

adi Senior Management Awayday 2023

# RESPONSIBLE BUSINESS REPORT 2023/2024

### Keep In Touch With Us

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www.adiltd.co.uk 🜐



# We are adi Group

We are a leading multi-disciplined engineering and construction group. adi is committed to delivering comprehensive turnkey solutions, from conceptual design through to full project execution, across a variety of market sectors. With over 34 years of industry expertise, we manage over 5,000 projects annually, integrating over 30 specialist services to deliver innovative solutions tailored to our clients' needs.

This report outlines our recent progress and key achievements in alignment with our five strategic responsible business commitments:

1. Our People

- We are dedicated to nurturing a positive workplace culture that promotes professional growth, employee well-being, and career development, ensuring our teams are equipped to thrive in an evolving industry.
- 2. Our Community
  - We actively engage with and contribute to the communities in which we operate, making meaningful social investments to support local development and drive positive change.
- 3. Our Supply Chain
  - We are committed to building resilient, transparent, and sustainable supply chain practices, collaborating with partners who share our values of responsibility and innovation.
- 4. Our Environment
  - As part of our environmental stewardship, we strive to minimise our ecological footprint, incorporating sustainable practices across our operations to mitigate environmental impacts and promote resource efficiency.
- 5. Diversity & Inclusion
  - At adi Group, diversity and inclusion are core to our values. We promote a diverse workforce, promoting an inclusive environment where all individuals have equal opportunities to contribute and succeed.

Through these commitments, we aim to continue driving responsible business practices while delivering exceptional engineering and construction solutions for our clients.



# Contents

- Responsible Business Highlights
- CEO Statement
- Our Visions & Values
- Our approach to Responsible Business
- Our Stakeholders
- Our People
- Diversity & Inclusion
- Our Community
- Our Supply Chain
- Our Environment

### Responsible Business **Highlights**

#### People

Employee Benefits offering a Healthcare Cash Plan including an Employee Assistance Programme, Cycle To Work scheme and high street discounts for employees.

84% response rate in annual Best Companies survey from employees across the Group.

7% of employees are full-time apprentices exceeding our commitment to The 5% Club to having 5% our workforce as apprentices within five years.











#### Community

Over £68,000 raised for the Birmingham Children's Hospital Over £32,000 raised by employees on awareness days and fundraising Partnership with St Basils for work placements

12 pupils enrolled on adi Group's Pre Apprenticeship Scheme









**Diversity & Inclusion** 

40% of employees are 50 years of age or older.

Employees made up of 20 different nationalities.

18% of the adi Board are female employees

11% of our female employees are in executive positions

12% of our workforce are women

## Responsible Business **Highlights**

#### Environmental

- A Commitment through our climate change policy to achieve Net Zero by 2045, with certain goals for 2030 and 2040
- A commitment to electrify at least 50% of new vehicles by 2035 with 100% by 2040









Supply Chain

Modern Day Slavery Pledge to not support or work with any business who are knowingly involved in modern-day slavery, human trafficking or have any affiliations with such practices.

All new suppliers have signed up to our Ethical Purchasing Policy







- RoSPA Gold Medal Award
- Eco Vadis Gold Award

GOLD

ecovadis

Sustainability Rating

2023

- IChemE Training and Development
  Award Winners
- 5% Club Gold Award

#### Best Companies 2\* Accreditation

- Top 100 Best Companies to Work for in the West Midlands
- Top 10 Best Companies to Work for in Construction & Engineering
- Top 50 companies to work for in the West Midlands



## CEO Statement

We are pleased to present our Responsible Business (RB) report for 2023/2024. At adi Group, we recognise that our success is intertwined with the well-being of our planet and communities. This report reflects our ongoing commitment to sustainability, ethical practices, and making a positive impact.

We have made significant strides in aligning our business operations with our core values. Our RB initiatives have not only demonstrated our responsibility as a corporate business but have also contributed to the wellbeing of the communities we serve.

- 1. **Sustainable Practices**: We have continued to prioritise environmentally friendly practices throughout our supply chain, reducing our carbon intensity/ person by 5.29%.
- 2. **Community Engagement**: Our efforts to give back to the communities we operate in have seen increased volunteer hours, community development projects.
- 3. **Diversity and Inclusion**: adi Group remains dedicated to fostering a diverse and inclusive workplace. Our initiatives have led to increased diversity in leadership, implementation of inclusive policies.
- 4. **Ethical Governance:** We have strengthened our commitment to ethical business practices, ensuring transparency, accountability, and integrity across all levels of our organisation.

#### Looking Ahead:

While we celebrate our achievements, we recognise that the journey towards sustainability is ongoing. In the coming year, we commit to:

- 1. **Carbon Neutrality by 2045:** In line with the Paris Agreement's 1.5°C target, we are dedicated to achieving carbon neutrality by 2045. This will involve a continuous focus on reducing emissions, enhancing energy efficiency, and exploring renewable energy solutions.
- 2. **Continuous Improvement:** We will actively seek new opportunities to enhance our responsible business initiatives, adopting best practices and innovative solutions to stay ahead in sustainability, community development, and ethical leadership.
- 3. **Collaboration:** We recognise that collaboration is key to overcoming shared challenges. In the coming year, we will work even more closely with stakeholders, partners, and communities to drive collective action and create long-lasting positive impacts.
- 4. **Measurable Impact:** Transparency remains a core value of our approach. We will refine our metrics and reporting mechanisms to provide clear, measurable insights into the environmental, social, and governance impacts of our initiatives.

We understand that our journey towards sustainability is continuous, and there's always room for improvement. We remain dedicated to listening to feedback, engaging with stakeholders, and evolving our strategies to address emerging challenges.



I would like to express my gratitude to our employees, partners, customers, and communities for their ongoing support and collaboration. Together, we can create a more sustainable and equitable future for generations to come.

Thank you for your continued trust in adi Group.

Alan Lusty Chief Executive Officer



## **Our Approach** to Responsible Business

The UN Sustainable development goals address our approach to responsible business strategy and is delivered by the Board of Directors and implemented by our Responsible Business Committee. The aim is to achieve an ethical and consistent approach to responsible business activities conducted across the Group, embedding these values as we continue to grow in the market. Our main focus areas are - People, Diversity & Inclusion, Community, Supply Chain, and the Environment. Our approach is underpinned by the United Nations Sustainable Development Goals and the global challenges we face, including those related to poverty, inequality, climate, environmental degradation, prosperity, and peace and justice. In September 2015, the General Assembly adopted the 2030 Agenda for Sustainable Development that includes 17 Sustainable Development Goals (SDGs). Building on the principle of "leaving no one behind", the new Agenda emphasises a holistic approach to achieving sustainable development for all.

#### **Our Focus Groups**

#### Managing Director & Operational Charter formation

made up of teams featuring board members and senior managers from across the Group to create a set of values and principles the entire Group should abide by in commercial and operational activities.

A continuous improvement (CI) group made of employees from across all divisions who embody the key company values and cascade CI initiatives and suggestions back into their division area. Health & Safety Committee

We have a steering committee on Health & Safety issues and focus groups on particular topics. The H&S committee is made up of a variety of internal stakeholders, form members of the board to health and safety representatives from a range of Group divisions that meets guarterly. The chair of this committee also represents the Responsible Business Committee, where best practice methods are identified and embedded within the organisation's activities.

#### **Responsible Business Committee**

Our committee members, led by our CEO, meet quarterly to develop and implement the Responsible Business agenda. Each committee member has the responsibility to make an impact in a key area of our Responsible Business agenda.





### Responsible Business Committee



Alan Lusty Chief Executive Officer



**Tina Lusty** Group Secretary



Suzanne Burton Responsible Business Manager



John Eggington Group Procurement Manager



Lynne Potter Group Environmental Manage



Ellie Brady

Roy Cumberworth



Nicola Gorman Diversity & Inclusion Champio



# Our **Values**

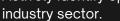
#### **Our People**

Become an employer of choice Keeping our people safe and healthy Increase resilience and wellbeing support Increase our Learning & Development opportunities

Inclusion & Diversity Improve the gender balance LGBTQ+ inclusion Ethnic diversity within the Group

#### **Our Stakeholders**

Identify our stakeholders and understand how our operations affect them, to find solutions that maximize value for all. Actively identify opportunities to collaborate with a range of stakeholders across the





#### **Our Environment**

Achieve Carbon Neutral status by 2045 Reduce material use and waste Support environmental organisations through fundraising and volunteering Engage with our clients on Eco Design projects Engage with our suppliers on Carbon Reduction initiatives



#### **Our Community**

Engage and enthuse young people with Science, Technology, Engineering and Mathematics (STEM) Inspire young people into careers in our industry Share Pre-Apprentice Programme model with industry peers Support charitable organisations through fundraising and volunteering



#### **Our Supply Chain**

Prioritise locally sourced materials to reduce our footprint Reduce the number of materials used and increase the use of recycled materials or those that have been obtained by socially sustainable means Have lower environmental impact or superior performance to existing materials









## Our Values

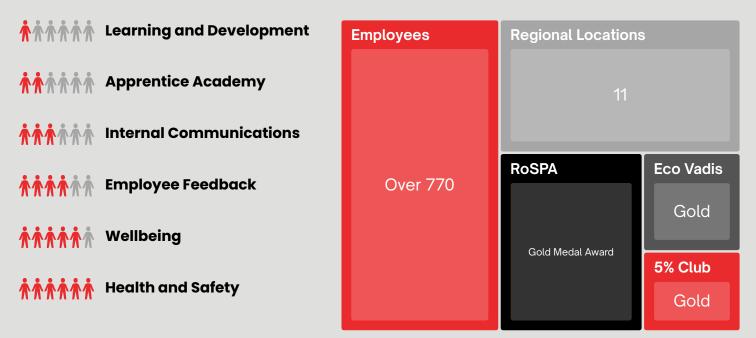




# Our **People**

Our ambition is to become an organisation that people aspire to work for. We cultivate an inclusive culture that supports employees to reach their potential and also gives them a voice to shape the future of our organisation.

#### Our People includes several key areas of focus:





# Our **People**

At adi we firmly believe that our people are the driving force behind our success. We recognise that our employees are our most valuable asset, and their health, happiness, and fulfillment are paramount. They are not just employees; they are valued members of our family.

We are dedicated to fostering a workplace culture that promotes physical, mental, and emotional well-being. This includes providing access to resources and support systems that empower employees to thrive personally and professionally.

Through initiatives such as wellness programs, flexible work arrangements, professional development opportunities, and open communication channels, we aim to create an environment where every employee feels valued, respected, and supported.

We understand the importance of work-life balance and strive to create policies and practices that enable our employees to maintain harmony between their professional and personal lives.

Our commitment to employee wellbeing extends beyond the workplace. We actively engage with our communities to support initiatives that promote health, education, and social welfare, ensuring that our impact is felt beyond the confines of our organisation.

By prioritising employee wellbeing as a core component of our RB strategy, we not only enhance the lives of our employees but also contribute to the sustainable success of our business and the betterment of society as a whole.







#### Wellbeing

The health and well-being of our employees are of paramount importance. We prioritise our team members' physical and mental health by offering wellness programs, health benefits, and resources that support their overall well-being.

Every employee in adi has access to:

- Birmingham Hospital Saturday Fund, giving employees access to medical financial support whether that be an optician's appointment, dental treatment, NHS prescription charges, therapies or diagnostic consultations.
- Employee assistance programme and support for legal and financial information as well as counselling, and support in areas related to stress debt crisis and addiction.
- PitStop, offering savings on food shopping, holidays, cinema tickets, gym memberships to name just a few.
- Wellbeing centre, giving virtual exercise classes, quick and easy recipes, financial wellbeing, meditation sessions and providing mental health and wellbeing advise

In 2024 we have trained 10 of our employees in Mental Health First aid alongside our Mental Health champion we have strengthened our support to our employees.

#### **Recognition and Appreciation**

We believe in celebrating the achievements and contributions of our employees. Recognising their hard work and dedication not only boosts morale but also reinforces our belief that each individual plays a crucial role in our success.

#### Nurturing a Culture of Care

We take great pride in nurturing a culture that prioritises the welfare and development of our employees. Our work environment is one where respect, collaboration, and open communication flourish. We understand that when our people feel supported and valued, they can perform at their best, unlocking their full potential and contributing to the overall success of our company.

Together, we strive to build a thriving community where our people can flourish, grow, and share in the journey of success. Because, at the end of the day, our people are not just important to our business – they are the heart and soul that keeps us beating strong.



### Our People Learning & Development

Ensuring our employees have the right skills and continue to develop in their careers within adi Group is important to our business. Our growth and expansion can only be supported by providing staff with opportunities to develop their skills to support our business objectives.

Keeping abreast with the latest technological advancements in engineering is also vital to our business success from industry 4.0 through to updated regulations and legislations. It allows us to be more agile and react quickly to evolving industry changes.

To help facilitate ongoing upskilling, learning, and sharing, employees and divisions across the Group have undertaken a range of professional development activities. This includes CPD qualifications, networking events, and industry seminars on topics such as projects, engineering, administration, management, and technology.

At the division level, our Environmental division has been awarded an external accreditation to offer City & Guilds training for the 'Role of the Responsible Person for Legionella Management'. With increased numbers of external audits, sites are under increased pressure to show that their employees have adequate competencies in certain key areas. Not only must they demonstrate a good understanding of current legislation, but they also have to be able to show compliance with the application. This is as a result of recent changes that can now not only impose significant fines for legislative breaches but impose custodial sentences. The adi Environmental program helps individuals upskill in these areas and ultimately mitigate the risks associated with legionella.

### **Case Studies: Meet our employees**

#### Kate Lalli - Accounts Apprentice

Here at adi it is clear that the apprentice programme is important and a valued role in the workplace. As adi is a part of the 5% club, I feel more comfortable knowing that they have years of experience with apprentices. Already I have been on an apprentice away day which proves how well the apprentices are looked after. Being at work has shown me that there are so many learning opportunities and personally it has given me a deeper understanding on how businesses work. Learning about adi as a business I have found beneficial especially as an AAT apprentice. With working alongside the accounts team, I have learnt how to apply my AAT skills such as knowledge on bank reconciliations, keeping company accounts up to date and double entry. There is satisfaction knowing that I can apply what I'm learning to practise in a workplace. Receiving on-the-job training by skilled personal has not only made me confident in my ability do the job but also taught me how to communicate with my team and interact with people of all ages which I am very grateful for.



# Our People Apprentice Academy

adi Group has taken on 16 new apprentices as part of its latest recruitment drive in 2023. Taking overall apprenticeship numbers to over 50, the new contingent will be developing skills in electrical and mechanical engineering, as well as accounts and business administration.

adi have a continued investment into the apprentice academy the partnership of the adi mentoring programme to support our apprentices outside of their skilled roles and supporting them with their business approach, drive ambition and succeed beyond their potential.

Offering individuals valuable experience, industry exposure, and professional development is a key driver for the adi apprentice academy. But also knowing that we as a business are preparing individuals for a career and inspiring them to achieve things, they didn't think were possible is what ultimately our goal is.

#### Apprentices

The Group formalised its commitment to Apprentices back in 2014 with the launch of our Apprentice Academy. Aimed at providing our apprentices with a more formalised programme – as well as additional opportunities to build soft skills and network with fellow apprentices - the Academy continues to provide apprentices of all ages with the support needed to flourish and progress in engineering careers.

Apprenticeships are offered in all areas of the adi Group including our automation, automotive services, compressor services, facilities engineering, electrical, process pipework, mechanical engineering divisions, and within our Head Office functions.

Over 50 Apprentices are currently part of our academy at various stages of their apprenticeship qualifications. On joining us our Apprentices are assigned with a mentor in their division providing support and guidance throughout the duration of the apprenticeship.

Apprentices undertake annual away days focused on leadership, management, and developing soft skills such as team building, project management, and communication skills.



adi Group has received the new Gold Award from The 5% Club, introduced this year as an employer benchmarking program from the business organisation.

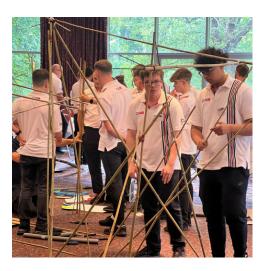
In the inaugural year of the 5% club's new scheme, adi was one of just 58 employers in the UK who met the Gold Standard, validating the firm's approach to careers quality, social mobility, diversity, and inclusion.

### Case Study Apprentice Academy Event

September 2023 saw our annual Apprentice awayday split over two days. On the first day we had two exciting events planned. They were both based around team working which our apprentices did exceptionally well. The first event was 'Kidnap your Manager'. It was a fairly dramatic opening to the day which saw adi Intelligent Building's Tom Young kidnapped in the blink of an eye by two masked men. The teams were then led outside to compete in a number of challenges to earn diamonds for Tom's release. The tasks were both physical and psychological but every team got stuck in.

The afternoon saw challenge two "Rollercoaster Tycoon" which was very fitting for our learning engineers at a theme park! The aim of the challenge was to build a section of a rollercoaster using only the materials provided. Each team had to work in unison with other teams to ensure their sections joined up with other teams' sections to make one large construction which would allow a ball to travel along the rollercoaster from start to finish. After 2 and half hours of putting together, taking bits apart, numerous test runs the final result was a masterpiece and one everyone should be extremely proud of!

Day two we bought the event back in house, to a subject that we as a company are extremely passionate about, Responsible Business. To start the day, we talked about the importance of Responsible Business to employers, looking at the world leaders in responsible business and previous responsible business initiatives hosted by and participated in by adi Group. Then to set the challenge, each team was assigned a mentor and were to plan a responsible business event that will be delivered in the future. This included coming up with the idea, a slogan for their idea, allocate a project manager, set a budget and so on. There were some brilliant ideas from all teams and we can't wait to see these plans put in to motion! Keep your eyes peeled as comms will be shared with you about these events.







### Our People Communications & Employee Feedback

#### Internal Communications

The Group continues to develop its internal communication platforms to cater to a multigenerational and remote workforce across regional and client sites in the UK.

Current methods of communication across the Group include;

- Quarterly Health and Safety Committee meetings
- Quarterly Main Board meetings
- Monthly divisional meetings
- Employee conferences
- Annual senior management away day
- Apprentice summer camp
- Weekly CEO e-Newsletter
- Quarterly company magazine
- Group app
- Collaboration software packages such as Smartsheet and Trello
- adi Group Pit Stop employee benefits & wellbeing hub
- Ask adi employee tool to ask questions or submit suggestions to CEO, COO, HR or their MD

We aim to continue to look at ways of improving communications across the Group as well as investing in the appropriate technologies to enable us to reach our employees via a range of different channels.

#### **Employee Surveys**

Starting in 2017, adi Group invited employees to feedback annually on how we're doing and where we can improve by completing the Best Companies B-Heard Survey. The survey is completely anonymous allowing employees to share their view on what's going well and let us know where we can improve.

The survey comprises a set of 70 questions covering areas such as management and leadership, personal growth, wellbeing, line management, teams, fair deal, and giving something back.

All feedback captured is cascaded via Group and Divisional channels to employees. Continuous improvement plans are then developed by each division in response to the feedback. Employees will be invited to complete the survey each year so that we have a clear benchmark for performance and insights into any areas of the business that needs improvements.



#### Wellbeing, Benefits & Recognition

#### **Employee Wellbeing & Benefits**

In 2018, following employee feedback via the Best Companies B-Heard Survey, we launched our employee wellbeing and benefits programme. This included a reward programme providing employee discounts to gyms, high street stores and day trips as well as a new cycle to work scheme. In addition, we launched a Healthcare Cash Plan and Employee Assistance Programme

with BHSF. Uptake to all schemes has been encouraging and we will look to further develop our rewards and benefits programme to ensure it continues to deliver value to our employees.

In 2023 we also announced that all employees a volunteer day to allow them 1 day with full pay to support the local community on a volunteering activity or event.

#### **Employee Recognition**

The Group continues to recognise its unsung heroes via its annual employee awards programme. Launched in 2014, all nominations made are from colleagues across the Group in six awards categories as well as recognising our long service award winners. Some 91 employees have received awards and 85 long servers have been recognised for 15, 20 and 25 years of service since the programme launched.

### Our People Protecting Our Workforce

Creating a safe ethical work environment is part of our mission at adi Group. Protecting our people as well as those that come into contact with our activities and making sure they go home safely at the end of each working day is our priority.

#### Our Approach

We believe that our employees are best placed to understand the risks in the workplace and that their input is important in any of our health and safety decision-making processes. Through working together with employees at all levels and within all Group divisions we can create and maintain a safer adi Group.

#### **Staff Health & Safety Training**

Our business commits to ensuring that all employees and contractors are competent to fulfil their roles in occupational health and safety. We recognise the importance of all employees and contractors being competent to fulfil their roles, as well as being free from any health and safety risks resulting from our operations. Prevention of exposure is achieved through suitable selection, management, control, and continual development of personnel.

#### **Managing Contractors**

adi Group recognises that contractor poor performance can have a detrimental effect on the health and safety of its employees as well its customers (and others), while poor performance and practices also reflect negatively on the Group businesses.

We consider health and safety throughout the selection of contractors, ensuring all H&S information relevant to the contract is communicated to the contractor, that the contractor will provide H&S information as required and that this will be reviewed as part of the selection process.

We have documented and communicated procedures to ensure contractors are selected and managed effectively with performance monitored throughout.



#### **Engaging Our Workforce In H&S**

Our goal is to increase the level of commitment to working in a safe and healthy way.

The Group uses safety representatives to engage with staff at division and site level. All employees that are safety representatives have received awareness training in respect of what is expected of them in their role. A key component of training is to emphasise the positive role that these individuals can play in influencing the behaviour of their colleagues and liaising with management on health and safety and welfare issues.

We also continue to promote health and safety across the Group through our Think Safe, Work Safe, Home Safe initiative. This ongoing campaign is aimed at raising awareness and engagement in occupational health and safety and promoting the systems and procedures we have in place to report concerns.

#### **External Recognition**

Our Gold Award in 2023 gave us the gold medal for 5 successive years of Gold Awards

#### **2024** Priorities

- Reduce Lost Time Workplace Accidents & Incidents to 0
- Retain our Gold standard RoSPA Award to work towards achieving the Medal of Honor
- Maintain 5% club commitment
- Achieve 2-star accreditation in Best Companies
- Refine and increase awareness and engagement in benefits and wellbeing programs
- Have trained Mental Health First Aiders across the business.
- Widen the scope of the recognition programme
- Add additional group companies to our ISO45001 registrations

### **Diversity & Inclusion**

At adi Group we believe that it is important to be representative of, and reflect all aspects of diversity in the communities we work in. We know that diversity & inclusion adds value and cultural richness to our business, and we are looking at implementing initiatives to encourage and promote diversity and inclusion and are committed to building an inclusive company where everybody can be themselves and can achieve their potential.

#### **Our Diversity & Inclusion includes several key areas of focus:**

#### **Increasing Awareness**

Increase awareness of diversity and inclusion issues, such as celebrating cultural heritage months, promoting mental health awareness, and addressing topics like gender equity and LGBTQ+ inclusion.



#### **Data Collation**

Allowing our business further insights that can drive impactful change, Track progress and accountability, improve our recruitment and retention and improve our culture

#### **Culture & Environment**

Promoting a workplace culture where every individual feels valued, respected, and included, regardless of their background.

#### **Education**

Provide regular, ongoing education on topics such as unconscious bias, cultural competency, allyship, and inclusive leadership

### **Diversity & Inclusion**

Our ambition is to create a more diverse and inclusive environment. In order to achieve this and further develop a culture that embraces diversity and inclusion, our Board and Managers will continue to play a vital role in setting the right tone from the top.

We have more to do to become truly representative of the communities in which we operate and to help us get there, we have appointed a Diversity and Inclusion Champion and added 'Diversity and Inclusion' to our responsible business strategy.

We know how important this is to colleagues and to our stakeholders and we are committed to:



#### Increasing Awareness

All Board members and senior managers will receive training in relation to diversity and inclusion and their responsibilities early in 2024.



#### Creating the right culture

We will be reviewing and updating our policies to ensure they are fit for purpose to support our approach to responsible business including improving our recruitment and selection processes to ensure they are inclusive and fair, considering aspects such as unconscious bias, consistent assessments, and scoring frameworks, how we promote people and, of course, our job adverts and where we advertise.



#### **Data Collection**

We will be improving our data on ethnic diversity to enable us to set a target and report progress from 2024/25. We will include questions on the inclusiveness of our culture in our employee surveys, shared with the Board, so we can monitor colleagues' feedback on how they experience our progress and enable us to derive a baseline from which we can set an improvement target.



#### **Raising Awareness & Education**

Not only through training but by introducing a calendar of events that are inclusive to all.

#### Meet some of our team

#### **Megan Thornloe**

Having a diverse and inclusive workplace is incredibly important. I've found that learning from other people's lived experiences and unique perspectives is really valuable. It broadens my understanding of different views and approaches, helping me grow both personally and professionally. Fostering a diverse workforce within our organisation brings together a range of skills, backgrounds, and ideas, which strengthens our team. This diversity enhances our ability to deliver exceptional work for our clients, contributing to the overall success of our projects.





#### **Teairy Hodge**

As a procurement apprentice for adi, I work in a diverse team which is both a rewarding and exciting position to be in as it allows me to grow both personally and professionally. You learn to appreciate different viewpoints and develop stronger communication and teamwork skills. Being part of a team where everyone brings something different to the table encourages mutual respect and promotes a deeper level of understanding within the team.

#### **Pancras Valentine**

Diversity and inclusion are extremely important for the growth and success of a business because it can bring many benefits such as higher performance, higher employee retention rate and increased productivity. At adi, I feel respected, valued and supported, therefore, I am enjoying my job. There is a positive and friendly environment which I find it very comfortable to work in, across all adidivisions. There is also recognition for new ideas and hard work. That really encourages me to go the extra mile to achieve success for both me and the company.







### Our Community

Employees at adi Group play a key role in working with and supporting the communities in which we operate.

Our mission is to contribute positively to our local communities and those affected by our operations to secure a sustainable future for all– whether it's via volunteering and fundraising initiatives or through school and industry partnerships.

Our employees work tirelessly to inspire careers in engineering from an early age and in doing so we have received recognition from the Prime Minister, Chancellor, Mayor of West Midlands and the CBI.

#### Over **£103,000** Raised for UK Charities







### **Fundraising & Volunteering**

Giving back to the community is at the heart of what we do here at adi Group. We provide opportunities for our employees to work alongside charities and community groups to fundraise and volunteer in local communities.

#### **Our Approach**

Employees at adi Group believe in making a positive impact in the local community. Whether it's involved in Group-wide team activities or employees individually fundraising for a charity close to their hearts, the Group actively supports and encourages these endeavours.

The good causes we support in our community benefit from funds raised by employees and hours volunteered. In turn, our staff develop soft skills from teambuilding through to project management by supporting our fundraising and volunteering initiatives.

Employees at the Group also have the chance to be recognized for their fundraising and volunteering work in our peer-nominated annual employee awards.

#### **Charity Partnerships**

In 2023 adi chose to partner with The Birmingham Children's Hospital Charity. Supporting this charity means that we make an impact not just financially but making a real difference to the spaces, treatment and equipment the hospital provides to children and their families.

In 2023 adi raised over £68,000 in support of the Hospital's IMRI appeal to raise £1.5 million to transform life-changing brain surgery. Which was successfully achieved through corporate fundraising and the change makers contribution's. It also awarded adi as one of the 100 heroes recognised by the charity.

The success of our partnership with the Birmingham children's hospital has led to us supporting the charity hosting fundraising events, staff volunteering activities and giving back to the staff of the hospital.

#### **Other Charities & Good Causes**

We also support numerous other charities of all sizes regionally and nationally with activities and initiatives. Other causes supported include Breast Cancer Now, Macmillan, The Samaritans, Save the Children, Birmingham Children's Trust and the Christmas Lunch Project.











### Case Studies

### **Charity Football Tournament**

In 2023, adi hosted a successful corporate fundraising event in the form of a five-a-side charity football tournament. The event saw enthusiastic participation from over 22 teams from local suppliers, partners and customers. Employees and volunteers from adi played a key role in supporting the initiative. Through their collective efforts, the tournament managed to raise an impressive £12,000, which was donated to Birmingham Children's Hospital. The event not only encouraged team spirit and engagement but also demonstrated adi's commitment to giving back to the community.





### adi Management Team Raise £10,000

adi's senior management team participated in the Crystal Maze Challenge, an event that tested both mental and physical abilities. Competing alongside 15 teams and a total of 120 participants, the teams tackled various challenges to earn time in the Crystal Maze dome. The goal was to collect tokens, with each team fighting to raise funds for Birmingham Children's Hospital. The event was a tremendous success, raising an impressive £10,000 for the hospital and showcasing adi's commitment to charitable causes through fun and engaging team-building activities.

# adi Electrical Volunteer for Forest of hearts

The adi Electrical team recently volunteered a full day to support the Forest of Hearts, a local environmental initiative. Fifteen team members contributed a total of 120 volunteering hours, dedicating their efforts to removing tree guards, which helps promote healthier growth in the forest and contributes to the sustainability of the local ecosystem. This initiative reflects adi's ongoing commitment to environmental conservation and community involvement.







### Inspiring Future Engineers

Showcasing the engineering sector to the next generation in our community alongside partners and via home grown initiatives is vital to the future of our industry.

### **Our Approach**



The engineering, construction, and manufacturing sectors continue to suffer from skills shortages and an outdated perception of engineering which is leading to fewer young people pursuing engineering as a career.

Whilst work from the Government's Year Of Engineering Campaign as well as industry initiatives such as This Is Engineering and Tomorrows Engineers are helping to change this perception, there is still work to be done. According to Engineering UK, 203,000 people with Level 3+ engineering skills will be required every year to meet demand through to 2024, but there is an annual shortfall of up to 59,000 engineering graduates and technicians needed to fill core engineering roles.

In response to this, adi Group works in the local community via a range of initiatives that enable us to reach schools, teachers, students of all ages, and parents. Our approach is to help challenge and overcome stereotypes and showcase the modern world of engineering. We do this by engaging in various events, careers days at local schools, by holding workshops, and by providing opportunities for young people to gain experience.

### **Pre-Apprentice Programme**

#### Inspiring the Next Generation of adi Group Employees

In conjunction with BITC (Business in the Community) and our partner school King Edwards VI Kings Norton Boys School, we have pioneered a "hands on" pre – apprenticeship programme aimed at 14 -16 year olds focusing on gaining the core hands on skills in electrical and mechanical engineering to inspire tomorrow's engineers.

Modules include sheet metal fabrication, electrical installation, panel building and MIG welding. Students will use specialist tools and see demonstrations of specialist processes.

The students learn a multitude of skills which compliment their GCSE curriculum and will also help to facilitate progression onto full time apprenticeships. We also ensure they are equipped with improved and transferable skills such as communication, teamwork and problem solving.

The students, aged 14-16, spend one afternoon a week during term time, across two years, plying their skills for a chance to earn a future career in engineering and an Engineering and Learning accredited qualification.

If successful, the youngsters will receive the opportunity to move onto our Apprenticeship Academy, with a full-time apprenticeship potentially paving the way for a highly successful career in engineering.





# Our Supply Chain

We recognise that in order to fulfil our supply chain goals and objectives we must adopt a collaborative approach to sustainable procurement. Our aim is to achieve a shared commitment from our suppliers.

Our approach to procurement is underpinned by our commitment to our Ethical Purchasing Policy. Through this commitment we are able to demonstrate:

- That we expect all members of our supply chain to uphold the principles detailed in our Ethical Purchasing Policy and to comply with current legislation
- That we aim to conduct our business dealings in a manner built upon mutual trust with all our Partners. Trust is a critical component to us to maintain the reputation and success of the Group, our clients, and our supply chain
- That we actively promote diversity, equality, inclusion, fairness, and safety throughout our supply chain. As part of our tender and supplier selection process, we will aim to give opportunities to businesses that are women-owned or owned by any minority groups or vulnerable people, so that they are able to provide a sound alternative to the more traditional suppliers, so that these may be considered for final award
- That through all our business dealings we are seen as an attractive customer in the marketplace and one that suppliers would choose to do business with.
- We aim to increase the number of businesses in our supply chain which are women owned and businesses owned by minorities / vulnerable groups

The Procurement Team aim to support the Group by:

- Working with both internal and external stakeholders throughout the supply chain to ensure the company values are embedded throughout our dealings
- Providing the best value for money solutions so that the company enjoys the best price possible, whilst respecting that our supply chain needs to remain profitable to provide sustainability and to nurture growth
- Managing risk to ensure that all policies and procedures are adhered to so the reputation of the Group and our clients remain best in class.

#### ALL NEW

suppliers signed up to our Ethical Purchasing Policy

> Eco Vadis GOLD

Accreditation achieved

#### IMPROVED INDUCTION

and on-boarding for procurement team members

# Our Supply Chain

In the Post-Pandemic world, global issues affecting raw materials and components have resulted in significant challenges ahead for adi, its clients, and our Supply Chain.

To help mitigate the risks and overcome these challenges, we have implemented an automated system to fully track the availability and delivery schedules of all goods on an extended lead time.

This new system will keep all stakeholders informed of all developments in real-time on the progress made in expediting materials and keeping them abreast of any changes along the way. This system also provides an early opportunity for us to help identify materials that could have the potential to cause project delays and we will work with our Project Teams and Clients to help to identify and source an alternative supply.

We are working closely with our Project Teams and Clients to gain as much foresight as possible on project material requirements and forecasting to help avoid supply outages and subsequent delays to project programs.

We are closely monitoring the volatility in material costs and are feeding this data into our Project Teams and Clients at the earliest opportunity to help promote a transparent and proactive approach to our sourcing activities in an ever-challenging global marketplace.

We recognise that in order to fulfil our Supply Chain goals and objectives we must continue to adopt a collaborative approach to sustainable procurement. Our aim is to achieve a shared commitment from our suppliers.



Our approach to procurement is underpinned by our commitment to our Ethical Purchasing Policy. Through this commitment we are able to demonstrate:

- That we expect all members of our Supply Chain to uphold the principles detailed in our Ethical Purchasing Policy and to comply with current legislation.
- That we aim to conduct our business dealings in a manner built upon mutual trust with all our Partners. Trust is a critical component to us in order to maintain the reputation and success of the Group, our clients, and our Supply Chain and to protect our Brand.
- That we actively promote diversity, equality, fairness, and safety throughout our Supply Chain.
- That through all our business dealings we are seen as an attractive customer in the marketplace and one that suppliers would choose to business with.

### Case Study: Local supplier commitment

Recently we have carried out major projects in areas such as Carlisle, Billingham in Teesside and Glasgow to name a few.

In each location we have identified local, independent suppliers in commodities such as fasteners, fixings, PPE, mechanical pipework, fittings and consumables.

This has reinforced our commitment to our Responsible Business Strategy, whilst supporting the local economy to the sites and reducing the impact on the environment by the number of delivery miles travelled by the materials we are ordering





# **Our Supply Chain**

To help us to be recognised as a truly responsible business, we understand the importance of core values that need to be upheld in all our dealing with our Supply Chain and beyond:-



Our Ethical Purchasing Policy and Supplier Sustainability Code of Conduct Policy are used to guide our buyers, internal stakeholders and our supply chain partners to ensure that all our dealings are conducted in a fair and responsible manner, promoting fair opportunity to all suppliers.



# Our **Supply Chain**

#### Continuous Improvement & Sustainability

We continue to monitor the changes in our developing Supply Chain by careful and regular analysis of our business data in conjunction with the projections for our future as set out in our business plans. This enables us to identify opportunities for increased collaboration, relationship development and commercial betterment for all parties.

We have radically overhauled our Supplier 'On-Boarding Process' and created an uncomplicated and simple process for potential suppliers to submit their applications via our new web-portal. This self-built portal allows us to fully automate not only the initial on-boarding process, but we have now extended this system further to also fully automate the checking of all expiry dates on any supplier policies, accreditations and insurances, and chases the suppliers directly for the required updates. This is enabling us to seriously reduce the risk associated around our Supply Chain and this portal feeds the information directly into our Supplier Relationship System.

#### Accreditations

GOLD 2023 ecovadis Isustainability Rating

adi Group is accredited to EcoVadis having achieved Platinum Standard in

2020 since first being assessed in 2015. EcoVadis conducts a rigorous assessment of CSR programs to rate the environmental, labour practices, fair business practices and sustainable procurement performance of global supply chains, by assessing more than 40,000 suppliers.

The EcoVadis methodology is built on international CSR standards including the Global Reporting Initiative, the United Nations Global Compact, and the ISO 26000, covering 190 spend categories and 150 countries. More than 300 leading multinational organisations use this platform to reduce risk and drive innovation in their sustainable procurement.

#### Education

When introducing new buyers or admin team members into the procurement function of the Group, they must first have read and signed off their understanding to all the policies and procedures that will govern their activity for the business. Ahead of any training on how to use our business system, new team members are issued the New Buyer Introductory Pack, which contains: -

- adi Purchasing Procedures
- adi Ethical Purchasing Policy
- adi Supplier On-Boarding Procedure

Once these have been read and understood, a sign-off sheet is then returned, and training is issued along with their system status as a Buyer. This ensures that all individuals involved in the placement of orders are aware of their roles and responsibilities and the expectations of the business and our Supply Chain.

#### **2024** Priorities

- To continue to closely monitor orders on extended lead-times caused by the global supply chain issues and to keep stakeholders aware of delays and alternative solutions.
- To work with our Supply Chain to enable our Project Teams to have as much advance notice as possible of price increases in the increasingly volatile global marketplace.
- To develop local Supply Chains, close to major projects to help reduce the environmental impact of our ordering activities and to provide a boost to local economies.
- To continue to achieve 100% compliance for all adi Buyers and Admin people that are involved in the procurement process for being educated in the importance of our Ethical Purchasing Policy and to ensure our company values are upheld throughout all of our business dealings.
- To develop a culture that will look more favourably on supplier offerings that can demonstrate evidence of being able to reduce the impact of our orders on the environment around us.

#### The Supply Chain & Our Environment

We are encouraging our Procurement and Project Teams to be requesting environmentally friendly solutions in Supplier Tenders for our major projects. We will be looking more favourably upon Supplier Tenders that can demonstrate evidence of being able to reduce the impact of our order with them on the environment around us.





## Our **Environment**

Building a greener, more sustainable future is high on our agenda and we are committed to minimising the environmental impact of our operations. We aim to play our part in reversing climate change by reducing CO2 emissions across the Group whilst also working to reduce waste, utility usage and our overall carbon footprint.

adi Group takes its environmental responsibilities very seriously and is dedicated to reducing the environmental impact not only of our own business operations but also in supporting our client base to meet their environmental goals.

Climate Change affects not only our business operations and our internal/external stakeholders but also future generations which is why we are constantly looking at ways we can reduce our impact on the world around us.

In 2022/3, following the guidance of the Climate Change Act 2008, the UK's net-zero strategy adi Group is detailing how we are responding and gearing activities to address climate change. We (our organisation and employees) all must play a part to enable the country to make the transition to net-zero.

As a business, we need to adapt. Adaptation is the cornerstone of our net-zero ambition. We are:

Thinking Differently- Business as usual is not an option. Collaborating- with our suppliers for sustainable resourcing. Designing low carbon futures- limiting carbon emissions is the most effective way to combat climate change.

**Engaging**- from the apprentice projects to innovative design and technology; developing our offerings to address our carbon emissions. **Adapting**- what we do and what we offer to have sustainability built-in. **Inclusion**- Involvement from all parts of the adi group, staff, and stakeholders to drive change towards net zero











## Our Environment

Since 2015 we have partnered with BP Target Neutral with the ambition to become carbon neutral by reducing and offsetting our carbon footprint. This works by adi Group offsetting its fleet's emissions through BP's Fuel Plus Card.

This means that every time a vehicle within our company or grey fleet uses this card to fill up at a BP Service Station, the carbon emissions associated with that purchase will be offset. As a result, this leaves our company vehicle fleet driving carbon neutral. Since 2015, we have offset over 11,500 tonnes of CO2e. As well as reducing emissions, our partnership with this BP initiative also contributes to improving the lives of millions of people through better access to energy, health, education, and jobs as our emissions are offset against projects worldwide.

Projects sponsored by BP incude:

- CTL Landfill Gas Project Brazil Estimated Carbon Saving per year -1,117,018 metric tonnes CO2 equivalent per annum. The CTL Landfill Gas Project is a landfill gas collection and flare project in São Paulo. The project's core idea is to avoid methane emissions from the landfill. The project collects and flares the methane to supply through a dedicated pipeline, reducing uncontrolled release to the atmosphere, reducing greenhouse gas emissions. The project creates new jobs, and improves the local environmental conditions.
- Landfill Gas Project Brazil Estimated to reduce GHG emissions by 599, 273 tonnes of carbon emissions each year. This project collects methane and flares it to generate electricity for the local grid, reducing reliance on the more carbon intensive average grid electricity. Project reduces the uncontrolled release of landfill gas which reduces the impact on water quality and the local environment.
- Wind Energy Chile The project generates renewable energy using wind power technology, increasing the percentage of renewably sourced power in the Chilean grid, and helping the power sector move towards renewable technologies. Estimated to reduce carbon emissions by 531, 725 metric tonnes CO2 over a 2 year period.

Year	Emissions Offset Via BP Target Neutral CO2e	Year	Emissions Offset Via BP Target Neutral CO2e
2015	1179	2020	1226
2016	1138	2021	1591
2017	1462	2022	1472
2018	915	2023 1652	
2019	956		

More details can be found at : www.bptargetneutral.com website.

#### 2023 Highlights

- Maintained our partnership with BP Target
  Neutral Program
- No interventions by the EA, and no environmental spillages
- Promotion of the cycle-to-work scheme, bicycle learning through salary sacrifice
- Promotion of the Octopus Electric Vehicle
  Scheme

#### **Our Objectives**

We continue to look for opportunities across the group on how we can continuously improve in this area and we are working to implement solutions as part of our 2025 business plans, typically:

- Continue risk management throughout ISO9001 / ISO45001 / ISO14001 Management Systems
- Continue to invest in New Technologies
- Implement and further develop Employee Awareness Programs
- Continue to reduce our Carbon Footprint year on year with a target of being Carbon Neutral (end of 2045) Interim goals for 2030 and 2040
- Maintain objectives as defined by our ISO14001: 2015 Management System
- Gradual update of our vehicle fleet to electric. Electrify at least 50% of new vehicles by 2035, 100% by 2040
- ESOS Phase 3 assessment complete
- Continue to work with out partners on energy reduction schemes
- Validate our emissions reduction target by 2030 via SBTi
- Support our customers and suppliers as we look to reduce our Scope 3 emissions

	2019	2020	2021	2022	2023
No of Employees	640	641	650	670	770
Scope 2 - Electricity Usage/ Employee	Reduced by 8.72%	Increased by 29.42%	Increased by 5.40%	Reduced by 3.3%	Increased by 1.91%
Scope 2 - Gas Usage/ Employee	Increased by 89.45%	Increased by 6.05%	Increased b% 30.05%	Reduced by 27.78%	Reduced by 5.62%
Scope 1 - Fuel / Employee	Increased by 3.96%	Reduced by 13.76%	Reduced by 6.2%	Reduced by 11.187%	Reduced by 5.29%
Total Carbon Footprint Calculated (Tonnes CO2e) calculated via Self Assessment using(www.carbonfootprint.com)	1519	1489.56	1418.8	1466.69	1607.5
Carbon Intensity (tonnes CO2e / Employees) (B / A)	237	2.37	2.18	2.19	2.08
Carbon Intensity / Employee Change	Increased by 11%	No Change	Reduced by 2.1%	Increased by 0.46%	Reduced by 5.29



# Our **Environment**

#### adi Go Green Campaign

adi Go Green Campaign

In response to our carbon emission reduction targets, adi Group launched a series of go green initiatives to challenge and encourage a different way of working.

Initiatives that enable us to reinforce our group message that even small changes at individual level will contribute to reduced carbon emissions. reduced waste production, and landfill.

Our approach is to clearly show simple steps we can all take to help achieve our reduction targets.

We have encouraged more flexible ways of working bought on by the Global Covid pandemic in 2021, in order to minimise emissions produced through travel.

We have launched an EV scheme to encourage and help employees purchase an affordable electric vehicle.

We have encouraged employee-led initiatives of tree planting and waste clearance demonstrating sustainability is at the core of who we are and what we do.

#### **Healy Compressors Go Green Initiative**

Healy Compressors in conjunction with Forest of Hearts are planting a tree for every KW hour of energy saved on their client's sites. They have set ambitious targets for 2023 of planting many trees.



#### **2024** Priorities

- Increase awareness of our own environmental impacts across the company divisions
- Invest in more recyclable and renewable components of our products
- Encourage and reward greener working practices
- Ensure our apprentice and pre-apprentice programs consider sustainability as well as design and build skills.



#### **Case Study: Hollywood Nature**

Healy Compressor employees participated in an environmental project at Hollywood Nature Reserve, in collaboration with Sandwell Council. The team installed 15 bat boxes, handcrafted by prisoners from Featherstone Prison in Wolverhampton, contributing to both environmental conservation and prisoner rehabilitation.

#### **Key Activities:**

- Bat Box Installation: Employees installed bat boxes to support local bat populations.
- Area Clean-Up: The team also cleared litter, creating a more inviting space for visitors.

#### Impact:

This initiative promoted environmental conservation, supported prisoner rehabilitation, and teamwork among the Healy employees, demonstrating the company's commitment to community and social responsibility.

#### Conclusion:

This Responsible Business activity exemplifies how corporate social responsibility can create a positive impact on the community, environment, and individuals. Through partnerships with local organisations and meaningful volunteer work, this initiative strengthened community ties and promoted environmental stewardship. 34



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Copies of our Corporate Social Responsibility reports can be downloaded from our website at <u>www.adiltd.co.uk/rb</u> where you can also find further details onour approach to responsible business andour achievements made to date.

#### Keep In Touch With Us

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