



Engineering A Better Future

Responsible Business Report 2019/2020



We Are *adi* Group

We are a leading multi-disciplined engineering and construction group, offering full turnkey capabilities from conception brief to full design and build for a wide-variety of market sectors.

The adi Group is structured to deliver engineering and construction investments through the integration of over 30 specialist services to provide the best solutions for clients. Approaching 30 years of experience within industry, we deliver over 5,000 projects per year.

This report sets out our progress and recent achievements against our four strategic responsible business commitments – Our People, Our Community, Our Supply Chain and Our Environment.



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Responsible Business Highlights

People

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

89% 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 £43,000 raised for Heart Research UK



Over 4,000 students and young people reached at schools/ careers events

Involvement in the Womens Engineering Society #LottieTour

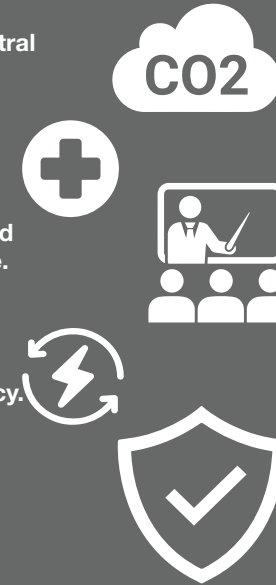
48 pupils enrolled on adi Group's Pre-Apprenticeship scheme



Environment

Supporting the environment through our partnership with BP Target Neutral leading to:

- > reducing over 2,500,000 tCO2e per year (of which BP Target Neutral have acquired 700k t).
- > improving the livelihoods of over 2.2 million people through better health and through the provision of training and improved education for nearly 5,000 people.
- > creating nearly 8,300 GWh of renewable energy generated or saved through energy efficiency.
- > supporting the protection of over 40,000 hectares of globally significant habitats.



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 since our 2017 report have signed up to our Ethical Purchasing Policy



Award Winners

2017:

Runners-Up in EEF Midlands Future Manufacturing Awards for Partnership With Education

Finalists in The Manufacturer MX Awards for Partnership With Education

Finalists in Birmingham Post Business Awards for Contribution To The Community

Silver RoSPA Award Winners

2018:

Birmingham Post Business Awards – Sustainability Award Winners

Best Companies 1* Accreditation

Top 75 Best Companies to work for in the West Midlands

Silver RoSPA Award Winners

2019:

RoSPA Gold Award

CEO Statement

‘Our **purpose** is to grow a **profitable** group that adds **value** to our customer’s businesses, maintains a **safe ethical working environment** and is an organisation that people **aspire to work for.**’



Welcome to our 2019/2020 responsible business report outlining the strides we’re taking through our responsible business strategy to ensure that adi Group builds a long-term sustainable future.

Our responsible business vision is centred upon delivering a lasting impact on the lives of employees, the communities around us and the environment affected by our activities to ensure a sustainable future.

As our Group continues to grow, we recognise that the need to ensure we adopt responsible business practices constantly increases. This is why we’re working very closely with our stakeholders on a range of key issues across our four core responsible business areas – People, Community, Supply Chain and the Environment. These are the foundations of our responsible business strategy and initiatives. It is imperative that we work (and continue to work) in partnership with our stakeholders to deliver a wide-reaching responsible business legacy.

For employees across the adi Group, being a responsible business is not just an initiative, it reflects the way we do things across the business.

In 2017 we introduced The Sunday Times B-Heard Best Companies survey, which has given staff a platform to anonymously score and feedback to the business annually, on a variety of factors relating to our responsible business activities. It has been encouraging to see high response rates to the survey (89%) and we are working to implement the feedback received into our responsible business strategy and activities.

This report shows the progress and achievements we have made since our last report in 2017 across all of our focus areas but we also recognise that there is still more work to be done.

Our Responsible Business Agenda For The Future

Spreading the responsible business message and ingraining sustainability within our culture remains high on our agenda at adi Group. Support from across the Group has led to our responsible business programme beginning to undertake a transformation. This has involved decentralising our responsibility commitments to all divisions, which in turn has bolstered engagement Group wide, empowering each division with their own responsible business agendas, directly reportable to the committee.

This new approach will enable us to increase the impact of our initiatives to reach more adi Group sites and with even more responsible business champions across the business. This means that we will have the ability to harness our responsible business efforts on localised, site and/or division specific initiatives that will make a big impact within the overarching Group responsible business programme.

I hope that this report further cements our commitment to becoming a responsible business and shows how we’ve progressed since formalising our programme in our 2015 report. We are committed to continuously improving everything that we do at adi Group and look forward to further developing our responsible business agenda in the years to come.

Alan Lusty
Chief Executive Officer

Our Story & Vision

The adi Group is a large, multi-disciplined, privately owned engineering and construction company offering a single source, integrated service to provide Totally Engineered Solutions.

Founded in 1990 with headquarters in Birmingham, the Group currently operates in 11 regional locations coordinating over 650 technical resources across the UK and Ireland. Our customers come from industries as diverse as aerospace, defence, food and beverage, automotive, general manufacturing, petrochemicals and pharmaceuticals.

We believe that by working together with our internal and external stakeholders we can achieve long-term sustainable success. Our aim is to engineer a better future by working to deliver a lasting impact on the lives of employees, the communities around us and the environment affected by our activities.



Vision

To be the engineering and construction partner of choice to our customer base, delivering excellence in everything we do.

Mission Statement

Our purpose is to grow a profitable group that adds value to our customer's business, maintains a safe ethical working environment and is an organisation that people aspire to work for.

Values

1. Be proud of everything we do
2. Stay safe and healthy in all we achieve
3. Work together as one great team
4. Champion innovation and creativity
5. Take ownership and accountability for our actions
6. Respect diversity and provide equal opportunities
7. Inspire each other to achieve great things
8. Strong and inspirational leadership brings success
9. Adopt sustainable business practices
10. Support and value our local communities

Our Approach To Responsible Business

Our approach to responsible business strategy is delivered by the Board of Directors and implemented by our Responsible Business Committee. The aim, 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, Community, Supply Chain and the Environment.** Our approach is underpinned by the **United Nations Sustainable Development Goals.**

The UN Goals address 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.



Responsible Business Committee



Chief Executive Officer (Chairman)
Alan Lusty



Group HR & CSR Manager
Mari Docker



Group Environmental Manager
Lynne Potter



Group IT & QHSE Director
Roy Cumberworth



Group Secretary
Tina Lusty



Group Purchasing Manager
John Eggington



Group Communications Officer
Claire Frays

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.

Stirling Champions - 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.

Blockbusters – Three teams who have worked together on three business specific issues identified in anonymous staff surveys. Each Group, led by a board member and made up of senior management level employees is tasked with devising solutions to help improve specific aspects of inter-Group collaboration.

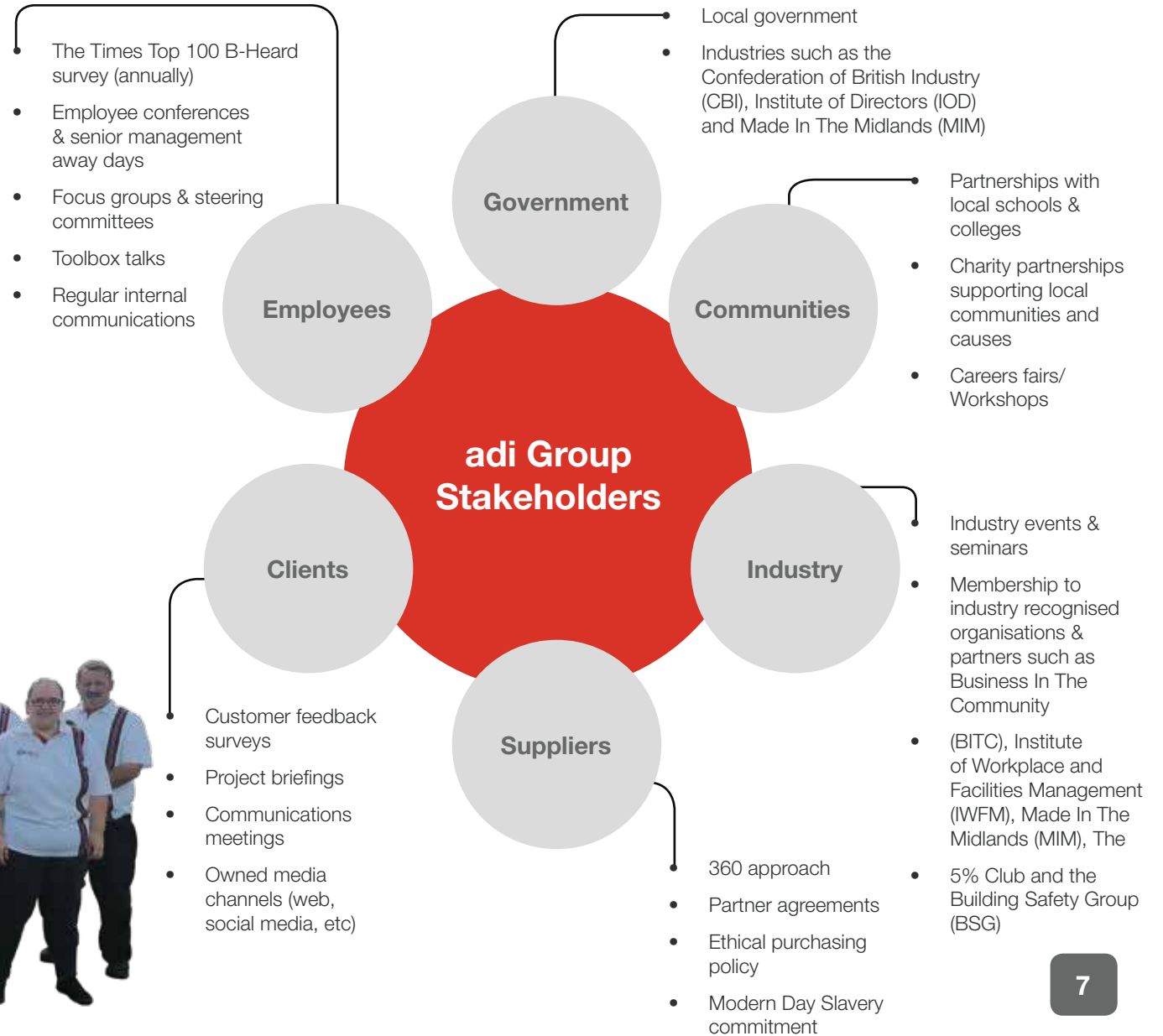
Health & Safety Committee - We have a steering committee on Health & Safety issues and focus groups on particular topics. The H&S committee is made up of a variety of internal stakeholders, from members of the board to health and safety representatives from a range of Group divisions which meets quarterly. The chair of this committee also represents on 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 responsibility to make an impact in a key area of our Responsible Business agenda.

Stakeholder Engagement

adi Group engages with a range of internal and external stakeholders on issues related to our responsible business programme.

We believe that by working together with our stakeholders we can achieve long-term sustainable success. Typical examples of how we do this are explored on this page.



adi Group's Responsible Business Vision

Our People

Become an employer of choice by:

- Keeping our people safe and healthy
- Developing a diverse culture of inclusion and continuous improvement
- Supporting and inspiring emerging talent into the business
- Increasing employee engagement through communications, benefits and recognition
- Providing opportunities for learning and development

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
- Provide opportunities for work experience and placements

Our Supply Chain

- Prioritise locally sourced materials to minimise carbon footprint
- Reduce the number of materials used and increase use of recycled materials or those that have been obtained by socially sustainable means, have lower environmental impact or superior performance to existing materials
- Work only with environmentally and socially friendly suppliers who demonstrate compliance with the Anti-Slavery Act 2015

Our Environment

- Achieve Carbon Neutral status by 2025
- Reduce material use and waste
- Support environmental organisations through fundraising and volunteering

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:

- Learning and Development
- Apprentice Academy
- Internal Communications
- Employee Feedback
- Wellbeing
- Health & Safety



Over
650
Employees

11
Regional
Locations

Apprentices
Make Up
7%
Of The Workforce

NEW
Employee
Wellbeing, Benefits
& Recognition

GOLD
RoSPA Award
Winners

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 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 programme helps individuals upskill in these areas and ultimately mitigate the risks associated with legionella.

Case Studies: Encouraging Continued Professional Development

Dan Walker

Dan Walker (Electrical Supervisor at adi Automotive Services) has been with adi Group for nearly two decades, spending extensive time in both our Electrical and Automotive Services teams.

In 2019 the Group supported Dan in achieving his design and verification certificate, 18th edition wiring regs and EV charging installation certificate. Dan said, "adi Group invests in its employees no matter their age and if you work hard and show the willingness to progress the Group will support you in achieving that."

"The City & Guilds 2396 Design & Verification course was an intense week in the classroom followed up by the design and verification of a two-storey training academy. I'm very grateful for the continued support of adi Group in helping me to achieve my CPD goals"



Richard Taylor

Richard Taylor (Control Electrical Project Design Engineer at adi Automation) undertook a CITB Accredited training course for Site Safety Management. CITB is the Industry Training Board for the construction industry and a partner in Construction Skills, the Sector Skills Council.

Upon completing the course Richard said, "It has given me a broader understanding of site safety responsibilities and the legal implications of the works we carry out. This has given me the skills to plan and manage these issues better going forward."



adi Smart Metering Services

Our Smart Metering Services team undertook a CIBSE accredited CPD Training Day on Heat Metering Technology Selection hosted by DMS Metering Solutions.

David Barnes, Managing Director of adi Smart Metering Services said, "Both myself and the adi Smart Metering team really enjoyed our CPD training day. DMS has a wealth of experience and knowledge in the metering industry. This session gave us the opportunity to refresh and further our knowledge of both current and future heat metering technologies and applications."



Our People

Apprentice Academy

Inspiring the Next Generation of adi Group Employees

We are aware of the STEM Skills shortage in our industry and how failure to respond to this could impact our business and recruitment in the long term. Inspiring the next generation into the world of engineering and construction is paramount to our success.

We are passionate about inspiring the next generation of engineers who will support projects of the future at adi Group which is why we pledged to join the 5% club.

As a member of The 5% Club we are:

- Committed to helping the country's growth agenda and acknowledge the importance of developing our people as both an employer and a social imperative.
- Playing our part in addressing youth unemployment and skills shortages.
- Pledging to work towards having a minimum 5% of our UK workforce enrolled on formalised apprentice, sponsored student and/or graduate development schemes within five years.
- Measuring and reporting on our progress annually against the above metric in our Corporate Responsibility section of our Annual Report and Accounts or equivalent document/website.
- Committed to encouraging other employers to participate in the campaign.

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 and mechanical engineering divisions.

Over 25 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.

Case Study: Apprentice Academy

adi Group Mechanical Engineering apprentices, Abbie and Raja lift the lid on why the adi Apprentice Academy works for them.

“It beats school by miles,” said Abbie. “You get the same qualifications but you’re earning while you’re learning and you meet new people, who teach you new things across a broader spectrum.

“We’re here four days a week and spend one day at college, where we do welding and fabrication assignments. But here we learn our own jobs and have our own tasks to complete. We’re learning skills we wouldn’t learn at college, like how to read drawings and how to communicate.”

Raja sees similar advantages to an apprenticeship over formal education.

“It’s an opportunity to give myself more industry experience than people who go to university. In the time they’ve been doing theory work, I’ve gained hands-on experience. It’s something I’ve always wanted to do and I feel like I’m achieving something.”

Gareth Thorns, Workshop Manager, adi Mechanical, is one of the group’s apprentice mentors and is upbeat about their progress adding, “They’re doing really well and they’re coming on leaps and bounds. Apprenticeships help young people by giving them drive, direction and the skills they need to base the rest of their career on.



Our People

Communications & Feedback

Internal Communications

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

Current methods of communication across the Group include;

- 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 & well-being hub

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 in 2019/2020 to ensure it continues to deliver value to our employees.

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 to promote the systems and procedures we have in place to report concerns.

External Recognition

The Group has been recognised by RoSPA and was awarded Silver RoSPA Awards in 2017 and 2018 and the Gold RoSPA Award in 2019 for high-level performance in health and safety.



2019/2020 Priorities

- **Reduce Lost Time Workplace Accidents & Incidents to 0**
- **Retain our Gold standard RoSPA Award to work towards achieving the Gold Medal Award**
- **Maintain 5% club commitment**
- **Achieve 2-star accreditation in Best Companies**
- **Refine and increase awareness and engagement in benefits and wellbeing programmes**
- **Widen scope of the recognition programme**



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
£43,000
raised for charities and
good causes across
the UK

Employees volunteered
3,500
hours in support of
community outreach
programmes

Over
4,000
people reached via schools
outreach programmes and
workshops

48
14-16-year olds
enrolled on our
Pre-Apprenticeship
Programme

Our Community

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 less young people pursuing engineering as a career.

Whilst work from the governments 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 (2018), 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

Barclays Manufacturing Report (2019) identified that 59% of 11 to 14 year olds would consider engineering, compared with 39% of 16 to 19 year olds. This highlights that capturing the interest of young people in engineering before they make decisions on GCSE options/careers pathways is vital towards creating the engineers of tomorrow.

In response to this challenging environment, adi Group launched our Pre-Apprenticeship programme. It continues to go from strength to strength as we enter the fourth year of our long-term partnership with North Bromsgrove High School. 48 students aged 14-16 years have completed or are enrolled on our two-year EAL accredited engineering programme.

In June 2018, our first cohort of pre-apprentices graduated from the scheme with 50% of the intake joining us as full-time apprentices in our Automation, Automotive Services, Electrical and Mechanical engineering divisions. In 2019, 50% of our pre-apprentices applied for apprenticeships with us.

Having seen first-hand the benefits the programme brings for our talent pipeline and to the sector as a whole, we are currently working to promote the pre-apprentice concept and framework to fellow engineering and manufacturing businesses as well as sectors outside these areas. Our aim is to help inspire more young people into the world of work and share best practice solutions to help combat skills shortages that exist not just in engineering but in various industry sectors.

Our employees also act as mentors to students on the programme which provides them with the opportunity to develop and improve their existing skills in leadership and management, project management, health and safety and communication.



Our Community

Pre-Apprentice Highlights

Case Study: Former Prime Minister Visits adi Group

Theresa May (now former Prime Minister) together with Philip Hammond (now former Chancellor of the Exchequer) and Andy Street (current Mayor of the West Midlands) visited adi Group Head Office in Kings Norton to highlight our work in inspiring young people into the industry.

Speaking of the visit CEO Alan Lusty explained why apprenticeships are so important to him and adi.

“Giving youngsters the skills they need for the world of work is vital, particularly at a time of such rapid technological change. And I’m a walking example of why. Were it not for an apprenticeship, this company and the jobs it has created wouldn’t exist.”



Case Study: Pre-Apprentice To Apprentice Academy Progression

The Pre-Apprenticeship programme is adi’s pioneering approach to inspiring the next generation of engineers. Exclusively for GCSE students (14-16-year-olds), for one afternoon a week for two years, adi gives a select group of youngsters the chance to get valuable hands-on experience of engineering in the real-life work environment at our Kings Norton HQ.

Under the guidance of adi mentors, young men and women, who aren’t necessarily thinking about university, are exposed to new potential career pathways.

Proving its worth, 60% of adi’s 2018 apprenticeship intake came through the scheme.

Abbie Beaver, 17, is one of the pre-apprentice graduates turned full-time apprentice. At adi Group she is busy breaking down stereotypes as she manoeuvres her way through the traditionally male-dominated world of welding and fabrication. She is also passionate about encouraging other females to follow suit and consider a trade apprenticeship.

“You should try it and give it a go because you might find something you’re good at even though you’ve never done it before.”

She also explained her reasoning for taking up an apprenticeship and how adi Group’s Pre-Apprenticeship scheme has helped her integrate into a professional working environment.

“School just wasn’t my thing, learning in a classroom is harder for me than practical work. adi’s Pre-Apprenticeship scheme has helped me understand what it is like to be in a working environment and having spent two years with the company means I already know people at adi Group and that has helped make it easier to fit in.”

Abbie’s apprentice mentor Gareth Thorns said: “She’s coming on leaps and bounds. Apprenticeships help young people by giving them drive, direction and the skills they need to base the rest of their career on”.

Our Community

School, College & Enterprise Partnerships

The Group works alongside a number of schools, colleges and enterprise partners in the local area to promote engineering via attending careers events, careers workshops such as interview and CV skills, or more closely on short-term specialised projects.

The Group's main education partner is North Bromsgrove High School whom we became affiliated with through Business In The Community (BITC)'s Business Class Programme. The Business Class Programme sees businesses support school partnerships in four core areas including Leadership & Governance, Enterprise & Employability, Curricular Support and Wider Issues.

We also continue to work alongside Business In The Community via their Ready For Work programme offering work placements to disadvantaged people in the community. 150 businesses in 16 locations across the UK support Ready for Work participants through training, work placements and their progress into employment.

In 2019 we started to work more closely with Solihull College to focus on their Digital Innov8ors group. Digital Innov8ors use digital innovation in the classroom to inspire students aged 16-24 who have not taken a conventional A-Level/Apprenticeship pathway. This route offers a unique approach to learning that prepares students for employment by developing employability skills to improve learner confidence and self-belief whilst also preparing them with the skills employers need now and in a digital world.

Case Study: Primary School Engagement

adi Automation supported the national Programming For Primaries Awareness day (in conjunction with British Science Week) by engaging with pupils at Ladywood based Nelson Primary School.

The Programming for Primaries workshop, delivered by Ian Millington (Managing Director at adi Automation) and Michael Howard (Controls Engineer at adi Automation) encouraged students to build on their programming abilities and explore something new.

The workshop saw students learn about basic electrical principles whilst having fun building "Wigglebots". The Wigglebots are 'robots' which can create various spiral style drawings. The pupils fully constructed and decorated the Wigglebots themselves, fully testing them by creating some fantastic drawings!

Feedback from the faculty at Nelson Primary School has been fantastic and adi Group's workshop was said to be the best they have ever had.



Case Study: Digital Innov8ors

adi Group divisions are working with Digital Innov8ors at Solihull College as part of the adi Group's ongoing commitment to supporting local colleges across a wide range of Science, Technology, Engineering and Mathematics (STEM) initiatives.

Two student teams came to our head office in 2019 to present the latest progress on their Digital Innov8or course projects including 'The Classroom of the Future' looking at emerging tools and technology for education and 'Developing a Guidebot for the Blind' using robot technologies to assist the visually impaired.

The cohort of students presented ideas on both topics to adi Digital and adi Automation before having a chance to view adi Group facilities and the panel shop in action to learn more about how adi Group is implementing digital technologies and industry 4.0 concepts into client projects.

Vic Brashko, Managing Director of adi Digital said of the visit, "It was fantastic to have the Digital Innov8ors at adi Head Office. We have been doing a few projects with the students ranging from mentoring and interviewing skills through to supporting students on the Global Conrad Challenge to present their vision of the "Classroom Of The Future" so it was great for them to come and see what we do here at adi Group and how digital skills they are learning can be transferred into the workplace. We look forward to supporting the students on future projects."



Our Community

Promoting Engineering

The Group plays an active role in promoting engineering and construction both in the local communities where we work and as part of wider-national campaigns aimed at promoting the sector. This includes National Apprenticeship Week, Year of Engineering (2018), This Is Engineering Tomorrows, Engineers Week and the Women's Engineering Society's #LottieTour.

Employees across the Group also engage face-to-face at events held in the local community, promoting the various careers that exist in the world of engineering to individuals of all ages and all walks of life. Staff have attended a wide-range of careers fairs, school talks, and been part of workshop sessions and seminars all showcasing engineering.

These events have seen the Group take part in over 150 events reaching in excess of 4,000 members of the community of all ages. Over 3,500 hours have been volunteered by staff from across all areas of the Group as part of our initiatives and activities to promote engineering in the community.

Case Study – #LottieTour

adi Group celebrated Tomorrows Engineer's Week by joining over 150 businesses across the globe in welcoming a Lottie Doll to our workplace as part of the Women's Engineering Society initiative to inspire more young people into engineering.

The aim of the project was to present images of what a career in engineering might look like by use of a Lottie Doll, to help capture the imagination of young students. The plan is for parents, grandparents and other family members and friends to share the online photos with the young people in their lives who may not have access to social media, so that this sparks an interest in engineering.



Case Study – Dame Elizabeth Cadbury

adi Group maintains a close working partnership with local schools and works alongside partners such as BITC to deliver talks on engineering careers and STEM.

Such an example is the Dame Elizabeth Cadbury Technical College which adi Group has taken part in events to help inspire the next generation of engineers.

One of these events took place as part of a careers topic day for students in DECTC's Year Seven and Year Eight tutor groups. Topics covered gave students an insight into the various opportunities available to young people in the world of engineering. Students also learnt about the different routes into engineering from apprenticeship schemes and work placements through to higher education options and university degrees.

Tina Lusty, Group Secretary and STEM Ambassador said, "We were delighted to attend the Dame Elizabeth Cadbury topic day. The students were very attentive and showed a genuine enthusiasm about engineering during our presentations."

"Attending events like this is very important for adi Group and fellow engineering and manufacturing companies as we have a unique opportunity to break down any stereotypes or misconceptions students may have about engineering as a career by showing different sides to the sector that students may not be aware exist."



Our Community

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 its 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 recognised for their fundraising and volunteering work in our peer-nominated annual employee awards.



Long-Term Charity Partnerships

We have developed a long term partnership with Heart Research UK (2016-present) to enable us to make a lasting impact.

Heart Research UK helps fund research into the risks which lead to safer surgery. Its impact has helped contribute £25M to medical research and £2.2M on Healthy Heart Grants for community projects and helped contribute to a 50% decrease in deaths from cardiovascular disease in the UK over the last 15 years. Since 2016, over £43,000 has been raised which has helped support the charity fund projects and research.

The success of our partnership with Heart Research UK has led to us supporting the charity for the past three years working together to host events and support HRUK's own events via staff volunteering activities.

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, Cancer Research UK, Children In Need, MacMillan, Genetic Disorders UK, Royal British Legion, Help Harry Help Others, MIND, MenCap, Alzheimer's Society, and the British Paralympic Foundation.



Our Community

Fundraising & Volunteering

adi Group Go All Out to Beat Youth Homelessness

Until we open our eyes to its realities for ourselves, we have little idea of the challenges of homelessness. We have two choices. We can simply walk on by. Or we can get serious about ending a devastating social problem.

And that's exactly what employees from across the Group have done for the past six years, braving the unforgiving November elements in the grounds of Birmingham's Cathedral, to raise vital funds for St Basils Big Sleepout and the charity's ongoing efforts in support of homeless young people across the West Midlands.

We have now raised in excess of £20,000 in just six years of participation in the annual event to help support young people aged 16 to 25 who are homeless or at risk of homelessness, helping over 5,000 young people each year across the West Midlands.



Dragon Boat Race 2019

More than 50 employees from across the Group took part in our first ever company Dragon Boat Race in 2019 in support of Heart Research UK.

They were joined by teams from clients and suppliers of the Group including Jaguar Land Rover, Ocado Engineering, BMW, Lloyds Bank and Ascot Lloyd who together helped raise a whopping £15,000.

All funds raised will go on to fund Heart Research UK's pioneering research into the prevention, treatment and cure of heart disease as well as improving the heart health of people living in the Midlands.



2019/2020 Priorities

- Increase fundraising and volunteering days per employee
- Continue to raise awareness of engineering and apprenticeships as a viable career at careers events and schools
- Continue to develop our Pre-Apprentice Programme internally
- Continue to promote the pre-apprenticeship model externally to encourage more businesses to adopt this approach and increase our collective impact on youth skills development
- Provide opportunities for local schools and graduates to undertake work experience opportunities across the Group
- Continue to support the Business In The Community Ready For Work Programme by taking on placements across the Group

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, 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.

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 since last report
signed up to our Ethical
Purchasing Policy

Ecovadis
GOLD
Accreditation achieved for the
third consecutive year

**IMPROVED
INDUCTION**
and on-boarding for procurement
team members

Our Supply Chain

Working In Partnership

We believe that developing a healthy supply chain that works alongside us is critical to our long-term success. We recognise that responsibility to achieve sustainable, ethical procurement and fair business practices emerges from a shared commitment between ourselves and our suppliers. To achieve this we have adopted a collaborative approach with members of our supply chain to foster greater ethical and environmental standards and share best practice

The previous Group wide purchasing initiative formed the basis and focal point of our ongoing Supply Chain strategy; to review and devise new methods of working with our supply chain to manage our costs more efficiently and strengthen our supply base to retain mutually beneficially working relationships with suppliers.

Supplier Collaboration

Following on from the first phase of supplier collaboration, over recent years this program has been extended out to existing, new and potential members of our supply chain. We continue to put formal agreements in place to reward the valued suppliers that are able to demonstrate not only the ability to deliver commercial benefit to the adi Group, but also those that are able to

show they are willing to adopt the principles held by us and to conduct their business in an safe and ethical manner.

Since 2018, there has been a shift in focus on the procurement strategy, moving from a general group-wide commodity-based view to managing each supply chain for each adi business individually. This has enabled each business to move closer to their own supply chains to ensure a greater degree of collaboration and to identify areas of opportunity for consolidation and efficiency improvement. All individual adi company opportunities are then linked at group level to maximise any opportunities that exist for our supply chain.

Ethical Purchasing

Our Ethical Purchasing Policy continues to provide guidelines to adi staff, contractors and the supply chain to ensure that all our business dealings are done in an ethical manner. When on-boarding new suppliers, it is mandatory that they sign up to this Policy. This provides us with the highest level of comfort that the new suppliers are prepared to do business in the correct way and that our values are embedded throughout our supply chain.

Case Study: Making A Difference With Our Office & Janitorial Supplies

In 2019, we engaged with a new supplier for all of our office and janitorial supplies across the Group called the Wildhearts Group.

Profits from the WildHearts Group go on to fund the work of the WildHearts Foundation to address economic injustice in an efficient and credible way. Through its social programmes, the Foundation addresses more than 50% of The United Nations' Sustainable Development Goals. As a result, adi Group will be contributing to global social change through our business spend on office and janitorial supplies.

Current social initiatives ran via the foundation are diverse and include addressing social mobility in the UK by equipping young people with key development and employability skills as well as addressing gender inequality in the developing world through the StartHer Strategy. 600 people per day have their lives transformed through initiatives such as these.

We expect to report further on the impact of our purchases via Wildhearts Group in our next CSR Report to demonstrate the impact we are having on transforming lives across the globe.



Our Supply Chain

Working In Partnership

Modern Day Slavery Act

The issue of slavery and human trafficking continues to be something that affects our global society greatly. We take such issues extremely seriously and we remain committed to ensuring that our staff, management, partners and suppliers are aware of the expectations placed upon them.

Please refer to our Modern Day Slavery Act declaration (available online) for more information on how we are committed to ensuring that there are no instances of contravention to this act in our business operations.

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 set out in our business plans. This enables us to identify opportunities for increased collaboration, relationship development and commercial betterment for all parties.

Through our relationship with Constructionline, we have been able to seriously reduce the potential risk posed to the Group and our Clients from our supply chain. It is now our preference that all material suppliers are members of Constructionline and it is mandatory for all our sub-contractors to be members too. This means that Constructionline will provide ongoing monitoring and approval of key areas such as Quality, Health & Safety, Equal Opportunities, Environmental, Insurance Cover, Financial Strength and Community Engagement.

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 Addition Procedure

Once these have been read and understood, a sign-off sheet is then returned and training is issued along with 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.

Accreditations

adi Group is accredited to EcoVadis having achieved and maintained Gold Standard 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 multinationals organisations use this platform to reduce risk and drive innovation in their sustainable procurements.

2019/2020 Priorities

- Identify any long-standing members of our supply chain that may not have been issued our Ethical Purchasing Policy and ensure they sign up to it
- Expand our partnership with Constructionline to achieve greater reduction in any risk posed to us and our clients from our supply chain
- Ensure that all only order buyers and influencers have confirmed their understanding to the Ethical Purchasing Policy and Purchasing Procedures
- Identify more local based suppliers and SME's that can provide support to the Group through the supply chain in key commodities to provide an alternative to the traditional large, national suppliers.
- Our continued compliance to the Modern Day Slavery Act and Human Trafficking and to ensure our supply chain remains aware of their responsibilities.



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, utilities usage and our overall carbon footprint.



Entered
4TH YEAR
of partnership with BP
Target Neutral

Over
4,600
tonnes of CO2e related to
transport emissions offset

6
Group Companies
accredited
to ISO14001

Supported the
planting of
1,000
trees at Honeybee Wood

Our Environment

Our Approach

adi Group takes its environmental responsibilities very seriously and is dedicated to reducing the environmental impact not only of our own our business operations on the world around us, 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.

This is why we aim to work within all relevant environmental laws and implement best environmental practice at all times seeking advice, guidance and the support of the environmental management system ISO 14001 : 2015.

BP Target Neutral Partnership

Since 2016 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 fleets 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, that the carbon emissions associated with that purchase will be off-set. As a result, this leaves our company vehicle fleet driving carbon neutral. Since 2015, we have off-set over 4,600 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 across the world which are capable of:

- reducing over 2,500,000 tCO₂e per year (of which BP Target Neutral have acquired 700k t).
- improving the livelihoods of over 2,200,000 people though better health and provided training and improved education for nearly 5,000 people.
- creating nearly 8,300 GWh of renewable energy generated or saved through energy efficiency.
- supporting the protection of over 40,000 hectares of globally significant habitats.

Year	Emissions Offset Via BP Target Neutral
2015	1179
2016	1138
2017	1462
2018	915

Waste Management

The Group is committed to reducing waste from paper and cardboard to glass, plastics and metals used internally and on any projects that we undertake for clients.

Since our last report we have improved across waste and utility usage reducing both numbers in line with our targets.

We have seen an increase to our overall emissions and carbon footprint, largely due to the growth in the business. This includes growth in staff headcount, new premises being acquired or existing premises expanding as well as additional projects being won by our divisions (leading to extra travel or extended duration on client sites until project competition). However, we are pleased to report that through the BP Target Neutral Partnership and by off-setting our carbon footprint, we managed to decrease our overall carbon footprint by 3% in 2018 following an 18% in increase in 2017.

We continue to look for opportunities across the group on how we can continuously improve in this area and are working to implement solutions as part of our 2025 business plans which will be demonstrated in our next report.

Objective	Item	Data			2017 (Average 580 Employees)		2018 (Average 610 Employees)	
		Actual	Estimate	Not Known	Target % Reduction	Actual % Reduction	Target % Reduction	Actual % Reduction
Reduce waste	Paper / Cardboard (Itrs)		v		5.0	12.61	5.0	10.33
	Trade Waste (Itrs)		v		5.0	1	5.0	3.35
	Glass / Plastic / Metal (Itrs) (*)		v		5.0	-0.77	5.0	-0.86
Reduce Utility Usage	Electricity (kwHr)	v			0.5	-10.63	0.5	3.29
	Gas (kwHr)	v			0.5	-42.87	0.5	2.4
Reduce Emissions and Fuel Usage	Fuel Usage (Itrs)	v			0.5	-8.43	0.5	-17.71
	Kg of CO ₂ (kg)	v			0.5	-11.65	0.5	-17.47
	Kg of Methane (kg)	v			0.5	-0.38	0.5	-29.32
	Kg of Nitrous Dioxide (kg)	v			0.5	-93.03	0.5	-16.14
	Total Direct Greenhouse Gases (kg)	v			0.5	-38.14	0.5	-17.49

Our Environment

Sustainable Engineering Solutions

We strive to create solutions for our clients that are environmentally friendly whether it's in the materials we use and source for projects or in developing engineering solutions for our clients that improve efficiency of operations, optimise energy usage and help transform businesses into digital entities.

Case Study: adi Smart Metering Services and Schneider Electric refine Thatchers' operations with a metering and monitoring solution

With Cider becoming more popular, increased demand is testing Thatchers' production capacity, its water usage and most importantly its wastage. Thatchers has an obligation to limit the waste water it produces for both environmental and financial reasons. As a result, visibility into where and when water is used, and which processes are consuming the highest volume, is increasingly important.

Over the years, some water meters have been installed in key areas, but they were not connected to a monitoring system. Instead, they relied on manual readings to estimate usage and so were unable to pin-point peak demands with any consistency.

By combining pulse meters with Schneider Electric's EcoStruxure hardware and software, adi Smart Metering Services was able to help Thatchers manage peaks and troughs in water demand, giving a dynamic understanding of where water was going and where it was being used.

Scan me to read the full case study on this project.



Our Environment

Supporting Green Initiatives In The Local Community

Since 2015, adi Group has worked alongside the Forest of Hearts on a variety of initiatives. To date this has included;

- Donating £500 to the Forest of Hearts to help plant 100 trees in this new charity dedicated to creating sustainable agroforestry (Forest Garden) projects
- Raising £1,200 to help support the Forest of Hearts Harvest Share and Green Therapy projects in Stratford-Upon-Avon
- Supporting the planting of 1,000 trees alongside 100 other businesses as part of the Forest of Hearts Honeybee Wood Project
- Supporting the creation of an edible Garden of Wellbeing at Stratford upon Avon Hospital which will bring health and support to a broad range of people. In 2024 the plants will be relocated to the Forest of Hearts Forest Garden which will grow over 100 varieties of edible crops from the familiar fruits, nuts and berries, through to unusual leaves and flowers for salads and some edible roots and tubers.



Case Study: adi Apprentices Make A Beeline For A Better Future

adi Group recently helped the Forest of Hearts charity to create a new woodland area in Warwickshire.

Four apprentices visited Honeybee Wood in Stratford-upon-Avon to assist other volunteers in planting 1,000 trees in just one day. They were in good company as actor David Bradley, best known for his role as Argus Filch in the Harry Potter film series, also showed up to lend a helping hand.

Honeybee Wood will become an area of natural beauty, home to 12 beehives with more than 400,000 bees. The aim is to create a haven for wildlife and biodiversity which can be enjoyed by both locals and visitors from across the UK.

Carole Longden at Forest of Hearts said: "Thank you to all of our volunteers and sponsors, including adi Group. Without your help, we wouldn't have been able to achieve the mammoth task of planting 1,000 trees in just one day. Now we are one step closer to creating a beautiful woodland space for bees and wildlife to thrive."



2019/2020 priorities

- Reduce Carbon Footprint by 0.5%
- Rollout of Waste APP so that we can record our waste more accurately and have more up to date reports.
- Waste Collection across Group by single supplier – allowing centralisation and validation of Waste Collection Data
- Look at off-setting gas and electricity
- Increase environmental communications and targets internally
- Align Environmental aspects of our CSR into ISO14001.
- Development of a Group Aspects / Impacts Register.
- Maintain Group Registration to ISO14001
- Maintain ECOVADIS registration and improve current score



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Copies of our Corporate Social Responsibility reports can be downloaded from our website at www.adilt.co.uk/csr where you can also find further details on our approach to responsible business and our achievements made to date.

