



SUSTAINABILITY REPORT

2015

PASSION | INTEGRITY | EXCELLENCE

CONTENTS

03 CEO introduction	05 Our commitment	06 Our commitment to safety
12 Our commitment to our customers	18 Our commitment to our environment	24 Our commitment to our people
30 Our commitment to sustainable procurement	36 Our commitment to the community	42 Commitment progress summary chart
46 Global Reporting Initiative (GRI) and performance data		

CEO INTRODUCTION

NG Bailey remains as committed to being both a profitable and a responsible business today as when we were founded 94 years ago. Steering a successful and responsible business remains our steadfast aim. Our One Approach strategy drives NG Bailey to manage and reduce our impact on the environment, benefit people in our company and the communities in which we operate, and deliver sustainable solutions that benefit our customers.

We want to be recognised as a business that takes sustainability seriously – it isn't just a 'token' gesture. We want to leave a lasting legacy and maintain our strong reputation for the positive impact we have on our customers, communities and the environment.

When we launched our One Approach strategy in 2013 we set out 18 commitments to achieve by 2018. I'm pleased to say that we are making progress, but I know we have to maintain our focus on each and every commitment to achieve all of our goals. In this, the second year of reporting our progress, we are better able to gauge the areas where we have taken strides in the right direction, and turn our attention to areas where we need to do more.

We need to pay particular attention to our demanding targets for a 20% reduction in our carbon footprint per person and our supply chain flexible framework goals.

However, there are several highlights throughout this report, including winning two BiTC awards for our industry-leading school and apprentice programmes, seeing the number of our apprentices double in the last two years, delivering significant reductions in CO₂ emissions for our customers, and launching our first company-wide annual charity partnership with cancer support charity, Macmillan. The role that our Offsite Manufacture division plays in reducing environmental impact is also well documented in some of the key projects we have worked on this year, such as the redevelopment of Birmingham New Street station.

I hope you enjoy reading the report and that it demonstrates to you how we are taking our commitment to operating 'responsibly' very seriously.



David Hurcomb
Chief executive

One Approach

The goal of our One Approach strategy is to be a sustainable and responsible business.

It focuses on how we manage and reduce our environmental impacts, how we benefit people in our company and in the communities in which we operate, and how we deliver sustainable solutions that benefit our customers.

We are working towards a more sustainable future for our people, our customers and society as a whole.



OUR COMMITMENT

When my grandfather set up a small electrical firm over 90 years ago, he did so with a view of serving his local community – he wanted to provide an excellent, quality, service to his customers in Yorkshire. Despite our size and national stature now, we can set ourselves apart by retaining this vision very much at our heart, so that our values of passion, integrity and excellence pervade everything we do.

As a family business we understand that success in the long-term is about being both a profitable and responsible business. This is why we steadfastly focus on our sustainability performance. One Approach is about integrating our values of passion, integrity and excellence into our business behaviours and strategies. We promote our progress and successes externally at every opportunity in the hope that we can inspire others and influence a broader community of responsible businesses.

Establishing our One Approach strategy in 2013, with its 18 commitments across six key areas – safety, customers, environment, people, supply chain and community – was a major step. Here we measure ourselves and I invite you to share with me your feedback – sustainability@ngbailey.co.uk.

Cal Bailey
Sustainability director



OUR MISSION IS
"TO RESPONSIBLY
DESIGN, BUILD,
OPERATE
AND MAINTAIN
BUILDING,
INFRASTRUCTURE
AND IT SERVICES"



SAFETY

Our commitment to safety

01

We will relentlessly pursue zero accidents on our sites by continuing to embed 'Safety First & Foremost' in all that we do

02

We will develop a leading health and wellbeing programme

03

We will be a leader in health and safety in our sector

01

We will relentlessly pursue zero accidents on our sites by continuing to embed 'Safety First & Foremost' in all that we do

The construction environment is a potentially dangerous one and as a result many of our employees spend the majority of their time at risk. This is why health and safety is first and foremost for us.

We have spent the last year further embedding our award winning health and safety programme 'Safety First & Foremost' across all parts of our business, ensuring that it remains the number one priority, for us as a business, for all of our employees and all other external stakeholders who engage with us.

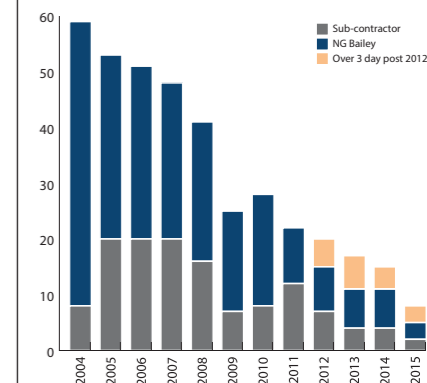
Our Safety First & Foremost commitment has once again helped us bring about a reduction

in reportable injuries (RIDDORs). In the last reportable year (2014), this is the fourth year in a row that our safety statistics have improved. There were eight RIDDORs in 2014, a drop from 11 in the previous year. Since the launch of our One Approach strategy two years ago, our RIDDORs have reduced by 50%.

As part of our focus on accident reduction we have driven an increase in our near miss reporting, enabling us to identify and resolve risks before they result in harm. In 2014 we identified 1,448 near misses and acted on each to avoid future issues.

18% YEAR-ON-YEAR REDUCTION IN WORKPLACE ACCIDENTS

REPORTABLE ACCIDENTS



For consistency we continue to include over 3 day data despite the changes in mandatory reporting requirements in 2012.

WHAT'S NEXT?

Continue to cut accidents and increase our near miss reporting rates.

02

We will develop a leading health and wellbeing programme

On average, people spend around 90,000 hours of their life at work. Health experts are increasingly identifying concerns about how mental health and well-being issues can start at work. As our people are our best asset, our goal is to foster an environment that enables them to adopt a healthy lifestyle, both mentally and physically.

We continue to invest in our Employee Assistance Programme (EAP) offering of counselling and advice for all employees, from accident support, tax and legal advice to counselling. This is further boosted by a

dedicated online health portal, which provides fitness advice including video demonstrations, a personal coaching tool, a health assessment and medical information.

We also promoted a week of health and well-being to our 2,500 employees, in partnership with the British Heart Foundation. During the week, employees raised over £4,000 for the charity, and were given the opportunity to take part in a 'know your numbers' consultation with a physiologist from AXA. The mini consultations measured key health indicators including BMI, blood pressure and cholesterol levels.

Over 90% of participants said they had learnt something new about their health, with 77% saying that, as a result of the session, they will make changes to their diet or exercise regime.



WHAT'S NEXT?

Embedding health awareness as part of our year long partnership with Macmillan Cancer Support.

03

We will be a leader in health and safety in our sector

As health and safety is first and foremost at NG Bailey, it stands to reason that we want to be recognised as the safest contractor in our field. This plays an important dual role. First, it sets the bar high for all NG Bailey employees, ensuring that we hold ourselves to account to a high standard of safety. Second, by striving to share best practice widely within our industry we can influence others to follow suit and minimise the risk of work-related illness or injury.

In 2014 we maintained a high profile in the Royal Society for the Prevention of Accidents

(RoSPA) Awards, retaining our President's Award for the second year running. We were also awarded ten Gold and one Silver medal for additional categories relating to our project work.

We were shortlisted for the Health and Safety Initiative of the Year Award in the Construction News Specialist Awards. This was for a hard hitting internal awareness campaign to help us catapult safety issues to the top of the agenda, breaking new ground in the way we engage with our employees and sub-contractors.

Every site or service contract is different so we aim to understand our customers' health and safety challenges. Our customers often recognise NG Bailey teams and individuals for their fastidious approach to health and safety. For example, Mark Evans, site engineer at our Sheffield office, was awarded the Vinci health and safety Step UP Award for going the extra mile on the Chesterfield Royal Hospital project.



WHAT'S NEXT?

Retain our RoSPA President's Award and win other industry awards for our commitment to health and safety.

SAFETY - CASE STUDY

HEALTH AND SAFETY ENGAGEMENT

Our Safety First & Foremost commitment was born out of a determination to guard against complacency. Our campaign to drive safety messages in 2014 and be more hard-hitting than in previous years, embraced stark imagery and shock statistics to 'up the ante' on safety in our workplace, and that of our clients.

Our approach – one element of which mirrors the graphic anti-smoking images found on cigarette packets – has maintained the momentum of driving down the number of accidents across a growing number of "live" project sites, from airports to train stations; hospitals to army barracks.

Such accidents now stand at an all-time low – our 2,500 staff and our sub-contractors benefitting from the safest working regime we have had in our 94-year history.

Since revitalising our communications approach to health and safety, we have brought about an 18% year-on-year reduction in the number of workplace accidents.

This is an achievement that not only endorses our strategy, but also creates a robust platform on which to build and share our success with other companies committed to best practice, like ourselves.



NG Bailey

SAFETY
First & Foremost

EYE SAFETY

IT'S IN YOUR HANDS

YOU ONLY GET ONE PAIR AND NONE TO SPARE

Thousands of eye accidents occur at work in the UK each year. Some accidents are minor but others, between 10% & 20%, result in partial or full blindness*. It's therefore essential that you take all precautions necessary to protect your eyesight whilst working for NG Bailey.

*www.safeworkers.co.uk

PASSION | INTEGRITY | EXCELLENCE www.ngbailey.com



CUSTOMERS

Our commitment to our customers

01

We will work to support our customers' sustainability goals

02

We will comply 100% with our Ethical Working Policy

03

We will continually improve our customer satisfaction survey score

01

We will work to support our customers' sustainability goals

We use our engineering skills to help our customers achieve their sustainability goals.

Increasingly, projects commissioned by our customers require partners to have both technical capabilities to provide the necessary sustainability solutions, and a culture that embraces sustainability.

If we work closely with our customers from the earliest design stage of a project, we can build sustainable – and cost-effective – solutions into the construction, installation and operation phases of its life.

We are working on a ground-breaking pilot energy performance programme with Land Securities which aims to make savings through building systems' efficiencies, lifecycle upgrades and customer engagement within the constraints of the landlord/customer commercial model.

By applying commercial innovation, direct investment and continually recycling energy savings into further energy reduction measures, we are working together to support building occupiers in the face of the significant global energy challenges that lie ahead.

Another example is the £750m Birmingham New Street station redevelopment, which is leading the way in forward-thinking sustainable rail initiatives. Working alongside Network Rail and Mace, we installed a combined heat and power system (CHP), with over 1km of pipes to recycle the waste heat from the station and circulate it to new buildings on site, such as the new John Lewis store.

Our engineers were involved from the outset in creating a heating system that will connect the northern and southern quarters of Birmingham city centre, also heating buildings such as the university and the children's hospital. The link will save up to 3,000 tonnes of carbon emissions per year when combined with the wider city scheme, and the use of offsite manufacture on this project saved over 11,000 on-site hours.

The sustainability benefits of our Offsite Manufacture facility are huge. Compared to traditional construction methods, offsite manufacture can cut build costs by up to 35%, reduce site labour by 40% and improve quality control and minimise waste.



WHAT'S NEXT?

We will seek out projects where we can deliver more sustainable buildings and infrastructure.

02

We will comply 100% with our Ethical Working Policy

As a family business, NG Bailey wants to be proud of the work it delivers. That is why we created an Ethical Working Policy, which defines the work we will do and the work that we won't.

As part of our One Approach strategy, we have committed to complying 100% with this policy. That means asking ourselves key questions at the enquiry stage as to whether the purpose of the project aligns with our ethical working guidelines.

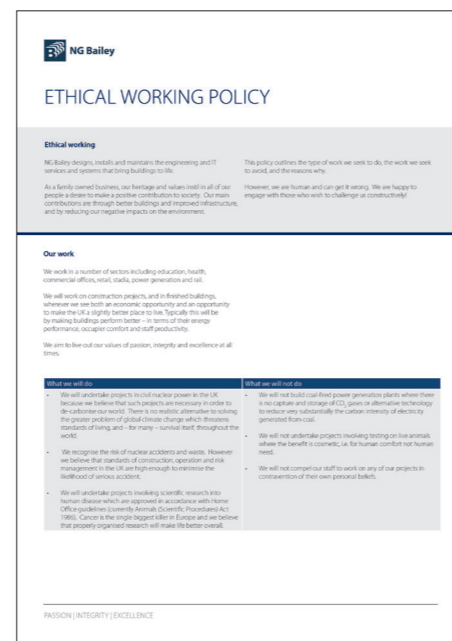
Even though this does, on occasion, involve declining commercially acceptable work, we believe that everyone who works for, or with, NG Bailey should be proud of the work we do and have the opportunity to challenge us on the type of projects we will, or will not, deliver.

Each project is considered on a case-by-case basis, and where there is any doubt it is referred to the Board's ethics committee. This ensures the final decision is taken consciously and at the most senior level.

Employees also have the right to request not to work on a particular project if they believe it conflicts with their own personal ethics.

We are proponents of the transition to low-carbon energy generation. We support civil nuclear power because we believe there are clear environmental benefits of nuclear power as an energy source for the UK. However, we would choose not to be involved in new coal-fired power stations unless they included carbon capture and storage. In 2015 our joint venture with Balfour Beatty was announced as preferred bidder for the electrical package for EDF's new Hinkley Point C nuclear power station.

Through a review and monitoring process carried out over the last 12 months we are confident that we are fully meeting our commitment to comply 100% with our Ethical Working Policy.



WHAT'S NEXT?

Over the next 12 months we will review our Ethical Working Policy to ensure it remains fit for purpose.

03

We will continually improve our customer satisfaction survey score

It is good business to be responsive to our customers' needs. We engage in an open and honest dialogue with them. We listen to what they say about working with us and, where necessary, we react and implement measurable improvements.

One way in which we measure customer satisfaction is through an annual survey.

The satisfaction survey gives our customers the opportunity to rate our performance and is instrumental in helping us understand what our customers really think of our services, highlighting both areas in which we excel and those where we need to develop and improve.

Identifying areas for improvement – and responding positively by putting clear and measurable action plans in place – enables us to build mutually-beneficial long-term relationships with our customers.

The survey includes questions on health and safety, sustainability, cost, design, people and innovation. It also allows us to assess whether customers are likely to use us again and if they would recommend us.

In 2015 our customer survey response rate was 20% versus 16% in 2014, our customer satisfaction score (out of 10), has risen from 7.3 to 7.6 over the last 12 months. Our Group Net Promoter Score, which is how likely our customers are to recommend us, has also risen to +25 from a score of +18 over the last year.



WHAT'S NEXT?

Over the next 12 months our aim is to further improve our Net Promoter Score.

CUSTOMERS - CASE STUDY

THE HARBOUR

NG Bailey's sustainability expertise is helping the NHS achieve its sustainability goals after a £40m mental health unit harnessed the latest biomass technology to heat it. 'The Harbour' facility in Blackpool recently completed the installation of a biomass boiler and created one of the biggest underground fuel stores to power it.

NG Bailey played a key role in bringing the state-of-the-art unit to life through a £9.9m contract to deliver the mechanical and electrical (M&E), public health and information management and technology (IM&T) services. Working alongside main contractor, Integrated Health Projects - a joint venture between VINCI Construction UK and Sir Robert McAlpine - our role included installing heating, ventilation and cooling throughout, as well as a stand-by generator and HV transformer.

It is the biomass approach which is helping the unit meet the high standards set by BREEAM to deliver a sustainable and low carbon building with a long future lifespan.

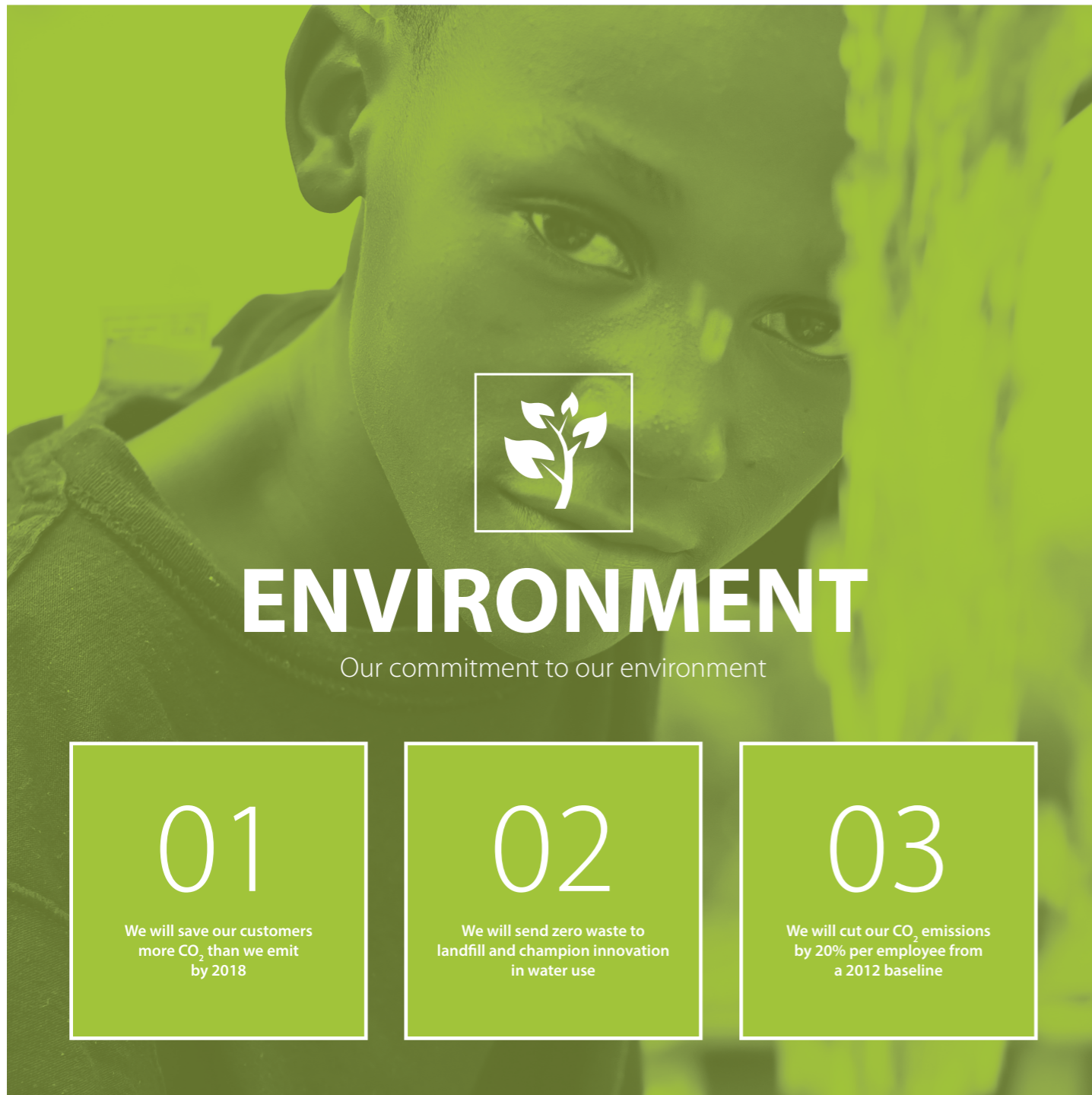
David Hughes, project engineer at NG Bailey, said "This solution involved an incredible amount of upfront planning with regular design reviews, drawing upon our engineering and sustainability expertise at every step of the journey.

"To see the facility receiving its first delivery of wood chip, marked the end of one era for contractors - but heralds the start of a new green one for the local NHS and the community it serves."

The installation began in February 2014 and incorporates the largest fuel feed and store that Rural Energy, our sub-contractor, installed. The massive 157m³ fuel store was specified as part of a complicated design process and will reduce the number of fuel deliveries needed, but more importantly, will also reduce potential disruption to residents of the facility.

Alistair Rose, project director at Lancashire Care NHS Foundation Trust, which operates the unit, said: "Finding the right renewable energy solution for this project was absolutely key. We are so pleased with the way NG Bailey and Rural Energy partnered with us to achieve our low carbon targets."





ENVIRONMENT

Our commitment to our environment

01

We will save our customers more CO₂ than we emit by 2018

02

We will send zero waste to landfill and champion innovation in water use

03

We will cut our CO₂ emissions by 20% per employee from a 2012 baseline

01

We will save our customers more CO₂ than we emit by 2018

Our expertise can have a significant impact on our customers' carbon targets at any stage of a project from design, build, operate or maintain.

At the earliest phases of a project our engineering teams can design and install low carbon solutions that in turn deliver emission reductions over its entire lifecycle – much like our example on page 16.

We also cut emissions for our customers within existing buildings. For example, in 2014/15 our energy teams embarked upon a leading pilot energy performance programme with Land Securities, which aims to make savings through building systems efficiencies, lifecycle upgrades and customer engagement – see our example on page 13.

Perhaps the most high-profile example of our ability to support our customers' sustainability ambitions can be seen in our work with supermarket group Morrisons, where the application of our Rare Energy solution is delivering a 16% energy reduction across its 500-store estate.

Rare Energy is delivered by NG Bailey and powered by US partner, Elutions. It ensures a client's existing assets are operated in real-time at the optimum level of energy efficiency – and at no financial risk. If savings aren't delivered, the client gets its money back.

In 2014/15 we completed our first calculation of NG Bailey's customer-focused carbon savings, in accordance with the International Performance Measurement and Verification Protocol (IPMVP).

We identified that 75,000 tonnes of CO₂e have been saved through our energy offering alone. By 2018 we aim to grow this to 500,000 tonnes of CO₂e. This is substantially greater than our own carbon footprint.



MORRISONS

WHAT'S NEXT?

In the next 12 months we will add to the growth of carbon savings and save customers an additional 100,000 tonnes of CO₂e.

02

We will send zero waste to landfill and champion innovation in water use

Landfill is a harmful way of managing waste. It requires land, creates greenhouse gases (such as methane) and can cause contamination to soils and groundwater. Reducing, reusing, recycling and converting waste to energy are means of minimising landfill.

As the first action in making a step change towards our zero waste to landfill goal, we overhauled our approach to waste contracts. We appointed waste provider WCRS to help us cut landfill rates across our operation. This involved improving our waste collection and recycling facilities and appointing waste contractors that offer high landfill diversion rates. As a result we have increased our landfill diversion rate from 72% to 89% in 2014/15. We expect this to increase going forward as detailed reports show that all office and manufacturing locations working under this new contract are diverting over 95% of waste from landfill.

A particular success is our Offsite Manufacture facility in Bradford, which set a target to recycle over 95% of waste generated in 2014/15, and achieved a recycling rate of 97.6%.

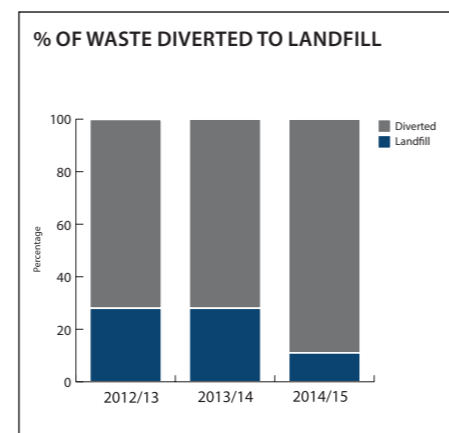
Water is an increasingly important environmental and business issue. The UK has less available water per person than most European countries, and the south east of England is one of the most water-stressed regions in Europe.

Through a water efficiency campaign within our own estate we have cut water usage by 27% compared to a 2008 baseline.

With our customers, our commitment to water conservation includes actions at each stage of our operating process: design, commission, operation and maintenance.

New buildings using traditional closed pipework systems can require significant amounts of mains water during the flushing

process. We have developed and introduced an innovative in-line filtration system which – where it is appropriate to use – temporarily connects to the main header pipework during the cleaning process and delivers huge water savings.



WHAT'S NEXT?

In the next 12 months we will increase our landfill diversion rate above 89% and cut water use by a further 5%.

03

We will cut our CO₂ emissions by 20% per employee from a 2012 baseline

As a family business that owns many of the buildings we occupy, we have invested in our own estate to reduce emissions, save money and to learn lessons for the benefit of our customers.

Our One Approach commitment to cut emissions by 20% per employee by 2018, compared to a 2012 baseline, is an ambitious target, but we are committed to it.

Energy focused maintenance regimes, refurbishments and renewable energy installations provide us with real-world experience and learning that can be transferred to our customers.

For example, we commissioned a controls improvement strategy at our Reading office that has resulted in a CO₂ reduction of 26%. We also invested in measures to reduce building fabric heat loss at our Leeds office which reduced emissions by 10% compared to 2013/14. In addition, in 2015 we completed

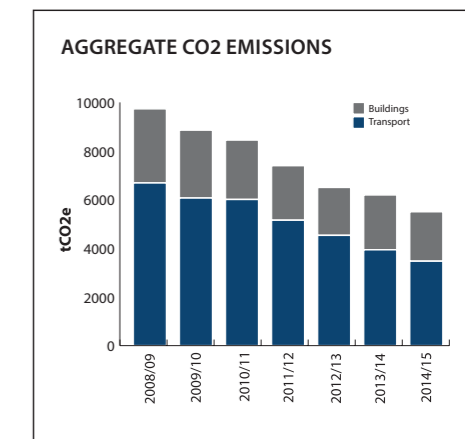
the installation of a ground-mounted 129 kWp PV system which will generate 127,000 kWh of renewable electricity each year.

Across our estate, emissions have been reduced by 10% in the past year.

Our vehicle fleet is also a major area of focus, and this has been recognised over the past year through Van Excellence accreditation – an industry-wide scheme managed by the Freight Transport Association – and Gold status from the Transport for London Fleet Operator Service.

We are also pursuing the company-wide adoption of lower carbon vehicles through fleet choice which targets low carbon vehicles. New registrations acquired in 2014/15 had an average carbon profile of 101 g/CO₂/km, down from an average of 111 in 2012/13. Our total transport emissions have reduced by 12% in the past year.

Combined with an increased take-up of other schemes, such as the bike-2-work scheme, this has resulted in a reduction in our emissions per employee from 2.9 tonnes of CO₂e to 2.7 tonnes.



WHAT'S NEXT?

Within the next 12 months we aim to reduce our CO₂ emissions to below 2.6 tonnes of CO₂e per employee.

ENVIRONMENT - CASE STUDY

CLEAN WATER FOR MOZAMBIQUE

In 2012 an exciting opportunity arose for our apprentices to develop a real-life, hands-on solution that would have a direct environmental and health impact on a community in Cobue, Mozambique. The project set out to design a system to deliver safe water to a health clinic in the community and was led by NG Bailey's professional development manager, Lee Firth.

The aim of the project was to increase the quality of life in the community and reduce deaths by improving access to clean water as well as education about good water sanitation.

The project group was awarded the British Plumbing and Employers Council, BPEC, Charity Life Award for their design of the water delivery system. Working with the industry, BPEC specialise in providing operatives working in the building services

engineering industry with the skills and expertise necessary to meet high industry quality standards.

The Charity Life Award rewards projects that use plumbing skills to enhance life, and the team received £12,000 to implement the project.

Since 2012 the NG Bailey team has made a considerable difference to the lives of people in the area. We have combined our technical skills with locally based specialists such as Water Aid, and worked with local doctors and builders to identify the best locations to service the needs of the community. As a result two new wells have been built to provide clean fresh water and are equipped with water pumps for each well. Thanks to the local connections we have been able to help develop six more safe water sources along 22km of the lake shore. The funds have also

helped the community collect and store rain water. A specialist from Malawi was recruited to assist in the construction of one ferro-cement rain water storage tank. The brief was also to develop the skills of local people. As a result 13 people are now trained in the construction of these tanks which will lead to the development of many more storage tanks in the area.

By using our technical expertise and project management skills we have helped the project develop further than its initial location and reach four more communities. Thanks to the project's success over 10,000 people now have access to a clean water drinking solution, thirteen local workers have been trained and thanks to this project and others in the area there has been a reduction in recorded deaths of children from diarrhoea and other waterborne diseases.



"This has been a very rewarding project to be involved in and I am extremely proud of our team's involvement in bringing about such positive changes in this rural community. We feel extremely privileged to have had the opportunity to develop the skills and knowledge of our apprentices and we have forged lasting relationships with the people in the communities of Mozambique."

LEE FIRTH, PROFESSIONAL DEVELOPMENT MANAGER, NG BAILEY





PEOPLE

Our commitment to our people

01

We will be recognised as one of the UK's best employers

02

We will be a market leader in the provision of apprenticeships

03

We will achieve Leaders in Diversity status

01

We will be recognised as one of the UK's best employers

NG Bailey is committed to attracting and retaining the best people. Maximising the skills and potential of our employees is key to ensuring we maintain a sustainable business and create a robust platform for future commercial success.

Our people are truly at the heart of what we do. Their skills, capabilities and commitment to our values of passion, integrity and excellence are what make us stand out as the partner of choice for many customers.

NG Bailey is regarded as one of the best employers in the construction industry, and our One Approach ambition is to deepen our distinctiveness and secure recognition.

In 2014/15 we were identified, for the first time, as a 'One to Watch' in the UK's biggest employer accreditation scheme, run annually by Best Companies on behalf of the Sunday Times. This is a nationally recognised list and we achieved high ratings in eight performance areas.

In the last year we also achieved continuous status as an approved training centre by the Institute of Leadership and Management (ILM).

ILM is the UK's leading body for management and leadership qualifications. As part of our continuing development we run ILM accredited qualifications at levels 2, 3, and 5 – to support our peoples' development at supervisory, line manager, and senior manager level. Over the past year, 67 delegates successfully completed their ILM level 2 certificate in Leadership and Team Skills, another 14 took part in the pilot of a new Level 3 programme and 25 delegates embarked upon a Level 5 qualification.

We have launched a new learning and development portal as well as a new Learning Management System which is accessible to all employees via any IT device, giving them access to learning at a time convenient to them. We introduced 'Job Families' into our Engineering and IT Services businesses – a

programme that helps provide clear career progression for our Engineering, Rail and IT Services employees.

We are working with SummitSkills – the building services standards and awarding body – among other employers, to shape new qualifications and help develop the training needed for the future growth of our industry.

Open and consistent communication is another important aspect of being a good employer. Our executive management team completed an annual UK employee roadshow, where they held briefing sessions across seven locations in the UK over a ten day period, attended by 1,500 of our employees.



WHAT'S NEXT?

In the next 12 months we aim to improve our 'Ones to Watch' score with Best Companies.

02

We will be a market leader in the provision of apprenticeships

The UK is facing a severe shortage of skills in specialist areas, and by 2022 two million more jobs in the UK will require higher skills levels. Many of the shortages are in construction and engineering.

NG Bailey has been recruiting and developing apprentices since the early 1930's. We receive 4,500 applications a year from school and college leavers looking to start a career with us.

Many of our apprentices have gone on to have long and illustrious careers with us. Some, such as Sir George Buckley, the chairman, president and chief executive of global manufacturing giant 3M, have reached the pinnacle of business success.

We invest around £3m a year in the training and development of our people.

NG Bailey is a member of the 5% club of companies to whose workforce includes at least 5% in apprenticeships or graduate programmes.

Over the past 12 months we have doubled the choice of qualification schemes we offer and our new intake of apprentices is double the number we employed in 2013, when we launched One Approach.

We have been encouraged by research that shows we have a higher than national average retention rate for apprentices, and in 2014 we were named Employer of the Year at the CIBSE Young Engineers' Awards. In addition, The Independent newspaper identified NG Bailey as the top employer in our industry across the country for our apprenticeship programme.

In addition our apprenticeship programme was recognised by Business in The Community as part of its 'Inspiring Young Talent 2015' Awards.

But we also recognise that creating sustainable employment opportunities must go beyond apprenticeships. This is why we set up Inspire, a schools-based programme that we hope will excite young people about STEM-related



careers and encourage them to seek out college or university options, or even apply for an apprenticeship. This is detailed further within the Community section of this report.

WHAT'S NEXT?

Over the next five years we aim to increase the number of female applicants to our apprenticeship programme by 5% year-on-year.

03

We will achieve Leaders in Diversity status

To be a fair employer means achieving equality, diversity and inclusion within the workplace. This is good for NG Bailey because it ensures we can access the widest talent pool to meet the skills we need and retain the employees we already have.

As research by Business in The Community (BiTC) identified, taking steps to improve equality, diversity and inclusion delivers improvements in business efficiency, reduces running costs and improves relations with customers.

Last year we achieved our One Approach commitment to attain our Investors in Diversity (IiD) status. We were proud to become one of only a handful of companies in the construction industry to have been successfully accredited.

During the year, The National Patrons Network, a network which supports the promotion of the activities and services of the National

Centre for Diversity, invited our CEO David Hurcomb to become part of its leadership group. Which is testament to the strides we are making in diversity.

However, we recognise there is more we can do, and our target for 2018 is to achieve the more aspirational 'Leaders in Diversity' status. Our commitment to diversity has resulted in the pledge to boost the number of women in science and engineering careers.

For example, NG Bailey has signed up to Your Life, a three-year flagship campaign designed to ensure the UK has the maths and science skills it needs to thrive in a competitive global economy. The mission of Your Life is to push the presence of female employees from 13% to 30% by 2020.

In addition to attracting more female apprentices and forging closer links between schools and businesses, we have committed to deliver 12 women-only engineering taster

days over the next five years which will be supported by our current female role models and offer young women a first-hand insight into the raft of different career opportunities that exist in the industry if they follow in their footsteps.

In 2015, we redesigned our vacancy adverts to avoid unconscious gender bias and be more inclusive to women.

We were encouraged that 22% of our quantity surveyor apprenticeship intake this year is female, but improving and growing in this area will be an on-going focus for us.



WHAT'S NEXT?

In the next 12 months we aim to achieve the Leaders in Diversity status, two years ahead of our One Approach commitment.

PEOPLE - CASE STUDY

Lee Tabis

Lee Tabis, an NG Bailey senior design engineer and ex-apprentice, is a positive example of individuals seizing the many opportunities for development available to them throughout their four-year apprenticeship with NG Bailey. Lee began his career at the age of 16 straight from school, seeing the opportunity to have an education with the addition of hands on work-experience, as the right path for him.

Lee spent the first four years at NG Bailey as a Building Services Engineering (BSE)

apprentice, whilst simultaneously studying for a degree in this discipline. A highlight of his apprenticeship was playing a part in the design of the £30m Arla dairy in Aylesbury.

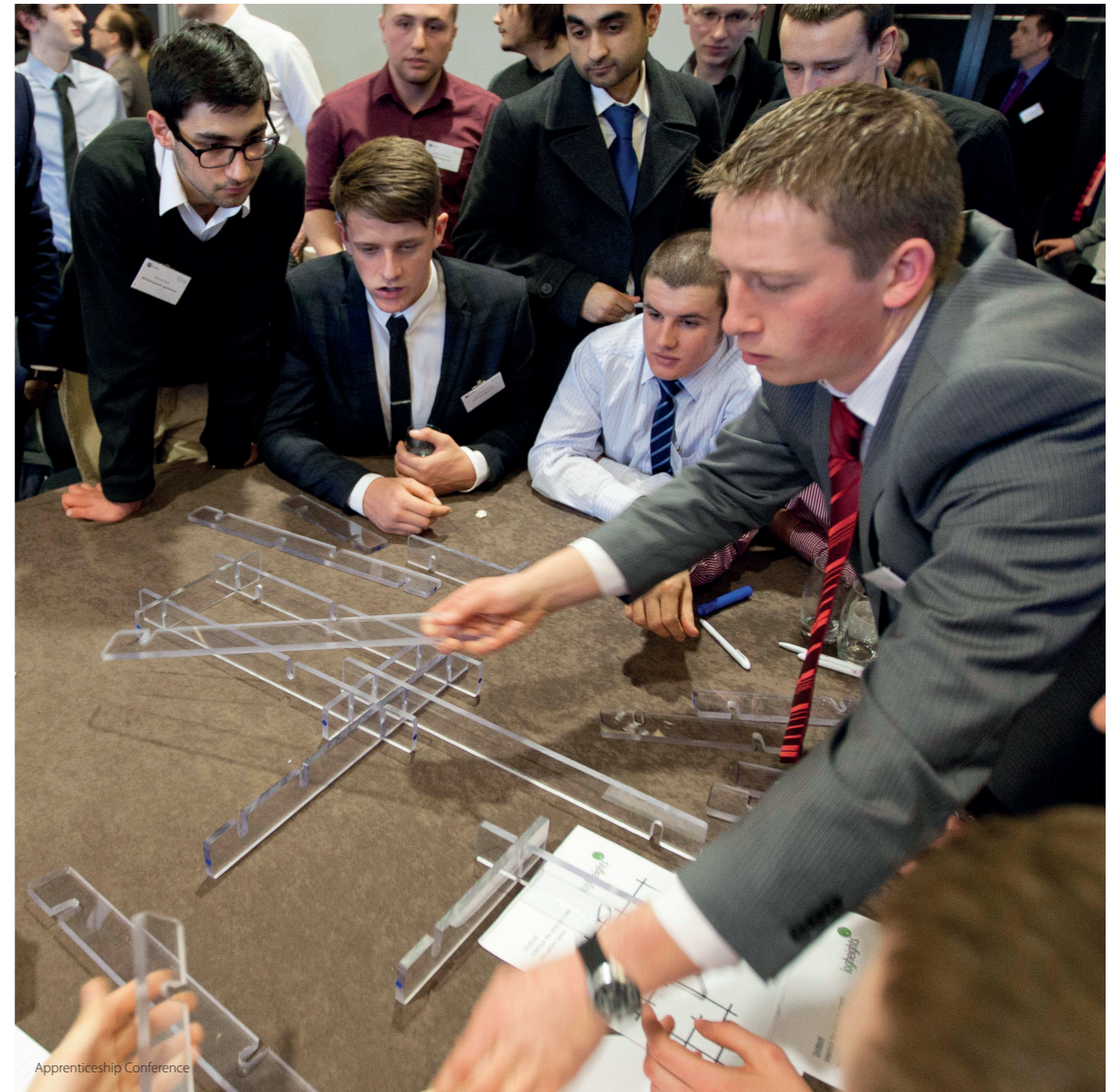
Lee has been committed to aiming and achieving high, and he has several accolades under his belt from the past few years. This includes winning the CIBSE ASHRAE Graduate of the Year Award in 2012, presenting to the president and chairman of ASHRAE (American Society of Heating, Refrigerating and

Air-Conditioning Engineers), on how to engineer better communities, and winning the SummitSkills Awards for Excellence the following year. In 2014 he was awarded the Ann Noblett Professional Engineer of the Year Award at the Building Services Engineering Awards for Excellence.

“

“Apprenticeships are a fantastic career option. I enjoy every moment of what I do and every project is completely different and challenges me in different ways. For me it's a combination of art and science; I get to be a part of fascinating design projects, using science, maths and technology to bring these to life.”

LEE TABIS, SENIOR DESIGN ENGINEER, NG BAILEY



Apprenticeship Conference

SUPPLY CHAIN

Our commitment to sustainable procurement

01

We will use new technologies, including BIM, to eliminate waste when procuring materials

02

Through collaboration we will deliver excellent sustainable solutions for our customers

03

We will achieve the government's sustainable supply chain Flexible Framework Level 5 standard

01

We will use new technologies, including BIM, to eliminate waste when procuring materials

The construction industry is the UK's largest user of natural resources and produces more than one third of the UK's total annual waste.

NG Bailey's supply chain has a key role to play in helping us to reduce our share of this waste.

In the industry, traditional design methods meant that buildings and infrastructure were planned using two-dimensional drawings. Material quantities, build sequences, and resolving the conflicting requirements of different trades were worked out as a project progressed – meaning that waste would arise through rework or the over-ordering of materials.

New approaches, such as BIM (Building Information Modelling), are helping businesses radically influence not only the design, build, operation and maintenance of UK buildings and infrastructure, but also significantly reduce the environmental impacts of those buildings by reducing waste and improving on-site efficiencies and productivity.

BIM is the process of collating data and ultimately enabling the creation of a sophisticated 3D model of a structure that allows designers to produce an accurate simulation that is applicable to every stage of a projects' life – from design, construction, operation, to deconstruction.

Over the next few years BIM will completely change how we operate. In order to embrace this opportunity, we set up a BIM steering group comprising representatives from all functions of the business, who have developed our BIM strategy.

This strategy will cut waste by enabling precision material quantity procurement and reducing on-site material damage through greater use of offsite construction.

We have also invested in further improving our procurement systems to improve product information accuracy and enable precise material ordering. In 2014 we launched MyMaterials – our online catalogue for

preferred standard items – which means we are now able to give our procurement teams much more detailed information on all types of supplies. MyMaterials, which lists 163,000 products, helps reduce the risk of over-purchasing and the waste this creates.

The development of MyMaterials resulted in us being awarded 'Most Innovative Use of Technology' at the CIPS Supply Management awards, the respected benchmark of excellence in this arena.

As well as reducing waste through over-ordering we continue to focus on more effective deployment of logistics solutions to minimise the number of unnecessary deliveries or picking errors. Additionally, our materials return facility in Manchester recovered and redeployed materials with a value of over £215,000 in 2014/15.

WHAT'S NEXT?

In the next 12 months we aim to participate and influence the development of related BIM industry guides and protocols, and support the growth of our network of trained BIM practitioners.

02

Through collaboration we will deliver excellent sustainable solutions for our customers

Integrating sustainability into our supply chain strategies means we can work with our customers to help them achieve their own sustainability goals.

Working closely with our supply chain ensures the benefits of sustainable solutions – both financial and environmental – can be passed onto our customers. However this requires NG Bailey to have long-term relationships with our supply chain partners based on trust and collaboration. Over the past 12 months we have focused our attention on developing these relationships.

We led a meeting with key suppliers across a range of disciplines. This included a discussion on our progress in relation to responsible

procurement. We collaborated on this with one of our key suppliers, Wolsley, and hosted the event in their showcase sustainable building centre in Leamington Spa.

We supported our progression in this area through the public launch of our Responsible Procurement Charter – established through our Responsible Procurement Group – which outlines our approach to responsible procurement practices and the expectations we place on our supply chain. The charter is used to clarify our stance on responsible procurement, and our suppliers must agree to the principles prior to moving forward on any work with us.



WHAT'S NEXT?

Increasing the level of supply chain collaboration will continue to be a focus over the next 12 to 18 months. We will also develop a strategy for collaboration with our sub-contractors.

03

We will achieve the government's sustainable supply chain Flexible Framework Level 5 standard

As a responsible business, we are committed to reducing the social, economic and environmental impacts of our operation.

The majority of spend on any construction project is passed from the main contractor to sub-contractors and suppliers, which increases the importance of sustainable procurement across the entire supply chain.

That is why it is important to embed and promote sustainable procurement throughout our business, and is why we signed up to the Flexible Framework.

The Flexible Framework – a self-assessment programme developed on behalf of the government by the Sustainable Procurement Task Force – aims to give businesses across the construction industry a much better understanding of, and influence over, the key drivers within the procurement process.

Adopting the Framework demands the development of appropriate policies, strategies and communications, training staff responsible for procurement, ensuring sustainability is integrated into procurement processes, engaging and involving suppliers, and ensuring that progress is tracked and measured.

To oversee our progress in meeting the Framework requirements, our Responsible Procurement Group, which includes senior members of our procurement function, directs our work in this area and continues to implement improvements.

To date we have developed a responsible procurement charter which establishes sustainability as a core requirement. We have also reviewed our competency matrix to ensure we identify the necessary skills, knowledge levels and qualifications required

to support sustainable procurement requirements.

We have also been working to integrate sustainability into our procurement processes and ensure that supplier selection involves appropriate sustainability assessment within different categories of spend and that adequate weighting is given to sustainability elements.

Maintaining a strong supplier engagement programme – and encouraging suppliers to adopt sustainable procurement principles themselves – will be an important requirement if we are to achieve the Level 5 standard.

Despite making good progress, we are behind programme in meeting our targets. With this in mind, we remain focused and have a clear plan that will see us achieve Flexible Framework Level 5 standard by 2018.

WHAT'S NEXT?

Over the next 12 months we aim to achieve Flexible Framework Level 3.

SUPPLY CHAIN - CASE STUDY

SUPPLIER TAKES SUSTAINABILITY TO HEART

After taking part in an NG Bailey supplier forum in 2012, long-term M&E product supplier, Jack Pennington Ltd, came away inspired and motivated to make a difference to its own work in order to reduce the impact not only on its business, but also on the businesses it was supplying.

Neil Hughes, purchasing manager, comments "When it came to sustainability our industry had been pretty antiquated - you might say resting on its laurels. NG Bailey's supplier-forum highlighted to us and the rest of the supply chain how we could improve our impact on the environment as well as improve our efficiency.

"We have really committed to implementing sustainability and we're proud of what we have done to date.

What might seem on the surface like small changes are having a much greater impact when combined together. We have reduced our packaging by 50%. We've reduced the amount of shrink wrap that we order, and looked at new ways of putting our products together. When these actions are combined the result is a saving in a huge amount of waste.

"We have also made moves to reduce our deliveries to site, so we are agreeing delivery dates and transport our stock only once per week. There are savings on so many levels for this; people, CO₂, time, cost, waste. In two years, we have reduced our mixed waste bins from seven to now only two per week. And we have embraced recycling and re-using our packaging, and we now recycle on average 70% of waste generated between both branches on a monthly basis.

We have also installed LED lighting. All of this is a big step forward for us.

"The supplier forum was a wake-up call for us and inspired us in many ways. We have even embarked on the second year of apprentices that we have taken into the business, providing us with fresh new minds whilst offering vital training and development skills to young people. We feel now that we are a better business, offering not only a more efficient and cost effective service to our customers, but a more sustainable service too."





COMMUNITY

Our commitment to the community

01

We will encourage our employees to support causes close to their hearts

02

Each of our projects will implement a community impact plan

03

By 2018, for every person we employ we will have helped another two young people to be more successful in their future careers

01

We will encourage our employees to support causes close to their hearts

Many NG Bailey employees take an active role in the communities in which they live and work, supporting a wide range of charities and community projects.

We are committed to supporting our people who give their own time and money to make life better for others.

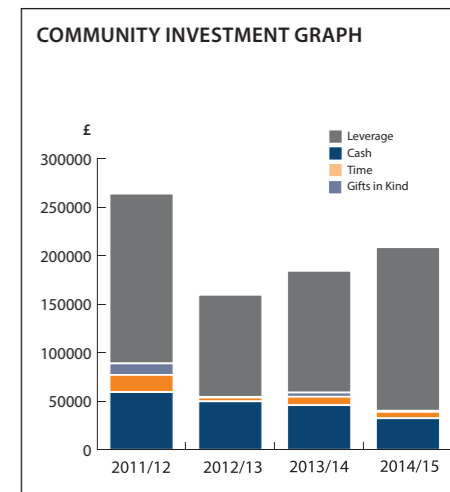
Since we set it up eight years ago, our charitable giving committee – made up of volunteers from across the business as well as members of the Bailey family – has managed donations totalling over £350,000 to different good causes.

In the past 12 months alone we have supported approximately 90 team and individual employee fundraising efforts, involving more than half of our 2,500 employees and helped them raise almost £63,000.

Our annual One Approach Week for 2014 dedicated a week-long series of activities to the British Heart Foundation, generating over £4,000 for the charity.

This year we launched our first charity of the year partnership, with Macmillan Cancer Support. Not only will we focus on raising £50,000 for the charity, we will work together across the business to foster a collaborative approach to our fundraising, creating a business-wide sense of purpose and pride.

We have also continued to engage our employees in our 'Give as You Earn' scheme, which is integrated into our flexible benefits programme. Employees signing up to the scheme have access to an additional 20% contribution from NG Bailey.



**WE ARE
MACMILLAN.
CANCER SUPPORT**

WHAT'S NEXT?

In the next 12 months we will raise £50,000 for Macmillan Cancer Support, providing 1,851 nursing hours for those affected by cancer.

02

Each of our projects will implement a community impact plan

NG Bailey strives to be a good neighbour, minimising the impacts of our activities on those living and working near the projects we deliver.

During 2014/15 we undertook a comprehensive review of our key projects and activities. Practically every contract delivered by NG Bailey has an impact of some sort on the people who live or work nearby, and while we provide significant benefits to local communities – such as jobs, apprenticeships and access to our schools programme – we are committed to ensuring that we identify, minimise and avoid any negative impact.

This is why we have committed that each of our projects will implement a community impact plan.

In some cases, those impact plans will be developed in conjunction with our customers and project partners, while in other cases they will be created solely by us. Either way, our goal is for each plan to foster positive long-term community relationships that will benefit NG Bailey, our customers and our neighbours.

The community impact plan seeks to minimise the potential impact for all parts of the local community, from residents to businesses, schools and colleges.

The scope of an impact plan is appropriate to each project and considers the potential negative impacts on local communities as well as devising measures to mitigate these appropriately. Considerations include noise, parking, traffic and congestion issues, and the opportunity to engage local communities.

The community impact plan is integrated into each contract and its effective implementation is regularly checked.

By collaborating with our customers we can also deliver significant benefits in the communities in which we operate. In Hackney, east London, for example, we supported our customer Land Securities to build a sports shop with a difference: a locally-run unit set up by the charity 'Circle Sports', which provides young unemployed people with the opportunity to gain work experience and develop a variety of skills to benefit their future careers. NG Bailey contributed £4,000 of materials and over 200 employee hours for this vibrant project, which continues to make its mark in the local area.



WHAT'S NEXT?

In 2015/16 we will benchmark the implementation of our community impact plan.

03

By 2018, for every person we employ we will have helped another two young people to be more successful in their future careers

Since 1934, NG Bailey has been creating sustainable career opportunities for young people through its apprenticeship programme.

We have already helped more than 5,500 young people into sustainable careers, but our commitment to nurture young talent and inspire potential employees of the future goes further than our apprenticeship programme.

We have committed, through One Approach, that by 2018 for every person we employ we will have helped another two young people to be more successful in their future careers.

The skills shortage in our industry is well-known, and at NG Bailey we recognise that filling those skills gaps has to start in our schools. As a nation we need to encourage more young people to study STEM (science, technology, engineering and maths) subjects and to consider vocational qualifications as well as academic ones.

That is one reason why we have launched Inspire, an ambitious, award-winning schools engagement programme that aims to engage with 5,000 young people by 2018.

The goal of Inspire is to take a hands-on approach to promoting STEM careers and alternative pathways into employment, such as apprenticeships.

Selected schools work with us over a three-year cycle, where we provide practical experience of a variety of STEM-focused activities. To date we have engaged with 1,500 young people which is over a quarter of the way towards our target. The evidence we have collated regarding the impact of the programme on students is also encouraging.

Through Inspire, more than 70% of students said they are now more likely to consider studying STEM subjects in the future, and 50% said they would consider an apprenticeship following completion of their GCSEs.

Partnerships within our industry have also been established, with companies such as Kier. Together we have been working on a STEM focused project working with full year groups of up to 250 students. Mentors spend time over ten weeks with year nine pupils to bring the many different elements of our industry to life.

Most recently we supported a project where students competed to design and construct a model classroom for their school, using only sustainable technologies and eco-friendly building methods. This culminated in a day to reward and recognise the students for their efforts.

As a result of our programme we were recognised by the BITC in its National Awards in the 'School's Partnership' category.



WHAT'S NEXT?

Within the next 12 months we aim to be over half way towards our 2018 target of 5,000 young people engaged through Inspire, and to have rolled out the programme nationally.

COMMUNITY - CASE STUDY

SCHOOL CAREERS ADVICE REPORT

NG Bailey's 'Careers Advice Report' is actively raising awareness of the need for better careers advice in schools.

In the most recent survey of British firms that employ engineers and IT employees by the Institution of Engineering and Technology (IET), over half reported that they could not find the employees they were looking for and 59% said that the shortage would be "a threat to their business in the UK".

Furthermore, NG Bailey's research into careers advice in schools demonstrates a lack of information about vocational training, personal careers advice and apprenticeship options available to young people.

Our findings saw that of 500 apprentices across the UK, only 24% said that school was their main source of information on apprenticeships, and only 31% received personal careers advice at their school that offered alternative routes into further training opportunities, such as apprenticeships.

Tackling Britain's growing skills gap has to be a priority for the government and this has to start in our schools. We have a collective duty to ensure our young people are given the right level of support to help them into fulfilling and sustainable careers.

In June 2015, we published a report highlighting the issues around the lack of consistent careers advice provision in schools in England, and how this is impacting on the informed choices young people make at 16.

The lack of face-to-face careers advice in the majority of schools means millions of pupils are not being told about the full range of academic and vocational options available to them.

Around half of all school pupils don't go to university, so focusing advice on academic routes rather than vocational ones risks damaging the futures of millions of young people.

Politicians, civil servants and educationalists need to work with the business community to make the changes that we all believe are necessary.

Our report – which was sent to government Ministers, MPs, industry bodies and the media – recommended a radical shake-up of careers advice in schools to help tackle the growing skills crisis across the industry, including the reinstatement of government funding for schools careers advice, which was withdrawn in 2012.


The feedback to the report has been extremely positive, with a number of influential figures in government and the industry echoing our call for broader discussions on the issues raised.





School's classroom design


COMMITMENT PROGRESS SUMMARY CHART

How are we doing? ■ Exceeding expectations ■ On track and hitting the milestones ■ Acceptable performance ■ Behind target ■ No progress


AREA	COMMITMENT	PROGRESS	HIGHLIGHT	OUR 2015/16 TARGET
 <p>SAFETY</p>	We will relentlessly pursue zero accidents by embedding 'Safety First & Foremost' in all that we do.		RIDDORs reduced by 50% since the start of One Approach.	Continue to cut RIDDOR accidents and increase near miss reporting.
	We will develop a leading 'health and wellbeing' programme.		We provide access to an Employee Assistance Programme and online health portal to our 2,500 employees.	Embed health awareness as part of our year long partnership with Macmillan Cancer Support.
	We will be a leader in health and safety in our sector.		We won the RoSPA 'President's Award'.	Retain our RoSPA President's Award status and win other industry awards for our commitment to health and safety.

 <p>CUSTOMERS</p>	We will continue to work to support our customers' sustainability goals.		Making a significant impact on customer sustainability goals including the completion of the £750m Birmingham New Street station redevelopment.	We will seek out projects where we can deliver more sustainable buildings and infrastructure.
	We will comply 100% with our Ethical Working Policy.		Through reviews and monitoring carried out over the last 12 months, we are confident that we comply 100% with our Ethical Working Policy.	Over the next 12 months we will review our Ethical Working Policy to ensure it remains fit for purpose.
	We will continually improve our customer satisfaction survey score.		In 2015, the customer survey response rate was 20% versus 16% in 2014. Our customer satisfaction score (out of 10), has risen from 7.3 to 7.6 over the last 12 months. Our Net Promoter Score, which is how likely our customers are to recommend us, has also risen to +25 from a score of +18 over the last year.	Over the next 12 months our aim is to improve our Net Promoter Score, via our customer satisfaction survey, by 5 to 30.

AREA	COMMITMENT	PROGRESS	HIGHLIGHT	OUR 2015/16 TARGET
 <p>ENVIRONMENT</p>	We will save our customers more CO ₂ emissions than the total emissions we emit.		Through our Energy services alone we saved our customers 75,000 tCO ₂ e - over three times more CO ₂ than we emitted in 2014/15.	In the next 12 months we will add to the growth of carbon savings and save customers an additional 100,000 tonnes of CO ₂ e.
	We will send zero waste to landfill and champion innovation in water use.		We have increased our landfill diversion rate from 72% to 89%.	In the next 12 months we will increase our landfill diversion rate above 89% and cut water use by 5%.
	We will cut our CO ₂ emissions per employee by 20% from a 2012 baseline.		We reduced our emissions per employee from 2.8 tCO ₂ e to 2.7 in 2015.	Within the next 12 months we aim to reduce our CO ₂ emissions to below 2.6 tonnes CO ₂ e per employee.

 <p>PEOPLE</p>	We will be recognised as one of the UK's best employers.		We were identified for the first time as 'Ones to Watch' in the UK's biggest employer accreditation scheme run annually by Best Companies.	In the next 12 months we aim to improve our 'Ones to Watch' score with Best Companies.
	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 doubled the number of apprenticeship schemes we offered in the last year and doubled the number of apprentices since the launch of One Approach.	Over the next five years we aim to increase the number of female applicants to our apprenticeship programme by 5% year-on-year.
	We will achieve Leaders in Diversity status by 2018.		We achieved our original One Approach commitment 'To Achieve Investors in Diversity' four years early.	In the next 12 months we aim to achieve the Leaders in Diversity status, two years ahead of our One Approach commitment.

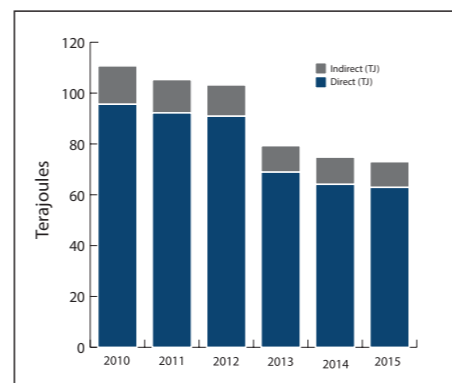
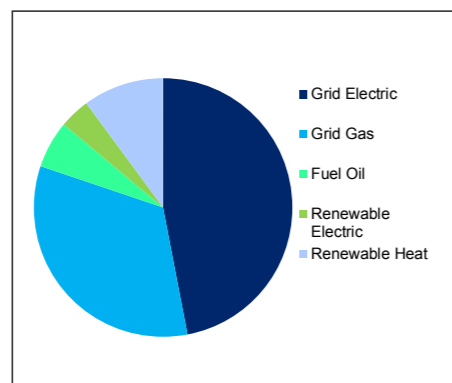
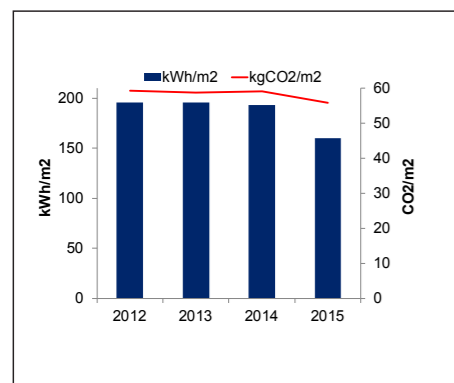
 <p>SUPPLY CHAIN</p>	We will use BIM and other new technologies, to eliminate waste when procuring materials.		We won the CIPS 'Most Innovative Use of Technology' Award for our waste reducing 'MyMaterials' system in 2014/15.	In the next 12 months we aim to participate and influence the development of related BIM industry guides and protocols, and support the growth of our network of trained BIM practitioners.
	Through collaboration we will deliver excellent sustainable solutions for our customers.		We launched our Responsible Procurement Charter and held sustainability collaboration meetings with suppliers.	Increasing the level of supply chain collaboration will continue to be a focus for NG Bailey over the next 12 to 18 months, and we will also develop a strategy for collaboration with our sub-contractors.
	We will achieve the Flexible Framework Level 5 standard.		We conducted an external review with Action Sustainability which validated that we had achieved Level 1 - and in part Level 2. We aimed to achieve Level 2 by 2015.	Over the next 12 months we aim to achieve Flexible Framework Level 3.

AREA	COMMITMENT	PROGRESS	HIGHLIGHT	OUR 2015/16 TARGET
 <p>COMMUNITY</p>	We will encourage our employees to support causes close to their hearts.		We continue to support our people through our charitable giving and Give As You Earn scheme. In 2014/15 we directly donated over £30,000 in cash as well as more than £6,000 in time and gifts in kind. This enabled our people and customers to then raise a further £170,000 towards community and charitable projects.	In the next 12 months we will raise £50,000 for Macmillan Cancer Support, providing 1,851 nursing hours for those affected by cancer.
	Each of our projects will implement a community impact plan.		We reviewed our community impacts and implemented a new community impact plan.	In 2015/16 we will benchmark the implementation of the revised community impact plan.
	By 2018, for every person we employ we will have helped another two young people to be more successful in their future careers.		We have engaged 1,500 young people through our Inspire programme.	We aim to be over half way towards our 2018 target of 5,000 young people engaged through Inspire, and to have rolled out the programme nationally.

GRI AND PERFORMANCE DATA

DATA AND PROGRESS SUMMARY

Since 2009 our sustainability reports have been aligned to the Global Reporting Initiative (GRI). The GRI framework is a reporting system that provides metrics and methods for measuring and reporting sustainability-related impacts and performance. This enables greater organisational transparency and accountability and can build stakeholders' trust. NG Bailey's GRI content table can be accessed here. The following pages provide additional sustainability performance data relating to our One Approach commitments. If you have any comments or questions about our report please contact us via sustainability@ngbailey.co.uk.



Building energy and carbon intensity

Since 2011/12 NG Bailey has measured the building energy and carbon intensity of its own estate. This measures building energy (kWh), or emissions (CO₂e) used or produced when operating our own estate and is divided by the floor area (m²).

Through efficiency measures overall energy efficiency has improved since 2012/13. This is due to a fall in natural gas consumption and - after a rise in 2012/13 - grid electricity consumption has fallen in 2014/15.

Energy mix - estate

NG Bailey has invested into on-site renewable energy generation. We have a number of building integrated systems installed at offices throughout the UK.

This includes a 225 kW biomass boiler at our Denton Hall headquarters in Ilkley, solar thermal collectors as well as a total of 546m² of PV at Denton Hall, a 149kWp of PV which came on-stream at our Bradford offsite manufacturing facility in February 2014. In addition in July 2015 the company invested in a 129kWp PV installation at our Leeds site.

In 2014/15 14% of our energy demand in our own estate was provided by on-site renewable energy.

Energy requirements

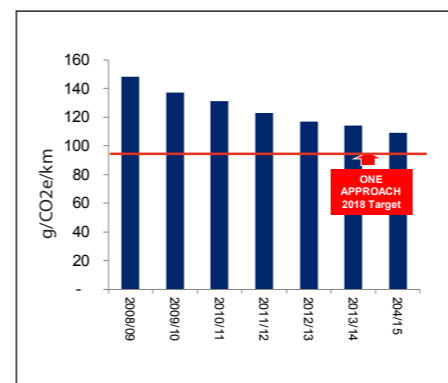
Since 2009/10 NG Bailey has reduced its energy requirements across its operations.

This includes energy required to operate buildings and transport people and materials.

Data is reported in terajoules (TJ).

Since 2009/10 we have reduced our energy demand requirements through changes to transportation and offices.

In 2014/15 we restated all data in this chart to account for improved energy calculation process related to our transport. This is in-line with changes made to our carbon footprint.



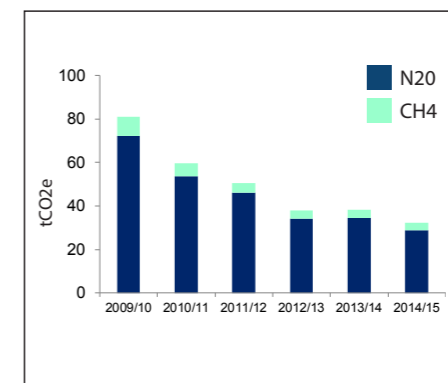
Fleet CO₂ profile

For six years NG Bailey has targeted reductions in its car fleet carbon profile.

The drive to lower emissions has been to improve the fuel efficiency and carbon emissions of transport in the delivery of our services.

This chart shows how we have reduced the carbon profile of our cars by 26% since 2008/09.

To support the delivery of our One Approach goal we have set a target to reduce our car fleet carbon profile to an average of just 99 g/CO₂e/km by 2018.



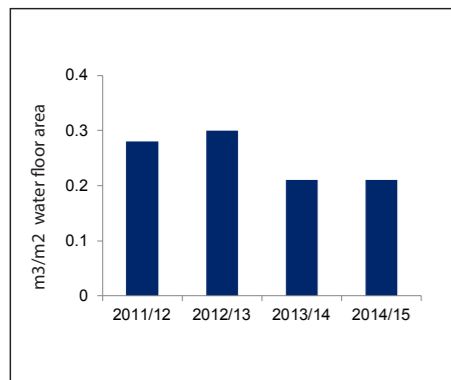
Emissions to air - N₂O and CH₄

Methane (CH₄), and Nitrous Oxide (N₂O), are naturally present in the atmosphere. However, human activities such as fossil fuel combustion, or wastewater management are increasing the amount of these gases in the atmosphere.

The impact of one kilogram of N₂O on warming the atmosphere is over 300 times that of one kilogram of carbon dioxide, whereas methane is over 20 times greater.

Emissions of these gases are calculated as part of our carbon footprint calculation. As we have reduced our emissions over the last few years we have witnessed a significant reduction of both (50%).

The chart shows five year emissions of Nitrogen Oxide (N₂O), and Methane (CH₄), 2010 – 2014 (figures in tCO₂e).

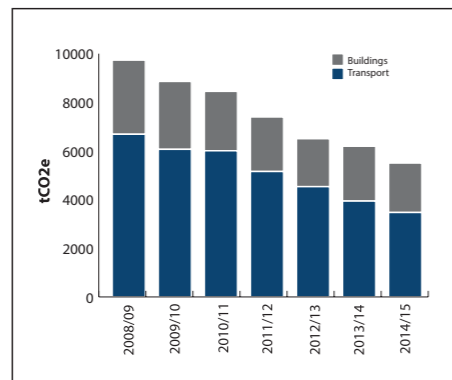


Building water intensity

Since 2011/12 NG Bailey has measured the building water intensity of its own estate. This measures the m³ of water used divided by the m² floor area.

Water consumption had already declined significantly compared to our 'Target 2012' baseline when we first calculated building water intensity.

In 2012/13 building water intensity rose, however in 2013/14 the figure fell by 30% - this figure remains consistent in 2014/15.



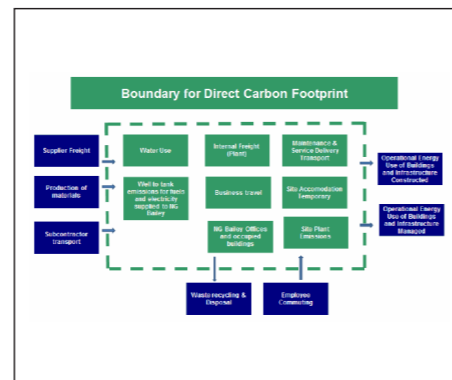
Aggregate CO₂ emissions

For six years NG Bailey has calculated its carbon footprint. This chart shows how we have reduced our footprint by 43% since 2008/09.

Our carbon footprint was restated for all years in 2012/13 in order to account for material changes to the conversion factors provided by Defra for company reporting purposes.

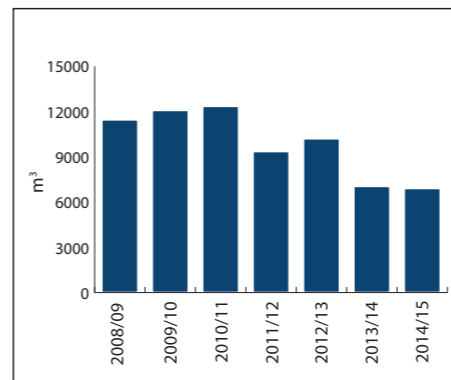
2012/13 and 2013/14 were restated to account for minor adjustments to water usage data as well as to accommodate an improved transport CO₂ calculation.

Well to tank (WTT) data introduced by Defra in 2012 is excluded in the above comparison.



“We have performed a high-level audit of the figures relating to carbon emissions in this report. In our opinion, these figures have been calculated in accordance with the relevant Defra/DECC guidelines and using appropriate source data and assumptions”.

Nick Carney - head of internal audit

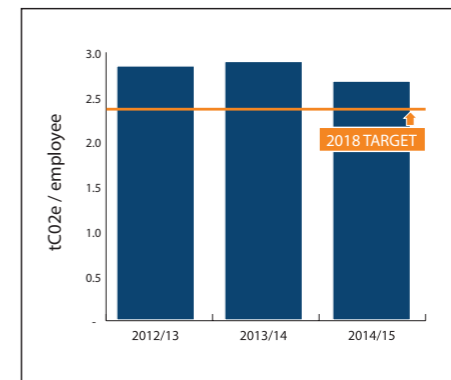


Water use

This chart shows water consumption arising within our estate. We have reduced this steadily over the last six years.

With our customers, our commitment to water conservation includes actions at each stage of our operating process: design, commission, operation and maintenance.

New buildings using traditional closed pipework systems can require significant amounts of mains water during the flushing process. We have developed and introduced an innovative inline filtration system which temporarily connects to the main header pipework during the cleaning process and delivers potentially huge water savings.



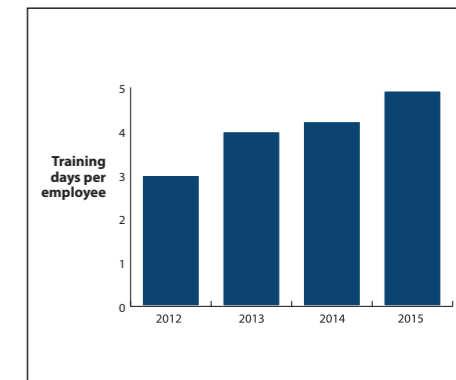
Carbon emissions per employee

NG Bailey has set a One Approach commitment to reduce emissions per employee by 20% by 2018 against a 2012/13 baseline.

The basis of this calculation is to divide the total operational CO₂ emissions (predominantly emissions relating to the buildings we operate and transportation used in the delivery of our services), by the annualised number of employees.

Our baseline emissions per employee is 2.8 tCO₂e. This makes our 2018 target 2.3 tCO₂e. In 2013/14 our per employee emissions increased to 2.9 and in 2014/15 it decreases to 2.7.

In 2014/15 we have restated our emissions for 2012/13 and 2013/14 following the introduction of an improved travel emissions monitoring system which enhanced our ability to track emissions arising per vehicle. To ensure comparability this was applied retrospectively.

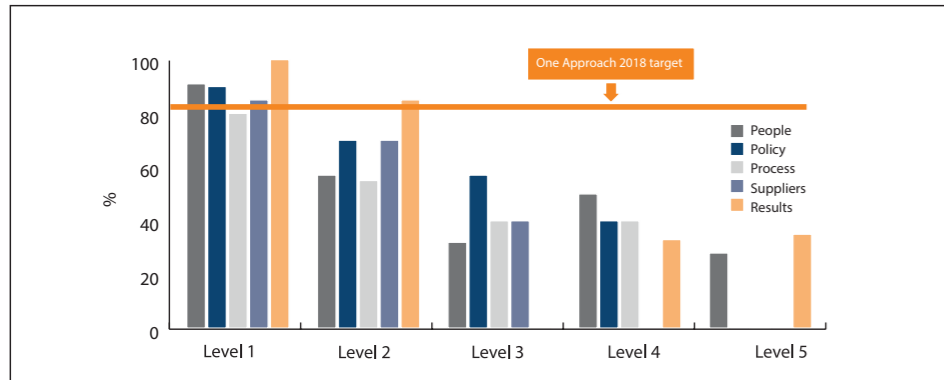


Training days

NG Bailey invests in the development of its own people.

With an annual investment of circa £3m per year, training days have been steadily increasing since data was first published in 2012 as part of our GRI aligned reporting.

Currently, average training days stand at 4.93 per employee, an increase of 39% since 2012.



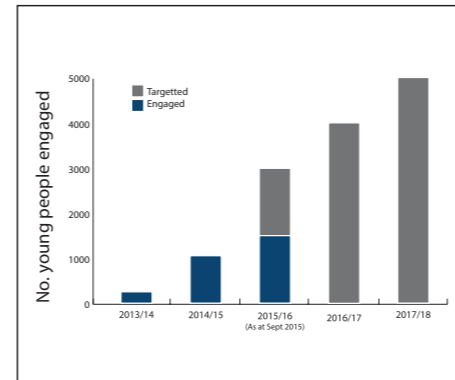
Flexible Framework

The Flexible Framework is a tool developed by the Sustainable Procurement Taskforce and published within their report "Procuring the Future".

It is a maturity matrix designed specifically to allow organisations to plot activities necessary to move them to a leadership position within sustainable procurement.

NG Bailey has committed to achieving Level 5 of the Flexible Framework by 2018. In 2014/15 - sustainable procurement experts 'Action Sustainability' were commissioned to carry out an external review of our progress to date.

The attached graph outlines the percentage scores that have so far been achieved for the five areas of focus outlined by the Flexible Framework - People, Policy, Process, Suppliers and Results.



Engaging young people through Inspire

For every person we employ we aim to help another two young people to be successful in their future career.

In practice this makes our target to engage 5,000 young people by 2018. Through our INSPIRE programme we engaged 1,051 young people by the end of 2014/15 and as the programme gains momentum we have so far reached 1,500 in 2015/16.





PASSION | INTEGRITY | EXCELLENCE