we have engaged on a quarterly basis to understand more about our customers' satisfaction, our service behaviours and our service support, as well as identifying any barriers or difficulty in delivery to ensure we work to resolve them. We've also looked to identify those members of our teams who stood out for providing an exceptional service across the period to enable us to reward and recognise them for living our values. Visibility of this information allows us to directly respond to our customers' needs, build and maintain our relationships, and continue showcasing our reputation as being a partner of choice in our industry; all coming together as part of our aim to deliver an exceptional service, consistently, to every customer, every day.

Over the next 12 months we'll continue to enhance our customer experience by adding to our Customer Experience Development Pathway training programme, which already includes a new customer focused apprenticeship as well as a new communication workshop, and our customer and service partner collaboration model.

“ This project demonstrates how a major infrastructure upgrade on a busy hospital campus can be delivered successfully through careful planning and close collaboration with all parties. Our team’s approach to innovation including the manufacture of major components offsite helped to minimise the impact of these works on the hospital estate ”

Patrick Morrison,
Pre Contract Manager, NG Bailey



North Tees Energy Centre under construction



Transformation for Hospital Trust

This year our Engineering division completed a new energy centre for North Tees and Hartlepool NHS Foundation Trust, an integrated

hospital and community services healthcare organisation serving around 400,000 people across the North East. With some parts of the existing hospital nearly 50 years old, the Trust recognised it needed to invest in a new energy centre capable of serving the entire site whilst being more reliable, more energy efficient and environmentally friendly.

Having been appointed as principal contractor and with this brief in mind our team incorporated solar voltaics that will provide between 5-10% of the hospitals energy in the long term; we used our BIM experts and models to ensure that the design and layout of all our mechanical and electrical components were right first time, free of defects and of the best quality, ultimately reducing overall disruption to the hospital site. In addition, the use of our offsite manufacturing capability at our specialist facilities resulted in quicker on-site assembly, requiring fewer operatives to install, and thereby reducing the health and safety risks, and achieving nearly 70,000 labour hours accident-free.



Sustaining success with our offsite capability

NG Bailey has been pioneering the use of offsite assembly since 1997, and is recognised as a leader in this field. Our dedicated facility employs

benchmark techniques, the use of innovative tools, and a specially-trained workforce to design and produce a range of offsite modular solutions for mechanical and electrical building services. Manufacturing at our offsite facility has significant safety benefits when compared with traditional on-site construction, can save build and labour costs and reduce on-site waste. Our facility has a proven track record of delivering projects on time, on budget, and defect-free.

We continue to demonstrate innovation and success in our offsite capabilities, being nominated for and winning several awards in the past year, including the Offsite Project of the Year Award at The Constructing Excellence in the North East Awards for our Urban Sciences Building at Newcastle University.



State-of-the-art Astrea Academy in Burngreave, Sheffield



Creating sustainable learning environments

NG Bailey has been central to the build of the £25m state-of-the-art Astrea Academy

in Burngreave, Sheffield providing the mechanical and electrical services for the new four-storey secondary school. The new building, together with a refurbishment of a local primary school, will provide a modern, sustainable learning environment for almost 1,500 children and young people.

The new build school has a number of sustainable systems including high efficiency boilers, LED lighting throughout the school and photovoltaic panels on the roof, to ensure the building has a reduced environmental impact as well as providing innovative energy solutions.

“ This is a fantastic project for NG Bailey to be involved in. We’re helping create a high-quality learning environment for many future generations of children in Sheffield ”

Chris Catterick,
Operations Director at NG Bailey

The partner of choice in our industry



Saving energy, costs and carbon for our customers

Our dedicated Energy team in our Services division provides sustainable solutions to reduce the energy consumption and increase

the energy efficiency of the built environment. Through the use of new technology and the optimisation of existing energy management systems. Over the past year they have made an overall carbon saving of 57,846 tonnes of CO₂e across our customer portfolios.

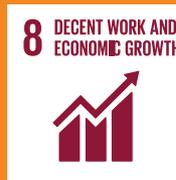
Our Head of Energy, Chris Coath, recently discussed the Intergovernmental Panel on Climate Change report on global warming in the Facilities Management Journal. Examining what the facilities management sector can do to help reduce global emissions through energy management and a range of other sustainable initiatives, Chris said: "The facilities management sector needs to rise to the challenge to ensure we deliver exceptional building performance and reduce carbon emissions. The industry must integrate new technology and new data-led strategies to ensure that energy waste is removed and guide customers into making informed decisions about the future of their assets".

The energy savings we have secured for our customers have been achieved through a variety of methods. For example, we deployed energy monitoring devices across a customer's estate that contributed to increasing the visibility of energy use through bespoke management dashboards and daily data analysis for building energy use. This led to a reduction in carbon across the estate.

We have also continued to support Landsec in achieving their goal of reducing their London building portfolio energy intensity by 40% by 2030 as part of their corporate commitment to green leases. Our contribution saw us undertake detailed energy audits, identify mismatches between asset operation and retail activity, and develop a new energy optimisation strategy.

“ NG Bailey's business focused maintenance proposition really stood out because they were creative and wanted to move away from standard maintenance regimes. Their dynamic approach offered us something new and matched our overall objectives ”

Ian Burr
Head of Property Management, Landsec London



Partnering for skills in the Southwest

In October we partnered with Galliford Try at the Ambitions Career Fair in Bristol. The event, aimed at year nine students,

provided an opportunity to investigate the different employment sectors, roles and career paths available.

Together with Galliford Try, one of our apprentices delivered an interactive activity with electrical circuits, as well as talking to students about the construction and engineering industry, and the possible routes into those careers.



Galliford Try Construction
@gallifordtry

Our South West team is delighted to be part of a great event today at @SGS_College for the #AmbitionsCareerFair. We have partnered with @NGBaileyUK for the day to show the students how a main contractor and supply chain work together.



Successful partnerships



Birmingham City University, Birmingham



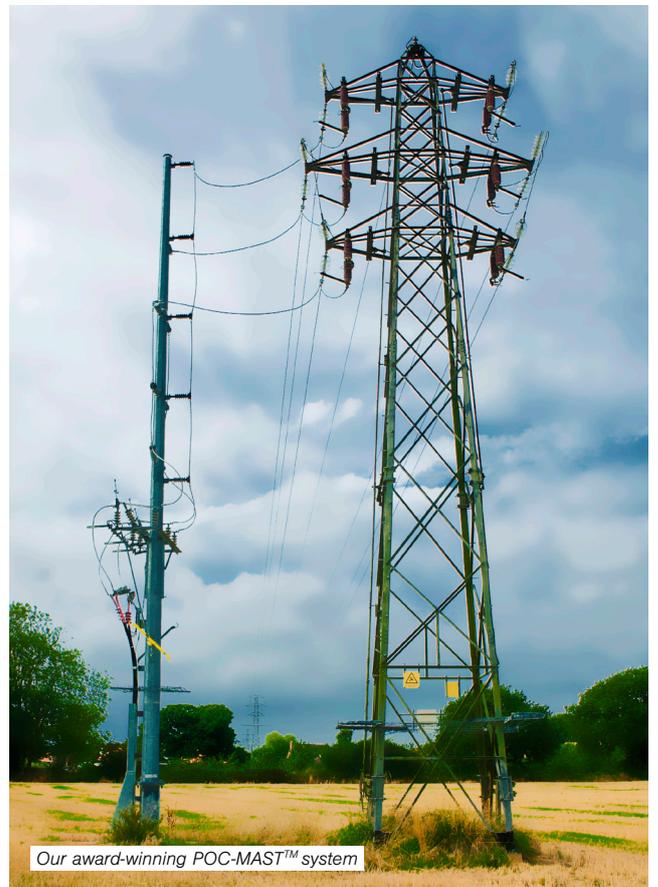
Trinity shopping centre, Leeds



Farrington Street Station, London



Nomura Bank, London



Our award-winning POC-MAST™ system



Inside our Offsite Manufacture facility, Bradford



Engineering Heartspace, University of Sheffield

A recognised employer of choice



A happy and healthy workforce

In support of our commitment to a happy and healthy workforce, this year we launched our Group wide Working Well strategy (see graphic on pg 19). The strategy is designed to help our people stay well and work well. The strategy has been supported by a number of key investments:

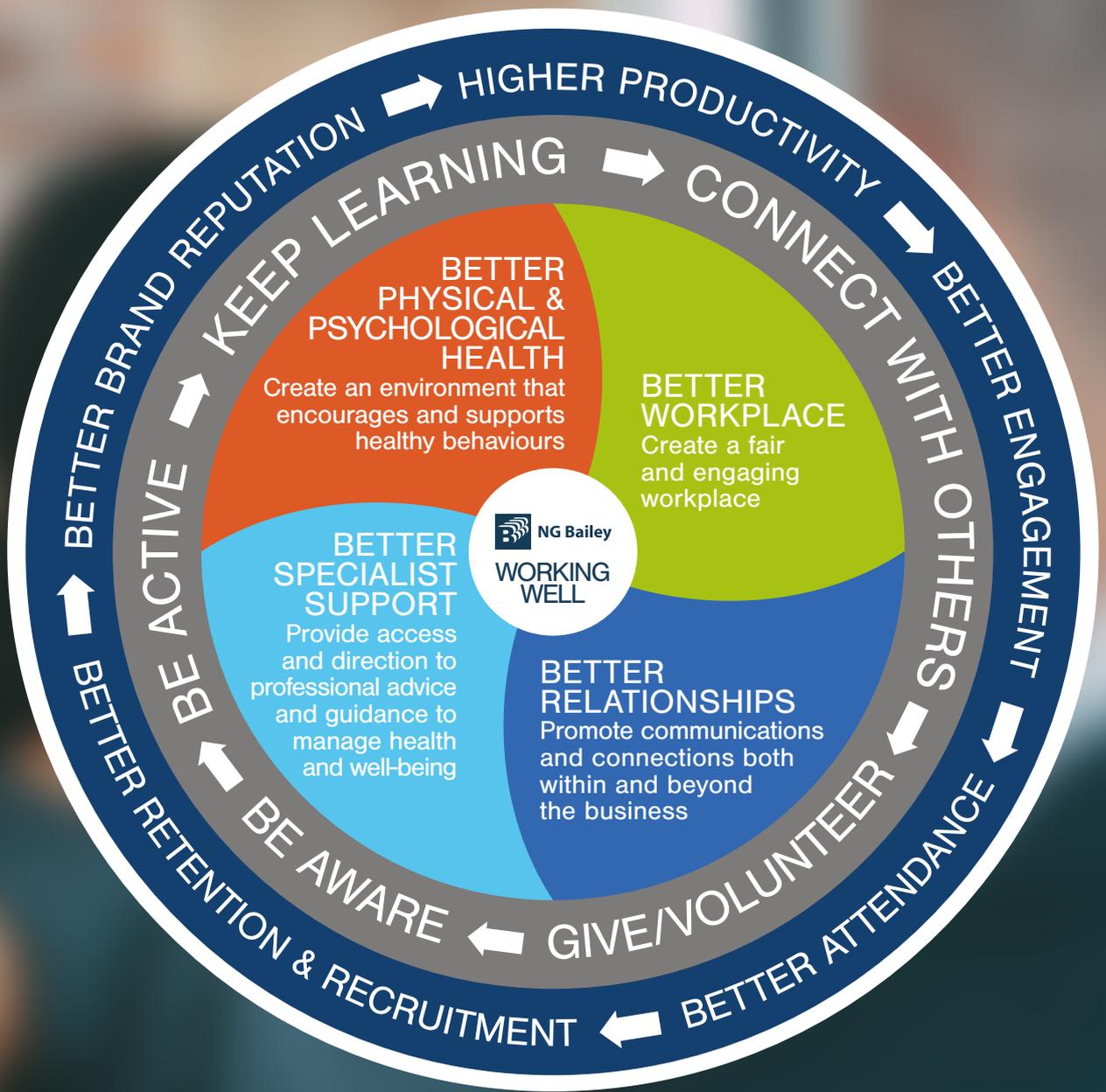
- Our Working Well Hub is a 'one-stop-shop' of resources, information and practical support that enables our people to engage with their own physical and mental health and wellbeing, and that of their family, friends and colleagues
- Good mental health is an equally important part of wellbeing and that is why this year we invested in training over 400 of our managers and supervisory staff in mental health awareness. For many, mental health can be a difficult topic to discuss and so

we hope the training empowers our people to feel more comfortable and confident in talking about the importance of good mental health

- We became a signatory of the Time to Change pledge (see figure 3 below). By signing the pledge we are publicly committing to change the way we think and act about mental health. The forthcoming year will see us build upon our existing investment and seek to identify how we can further support our people's mental health
- We delivered a physical health campaign, 'Know Your Numbers', to 340 colleagues across the UK. Colleagues received a health check with a qualified physiologist and were provided with guidance on how to manage and improve their physical health, where necessary. We also profiled and supported campaigns such as 'Movember' and 'Be Clear on Cancer' in an effort to raise awareness about the physical health issues most relevant to the demographic of our workforce.



Figure 3
Time to Change pledge signed by David Hurcomb, CEO and ROB Smith, Group HR Director



Pulse Survey

Our November 2018 Pulse Survey to our employees shows us what we're doing well as a business, and where we can improve.

91% of colleagues agree that NG Bailey puts Safety First & Foremost

79% of colleagues are proud to work for NG Bailey

78% of colleagues agree that their peers demonstrate our company values

81% of colleagues agree that they are treated with respect and fairness

Inspiring the future

Our work to inspire the next generation has shown further success this year.

87% of students increased their knowledge of engineering

Arkwright

We are supporting five Arkwright engineering scholars through to 2019

2,106 students engaged through our Inspire programme

77% of students more interested in a STEM career

Wellbeing



Mental health awareness training delivered to over 400 employees

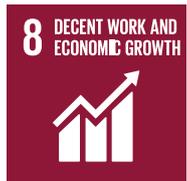
Bespoke, patented workwear providing improved fit and functionality delivered to our Engineering division



Know your numbers

340 Know your numbers physical health assessments rolled out across the Group

A recognised employer of choice



Inspiring the next generation of engineers

Engineering UK report that only 27% of 11-14 year olds know what engineers do and therefore investment is required to improve the awareness

of engineering and the different routes into the profession. Our Inspire schools engagement programme is designed to promote the careers available in science, technology, engineering and maths (STEM) industries and highlights the benefits of apprenticeships, whilst encouraging secondary school students to understand more about our industry.

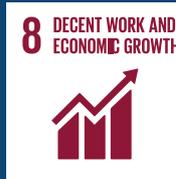


Tudor Grange Academy Kingshurst
@TGAKingshurst

Thank you very much to the team from @NGBaileyUK for their interactive #STEM and #Engineering workshops today! That 'marble run' was a lot more difficult in practice!



This year, our programme engaged over 2,000 students across 12 Inspire events, three work experience weeks, CV workshops and mock assessment centres, supported by almost 500 hours of volunteered time and expertise from across our business. Of those engaged, 87% reported an increase in their knowledge regarding engineering, and 77% stated they were more interested in a career in STEM following our engagement. Over 10% of feedback respondents also said they would be interested in pursuing an apprenticeship as a post-16 option.



Investing in skills fit for the future

Across the UK the demand for smart meters in domestic properties has increased, however, nationally there is a lack of skilled joiners.

To address this shortfall, we have opened a Jointing School at our Normanton depot. The School aims to provide new and existing operatives with additional skills and to address the shortage of skilled joiners. We train internal, franchise and external candidates and to date we have successfully trained 70 joiners that have been authorised to work on low voltage network. All of the 70 joiners now work for Freedom or other service providers within the distribution network.



Upskilling our armed forces

In September 2018, we brought together our London Resourcing team and the Forces For London charity to offer an employability workshop for unemployed veterans. We provided

support with CV writing, interview techniques, networking and social media to assist the attendees with improving their employability. The Forces for London programme provides career advice to those from ex-forces who face the unique challenges of finding jobs in our capital.

In further support this year, we have also signed the Armed Forces Covenant, pledging our support to serving personnel, service leavers, veterans, and their families, and enhancing our focus on fairness, inclusion and respect for all our people.



CV and skills workshop taking place in our London office



Students and NG Bailey workshop leaders at our London office work experience week



A fair and inclusive place to work

Fairness, Inclusion and Respect (FIR) continues to be a key focus for our business and we are committed to having a fair and inclusive place to work.

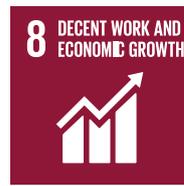
As part of our ongoing partnership with the National Centre for Diversity, this year saw us host the Patrons Network meeting, bringing together senior leaders and Equality, Diversity and Inclusion leads from some of the UK's biggest organisations, all dedicated to helping the National Centre for Diversity create culture change in UK workplaces.

In 2018, we also became a corporate partner of Women in Science and Engineering (WISE). WISE's purpose is to increase the participation, contribution and success of women in the UK's STEM workforce. It's something we're passionate about and our membership provides resources and development opportunities for our people as well as supporting our continued efforts to improve fairness, inclusion and respect throughout the business.

For the first time this year we also contributed to the Forward Ladies 2018 Bridging the gender gap in STEM report. The report featured two of our very own apprentices, Jennie Shackleton and Reanna Evans, who shared their own personal experiences of an apprenticeship in our industry and ultimately where it has led them.

“ We act responsibly and place fairness, inclusion and respect at the heart of the way we treat each other, our customers and our communities ”

David Hurcomb
Chief Executive, NG Bailey



Experiencing engineering

Work experience is key to engaging young people in our industry as it allows us to demonstrate the diverse range of roles, careers and experiences engineering can provide. This year we

have continued to invest in our work experience programme and have successfully delivered a further three work experience weeks in our London, Reading and Birmingham offices. These mechanical and electrical (M&E) experience weeks are aimed at showcasing the different skills, behaviours and expertise required in our industry. Students are asked to adopt the role of an engineer for the week and consider design, estimating, procurement, planning, sustainability and commercial influences for the M&E fit-out of a commercial building within a limited timeframe. Students are also able to see engineering in action as we venture on to a live site to see how the professionals deliver our projects. Following this experience, 67% of the students stated they were likely or very likely to pursue an apprenticeship with NG Bailey.

“ I thoroughly enjoyed it and have learned lots of valuable life skills... I wish to pursue a career in design engineering... I really like the idea of an apprenticeship ”

Birmingham work experience student



Almost 70% of our work experience students would pursue an apprenticeship with NG Bailey following a work experience week with NG Bailey

Giving something back



17 PARTNERSHIPS FOR THE GOALS



Charity partnership success

September 2018 saw us draw our hugely successful 18 month partnership with Alzheimer's Research UK to a close. Across the

Group we raised £112,000, smashing our original target

of £75,000 by 33% through a combination of bike rides, skydives, treks, raffles, bake sales, marathons and many other activities. In recognition of our partnership we have been shortlisted for a Better Society award in the Communication and Education category, in recognition of our commitment to not only raise funds for the charity, but to also educate and engage our people, raise awareness and to promote the understanding of dementia.

“ A huge thank you to everyone at NG Bailey who has made this partnership such an incredible success. From the very start, we have been blown away by their enthusiastic support, which is testament to the importance of this cause to employees... With the support of companies like NG Bailey, we will make breakthroughs possible and transform lives. Thank you again! ”

Felicity James
Corporate Partnerships Officer,
Alzheimer's Research UK



British Heart Foundation

2018/19 Charity Partnership

Following such a successful partnership with Alzheimer's Research UK and following a series of employee nominations and votes, we are

delighted to have launched our new charity partnership with the British Heart Foundation, which runs from April 2019 through to September 2020. On the confirmation of our new partnership with British Heart Foundation, their Partnerships Programme Lead, Paul Davies, said:

"We're absolutely delighted to be chosen as the next charity partner for NG Bailey. There are 7 million people affected by heart and circulatory diseases in the UK and working in partnerships, such as ours, will bring us closer to helping each and every one of them. Together we can beat heartbreak forever".

2018/19 Charity of the Year - a look back



Our Offsite Manufacture team getting in the spirit on the launch day



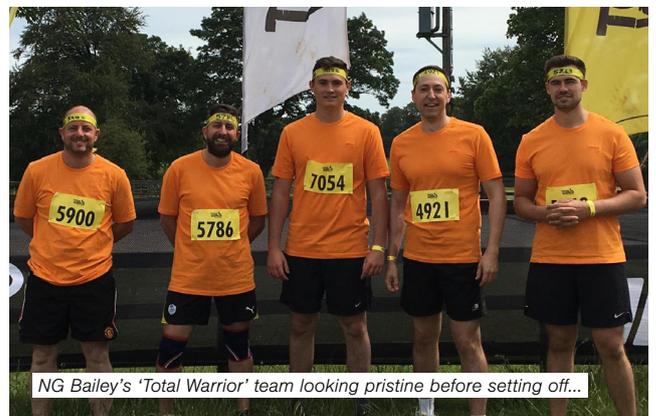
Our Offsite Manufacture colleagues getting involved



Our CEO in the Leeds office with ARUK Corporate Partnership Manager, Felicity Jones, celebrating our fantastic achievement



Great North Run participants



NG Bailey's 'Total Warrior' team looking pristine before setting off...



One of the many successful bike rides organised



...and looking a little less clean at the Total Warrior finish line!

Giving something back

10 REDUCED INEQUALITIES



Christmas at Kidz Klub

In December 2018, employees across our Yorkshire based sites partnered with our client, Landsec, at their White Rose Shopping centre retail site to support Kidz Klub, a Leeds charity that supports

families that find Christmas a difficult and challenging time of year. As a result of the generosity of all those involved, 42 families received Christmas hampers containing the luxuries of Christmas that many of us may take for granted. Not only did our colleagues donate exciting Christmas goodies, but some also gave up their time to help the Kidz Klub volunteers package the hampers and wrap the toys.

“The support NG Bailey has given us is immeasurable. We loved meeting the team and were blown away by everyone’s generosity and the fun and enthusiasm of those who helped on the day showed”

Clare, Kidz Klub volunteer



Our volunteers helped pack and wrap over 40 hampers



Our fantastic NG Bailey and Kidz Klub volunteers



3 GOOD HEALTH AND WELL-BEING



Midlands in mind

MIND estimates that 1 in 4 people will experience a mental health problem in any given year and in the construction industry, around 350,000 people will be experiencing a mental

health issue at any one time. In support of the great work that MIND provides in supporting people and their mental health across the UK, our Midlands Engineering team held a fundraising event. Around 80 colleagues came together to take part in the event and raised an amazing £600 which was then doubled through matched funding from the Group to raise a final £1,200. Given our ongoing commitment to helping our people work well and improve their mental health, it’s wonderful to see our people showing their passion for such an important charity.

Charitable giving 2018/19

46 different charities supported through charitable giving



Nearly £22k donated in charitable giving

£112,000 fundraised for Alzheimer’s Research UK



Almost 500 dedicated volunteering hours delivered





Taking to the sea with BBBJV

Our Balfour Beatty Bailey Joint Venture (BBBJV) fundraised £350 for the Pride of Bristol Trust. This enabled a group of children with the

Chernobyl Children's Lifeline charity to take to the water on the Pride of Bristol (a former military vessel), along with Leanne Moss, Project Administrator from BBBJV.

The Chernobyl Children's Lifeline charity supports children affected by the aftermath of the Chernobyl nuclear disaster. Their fundraising activities raise money for a number of children and one of their main aims each year is to bring victims of the Chernobyl disaster to the UK for a recuperative four week break.

Everyone on the boat had a fun-filled morning and the crew were thankful to BBBJV for contributing to the trip.

“ It was fantastic for us to be able to support The Pride of Bristol Trust who do wonderful work in our community and beyond ”

Leanne Moss, Project Administrator BBBJV

Helping our people to support the causes they love

As well as supporting our Charity Partnership, we support our people in their personal charitable activities through matched funding, one-off donations and by providing time out of the business to volunteer for causes close to their hearts.

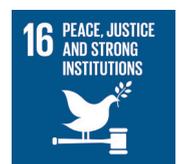
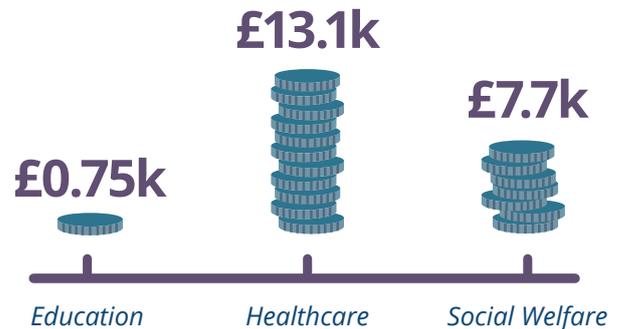
Across the Group our people have contributed 477 volunteering hours this year, from sharing their engineering skills and career journeys through to countryside restoration days with the Yorkshire Dales Millennium Trust, and running local fundraising events.

In 2018/19 we donated over £21,500 on behalf of our people across the Group, supporting 46 different charities including Help for Heroes, Children with Cancer UK, Movember and mental health charities such as MIND and the Mental Health Foundation.



Pride of Bristol Trust

Leanne Moss (Balfour Beatty Bailey Joint Venture) presenting one of our skippers Bob Baker with an incredibly generous donation to sponsor this trip, thank you!



Our Performance Indicators 2018

One Approach - A safe and sustainable business

	2018/19 target goals	Status	Explanation of performance	SDG
A proactive safety culture where safety is first and foremost, always	Achieve ISO45001 transition of SHE management system	Milestone missed but on revised plan	Completion date for achieving ISO45001 now rescheduled to Q3 2019 to allow for the integration of our recent acquisition, Freedom, into the H&S management system.	
An engaged and collaborative supply chain	Complete the rollout of our Customer of Choice programme with demonstrable evidence of its business benefits	Achieved	191 suppliers engaged across the business as part of Customer of Choice events enabling our Procurement teams to engage earlier with our supply chain. The business has reported closer relationships and gained trust as a result of the Customer of Choice engagement.	 
A consistent reduction in our environmental impacts	Consistently achieve a 5% reduction year on year in our Group carbon intensity per employee	Achieved	Comparing the business like for like with the previous year we have reduced our footprint by 15% per employee to an intensity of 1.58 (gross/location) tonnes of carbon per employee, excluding Freedom. Notable reductions were realised in business travel and electricity use. In addition, we have also integrated Freedom into the footprint, allowing us to also report fully with a revised Group structure. 2018/19 will become our revised base year. The Group has also secured CEMARS accreditation for its carbon footprint for the first time this year.	  

One Approach - The partner of choice in our industry

	2018/19 target goals	Status	Explanation of performance	SDG
Delivering a best in class customer experience	A defined customer experience programme in place across the Group	Achieved	The Customer journey is now defined to ensure a consistent approach and experience across the Group. Our investment in this area continues as we became the first company in the country to offer and implement the Customer Service Practitioner Apprenticeship with 10 people currently undertaking the training.	 
Actively reducing our customers' impacts	Continue to save our customers more carbon than we generate	Exceeded expectations	We have saved our customers over 57,846 tCO ₂ e, equivalent to over seven times our own carbon footprint this year.	 
Supporting our customers sustainability goals	Engage with customers to understand their sustainability priorities	Achieved	We continue to engage with our clients and have included specific examples of this in our report. Our presence at the Construction and FM leadership groups with the Supply Chain Sustainability School continue to complement these discussions.	  

One Approach - A recognised employer of choice

	2018/19 target goals	Status	Explanation of performance	SDG
A happy and healthy workforce	Develop and implement a Group health and wellbeing programme	Exceeded expectations	Our Working Well strategy was successfully developed and implemented across NG Bailey including 412 supervisory and manager staff trained in mental health awareness; 340 physical health assessments delivered to our staff; Time to Change mental health pledge signed by our Chief Executive; development and launch of Working Well Hub, and the roll out of bespoke workwear to our people.	
A fair and inclusive place to work	Seek to identify and address any unequal practices across the Group	Milestone missed but on revised plan	Our Leaders in Diversity assessment will begin in May this year and continues to be supported through the feedback received from our Investors in People and Pulse surveys.	 
Clear career routes and opportunities provided for present and future workforce	Introduce 500 students to the role of an engineer and expand the apprenticeship programme into two new areas where an identified skills gap exists	Exceeded expectations	2,106 students were engaged through the Inspire programme with excellent recipient feedback. Our apprenticeship programme also expanded to include four new apprenticeships in Finance, Management and Customer Service.	

One Approach - Giving something back

	2018/19 target goals	Status	Explanation of performance	SDG
Charity partnerships that have made a difference for our people	Successfully complete our current Charity of the Year partnership with Alzheimer's Research UK	Exceeded expectations	The Group raised over £112,000, exceeding our stated target of £75,000 by 33% and has been shortlisted in the Better Society awards for our partnership with ARUK. We also contributed 1,693 hours of data to a dementia research tool and used social media channels to amplify Alzheimer's Research UK's awareness campaigns, collectively receiving over 1,300 likes and shares.	
Have a positive impact on 10,000 lives beyond our business	Review and revise our community impact plans and identify opportunities for outreach or collaboration	Achieved	Community impact plans revised and integrated into the updated SHEQ audit documents.	

Reporting overview, scope & assurance

The report is based on NG Bailey's fiscal year from 5th March 2018 to 1st March 2019, and covers all material reporting units within our Group, Engineering and Services divisions.



Our carbon footprint and assurance

This year our Group carbon footprint has been subject to external verification and assurance. It has been certified that NG Bailey Group Limited meets the requirements of

CEMARS® certification having measured its greenhouse gas emissions in accordance with ISO 14064-1:2006 and is committed to managing and reducing its emissions in respect of the operational activities of its UK organisation. Full details of our assurance can be found at www.ngbailey.com/ourresponsibilities.

Following our acquisition of Freedom in 2018 our footprint this year incorporates their carbon impacts from the date of acquisition on the 30th March 2018.

The materiality of all our business locations has been determined by its contribution to our overall impact and our ability to influence the impact of the operations.

Other reported data

All other data presented in the report has been calculated and reported to the financial reporting year unless explicitly stated otherwise. Where the method of reporting has changed from the previous years we have taken the appropriate steps to ensure that the information presented is comparable and amends clearly distinguished.

Our Health and safety performance incorporates all RIDDOR injuries reported by employees and contractors within our Group, Engineering and Services divisions.

The scope of our reported waste performance is limited to the NG Bailey owned estate and represents the final six months of the year. Our incumbent provider was unable to provide data for the first half of the year. Freedom's performance is reported separately this year as we continue to integrate our reporting. We are currently unable to secure accurate and relevant waste data for locations where we operate as a contractor or we are a tenant.

The number of employees used in our calculations is consistent with the number of employees within our business in February 2019.

Where possible and appropriate, the Report provides up to three years of historical information to provide a sufficient basis for comparison of performance.



Governance and Assurance

This report has been subject to review from those employees within the business who have primary responsibility for the management of the data and content presented in the report.

Selected data as outlined below has been subject to review by our internal audit function and approval from our audit committee. All data is reported on a financial year basis unless stated otherwise:

- Number of RIDDOR incidents occurring in 2018/19
- Number of reported Don't Walk By's in 2018/19
- Total carbon saved for our customers in 2018/19
- Solar energy generated on our sites 2018/19
- Charitable Giving donations made in 2018/19
- Inspire – number of students engaged 2018/19
- Inspire – student feedback scores for 2018/19
- Charity of the Year - total raised at end of partnership in September 2019.

Previously reported annual performance for the following metrics was subject to internal audit review as part of the 2017/18 reporting process:

- Number of RIDDOR incidents occurring in the relevant financial year
- Number of reported near misses
- Carbon dioxide emissions per employee
- Scope 1 and 2 total emissions
- Total energy savings for our customers
- Renewable energy generated on our sites
- Solar energy generated on our sites.



**FOREST
STEWARDSHIP
COUNCIL**

In line with NG Bailey's commitment to minimising its impact on the environment, this document has been printed on 'Evolution Indigo Uncoated' paper, which is 100% recycled and FSC certified.

PASSION | INTEGRITY | EXCELLENCE

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