



NG Bailey

Highlights from 2018/19

Our One Approach to Business

A portrait of David Hurcomb, Chief Executive, smiling and wearing a dark blue suit jacket over a white shirt. The background is dark.

Welcome

2018/19 was another strong year and following the launch of our revised One Approach to Business strategy and welcoming Freedom to the NG Bailey Group, I am delighted to report that we have performed well.

2018/19 saw us invest in developing our customer experience resulting in a significant improvement in our Net Promoter Score and deliver some exceptional projects across the Group. We achieved a 15% reduction in our carbon intensity, invested in the wellbeing and mental health of our people by providing mental health training to over 400 managers and supervisors, and launched our own bespoke online wellbeing hub. We continue to promote the Fairness, Inclusion and Respect (FIR) agenda for our industry, and have engaged with over 2,000 students across the UK, inspiring the next generation to join the engineering sector. Following a hugely successful charity partnership with Alzheimer's Research UK, I am delighted that we raised a fantastic £112,000 for essential dementia research.

We recognise that responsibility remains important to our customers, employees and the communities in which we work and we look forward to the year ahead.

A handwritten signature in black ink, appearing to read 'D Hurcomb'.

DAVID HURCOMB
Chief Executive

Financial Performance

2018/19
results



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

Following the acquisition of Freedom and the creation of our new Services division, we are focused on maximising income by working with our customers to ensure we fully support them with NG Bailey's increasing capability.

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

MIKE PORTER
Chief Financial Officer

*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

We continue to demonstrate excellence in our business and during the last year we have won, and been shortlisted for a wide range of industry awards across all our divisions as well as for our efforts in carbon reduction, Fairness Inclusion and Respect, and our contributions to the communities we work in.

We were proud to once again have our safety performance recognised by the Royal Society for the Prevention of Accidents (RoSPA) with nine gold medal awards, one gold achievement award and the highly coveted Order of Distinction, RoSPA's highest accolade. All these achievements are a testament to the hard work and dedication of all our people at NG Bailey.



Strategy

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

The logo features the word "ONE" in large, bold, black capital letters. To the left of "ONE" is a circular graphic composed of four interlocking puzzle pieces in shades of blue, orange, and purple. Below "ONE" is the word "APPROACH" in a smaller, black, sans-serif font.

ONE APPROACH

A SAFE AND SUSTAINABLE BUSINESS

A PROACTIVE SAFETY
CULTURE WHERE
SAFETY IS FIRST AND
FOREMOST, ALWAYS

AN ENGAGED AND
COLLABORATIVE
SUPPLY CHAIN

A CONSISTENT
REDUCTION IN OUR
ENVIRONMENTAL
IMPACTS

PARTNER OF CHOICE

DELIVERING A BEST
IN CLASS CUSTOMER
EXPERIENCE

ACTIVELY REDUCING
OUR CUSTOMERS'
IMPACTS

SUPPORTING
OUR CUSTOMERS'
SUSTAINABILITY
GOALS

RECOGNISED EMPLOYER OF CHOICE

A HAPPY AND
HEALTHY
WORKFORCE

A FAIR AND
INCLUSIVE PLACE TO
WORK

CLEAR CAREER
ROUTES AND
OPPORTUNITIES
PROVIDED FOR
PRESENT AND
FUTURE WORKFORCE

GIVING SOMETHING BACK

CHARITY
PARTNERSHIPS
THAT HAVE MADE
A DIFFERENCE FOR
OUR PEOPLE

HAVE A POSITIVE
IMPACT ON 10,000
LIVES BEYOND OUR
BUSINESS

Safe and sustainable business

Our commitment to being a safe and sustainable business continues to underpin the way we operate. The safety of our people and all those who work on our projects comes first and foremost, but we also take our environmental and supply chain impacts seriously too. We are delighted to have made significant improvements this year.

15%
reduction in
comparative
carbon intensity per
employee in 2018/19

43%*
reduction in carbon
intensity across the
Group since baseline

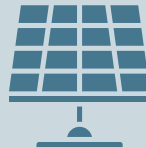
56%
reduction in
RIDDORs



A reduction of almost
3 million miles
driven in 2018/19

93%
of our employees
said "NG Bailey
puts safety first
and foremost"

3.7m
Skype for
Business call minutes
made in 2018/19



335,995kWh
of solar energy
generated from
our properties

*Market-based reporting

Partner of choice

Our customers face sustainability challenges of their own but we have the ability to help reduce their impacts through the services we offer. We have made significant investments in our customer experience and continue to deliver exceptional projects across the Group. Highlights from this year include:



The Urban Sciences Building won 5 awards including:

- *Integration and Collaborative Working Award* -
- *Sustainability Award* -
- *Digital Construction Award* -
- *Offsite Project of the Year Award Building* -
- *Project of the Year Award* -



31

*Increased our Group
Net Promoter Score
significantly*



*Saved our customers
the carbon equivalent
of 7x our own carbon
footprint*



*Developed and patented
Point of
Connection masts
(POC-MAST™)*

Recognised employer of choice

We recognise how important people are to our business and our aim is to be a recognised employer of choice by 2021. Following our investment in wellbeing and mental health, our approach to FIR, as well as our investment in our Inspire school engagement programme, we continue to move towards this goal. Some highlights from the 2018/19 year include:

69%

said "NG Bailey pro-actively supports wellbeing"

82%

said "At work I am treated with respect and fairness"



ARMED FORCES
COVENANT

We signed the
Armed Forces
Covenant



2,106

students engaged through
our Inspire programme

Building AWARDS

2018

Shortlisted for
Good Employer
Guide Award

proud to support

time to change

let's end mental health discrimination

340

Know your numbers
physical health assessments
rolled out across the Group

Giving something back

As a business we play an important role in the communities we work in. Through their charitable efforts our employees have supported a number of charities through financial and in-kind support and raised an amazing amount for our outgoing charity partner Alzheimer's Research UK.

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

Felicity James
Corporate Partnerships Officer, Alzheimer's Research UK



Alzheimer's
Research
UK

The Power
to Defeat
Dementia



46 different charities
supported through
charitable giving



Nearly £22k
donated in
charitable
giving

55
applications
for charitable
giving



Almost 500 dedicated
volunteering hours delivered



£112,000 fundraised for
Alzheimer's Research UK

SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs), launched by the United Nations in 2015, are the 'blueprint' to achieving a better and more sustainable future for all. For the first time, this year we have reported with the SDGs in mind. Our business has the potential to support many of the SDGs, however we are able to directly influence some more than others and so our priority goals are outlined below. However, our responsible business activity has the potential to contribute to the achievement of other SDG's details of which can be found in the full Group report. You can view the full report at www.ngbailey.com/responsibility.



Make ONE small change

Operating responsibly is the responsibility of everyone.

For example:

- By removing single use plastic cups from our workplace we estimate that we will have collectively removed at least 100,000 plastic items from landfill.
- By embracing Skype and virtual meetings across the Group we have travelled 3 million fewer miles this year, equivalent to almost 1,000 tonnes of carbon.
- 2018/19 saw 69 of our people dedicate almost 500 hours to volunteering, an average of 7 hours each.

What ONE small change can you make today?

- Did you know that the business will support your personal charitable activities with a £150 donation up to twice a year? You are also able to apply for up to 15 hours of volunteering leave each year during works time. Please see our charitable giving policy for more information.
- If you would like to be more involved, would like further guidance or materials, or wish to make suggestions about how we might improve by making one small change then please let us know at responsibility@ngbailey.co.uk.

PASSION | INTEGRITY | EXCELLENCE

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

www.ngbailey.com



FSC
**FOREST
STEWARDSHIP
COUNCIL**

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