



NG Bailey

Responsibility Report • 2020

Our One Approach to Business



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Our One Approach to Business

Contents

| | |
|---|-----------|
| Welcome | 03 |
| Our financial performance | 04 |
| An award-winning business | 05 |
| Our One Approach to Business | 06 |
| Sustainable Development Goals | 07 |
| A safe and sustainable business | 08 |
| Partner of choice | 14 |
| Recognised employer of choice | 18 |
| Giving something back | 26 |
| Reporting overview scope and assurance | 30 |



Welcome

I am pleased to update you on the progress we made during 2019/20 on delivering the commitments we made as part of our One Approach to Business strategy.

This report looks back on our responsibility performance during 2019/20. The publication this year has been delayed as a result of the COVID-19 pandemic, a global issue that continues to pose huge challenges for everyone in our industry. Even now, the situation continues to evolve and impact our wider business operations, including various elements of our charitable work and fundraising efforts. From the outset our priority has been to protect the health and wellbeing of our people whilst safeguarding our business for the future.

Despite the challenges we face, we remain 100% committed to continuing on our responsibility journey. However, at this stage we don't know the full impact COVID-19 will have on our 2020/21 activity.

Our One Approach to Business strategy outlines our commitments to operating responsibly through to 2021, our centenary year. During the last 12 months we have continued to focus on building on our previous successes and delivering against our strategy.

As a family-owned business, integrity is key to us - indeed it is one of our core values - and that means acting responsibly in everything we do.

Following our expansion with the acquisition of Freedom, a key area of focus during 2019 was integrating the two businesses; learning from each other and bringing the best of each together to deliver against the four key principles which underpin our One Approach.

I can report we achieved a strong performance against our stated aims across all areas of the strategy.

We have continued to invest in developing our customer experience, in particular sharing learnings from all parts of the business to ensure a consistently great service. As well as delivering some significant projects, we achieved an industry-leading Net Promoter Score.

Improving our environmental performance remains a key focus and we achieved a 4.6% reduction in our carbon intensity per employee; we continue to invest in supporting the well-being and mental health of our people and promoting a positive mental health culture. I was also proud to sign the Armed Forces Covenant and to later receive the Bronze Award from the Defence Employers Recognition Scheme which acknowledges our commitment to supporting the Armed Forces.

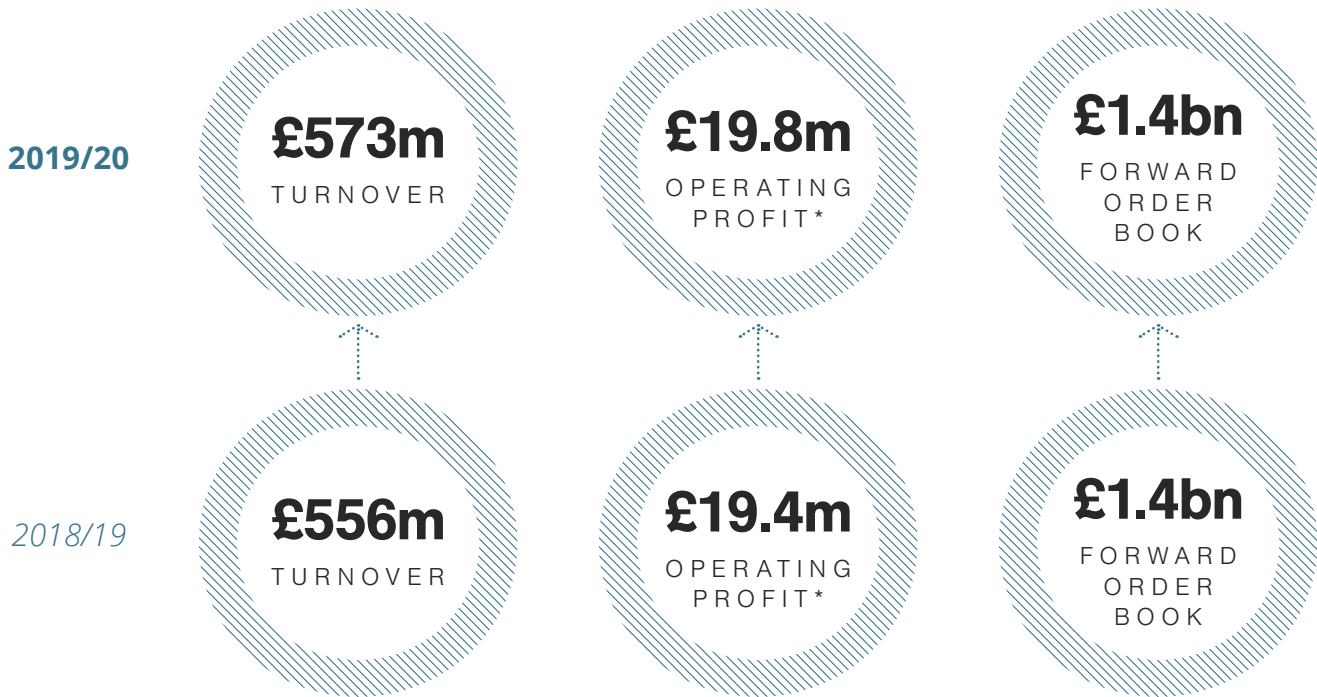
The Fairness, Inclusion and Respect agenda remains a key focus, and the last year saw us engaging with 1,100 students across the UK as we strive to inspire the next generation to join the construction and engineering sector.

April 2019 saw us launch a new charity partnership. Following the successful completion of our previous charity partnership, our employees voted to support the British Heart Foundation. This partnership has seen a variety of fundraising activities take place, from strenuous sporting challenges through to fancy dress fun days and cake sales.

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

DAVID HURCOMB
Chief Executive

Our financial performance



2019/20 was a very strong year for NG Bailey with further growth in turnover and underlying profit.

Our growth was delivered against a backdrop of continuing economic challenges due to the uncertainty surrounding Brexit, with the very end of our reporting year seeing COVID-19 begin to add to this.

These uncertainties impact the confidence of customers to make positive investment decisions and we have continued to see an impact on the forward order book with the gestation of projects from the tender and planning stages to delivery increasing.

As a business, 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.

The past year saw us continue to build on the success of our acquisition of Freedom and further extend our engineering and services capabilities with the acquisition of Schneider Electric’s substation engineering service business, enabling us to extend our range of services in the electricity distribution network sector.

The acquisition generates a further £10m of turnover and saw more than 70 highly skilled employees join the NG Bailey Group to operate under the Freedom brand.

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.

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.

*Operating profit is before exceptional items and amortisation of acquired goodwill and intangible assets. Please refer to the NG Bailey Group Limited Financial Statements for further information.

An award-winning business

Our business continues to go from strength to strength and as a result of our excellent business performance we continue to be recognised with awards from our industry, our clients and professional bodies for our projects, our people and the services we deliver.

A particular highlight from the 2019/20 financial year is our continued high standards of safety in everything we do. 'Safety First and Foremost' remains at the heart of our business, and this has continued to be recognised with the Royal Society for the Prevention of Accidents (RoSPA) awarding us 12 awards across the Group including one Gold Award, four Gold Medal Awards, six prestigious President Awards, and the Order of Distinction, RoSPA's highest accolade.

Our people have continued to live the company values of passion, integrity and excellence, with a number of our apprentices picking up national and regional awards from the Building Services Engineers Association, a fantastic achievement from our young engineering talent.

Our projects and project teams have also seen great success, winning awards for Darlington Memorial Hospital and securing recognition and awards from Wilmott Dixon and Galliford Try by excelling in our partnerships with them. These achievements, as well as the dedication of our people across the Group, have led to us winning Specialist Contractor of the Year at the Building Awards, several Construction News awards, as well as improving our Sunday Times Top Track score by 12 places.



One Approach to Business

We know our customers, employees, and communities demand the highest levels of operational and technical excellence from us and we are proud that NG Bailey is a company founded on its values of Passion, Integrity and Excellence. Our One Approach to Business strategy is integral to our culture; it complements 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”.

The strategy builds on the success we have already achieved and responds to the material issues outlined by our key stakeholder groups. It focuses on achieving four key outcomes via 11 key workstreams by 2021 (see diagram below) further details can be found on www.ngbailey.com/who-we-are/our-responsibilities.

A safe and sustainable business

The safety of our people and all those who work on our projects is first and foremost, but we also take our environmental and supply chain impacts seriously. We have invested in renewable energy initiatives and continue to improve the sustainability and efficiency of our offices and operations. We understand the importance of a sustainable supply chain and continue to engage with our own supply chain.

A recognised employer of choice

We recognise how important our people are to our business and we continue to invest in their learning and development, encouraging them to be the best they can be. We are actively developing our approach to Fairness, Inclusion and Respect and working to provide clear progression and development opportunities for our employees. We also hope to inspire the next generation of engineers through our INSPIRE schools engagement programme.

The partner of choice in our industry

We appreciate that our customers face their own sustainability challenges and we recognise that our services can help them improve performance and reduce impacts. We are committed to working with our customers to understand how we can support their sustainability goals.

Giving something back

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. We also continue to work with our customers to support community projects and provide other support.



SUSTAINABLE DEVELOPMENT GOALS

Our Sustainable Development Goals reporting matrix

The 17 Sustainable Development Goals (SDG's) were introduced in January 2016; whilst originally applied to countries, it became apparent that businesses can play a role in transforming the world in support of these goals.

We adopted the SDG's in 2018 as part of our One Approach to Business reporting to demonstrate our impact beyond the business. In our role as a responsible business, we recognise that we can contribute to the goals which are highlighted throughout the report. The table below signposts where supporting content can be found.

A safe and sustainable business



GOOD HEALTH AND WELL-BEING

- Our safety performance [pg 8]



AFFORDABLE AND CLEAN ENERGY

- Reducing our environmental impacts [pg 10]



INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Using Modern Methods of Construction to reduce the carbon footprint of our projects [pg 12]
- Supply Chain Sustainability School [pg 13]



SUSTAINABLE CITIES AND COMMUNITIES

- Using Modern Methods of Construction to reduce the carbon footprint of our projects [pg 12]



RESPONSIBLE CONSUMPTION AND PRODUCTION

- Using Modern Methods of Construction to reduce the carbon footprint of our projects [pg 12]
- Waste reduction schemes introduced [pg 13]



CLIMATE ACTION

- Reducing our environmental impacts [pg 10]
- Reducing the impact of our vehicle fleet [pg 11]



LIFE ON LAND

- Waste reduction schemes introduced [pg 13]



PARTNERSHIPS FOR THE GOALS

- Partnering for supply chain success [pg 13]

The partner of choice in our industry



INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Improving customers' energy performance [pg 16]
- Operating at Royal Hallamshire Hospital [pg 17]



REDUCED INEQUALITIES

- Generating social value in the North West [pg 15]



CLIMATE ACTION

- Improving customers' energy performance [pg 16]



LIFE ON LAND

- Building biodiversity together [pg 15]



Recognised employer of choice



GOOD HEALTH AND WELL-BEING

- Helping our people to work well [pg 19]



QUALITY EDUCATION

- Inspiring the next generation of engineers [pg 20]
- Spotlight on apprenticeships [pg 24]



DECENT WORK AND ECONOMIC GROWTH

- Inspiring the next generation of engineers [pg 20]
- Experiencing engineering first hand [pg 21]
- The future of our workforce [pg 22]
- Spotlight on apprenticeships [pg 24]



REDUCED INEQUALITIES

- The future of our workforce [pg 22]
- Fairness, Inclusion and Respect [pg 23]



Giving something back



GOOD HEALTH AND WELL-BEING

- Cycling for autism [pg 26]
- HR come together for Pink Day [pg 27]



LIFE BELOW WATER

- Cyprus beach clean [pg 27]



LIFE ON LAND

- Cyprus beach clean [pg 27]



PARTNERSHIPS FOR THE GOALS

- Helping hearts with the British Heart Foundation [pg 28]



1 2 3 10 14 15 16 MULTIPLE SDGs

- Helping our people support the causes they love [pg 28]

To find out more about sustainable development, please visit www.sustainabledevelopment.un.org

A safe and sustainable business

Introduction

Safety First & Foremost is our guiding principle and underlines everything we do at NG Bailey. Recent years have seen us extend that approach to the environment and our supply chain.

We take our environmental and supply chain impacts seriously; we continue to invest in renewable energy initiatives across our business and to improve the sustainability and efficiency of our offices and operations. We also understand the importance of a sustainable supply chain and by 2021, we hope to adopt the ISO 20400 sustainable procurement standard.




0.06


Our Group Accident Frequency Rate (AFR) remains world class

DON'T WALK BY!

Campaign recognised at the 2019 ECA Industry Awards where we received Best Health and Safety Initiative



4% reduction in vehicle related emissions



An absolute reduction of 6% in total emissions across the Group.



Our safety performance

Our commitment to put safety first and foremost remains at the core of everything we do across our Group.

We recognise the importance of engaging not just the minds, but also the hearts of our employees, partners and suppliers. Health, safety and well-being is a cornerstone of our employee engagement activity.

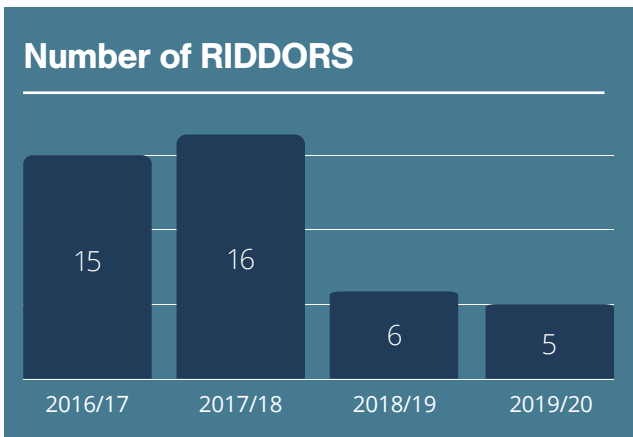
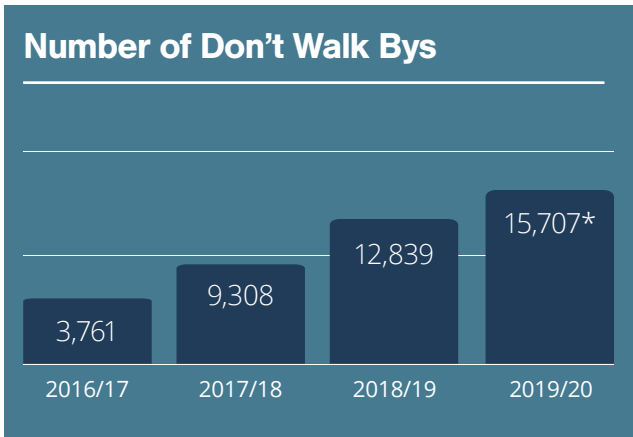
In 2019, we held our inaugural Safety First and Foremost awards; this saw us inviting nominations from colleagues across all areas

of the business and culminated in outstanding examples of safety performance being recognised at a celebratory awards event. These awards will now be held annually.



▲
Safety First & Foremost Awards 2019, Denton Hall

2019 saw us continue to invest in our Don't Walk By campaign, which remains fundamental in improving the safety and well-being of our people across our many varied workplaces. We were proud when the campaign was recognised at the 2019 ECA Industry Awards where we received the prize for the Best Health and Safety Initiative.



Whilst the number of RIDDORS has continued to decrease this year, we were understandably concerned to sustain five RIDDOR incidents during the latter half of the year. Understanding the root causes of incidents and the actions and behaviours that led to them is a key focus for our SHE team. With this understanding we aim to address areas of concern.

Our Freedom, IT Services and central functions have now worked more than 18-months without a RIDDOR incident and it is now more than seven years since our Offsite Manufacture facility sustained a RIDDOR incident, highlighting the safety benefits of working in a factory environment.

Despite these incidents, our Group Accident Frequency Rate (AFR) of 0.06 remains world class and significantly better than the rest of UK construction and managed services industries, and we thank our employees, contractors and partners for their continued vigilance.

We successfully migrated from the OHSAS 18001 health and safety standard to the new internationally recognised ISO 45001 standard. This is a clear indicator of the improvements we've made to our processes and systems for managing health and safety and will ensure we continue to be recognised as a leader in the market place with existing and new clients.

We also introduced an improved occupational health surveillance programme to ensure that our people's health is not affected by the work we undertake. The programme is now embedded and pleasingly, very few health issues have been identified to date.

The year also saw an increased focus on well-being, in particular, mental health. Since signing the Time to Change pledge, we have continued to promote a positive mental health culture across our business delivering various initiatives including the introduction of a Working Well Hub available to all and appointment of an in-house occupational health specialist. We have also delivered a training pilot for front-line colleagues across our HR and SHEQ teams to enable more effective conversations surrounding workplace mental health and well-being.

Our work has once again been recognised by RoSPA. We achieved 12 accolades, including the prestigious Order of Distinction awarded to the Group in recognition of 16 consecutive Gold Medal Awards.

We were also proud to receive six President's Awards which are received for achieving 10 or more consecutive Gold Medal Awards, and a further four Gold Medal Awards, together with one Gold Award.



*For comparative purposes only the unsafe observations, occurrences and actions have been reported in the graph. The total number of Don't Walk Bys reported throughout the year was 21,165 and excludes our Freedom business unit. Our standard reporting incorporates 5,444 reports of security concerns and 'commendable practice' which are not relevant for this reporting.



Reducing our environmental impacts

As we continue our journey to becoming a safe and sustainable business, reducing our impact on the environment remains a key focus. During 2019/20 we achieved an absolute reduction of 6% in total emissions across our Group activities – a saving of more than 500 tonnes of carbon.



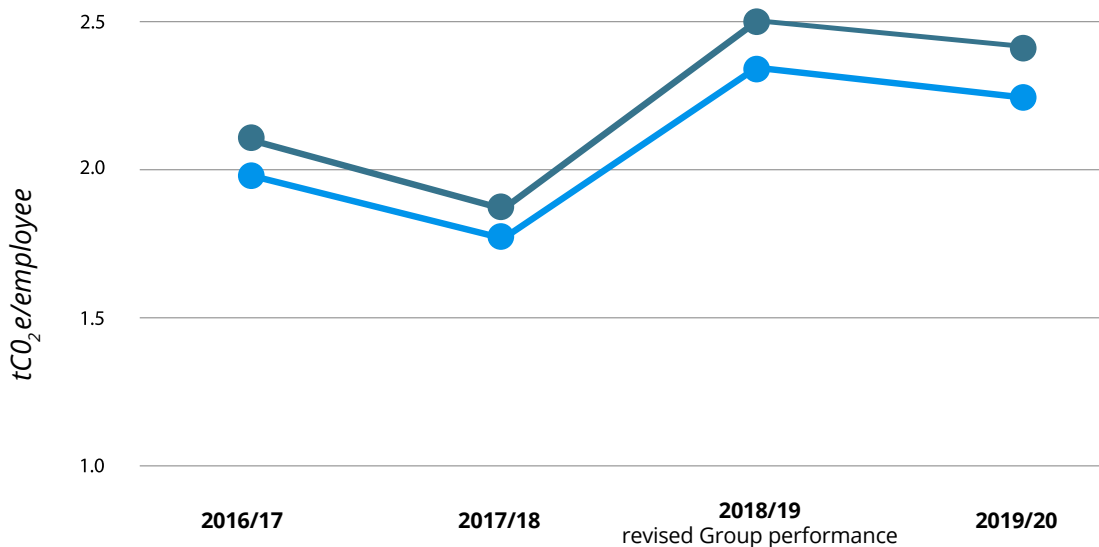
As part of our One Approach to Business Strategy, we set a stretching target for the Group to reduce its carbon intensity per employee by 5% every year for the lifetime of the strategy. Following continued efforts throughout 2019/20, we achieved a 4.6% reduction to 2.39tCO₂e/employee (see figure 1).

While it is disappointing to fall slightly short of our 5% target, we remain committed to reducing the carbon impact of the Group. We continue to encourage and support employees to adapt their working routines and adopt a flexible approach to avoid travel and work smarter. We invested in Microsoft Teams to enhance and bring together existing chat, conference and calling capabilities, and to allow for greater collaboration and app integration across the Group. Our people have embraced this change and it is now embedded, this has been instrumental in delivering a 30% reduction in the carbon emissions related to car journeys.

We have also increased the amount of energy we procure from low carbon sources from 70% to 75% and we continue to use solar photovoltaics and biomass to power and heat our properties, generating 293,700kWh of energy through these sources.

2019/20 Carbon intensity comparison | Figure 1

The 2018/19 revised Group figure reflects our new Group structure with the addition of Freedom.



| | | | | | |
|--|--|------|------|------|------|
| | tCO ₂ e/employee (location based) | 2.10 | 1.87 | 2.50 | 2.39 |
| | tCO ₂ e/employee (market based) | 1.98 | 1.77 | 2.34 | 2.24 |

Business related travel

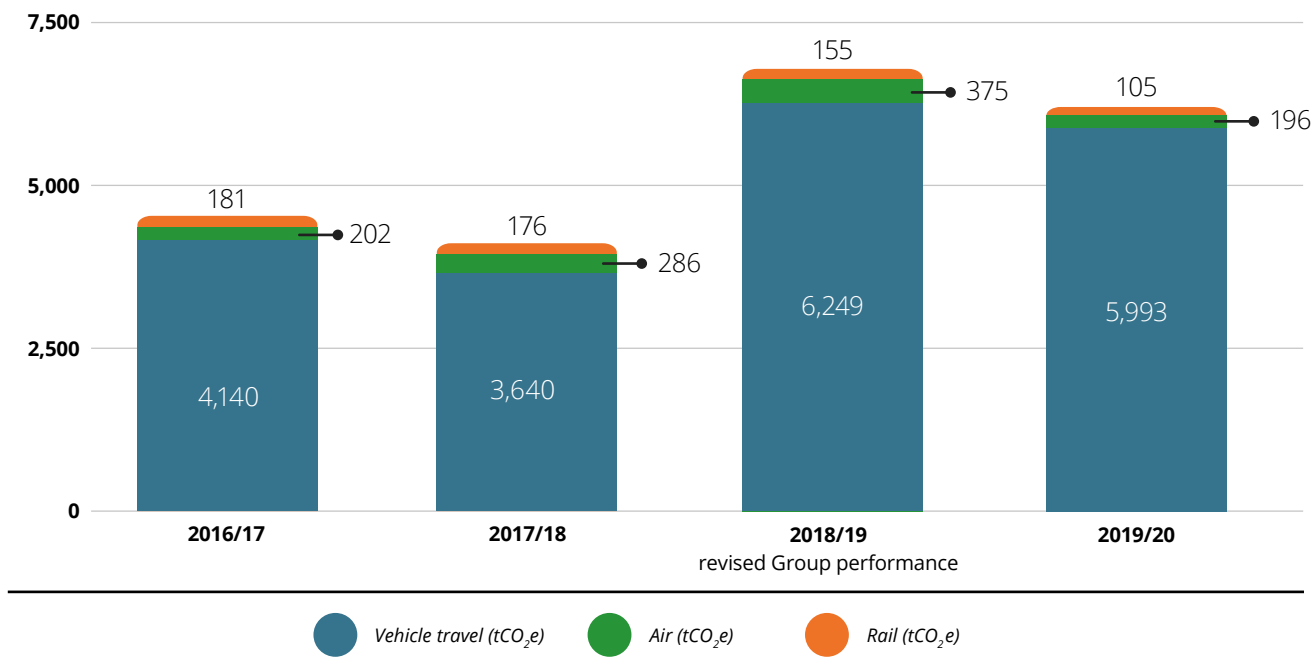
We know that business related travel continues to be our largest impact, representing 82% of our Group footprint.

However, we are pleased to see continued improvements in our performance including a decrease of 2.7m business miles avoiding almost 900 tonnes of carbon when compared with car journeys last year. Vehicle travel remains a core element of how we service our contracts and

customers and we continue to examine ways to reduce our travel related carbon footprint.

We are investing in improving the performance of our company cars; and hybrid vehicles are available and currently account for 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.

Across all our travel-related activity, we achieved a reduction of 485 tonnes of carbon (see figure 2).



Reducing the impact of our vehicle fleet

We have been working hard since 2018 to transform the way we manage our fleet to

bring together driver benefits, cost efficiency and to reduce the carbon footprint of our fleet. We are pleased that every aspect of our fleet policy now includes environmental considerations.

Since 2018 we have reduced the size of our fleet by 210 vehicles saving an estimated 2,520t CO₂e, representing a significant change in how we perceive our fleet. Our selection of cars is now based on whole life cost meaning that we now promote greener, cleaner car choices. We have also expanded our choice to enable drivers to choose hybrid and EV powered vehicles. Subsequently, 36% of our new car orders are for hybrids and we estimate that the adoption of EV and hybrid vehicles could contribute a reduction in CO₂ of up to 200t in 2020/2021.

We are also seeking to further support employees not eligible for a company vehicle to take advantage of EVs through an all employee benefits scheme, enabling our employees to reduce their CO₂ impacts both inside and outside of their work.

Furthermore following the acquisition of Freedom we identified scope for improvement

of its existing fleet of vehicles. The majority of Freedom's vans were more than five years old, inefficient and expensive to run and the telematics data highlighted that some vehicles were not being driven in a safe and efficient way.

Subsequently, the old vans have been replaced with a fleet of 240 new vans, all of which meet the Euro 6 standard for emissions and are fitted with trackers. The data from these trackers has been used to establish a baseline for driving standards and environmental performance across the fleet and they are now working to improve this performance. All existing and new fleet is being fitted with trackers.





Using Modern Methods of Construction to reduce the carbon footprint of our projects

NG Bailey was an early pioneer of offsite manufacturing and we have been championing this approach for more than 20 years.

Offsite manufacturing (OSM) is a key component of Modern Methods of Construction (MMC) and is recognised as having a key role in helping improve the environmental performance of the construction industry.



As well as safety benefits, this approach also delivers significant environmental benefits through reducing waste materials and the excess contingency orders often associated with traditional construction projects, thereby reducing the emissions associated with the manufacture of materials.

It also reduces the need for on-site labour and materials and the associated CO₂ emissions created by transport of people and materials to site.

Furthermore, the precision manufacturing and increased quality delivered by OSM leads to more energy efficient buildings and fewer defects in new buildings.

Project spotlight

During the last year, Offsite Manufacture contributed to numerous projects. Three noteworthy projects included Grosvenor House in Sheffield, the new energy centre at North Tees and Hartlepool Hospital and Manchester Engineering Campus Development (MECD).



Grosvenor House

Through our specialist Offsite Manufacture facility in Bradford this achieved:



The removal of 82,291 labour hours from site, across these projects, reducing vehicle movements to and from, and minimising congestion with fewer people travelling daily to site



North Tees Energy Centre



Manchester Engineering Campus Development (MECD)



Supply Chain Sustainability School

NG Bailey remains a proud partner of the Supply Chain Sustainability School (SCSS), a virtual learning environment bringing together key players in the construction and engineering industries to develop sustainability awareness and drive sustainable best practice.



The school is for everybody working in the construction, facilities management, offsite and infrastructure sectors in England, Scotland and Wales. It covers a wealth of topics from waste and carbon to fairness inclusion and respect and the Modern Slavery Act, as well as many more sustainability issues.

We have been a key stakeholder this year in the SCSS carbon, waste, and well-being special interest groups, giving us the opportunity to use our specialist insights in these areas to shape industry-wide operations.

We look forward to our continued work with the School and all our supply chain partners.



Waste reduction schemes introduced

Like many other businesses we generate waste as a result of the services we deliver but we continue to work to reduce this impact. Over the past year we have been considering how we treat redundant assets and our general waste, and exploring avenues to turn it into a valuable resource rather than a waste stream. Across the Group, a number of initiatives have taken place:



Across the Group, a number of initiatives have taken place:

- We partnered with Wood Community Recycling to re-use waste wood with 10 tonnes being processed into kindling and woodchip
- We engaged a third party to maximise the re-use of our redundant IT equipment, such as access points, routers and switches and have subsequently avoided 3.1 tonnes of redundant assets being disposed of as hazardous waste
- We have expanded an existing relationship with a local plastic recycling plant to increase the scope of our recycling and provided almost 2 tonnes of used plastic that has been recycled into new products in the UK
- Donated used office furniture to a local community group and the British Heart Foundation.

We continue to examine innovative ways to reduce our waste impact.

Partner of choice

Introduction

We understand that our customers have their own sustainability challenges and we recognise that our services can help them improve performance and reduce impacts. Working with our customers to understand how we can support their sustainability goals is a key strand of our strategy.



Highlights of our 2019 survey include:

Customers felt our "quality of work" increased to

83.9%

(Results from Engineering and Services Division)

Good working relationship, communication and attitude

82.5%

(Results from Engineering and Services Division)

"Problem resolution" increased to

63.8%

(Results from Services Division only)

Delivering great service for our customers

The 2019 annual Net Promoter Score (NPS) survey saw a small decrease in the overall NG Bailey Group score - from 31 to 27 - but we remain on course to achieve our aim of an NPS of 40 in 2021. Scores within the annual survey were:

- Engineering division increased its score by 4, taking it to 54
- IT Services and Freedom, both part of our Services division saw their NPS increase to 68 and 50 respectively (up 44 and 11 vs 2018)
- The volume of customer responses increased significantly with the Facilities Infrastructure Services team seeing an increase of more than 325% and responses for the Services division by 54% overall when compared to 2018.

Consistently high NPS



Engineering



IT Services



Freedom





Generating social value in the North West

This year our teams in Engineering North West have invested in their local communities through a range of social

value activities. We recognise the importance of creating opportunities for local people to understand more about the construction activities taking place within their neighbourhood. Many of our colleagues have dedicated their time and skills to engage locally and have achieved:

- Creation of 18 local jobs
- Delivered more than 10 sessions to university and high school students introducing them to the world of engineering and construction by providing careers guidance and sharing professional experience
- Provided work placement or internship opportunities for 10 local students with more planned for the future
- Volunteered more than 500 hours of their time for a range of causes including helping the homeless, engaging local schools and students, upskilling to help manage mental health issues, and sharing their experience of our industry
- Shared our professional skills and expertise to install donated mechanical and electrical goods for local charities.

We continue to look for opportunities to partner with schools, charities and other local organisations to share our expertise, time, and knowledge.



Building biodiversity together

This year we are delighted to have retained the Wildlife Trusts Biodiversity Benchmark

at a number of major sites and in partnership with Yorkshire Water and Aire Rivers Trust, volunteers from across the Group gathered earlier this year to plant trees to help improve the local habitat and reduce the risk of flooding in the Aire Valley. Over 500 new trees were planted, including Oak, Hazel, Hornbeam, Willow, Hawthorn, Holly, Birch and Rowan species.

Working in sensitive environments

Freedom has also been undertaking work in the vicinity of Fountains Abbey, a World Heritage Site. The programme to improve the reliability of the local electricity network will improve the visual appearance of the site, an Area of Outstanding Natural Beauty.

The work has been conducted sensitively with consideration for woodland, Anglo-Saxon hedges, mature trees, the River Skell, wildflowers and various species of wildlife. To avoid any damage and minimise our impact on this sensitive environment, directional drilling was undertaken, a method that also preserved the archaeological sites and allowed the public areas to remain open.

“We are delighted to see our partners, NG Bailey and Freedom, take part in employee volunteering opportunities with the Aire Rivers Trust. Giving something back to our communities and the environment is important and we welcome more volunteers to get involved ”

Anne Reed

Lead Adviser for Corporate Social Responsibility at Yorkshire Water

Enhancing our Customer Satisfaction programme

After reviewing feedback from both our customers and operational teams; we are enhancing our Customer Satisfaction Programme to ensure we continue to operate in the most accessible and beneficial way. From this year the surveys will be:

- Held every six months to allow our operational teams, and central functions, the time needed to focus wholly on utilising the customer sentiment to its full potential.
- Completed via email as default but with the addition of submissions over the phone and face to face, allowing us to tailor the programme to the needs and preferences of our customers.
- Expanded to include the bid, mobilisation, transition, and renewal stages of our contracts across each of the five business units within our Services division.





Improving customers' energy performance

Teams across our Services division work with customers to help them save energy and improve their own carbon performance.



Upgrading ageing infrastructure

In September 2019, NG Bailey completed a project to create a new £14M energy centre at the University Hospital of North Tees.

Acting as Principal Contractor, our Engineering division replaced the hospital's ageing infrastructure with more reliable and energy efficient equipment. As well as providing capacity for future development, this has also reduced the Trust's energy consumption. The site is a busy acute hospital, so all works were planned in detail to ensure no disruptions to the on-going operation of the hospital. Using our Offsite Manufacture facility also reduced vehicle movement to site, thus also reducing the carbon footprint of the project.

The project also saw the installation of solar panels on the hospital's roofs to generate renewable energy. This will generate annual carbon savings of 50 tonnes of CO₂ and cost savings of around £25,000 per year.



North Tees Energy Centre

Delivering energy savings through innovation

Our Power Solutions team from Freedom has been working with industrial high energy users to identify ways they can add most value to their client portfolios.

They have been focusing initially on those customers with direct connections to Distribution Network Operators (DNOs)

and Transmission System Operators (TSOs) who also have capacity to store energy.

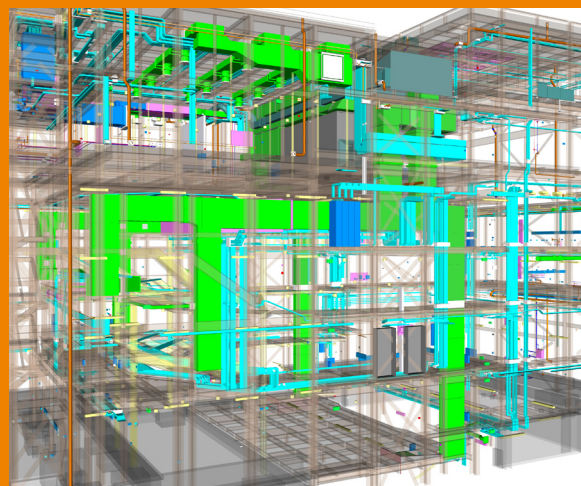
The team has helped a number of customers realise significant energy savings of between 5-15%, making huge differences to their environmental and carbon impacts as well as financial costs. The team continues to assess energy and technology markets to determine when is most efficient for clients to be investing in new systems. They look forward to another fruitful year of realising energy savings for key customers.



Global BIM accreditation

BIM (Building Information Modelling) is transforming the construction industry and changing the way our teams collaborate with external stakeholders at each stage of our projects. BIM has always been defined by the British standard BS-1192, however earlier this year ISO (International Standard) 19650:2 launched and marked an important step forward in the global BIM journey. We're delighted to say that NG Bailey secured this impressive accreditation.

The accreditation was awarded following an intensive three-day audit of our digital engineering systems and processes by BSI, during which, we demonstrated how we had used these practices on projects.





Royal Hallamshire Hospital



Operating at Royal Hallamshire Hospital

Following a series of successes in the healthcare industry, including project wins such as the Golden

Jubilee's new eye care centre and the completion of the University Hospital of North Tees' energy centre in 2019, NG Bailey has again delivered success at the Royal Hallamshire Hospital, Sheffield.

The £3m project at Royal Hallamshire Hospital has provided four new state of the art operating theatres. The refurbishment of A Floor is the third phase of development for Royal Hallamshire Hospital, which is upgrading its 40-year-old operating theatres to create cutting edge facilities that are at the forefront of UK hospitals.

Taking just 12 months to complete, the project involved some complex logistical challenges to move plant into the building whilst keeping the hospital fully operational and maintaining patient care and safety. These logistical issues were primarily overcome through the innovative use of BIM technologies to coordinate new mechanical and electrical services through the existing services and structure, ensuring that they could be both

installed and easily maintained, as well as creating minimal disruption to the hospital and its patients.

We are delighted that we have also secured the next phase of works at the hospital, a testament to our excellent working relationship with the other contractors on the site, as well as our extensive experience and expertise in working in the healthcare sector.

“ Working on any construction project requires good communication with the client and other contractors, and we worked closely with the hospital trust to ensure that patient safety was maintained at all times. We also worked flexibly to accommodate the needs of patients and operations, which were taking place in such close proximity to the site ”

James Summerfield
Senior Project Manager at NG Bailey

Recognised employer of choice

Introduction

Our ongoing commitment to be a recognised employer of choice has seen us continually invest in key initiatives during the past 12 months. The well-being and mental health of our workforce remains a priority, and our apprenticeship programme and apprentices have secured a number of external accolades for their excellence. The ongoing learning and development of our people remains of great importance and our engagement with young people and veterans has continued to showcase NG Bailey to a new and future workforce.



Pulse Survey

Our April 2019 Pulse Survey to our employees shows us what we're doing well as a business, and where we can improve.

93% ↑ 2%

Of colleagues agree that NG Bailey puts safety first and foremost

79% ↑ 1%

Of colleagues agree that their peers demonstrate our company values

83% ↑ 4%

Of colleagues are proud to work for NG Bailey

82% ↑ 1%

Of colleagues agree that they are treated with respect and fairness



Over

1,100

students engaged through our Inspire programme



8,500

training days delivered across the Group



87%

of students increased their knowledge of engineering after engaging with NG Bailey



Almost

70%

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



Helping our people to work well

Our Working Well strategy has progressed significantly in the past year and as part of our continued investment in a happy and healthy

workforce, we continue to support and empower our people to address physical and emotional well-being issues head on in the workplace and at home. We remain dedicated to creating a well-being culture throughout our organisation that enables our people to achieve personal and professional success together.

Following our pledge in support of Time to Change, we have been focused on upskilling key people in our business. This year we rolled out training to more than 30 frontline colleagues to enable them, when required, to have more effective conversations with regards to workplace mental health; we will build upon this training through the launch of our well-being e-learning module. This module is available to all employees and provides an introduction to the key elements of maintaining good well-being.

As part of our ongoing integration of Freedom, now part of our Services division, a further 600 people can access our Working Well Hub and Employee Assistance programme. This provides a wealth of resources that are available 24/7, 365 days a year. Additionally, we have introduced well-being into the behavioural change programme underway in Freedom with almost 200 colleagues and franchisees taking part in our well-being workshops. These examine how our people can support colleagues through observation and communication skills, as well as showcasing key tools and resources available to support our mobile and lone-working operatives.

We continue to provide tools and information to enable our people to manage their own well-being and deliver events in line with national health campaigns such as Mental Health Awareness Week, Men's Health Week, National Stress Awareness Day and Breast Cancer Awareness Month. As part of our partnership with the British Heart Foundation, we have also trained over 150 colleagues across the country in life-saving CPR skills. Dialogue with our employees remains essential to our development in this area.



Colleagues from Leeds at their Restart a Heart Day CPR training session

**proud to support
time to change**

Time To Talk in Birmingham

Colleagues from the Design and BIM teams in our Birmingham office went the extra mile for Time to Talk Day this year, with the department holding an engagement session around the topic of mental health. The event was aimed at promoting the importance of talking about our health and well-being, as well as providing colleagues with resources to help spread awareness of the impacts of poor mental health, and interactive activities to help colleagues manage their own well-being.

**time to change
time to
talk day
06/02/20**

“The session was well received with people sharing openly and respectfully in a safe, confidential environment. People shared their experiences, and how having people to talk to has helped them, either at work or away from work. Although it was ‘Time to Talk Day’ it was re-inforced that this is important all year round”

Design Engineer,
Birmingham



Inspiring the next generation of engineers



Our industry is facing a skills shortage and research from Engineering UK shows that 76% of young people aged 11 to 19 do not know a lot about what those working in engineering do. Our Inspire schools engagement programme has been designed to demystify

the role of an engineer in our business. The programme, aimed primarily at students in key stage 4, highlights the key skills required in our own and other STEM industries and discusses the role of apprenticeships.

The Inspire programme this year has reached over 2,000 students across 12 in-school workshops, three in-house work experience weeks; CV workshops and mock assessment centres. This has been supported by almost 400 hours of volunteered time and expertise from people across our business. Of those students 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.

Collaborating for STEM learning success

This year we partnered with the National STEM Learning Centre and Network to form an ENTHUSE partnership in Bradford. The partnership assists schools and colleges in working collaboratively and with businesses to improve teaching and learning in STEM.

We have worked with four schools in Bradford to provide opportunities for their STEM-minded students to learn more about how their STEM learning could be applied in a practical business environment or career. We engaged with almost 450 students in our partnership schools, building



The Kingsway School
@kw_sch

In partnership with @NGBaileyUK Y9 students have completed two days of **#STEM** activities which comprised of **#constructing** and testing balloon racers, **#designing** a chute to escape a volcano and **#building** a cardboard boat!



PROJECT
ENTHUSE



STEM
LEARNING

relationships with teaching staff, providing site tours and practical workshops at our Offsite facility in Bradford, as well as delivering CV and apprenticeship workshops at Denton Hall.

Following their experiences, 95% of the students who engaged with us reported that their knowledge of the skills needed for a career in STEM/engineering had increased; they were now more interested in a STEM apprenticeship and/or career after engaging with us and 95% would also choose an apprenticeship as one of their top post-16 options.



Students on an ENTHUSE visit to our Offsite facility



Northern line extension project with SAY work experience candidates, Karon Van Der Heiden and Nicholas Rixon.



Experiencing engineering first hand

We recognise that providing direct experience of our engineering world is key to

engaging young people in our industry, allowing them to understand the diverse range of roles, careers and experiences engineering can provide. These mechanical and electrical (M&E) experience weeks are designed to get students thinking about the range of roles, technical skills and behaviours required to complete a commercial engineering project and is complemented by site visits to see first-hand how our engineers deliver their projects. The vast majority of students who engage in our work experience weeks state that they are likely or very likely to pursue an apprenticeship with NG Bailey.

Alongside our own work experience programmes, we also hosted 21 students from Serious About Youth, a social enterprise in London. Their Construct work experience programme is aimed at a mixture of NEET (not in education, employment, or training) young people and sixth-form/college students, provides opportunities to enable young people to identify career routes and consider their choices in the engineering and construction industries.



Work experience delivering for skills shortage

Taiyon Osborne, one of our newest electrical apprentices at our Birmingham office was first introduced to NG Bailey through an in-school workshop where he learnt of our local work experience programme. Taiyon subsequently applied, and gained a place on our competitive Birmingham work experience week and this provided him with the opportunity to demonstrate his skills and knowledge to us from the outset. We were delighted to welcome him to our apprentice assessment day where he was able to secure a place on our electrical apprentice scheme. This is a great example of how our early investment in STEM learning in schools has allowed us to provide opportunities for talented candidates and begin to address the skills shortage in our industry.

“ My journey with NG Bailey has been great: I was selected for the 2019 Birmingham work experience where I learned a lot and I’m now working as an Electrical Apprentice: I really enjoy getting to learn new things every day ”

Taiyon Osbourne
Electrical Apprentice



The future of our workforce

NG Bailey is not unique in the challenges we face as an employer working in an industry that has a long standing and significant underrepresentation of women and minority groups within its ranks. We go to great lengths to encourage women and minority groups to pursue their careers

within our sector and our award-winning apprenticeship programme actively seeks to encourage applications from women, with more than 5% of our current apprentices being female. We know the progress will be slow and it will take time before we see these initiatives impact on our gender pay figures as the trainees and apprentices we recruit today develop into the senior leaders of tomorrow. Full details of our gender pay report can be found online at www.ngbailey.com/who-we-are/our-standards.



Accredited
Until 2021



As demonstrated in this report we continue to invest in the engagement of young people in schools in order to challenge people's perceptions and demonstrate the opportunities available in our sector. We also remain committed to the training and development of our people having delivered over 8,500 training days and 10,000 online courses this year alone. We are delighted to be recognised by the Asian Apprenticeship Awards as Construction employer of the Year for the second time in a row and secure bronze accreditation from Investors in People (IIP).

We recognise that closing the gender pay gap within our industry and our business will take time. We remain committed to the principles of Fairness Inclusion and Respect and understand the benefits these will bring to our people, our customers and our business.



Jennie Shackleton
Electrician

Jennie joined NG Bailey as an apprentice in September 2015 having studied for a degree previously. Since completing her apprenticeship in 2019, Jennie now works as electrician in our Midlands region. Throughout her career at NG Bailey, Jennie has worked on a number of flagship engineering projects and also been the recipient of a number of awards.



Lili Daniel
Electrician Apprentice - Building Information Modelling (BIM) Coordinator

Lili joined NG Bailey in September 2019 having already completed a level 2 and level 3 BTEC in Construction and the Built Environment at Leeds College of Building. Recognising that an apprenticeship was the next natural step for her, Lili is now working as a BIM coordinator within our business.

Fairness, Inclusion and Respect



Our work around Fairness, Inclusion and Respect (FIR) is central to our mission to create exceptional environments for present and future generations. We don't think it's right that

people are treated unfairly just because they are different. Instead, we are working to build an inclusive environment where everyone receives fair treatment and feels valued and respected. This means we work hard to stamp out discrimination, giving everyone an equal opportunity to succeed. We won't tolerate bullying, harassment or victimisation – these aren't the actions of people we want on our team.

We believe that utilising the principles of FIR will enable us to attract, recruit and retain the best people. We use FIR to ensure the emphasis is on finding the best people, not just the usual people, for the job; ensuring equity at point of selection and making NG Bailey a place where everyone feels welcome and valued. The outcome of this important work will be a diverse and talented workforce that continue to make NG Bailey an outstanding organisation. As part of our ongoing investment we remain a proud member of The 5% Club, a select group of companies committed to increasing the number of apprentices and graduates in the workforce.



Engineering employs
5.6 million
people in the UK



59,000
extra engineering graduates
and technicians needed to
fill core engineering roles



203,000
people with Level 3+
engineering skills needed
every year to meet demand



Armed Forces Covenant

Business in the Community reports that around 21,000 men and women have left the Armed Forces in each of the last five years, contributing to an ever-increasing pool of an estimated 900,000 working-age veterans.

With ex-military candidates readily available nationwide and with our own operations spanning the length and breadth of the UK we want to provide access and opportunities to our business to allow us to gain access to an extensive talent pool of highly-skilled and disciplined candidates.

This year we were delighted to achieve the Bronze Award from the Defence Employer Recognition Scheme (ERS). This recognises our commitment to the Armed Forces Covenant and our military strategy, which aims to recruit ex-military personnel who have a breadth of aptitude, skills and training which are transferable and could add real value to our business.

Throughout the past year, our Resourcing team has been working in partnership with our people managers, ex-service employees and external military charities to identify job roles which would be a match for ex-military personnel, and how best to recruit and integrate them into NG Bailey. Achieving the Bronze Award showcases the successful rollout of our military strategy and FIR programme, further demonstrating our dedication to provide opportunities for all.



Spotlight on apprenticeships

NG Bailey has a long history of apprenticeships, having recruited over 6,000 since we began our recruitment in 1934. Our continued investment in our apprenticeship programme has continued to positively impact our business. We have seen a number of our apprentices

recognised for excellence in their field and this year we saw 43 colleagues successfully graduate, our largest graduation cohort in five years, demonstrating our continued commitment to training the next generation of skilled people for our industry. This is a great example of how the programme continues to expand in order to meet the ever changing skills need in our business.



NG Bailey Apprentices



3,590 apprenticeship applications in 2019



60 successful applicants every year



23 apprenticeship programmes



100% apprentices in the last two years have come out with jobs



83% graduate apprentices retained 2015-2019



89% completed their apprenticeship compared with 68% UK average

Award-winning apprentices

In the last year our award-winning apprentice programme recruited almost 60 new apprentices across the UK and we remain encouraged by the increasing number of female and BAME applicants to our business. We are also delighted that our apprentice cohort continues to excel in our industry, having won a number of awards across the UK including:





“ Seeing our apprentices complete their programme and being able to celebrate that achievement with them and their families captures, for me, one of the things that makes NG Bailey such a great business to work for ”

Frank Clayton MBE
Head of Learning and Development

Giving something back

Introduction

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



Charitable giving 2019/20



41 different charities supported through charitable giving



Almost £23k donated in charitable giving



Over £56,000 fundraised for British Heart Foundation



Over 1,200 dedicated volunteering hours delivered



154 NG Bailey employees trained in CPR

3 GOOD HEALTH AND WELL-BEING



Cycling for autism

Five of our fantastic colleagues in the North East put their northern grit to the test, taking up the challenge of a two-day, 150-mile cycle ride from Berwick-upon-Tweed to Stockton upon Tees. Their amazing team effort saw them raise a staggering £7,000 for the North East Autism Society, a charity that has been working with individuals on the autism spectrum and their families for over 40 years. The charity aims to work together to inspire, support and equip people with autism and



other examples of neurodiversity to fulfil their potential in life. Our team's fundraising efforts will ensure that the charity can continue to support hundreds of families in the coming years.



Cyprus beach clean

Our colleagues working in Cyprus took to the beach to carry out the huge task of cleaning up a special area of conservation near our project on the Akrotiri Peninsula.



The area is of significant natural importance as it is home to numerous protected species, including Elenora Falcons, European

Shags and it's also a nesting site for Sea Turtles. Given its location, over time the beach had become littered with rubbish and washed up shipping waste.

The team of 25 NG Bailey colleagues collectively dedicated more than 50 hours of their own time to collect 6,600 litres of waste, which included a significant amount of plastic, polystyrene and other marine-related waste. The team also recovered a lot of drift wood and pallets, which was used to construct habitats for bees and reptiles at a later date.

“ A huge thank you to all our people who turned out on the day - you gave up your time and you made a real difference. I'm sure the team are looking forward to planning more beach cleans in the near future and whilst it may sometimes seem like an endless task, the results of this day speak for themselves ”

Andrew Morley
Regional Managing Director



HR Come Together for Pink Day

Colleagues at our Leeds office came together to raise money for Breast Cancer, with our HR team running

the event and raising over £330 for Breast Cancer Now.



Port of Dover community regatta

A team from Freedom really pushed the boat out - or rather a raft - to support local charities in the Dover area.



The six-strong team used their engineering skills to build their own raft to compete in the annual Port of Dover community regatta. They were cheered on by family and friends to take part in the challenge, which was raising funds for the Pegasus Play Scheme; Dover SmART Project and Wet Wheels - three local charities in the Dover area. The event attracted thousands of visitors throughout the day and raised a total of £7,500, its best total to date.



“ By fundraising for the UK's largest breast cancer charity, we are helping to create a better future for everyone affected by breast cancer, raising money to help make life-saving research and life-changing support happen ”

Julie Verity
Head of HR Services

17 PARTNERSHIPS FOR THE GOALS



Helping hearts with the British Heart Foundation

We encourage all our people to get involved in giving something back to the communities in which we work. In April 2019, we successfully launched an 18 month charity partnership with the British Heart Foundation (BHF), the result of an employee vote. We have already seen employees across the Group put in some incredible efforts to fundraise to help Beat Heartbreak Forever. Colleagues have pushed themselves to the limits by running, walking and cycling great distances; put their culinary skills to the test with bake sales and coffee mornings, and over 150 of our employees volunteered their time to become part of the BHF's 'Nation of Lifesavers' by learning crucial skills in Cardio Pulmonary Resuscitation (CPR).

Our BHF partnership has now ended and we are delighted that through a combination of donated items and fundraising by our amazing colleagues, the value of our partnership totalled £76,000. This exceeds our original target and provides vital funds to help the BHF Beat Heartbreak Forever.



“ On behalf of the BHF I'd like to say a huge thank you to NG Bailey colleagues. Through their support and enthusiasm they have played a vital role in helping us fund life saving research and support people affected by heart and circulatory diseases. Every penny raised helps us support researchers who are working tirelessly to bring us closer to treatments, cures and ways to prevent and protect us all from heartbreak ”

Paul Davies
Head of Corporate Partnerships

Helping our people to support the causes they love

We continue to support our people in their personal charitable activities through matched funding, one-off donations and by providing time out of the business to volunteer.

This year our people have contributed almost 1,200 volunteering hours to a range of activities including supporting our Inspire schools engagement programme; bringing engineering alive for the next generation of engineers; CV workshops; girl guiding weekends; community engagement and local fundraising events.

We have donated almost £23,000 in charitable donations across the Group in 2019/20, supporting 41 different charities on behalf of our people. These charities addressed a wide range of issues including Breast Cancer UK, Bowel Cancer UK, Mind, Walking with the Wounded, Action for Children, and local Scouts groups, to name a few.



2019/20 Charity of the Year - a look back



Bake sale at Denton Hall



GOE - London bridges walk



White Rose extravaganza



London to Brighton Bike Race 2019



Yorkshire Tough Mudder



BHF Tower of London Run



Wharfedale Three Peaks Challenge

Reporting overview, scope and assurance

The report is based on NG Bailey's fiscal year from 4th March 2019 to 28th February 2020, and covers all material reporting units within our operational control in the Group functions, Engineering and Services divisions.

Our carbon footprint and assurance

This year, for the second consecutive 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.

The assurance process assesses the materiality of all our business locations and the contribution to our overall impact alongside our ability to influence its operational control. Our current scope incorporates impacts from owned commercial properties and material leasehold properties but does not include impacts from our project locations

Full details of our assurance can be found at www.ngbailey.com/who-we-are/our-responsibilities.



Other reported data

All other data presented has been calculated and reported to the financial reporting year unless explicitly stated otherwise in the report. 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 functions, Engineering and Services divisions.

The number of employees used in our calculations is consistent with the number of employees within our business in February 2020.

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 compiled from data provided by those employees within the business who have primary responsibility for the management of the data and content presented in the report. The data points presented below have been calculated on a financial year basis.

Selected data as outlined below has been subject to review by our internal audit function:

| Metric | 2017/18 reporting | 2018/19 reporting | 2019/20 reporting |
|--|-------------------|---------------------|---------------------|
| Number of RIDDOR incidents occurring | ✓ | ✓ | ✓ |
| Number of reported Don't Walk Bys | ✓ | ✓ | ✓ |
| Total carbon saved for our customers | ✓ | ✓ | - |
| Inspire – student feedback scores | ✓ | ✓ | - |
| Inspire – number of students engaged | ✓ | ✓ | ✓ |
| Apprentices in the last two years who left with employment | - | - | ✓ |
| Retention of graduated apprentices since 2012 | - | - | ✓ |
| Completion of apprenticeship programme | - | - | ✓ |
| All Pulse Survey results | - | - | ✓ |
| Customer satisfaction scores from September 2018 to August 2019 | - | - | ✓ |
| Net Promoter Score from September 2018 to August 2019 | - | - | ✓ |
| Charitable Giving donations | ✓ | ✓ | ✓ |
| Fundraised total for British Heart Foundation from April 2019 – September 2020 | Not applicable | Not applicable | ✓ |
| Solar energy generated on our sites | ✓ | ✓ | - |
| Scope 1 and 2 total emissions | ✓ | Externally verified | Externally verified |
| Carbon dioxide emissions per employee | ✓ | Externally verified | Externally verified |
| Renewable energy generated on our sites | ✓ | - | - |



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

www.ngbailey.com

