



NG Bailey

Responsibility Report • 2018

Our One Approach to Business

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Our One Approach to Business

Contents

Welcome	05
Our financial performance	06
An award winning business	07
Health & Safety	08
Customers	10
People	12
Environment	14
Supply Chain	16
Communities	18
Our Performance Indicators 2018	22
Reporting overview & scope	24



Welcome

NG Bailey is a company 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 our vision to create exceptional environments for present and future generations, our One Approach to operating responsibly is integral to our culture. It also underpins our commitment to our people, customers and communities – in essence, it is at the heart of everything we do.

In 2013 we launched our ambitious five-year One Approach strategy, which was designed to ensure that we run our business ethically and responsibly. As the strategy reaches its conclusion, this report highlights our achievements and strong performance across all of our six key areas. I'm proud to say that over the last five years we have engaged with almost 6,500 students, introducing them to the world of engineering; we have led the industry in the development of building information modelling (BIM) to reduce waste and improve efficiencies; we have reduced our carbon footprint by 23% per employee,

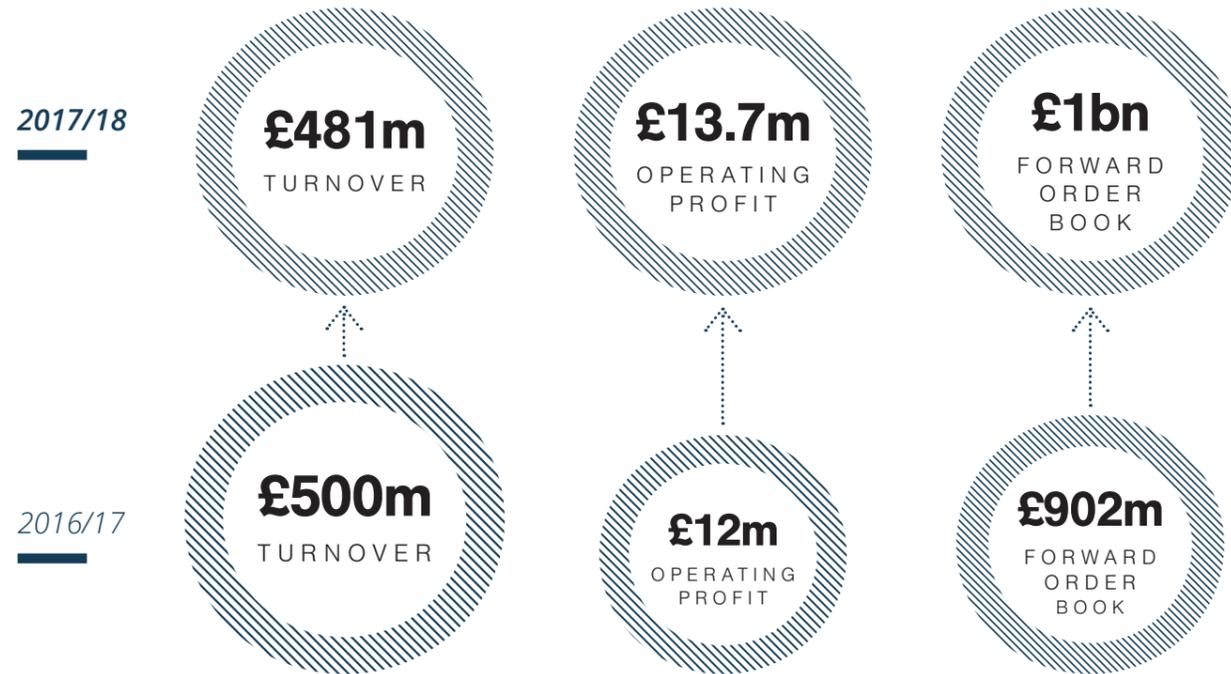
and this year alone, we have saved our customers the equivalent of over 118,000 tonnes of carbon.

Although our current strategy has drawn to a close, we continue to take our commitments to responsibility seriously. As such, we will be working with our customers and colleagues to understand their priorities, consider business priorities and create a new One Approach strategy which will take us through to 2021, our centenary year. Operating responsibly and sustainably continues to underpin how we do business and we look forward to sharing the new strategy with you shortly.

We value your feedback, so please send any questions or comments to sustainability@ngbailey.co.uk.

DAVID HURCOMB
Chief Executive

Our financial performance



I am delighted to be able to report that 2017/18 was another very strong year for NG Bailey with a 14% increase in operating profit (before exceptional items¹) and sustained double digit profit despite the challenging economic environment. The Carillion collapse impacted the industry overall and in some instances resulted in cancelled or postponed contracts. The general economic environment has continued to be challenging in 2017/18, resulting in a slight fall in our turnover in comparison to last year.

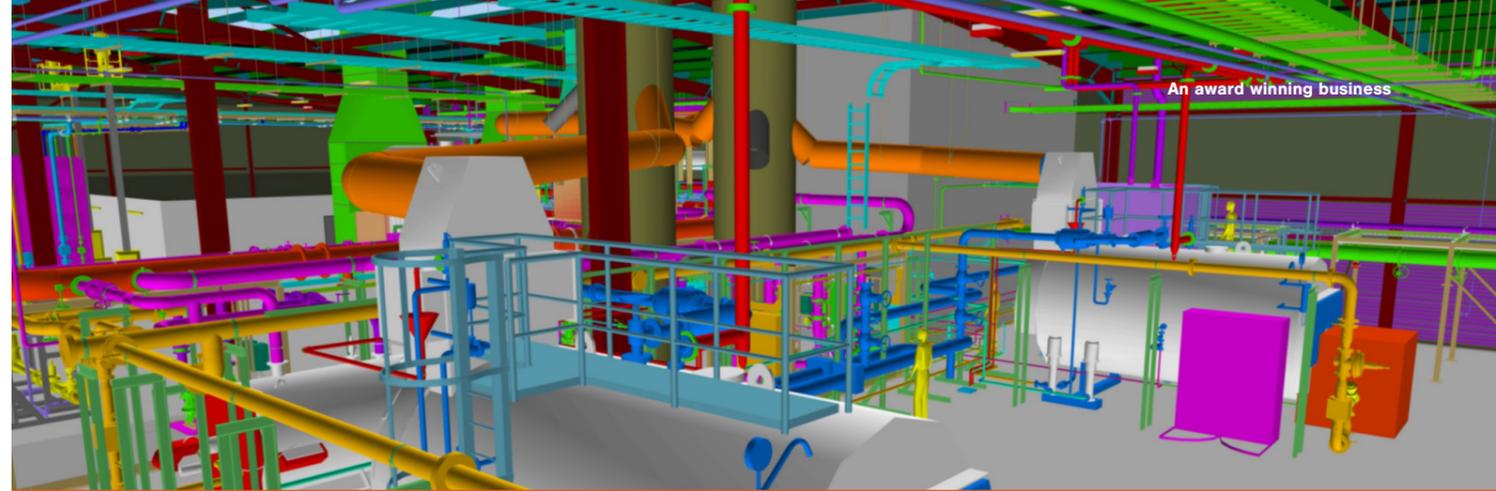
Overall, it was a strong year for the Engineering business and a record year for the Facilities Services business. IT Services faced challenges

in sales volume but, following a restructure in the year, are well-placed to drive future growth. 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 £1bn order book puts us in an excellent position despite the current environment.

Michael Porter

MIKE PORTER
Chief Financial Officer

¹ Operating profit after exceptional items is £17.5m. Please refer to the NG Bailey Group Limited Financial Statements for further information



An award winning business

An award winning business

This year we have won, and been shortlisted for a broad range of industry awards including: Specialist Contractor of the Year and BIM Initiative of the Year at the Building Industry Awards, BIM initiative of the Year and Building Services Project of the Year (Wrightington Hospital) at the H&V News Awards, BIM Excellence at the Construction News Awards, Major Project of the Year (Tottenham Court Road) at the National Rail Awards, Engineering Company of the Year at the National Centre of Diversity Grand Awards,

Supplier and Contractor Excellence (London Bridge and Birmingham New Street) at the Rail Business Awards and Most CommScope Technically Trained Staff in Europe at the Commscope Global Awards.

Furthermore, three of our apprentices were award winners at this year's Building Engineering Services Association (BESA) Awards. These achievements are a testament to the hard work and dedication of all our people at NG Bailey.



Health & Safety

At NG Bailey, safety is always first and foremost and increasingly this is true of health and wellbeing too. We continually strive to improve the safety and wellbeing of our people by integrating effective processes and encouraging a positive reporting culture.

Our safety performance

This year we experienced 16 RIDDOR incidents that impacted eleven of our employees and five contractors, and the majority of these incidents arose from slip, trips or falls. This performance falls short of the high standards we set ourselves, however, our Accident Incident Rate (AIR) remains lower than the industry average.

RIDDOR performance



We are committed to fully investigating and learning from these incidents so we can continue to improve the safety of our workplace and provide training and awareness where necessary. This approach is further underpinned by our G.L.O.B.E strategy: robust **Governance** arrangements, visible and felt **Leadership**, **Ownership** in terms of everyone understanding their responsibilities and being accountable for their actions, **Behaviours** being the window of a strong SHE culture and also ensuring healthier and safer working **Environments**.

This continual improvement strategy encourages collaboration and sharing of best practice across the Group and encourages all our people to look out for each other's safety, as well as their own. This approach is reinforced by the introduction of our 'Don't Walk By' initiative.

Submitting your observations is helping us improve safety in our work-place. Whether you want to share a positive message or identify an issue, you are demonstrating your commitment to Safety First & Foremost as well as upholding our values and DNA.

Scan Me
Please scan the QR code to submit your observation.

PASSION | INTEGRITY | EXCELLENCE www.ngbailey.com

Introducing Don't Walk By!

As part of our commitment to encouraging a positive safety culture we are pleased to report that our number of reported near misses increased by 147% to 9,308. This increase demonstrates that we are succeeding in setting the foundations for an effective reporting culture across the Group, ultimately reducing the potential for incidents.

This increase has been achieved thanks to the trial of a new reporting framework 'Don't Walk By!', in our Engineering division. It enables our people to report both safe and unsafe observations using a QR code reader. By embracing this technology our people are able to report observations instantly through smartphones, allowing issues to be resolved faster.



A new focus for health and wellbeing

The wellbeing of our employees is as important as their safety and we are committed to sending all our employees home safe and well each day, both physically and mentally. We recognise that it is easy to identify a physical illness or injury but mental illness or injury can be much more difficult to see. Throughout the past year we have reviewed our approach to wellbeing to ensure we are enabling our people to manage their wellbeing, and ultimately 'work well'. Over the forthcoming year we will be rolling out our Working Well strategy across the Group to ensure our people have the advice and resources they need to address:

- Mental health and wellbeing
- Physical health and wellbeing
- A safe and healthy work environment
- Encouraging effective working relationships and business communication.

We will begin our campaign with a focus on mental health and we are committed to training selected employees in mental health awareness, accredited by Mental Health First Aid UK (MHFAUK) by the end of 2018.

This year has seen us...

Increase our near miss reporting by

147%

Achieve **10** ROSPA awards



Customers

Providing value-based solutions that address our customers' needs and priorities is paramount to ensure that we deliver a leading customer experience. We believe we are able to provide innovative and sustainable solutions across all our projects, to deliver the best service to all.

Helping our customers save energy

Our dedicated Energy Team in our Facilities Services division provide innovative solutions to create sustainable cost savings, through managing and optimising building assets efficiently.

This year they have achieved an overall carbon reduction of 118,085 tonnes for our customers. This is an incredible 22 times the amount of carbon NG Bailey generated in the same year. The savings we make our customers are achieved through a variety of methods. For example, through our partnership with CBRE we have installed energy monitoring equipment and by using our technology platform have driven best practice energy usage and efficiency at their sites. Additionally, we have maintained our excellent record of substantial energy savings with Landsec by using our innovative data-driven building operation and maintenance approach to generate excellent energy reduction projects.

Engaging with our customers

Our Net Promoter Score this year was 5. This is a decrease on last year's performance and falls short of our own high standards and our target. As a result we have been working hard to engage with our customers to understand how we can better deliver our services. As part of this process we are scheduled to roll out customer management training for selected operations and supervisory employees, as well as introducing a more regular customer feedback loop. We hope that by understanding and engaging with our customers more regularly we will be better positioned to respond and serve their needs and this will be reflected in an improvement in our future Net Promoter scores. We remain committed to achieving a sector-leading score.

Leading the way in BIM (Building Information Modelling)

Our investment in BIM has continued over the past year and has been recognised with the achievement of the BSI Kite mark certification for delivery of Level 2 BIM. BIMHawk, which we successfully launched to the industry last year, was recognised by Building magazine as the BIM Initiative of the Year 2017.

The adoption and utilisation of BIM has numerous benefits for both customers and engineers alike. We are dedicated to the further development of BIM and over the past year we have:

- Continued the development of BIMHawk software tools in conjunction with CIBSE. This package is available for anyone in the industry to use, and provides the ability to standardise data specifications and exchange protocols for construction and engineering products. This work has already been recognised with two awards
- Represented the industry on BSI committees for the development of BIM standards
- Assisted with the launch of CIBSE's new Society for Digital Engineers
- Developed new bespoke tools and applications to improve and optimise management of BIM models. This has great impacts on quality assurance and productivity, with recent enhancements drastically reducing the need for repeated printing and plotting of drawings.



BIM Excellence Award [L > R] Award Presenter, Award Sponsor (Elecosoft). NGB: Paul Briars, Martin Hardman, Steven Campbell, Paul Marsland, Zaeem Farooqi and comedian Stephen Mangan



NG Bailey's Offsite facility

Embracing our customers' sustainability commitments

NG Bailey played an instrumental part in the Old Oak Common Depot project in North West London where we collaborated with others to design, build, and install a new hybrid renewable energy system and central boiler plantroom. The project was a huge success and greatly exceeded the initial targets of generating 20% of the main building's energy from renewable resources, but also demonstrated how our offsite capabilities can contribute to the efficiency and safety of a project. Through using offsite manufacture the project took only two days to install at site, thereby reducing the number of hours necessary on site by over 80% and reducing the risk of accident and injury as well as allowing for the identification of faults prior to installation.

“This is one of the largest depots to be built in the UK in recent years, and sets a sustainability benchmark that will undoubtedly form a new blueprint for future depots”

Lee Taylor, Director of Rail

This year has seen us...



Win the 2018 Specialist Contractor of the Year award



People



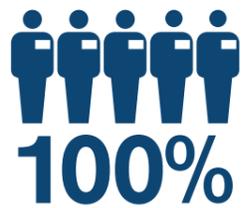
Our people and their skills and abilities remain at the heart of everything we do. By building a diverse and talented workforce and investing in opportunities to develop our employees in their careers, we continue to make NG Bailey an excellent place to work.

Engaging our people

We know that the best way to get meaningful impacts and results as a business is to engage with our employees and it is important to us that our people feel engaged with our business. Over the past year we have sought to engage our people through a range of events to reinforce our networks, relationships and communication across the company. Our Senior Leadership Conference (SLC) was an opportunity for our senior leaders from across the Group to come together and share ideas and knowledge about our business. We then built on this momentum by delivering a suite of company roadshows to all our employees across the UK. Almost 1,500 employees attended the roadshows. Where we celebrated our current success and provided an insight into our future plans.



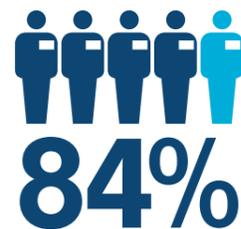
Overall feedback score from SLC event



of our employees found the presentations at the SLC informative or very informative



Overall feedback score from the roadshow events



of attendees found the roadshows informative or very informative

Measuring our people performance

We engage with our people on a regular basis so we can monitor and understand how we are performing as a business. This bi-annual engagement is a vital measure in identifying the positive impact we have made to our people but also to understand where we can improve. The most recent Pulse Survey results (April 2018) show that:



of colleagues agree that NG Bailey puts safety first and foremost



of colleagues are proud to work for NG Bailey



of colleagues agree that their peers demonstrate our company values



of colleagues agree that they are treated with respect and fairness



Fairness Inclusion and Respect

Although we acknowledge that the journey to make our industry more inclusive and representative will take time, the work we have done under our Fairness, Inclusion and Respect programme means we are making progress.

This year we published our response to the Equality Act's Gender Pay Information Regulations (which can be found in full on our [website](#)) and have identified that our overall average pay gap is 24.8%; a figure we can now transparently challenge to understand where positive changes can be made within our business.

We acknowledge that women are not widely represented within our industry, but this year we are pleased to have taken several positive steps towards redressing this balance:

- We welcomed Jane Moriarty, Non-Executive Director, to our Board who also acts as the Chair of the Audit Committee. This means we now have a female director at the highest level in our organisation
- Today 5% of our current apprentices are female and we remain committed to increasing this proportion
- We won the UK Engineering Company of the Year award from the National Centre for Diversity for the second year in a row. This is testament to NG Bailey's efforts to embed a fair and inclusive work environment into our company.

“Our people make us who we are and are what makes us special as an organisation. We are thrilled to win this award as we see the true value that diversity brings to us as an organisation. We are committed to becoming a more inclusive organisation focused on embedding fairness and respect in everything we do and being much more representative of society as a whole”

Rob Smith, Group HR Director

This year has seen us...



Exceed the UK company average score of 3.4 on Glassdoor



The past five years has seen us...



Environment

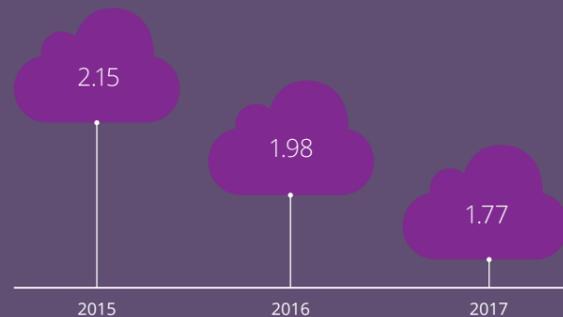
We recognise that as a responsible business we must manage our own impact on the environment both to reduce carbon emissions and to ensure efficient use of resources. We also aim to improve the environmental performance of our customers' buildings through the use of innovative technologies and best practice within the industry.

Our carbon footprint²

This year we are pleased to report that we have exceeded our commitment to reduce our carbon footprint by 20% per employee and achieved an overall reduction of 27% (net) since our baseline year of 2012 to 1.77 tCO₂e/per employee. This reduction has been achieved primarily through a reduction in the number of miles we have driven, through our continued investment in on-site renewable energy capabilities, purchases of green tariff energy, energy-saving campaigns throughout the Group and the rationalisation of our property portfolio. Our gross footprint has also experienced a reduction of 23% since baseline with an intensity of 1.87 tCO₂e/per employee.

²Further details of our carbon reporting by scope can be found at www.ngbailey.com/ourresponsibilities

Carbon emissions per employee (net tCO₂e/employee)³

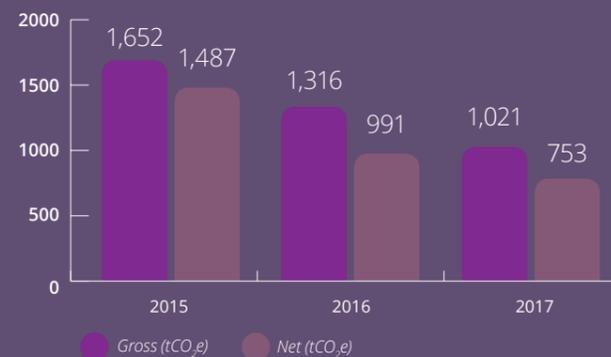


Alongside these investments this year we became one of the first organisations in the building services sector to achieve the ISO14001: 2015 standard; we maintained our vehicle carbon profile below 102g/CO₂/km, and to further reduce our business travel carbon footprint, we promoted alternative and more sustainable methods of transport through our Travel Less, Live More campaign.

Travel carbon footprint (tCO₂e)



Office carbon footprint (tCO₂e)



We continue to manage our waste impacts across the NG Bailey estate and we are pleased to report that we have maintained a landfill diversion rate of 97% for the second year in a row. This exceeds our annual target and has reduced our absolute waste by 11%. In addition, where we have refurbished properties, we have achieved a recycling rate above 90%, seeking to re-use and recycle materials wherever possible. We continue to work with our supply chain to explore how we can reduce the amount of waste generated as a result of our services.



Reducing our travel footprint

Business travel remains our primary impact, although we have reduced our absolute travel footprint by over 9% since last year and 16% since our baseline. We have invested in video conference and Skype capabilities across the Group to encourage virtual meetings and real time document sharing as an alternative to travel. Since October 2017 our business has made over 44,500 calls, equivalent to over 1,240,000 minutes of meetings and ultimately we have reduced our mileage by almost 1.2 million miles. Despite this, the majority of NG Bailey's overall carbon footprint arises from business related travel. We hope that as our employees continue to embrace technology, we will further reduce our business travel and we are committed to exploring other ways in which we can minimise our impact.

Furthermore, in September 2017 'Travel Less, Live More' week was rolled out across NG Bailey Group. This initiative was designed to encourage our employees to challenge how they could travel differently whilst also considering their mental and physical health alongside the sustainability of their current travel. Our employees across the Group got involved and over 70 people got in touch to tell us about their amazing efforts to reduce non-essential travel, including, cycling, walking, and utilising public transport, with one employee even undertaking a mini triathlon to combine a run, cycle and kayak to get to work.

‘Alongside the saving on travel time, Skype allowed us to communicate more quickly and efficiently as we could not physically meet up due to time constraints... This is a positive change that we will continue to embrace’

Simon Roberts, Sourcing Manager

This year has seen us...

Save an estimated carbon equivalent of **286 tCO₂e** as a result of investments in renewable energy across the Group

Use our new Skype for Business capabilities for over **1.2m** call minutes

achieve a **62%** reduction in our absolute net office footprint since baseline

The past five years has seen us...

Save an estimated carbon equivalent of **1287 tCO₂e** as a result of investments in renewable energy across the Group

Generate over 3.2m kWh of energy from biomass

Generate over 1.2m kWh of energy from solar power

³Please see pg22 for further details on the scope of this reading

Supply Chain

We recognise that we will only be able to achieve our growth aspirations by forging close, effective and sustainable supplier relationships. Effective engagement with our supply chain is vital for mutual business success.

Supply Chain School

This year we are proud to have become a Partner of the Supply Chain Sustainability School. The School is a virtual learning environment designed to aid the construction and engineering industry develop sustainability knowledge and competence, addressing issues such as wellbeing, fairness, inclusion and respect, and environmental management. We recognise that by creating close, effective relationships and sharing education and development tools, we are able to provide an opportunity for our supply chain to embrace sustainable and innovative developments.

We remain committed to sustainable and responsible procurement, so by becoming a Partner we provide vital funds, insight and support to ensure that these resources remain free and accessible for others throughout the industry's supply chain. We look forward to working with the School and all of our supply chain for the development of a sustainable and responsible future.

“NG Bailey is delighted to join the Supply Chain Sustainability School as a Partner. We recognise the value of continuous dialogue, collaboration and innovation when addressing the sustainability challenges facing our industry and we look forward to engaging with existing partners and contributing to the discussion”

Natalie Wilkinson – Group Sustainability Manager



Combatting modern slavery

Modern slavery is a crime and a violation of fundamental human rights and takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking. We have a zero tolerance for modern slavery in our business and our supply chain and therefore, in line with our commitment to act ethically and with integrity, this year saw us publish our first Modern Slavery statement and associated policy. We recognise that modern slavery can be a difficult issue to understand and identify, particularly in an industry as complex as our own. Therefore, alongside raising awareness amongst our own employees via poster campaigns and internal communications, we also took steps to raise awareness of modern slavery within our supply chain at our annual supplier conference. We continue to raise awareness of modern slavery across our business and within our supply chain.



[L> R] Duncan Smith, Inderpall Sall and Steve Campbell



Supply Chain Conference 2017

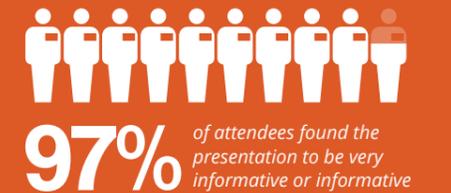
Engaging with our supply chain

Our Customer of Choice programme has been ongoing for the past 18 months and has provided a framework that aims to improve the engagement and structure of our supply chain to ensure consistency and best practice across our Group. The Customer of Choice strategy is currently in its final stages of delivery and will be complete by August 2018.

To recognise the progress made, our annual Supply Chain Conference was held in September 2017. This provided an opportunity for us to engage with our supply chain, provide updates on our business, and outline our future priorities. It also allowed us to reinforce our commitment to responsible procurement and combatting modern slavery.

Overall, we received excellent feedback from the event, already demonstrating our engagement with our suppliers.

Outputs from our 2017 Supply Chain Conference:



Communities

We recognise that our responsibilities extend beyond our immediate operations, into the communities we work within and wider society as a whole. It is important to us that NG Bailey contributes to the communities in which we operate.

Inspiring the next generation

Engineering UK estimates that there is “an annual shortfall of between 37,000 and 59,000 engineering graduates and technicians to fill core engineering roles⁴”. This skills gap has the potential to impact not only our operations but the engineering sector as a whole. We see it as vital that NG Bailey plays its part to inspire the next generation, attract future talent, and drive interest into the industry.

This year we revised our Inspire programme to provide a greater reach and impact and over the forthcoming years, we will be rolling this out in full across the Group. In the past year we have delivered careers events, work experience weeks and practical STEM engagement workshops across the UK. Thanks to the dedication and willingness of our people to share their experience and career journeys, we have provided 17 sessions that introduced over 1,600 students to a range of engineering skills, career paths and apprenticeships, and promoted the uptake of STEM subjects. We continue to target those individuals who are currently underrepresented within our industry, and in 2017 delivered female-only STEM engagement sessions reaching over 350 students.

Our impact analysis shows that 70% of young people who engaged with NG Bailey through INSPIRE over the last year have felt their knowledge of engineering increased. Furthermore, 52% of these young people were more interested in a career involving STEM following our engagement.

“Every student who attended the NG Bailey session really enjoyed it... they found it very engaging and particularly liked how interactive the session was”

Teacher, Batley Girls School

Experiencing the life of an engineer

Following the successful pilot last year we have continued to deliver work experience weeks at our Leeds, Reading and Birmingham offices. Over 90 students applied to our work experience weeks and following a competitive application process we were able to offer 21 students the opportunity to experience life as an engineer with NG Bailey. Students were tasked with presenting their design for a sustainable building and through the course of the week were introduced to a range of engineering disciplines including Design, Planning, Estimating, Sustainability and Commercial workshops. To further their learning, students also got the opportunity to visit some of our current sites and speak to our staff to get a real understanding of how our engineering capabilities fit into the wider infrastructure of the built environment. We received excellent feedback from all students who took part, and we hope to continue to provide these opportunities across our UK locations so more students may benefit from the experience.

“It was very interactive and we were free to ask many questions. I found it a lot easier to understand this way about how a company works. Working as a group made the project a lot easier to comprehend due to us all sharing our ideas and opinions as well as supporting each other”

Reading Work Experience Student



Horsforth School
@HorsforthSchool

“Thank you @NGBaileyUK for running our Science & Engineering Day for our Year 9s. Looks like lots of fun was had by all! #STEM #Fun”



Kingsway School, Stockport, Marble Run challenge

North Tees Energy Centre project

Our project team and subcontractors on the University Hospital of North Tees’ energy centre project donated 20 tonnes of surplus topsoil and 200kg of screws and nails to Down to Earth, a local community and food growing group. These donations enabled Down to Earth to invest in their growing capabilities with some of the fresh produce grown going to support local food banks.

David Spence, Coordinator for Down to Earth, said: “NG Bailey are really keen to recycle and reuse more from their project. They’ve committed to support us again when we’re ready for more topsoil and with tree donations to help start our new orchard.”

Chris Catterick, Operations Director for NG Bailey, said: “As Principal Contractor on this project we welcomed the opportunity to give something back to the local community and this is a great initiative.”

This year has seen us...

440+

Volunteer over 440 employee hours to support Inspire events

Donate over **£27,000+**

in charitable giving payments

Receive **70** applications for charitable giving funding

The past five years has seen us...

Engage with over **6,460** students through our Inspire activities



Deliver **111** Inspire events at 7 of our office locations

Donate over **£170k** in charitable giving payments

Receive over **400+** applications for charitable giving funding

⁴ Engineering UK. Engineering UK 2018: State of Engineering.

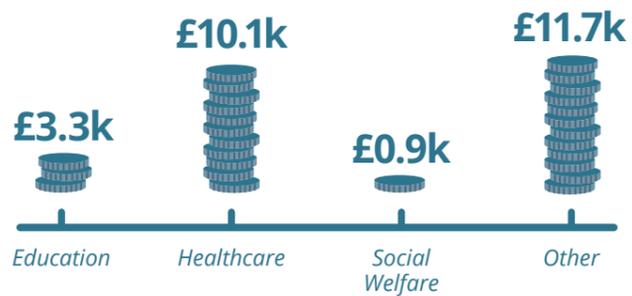
Engaging our local communities

Our charitable giving

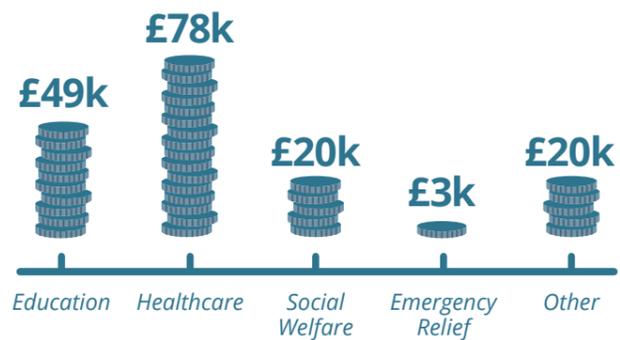
In addition to our Charity of the Year partnership, we are committed to encouraging our employees to support causes close to their hearts. The Group donates money, time and resources to causes aligned with our Charitable Giving policy. Over the past five years, our employees have nominated a range of charities resulting in total donations made on their behalf by the business of over £170,000.

We remain committed to supporting our employees in their own charitable efforts and in 2017/18 donated over £26,000 directly, to over 60 different charities; including Macmillan, Cancer Research UK, The Princes Trust, Scouts groups and mental health charities, such as CALM and the Mental Health Foundation. We also continue to donate a further 20% on top of any GAYE (Give As You Earn) payments made by our employees. We will continue to encourage our employees to get involved in fundraising and promoting awareness of the charities important to them and their local communities.

Charitable giving 2017 - 2018



Charitable giving 2013 - 2018



Our charity of the year

Our Charity Partner of the Year through to September 2018 is Alzheimer's Research UK. Our employees voted overwhelmingly in favour of Alzheimer's Research UK and we have been delighted at the enthusiasm shown by our colleagues in supporting this cause.

We have seen our employees participate in skydiving, sailing, cycling, baking, barbequing and fancy dress activities in support of our £75,000 target.

Alzheimer's disease is a condition that remains largely misunderstood and so complementing our fundraising activities there has been a series of toolbox talks and learning calendars for our colleagues.

“Our partnership with NG Bailey has been incredibly inspiring. Alongside their fantastic fundraising efforts, there has been a huge emphasis on improving understanding and awareness of dementia with all employees. This is essential to the work of Alzheimer's Research UK and our relentless efforts to defeat dementia. We're very grateful to everyone at NG Bailey for their support and we're excited to see what else they achieve in the next few months of our partnership”

Jade Rolph, Corporate Partnerships Manager at Alzheimer's Research UK



If you would like to learn more about Alzheimer's and the research our support is funding then please visit Alzheimersresearchuk.org for more information.



Our Performance Indicators 2018

Health & Safety | our performance this year

One Approach goals	2017/18 commitments	Current Status	Explanation of performance
We will work to support our customers' sustainability goals	We will continue to take our customers sustainability commitments seriously and compete to meet and exceed them	Milestones missed but on revised plan – to be featured as key pillar in new strategy	We already provide a number of avenues of wellbeing support for our employees but recognise that we need to do more. This year, with the assistance of a cross functional working Group we began to develop our wellbeing strategy which is scheduled for launch in September 2018; and in addition, our Executive SHE Leadership Group focused on tackling mental health. Subsequently we will be delivering mental health awareness training (MHFA accredited) to managers and supervisors across the Group in the forthcoming year
We will relentlessly pursue zero accidents by embedding Safety First & Foremost in all that we do	Continue to implement and embed G.L.O.B.E across our business in support of a reduction in RIDDOR accidents and ensuring everyone goes home safe and well every day	Not achieved – will be progressed in 2018 plan	This year we experienced 16 RIDDORS across our Group which falls short of our expectations and targets. However, we continue to examine ways we can improve and have therefore taken steps to streamline our management approach so we are focused on our Top 10 issues. Our Top 10 represents the areas that if delivered well will see us reduce the risk of incidents and improve our performance
We will be a leader in health & safety in our sector	To transition our Health and Safety Management system from OHSAS 18001 to the new OHSAS 45001 standard ensuring our people have the necessary tools to efficiently and proactively manage Health and Safety across our business	Not achieved – will be progressed in 2018 plan	In 2017/18 we started our transition process with the development of a new Safety, Health & Environmental Policy and other documentation which will form the cornerstone of our new ISO 45001 based SHE Management System. We aim to have the new system in place and ready for transition by the end of 2018

Customers | our performance this year

One Approach goals	2017/18 commitments	Current Status	Explanation of performance
We will work to support our customers' sustainability goals	Continue to take our customers sustainability commitments seriously and engage with our customers to understand those sustainability issues that are most material to them	Achieved	Through regular dialogue both at strategic level and on a project by project basis we provide input and evidence of our sustainability actions and commitments to allow the customer to incorporate into their overall action plans and reports
We will comply 100% with our ethical working policy	Conduct a review of the policy to ensure it remains aligned to stakeholder expectations whilst continuing to review and apply the Ethical Working Policy to every project	Achieved	We undertook a full review of our Ethical working policy and made amendments in line with our stakeholder expectations
We will continually improve our customer satisfaction survey score	Continue to work to improve our Net Promoter Score with a view to achieving a world class Net Promoter Score of 30 by 2020	Milestones missed but on revised plan – to be featured as a target in the new strategy	In 2017/18 we experienced a decrease in the Group's overall NPS score to 5. This falls short of our expectation and target but we are working to understand how we can reverse this trend. Detailed analysis has been undertaken by the business and our Group Customer Committee is now targeting an improvement to our score.

People | our performance this year

One Approach goals	2017/18 commitments	Current Status	Explanation of performance
We will achieve Investors in Diversity status	We aim to achieve Leaders in Diversity status by the end of 2018	On track	We have taken the decision to delay our application for the Leaders in Diversity standard to allow sufficient time to embed the work that has been undertaken to improve the perception of fairness in the organisation. We will begin our review of the LID criteria in May 2018 with a view to being assessed by the end of the calendar year
We will be recognised as one of the UK's best employers	We will continue to measure our levels of employee engagement throughout the year using our Pulse Survey with the aim of continuous improvement	Achieved	Pulse surveys were conducted in March and December 2017 following a decision to move to a bi-annual survey. We have presented our latest results on page 10 of this report and areas for improvement will be addressed within each division or department
We will be a market leader in the provision of apprenticeships - extending our scheme to allow a wider and more advanced level of qualification	We aim to increase the number of female applicants by 5% year on year and add a minimum of two new higher or degree level apprenticeships to the programme each year	Milestone missed but on revised plan	We saw a decrease in the overall number of female applicants for this year's vacancies, down from 89 in 2017 to 69 this year, however we have continued to attract some of the best budding new talent in the industry through our apprenticeship scheme. This has expanded to include a further two disciplines this year, a Trainee Financial Analyst at Level 7 and a Level 5 BTEC Apprenticeship in Construction and the Built Environment

Environment | our performance this year

One Approach goals	2017/18 commitments	Current Status	Explanation of performance
We will save our customers more CO2 than we emit by 2018.	Continue to save our customers more CO2 than we emit and work to increase the CO2 savings delivered to our customers beyond our achievement in 2016/17.	Exceeded expectations	118,085 tonnes of CO2e has been saved over the 2017/18 reporting period. This is equivalent to 22 times our 2017/18 carbon footprint.
We will send zero waste to landfill and champion innovation in water use.	Continue to maintain a landfill diversion rate above 92%.	Achieved	Our zero to landfill rate for this year has been maintained at 97% and we continue to explore avenues to reduce our waste generation and maintain our diversion to landfill rate. We continue to look for potential avenues to champion innovation in water use.
We will cut our CO2 emissions by 20% per employee from a 2012 baseline.	This year we have re-baselined our carbon footprint and we remain committed to achieving a reduction of 20% in CO2 emissions.	Exceeded expectations	We have successfully reduced our carbon emissions by 27% (net) and 23% (gross) reduction from baseline as a result of estate rationalisation, absolute energy reductions and a Group-wide Skype roll out. The Group wide Skype roll out has resulted in a reduction of over 1.2 million miles driven across the Group in the reporting year.

Supply Chain | our performance this year

One Approach goals	2017/18 commitments	Current Status	Explanation of performance
We will use new technologies, including BIM, to eliminate waste when procuring materials.	Continue to grow and support our network of BIM practitioners, contributing to the development of tools, protocols and BIM industry guides.	Exceeded expectations	We continue to invest in the development of BIM both for ourselves and the industry. We are pleased to report that our efforts were recognised this year through the achievement of the BSI Kite mark certification for delivery of Level 2 BIM and in addition BIMHAWK was recognised by Building magazine as the BIM Initiative of the Year 2017.
Through collaboration we will deliver excellent sustainable solutions for our customers.	We will complete the business wide roll out of the Customer of Choice strategy and work to ensure that all our divisions have identified those strategic suppliers that can help deliver innovative sustainable solutions to our customers.	Milestone missed but on revised plan – to be featured as a target in the new strategy	We were unable to complete the roll out of our Customer of Choice programme by the end of this financial year but it is now in its final stages of delivery. Delivery should be complete by the end of August 2018.
We will achieve the Government's sustainable supply chain Flexible Framework Level 5 standard.	In the forthcoming year, we will examine the potential of applying and adopting the ISO20400 sustainable procurement standard.	On track	This year we reviewed the ISO20400 sustainable procurement standard and have taken the decision to adopt the ISO20400 standard as part of our ongoing commitment to responsibility.

Community | our performance this year

One Approach goals	2017/18 commitments	Current Status	Explanation of performance
By 2018, for every person we employ we will have helped another two young people to be more successful in their future careers.	We aim to have engaged with 5,500 young people through INSPIRE, and continue to deliver and promote the programme nationally.	Exceeded expectations	At our year end, our reach totalled 6,464 individuals. We delivered a combination of events including STEM engagement days, careers evenings/talks and work experience weeks in London, Reading, Leeds, Birmingham and Manchester.
We will encourage our employees to support causes close to their hearts.	We will seek to raise over £75,000 by the end of June 2018, in support of Alzheimer's Research UK, our Charity of the Year for 2017/18.	On track	At our year end we had raised £63,000. The Partnership has now been extended to September 2018 with a view to launching a new partnership in March 2019. Further Group led and local events are planned for the remainder of the year.
Each of our projects will implement a community impact plan.	Continue to increase our community impact audit score and examine ways in which to integrate community impact plans into the delivery of our INSPIRE programme.	Achieved	We have successfully increased our audit score to reach 94% and have refreshed our overall audit process to recognise the broader impacts we may have at a site location.

Reporting overview & scope

Unless otherwise stated, this Report is based on NG Bailey's fiscal year from 25th February 2017 to 2nd March 2018, and covers all material reporting units within our Group function and Engineering, IT services and Facilities services divisions. The materiality of our units has been determined by its contribution to our overall impact and our ability to influence the impact of the operations.

Our carbon footprint

Our carbon footprint includes all owned NG Bailey office locations and all NG Bailey office locations leased for our use. The footprint currently excludes impacts arising from:

- NG Bailey owned domestic properties. We estimate the impact of these properties to be immaterial but will work to collect this data for future reporting.
- Our projects and sites due to the limited availability of accurate data. We will continue to work to improve the quality and availability of this data so we can report this impact in the future.
- Storage locations used during the course of our business. These locations are immaterial to our floorspace footprint and are not considered a main place of work.
- Agricultural or farming properties and activity. NG Bailey owns large areas of land, the majority of which is tenanted and therefore managed by a third party. However, we take our responsibilities as a landowner seriously and even though the activities undertaken on our land are not considered core to the NG Bailey Group, as a minimum we require all our tenants to abide by the Wildlife and Countryside Act 1981.
- Domestic properties leased on behalf of NG Bailey. We estimate the impact of these properties to be immaterial and our scope to influence consumption is very limited. We do not seek to collate or report this data.

All data presented in the Report has been calculated and reported to the financial reporting year. 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. Where possible and appropriate, the Report provides up to three years of historical information to provide a sufficient basis for comparison. This year we have amended the gas consumption for one of our leased properties following the identification of a previous reporting error. The managing agent was only able to provide limited actual data and therefore, where required, we have estimated the gas consumption based on other actual consumption for that site. Similarly, we have estimated the consumption for one of our smaller leased locations as the managing agent was unable to provide consumption detail.

Our travel footprint accounts for both scope 1 and scope 3 related travel, but we are currently unable to capture tube, tram and bus travel across the Group.

The emission factors used in the calculation of the carbon emissions are the 2017 conversion factors for greenhouse gas company reporting⁵.



Other reported performance

Our health and safety performance incorporates all RIDDOR injuries reported by employees and contractors within our Group function and Engineering, IT services and Facilities services divisions.

The scope of our reported waste performance is limited to the NG Bailey owned estate. 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 2018.

Governance & 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 and Board.

- Number of RIDDOR incidents occurring in 2017/18 financial year;
- Number of reported near misses in 2017/18;
- Carbon dioxide emissions per employee 2017/18;
- Scope 1 and 2 total emissions for 2017/18;
- Total energy savings for our customers in 2017/18;
- Renewable energy generated on our sites 2017/18;
- Charitable Giving donations made in 2017/18.

Previously reported annual performance for the following metrics were subject to internal audit review as part of the 2016/17 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.

⁵ <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>



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.

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