

# ESG in Action

Report 2024



ENVIRONMENTAL RISK REDUCTION



**We put ESG into  
action every day.**

**Adler &  
Allan**  
ENVIRONMENTAL RISK REDUCTION

RISK REDUCTION



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Our ESG future



# Introduction

## Henrik Pedersen CEO

I am pleased to share our latest Environmental, Social, and Governance (ESG) report, highlighting the significant strides we have made over the past year. Over the course of 2024, we have successfully established core measures and benchmarks that are now integral to our ESG activities. These advancements reflect our unwavering commitment to sustainability, social responsibility, and governance excellence.

Our efforts have been focused on creating a robust framework that not only guides our current initiatives but also sets a strong foundation for future progress. We believe that these benchmarks will drive continuous improvement and innovation across all aspects of our operations.

As we move forward, we remain dedicated to enhancing our ESG performance, fostering a culture of transparency, and engaging with our stakeholders to achieve our shared goals. Together, we are building a more sustainable and equitable future.

Thank you for your continued support and partnership.



# Customers at the heart of our strategy

**Throughout 2025, we will enhance our collaboration with customers on ESG initiatives. Our efforts will focus on three key actions:**

**1**

**Launch a comprehensive survey and host collaboration sessions:**

We will engage our key customers through detailed surveys and interactive sessions. This will help us gather valuable insights and ensure our ESG approach is fully aligned with their expectations and needs. These sessions will also provide a platform for customers to share their perspectives and contribute to shaping our ESG strategies.

**2**

**Provide frequent and transparent updates:**

We will keep our customers informed with regular updates on our ESG strategy, progress, and achievements. This will include quarterly reports, newsletters, and dedicated ESG update meetings. By maintaining open communication, we aim to build trust and demonstrate our commitment to continuous improvement in our ESG practices.

**3**

**Co-create solutions to address ESG challenges:**

We will work even more closely with our customers to understand their specific ESG challenges. Through collaborative workshops and joint projects, we will co-create innovative solutions and expand our services to better meet their needs. This collaborative approach will help us develop tailored strategies that drive positive environmental and social impact.

We believe that by taking these steps, we can develop an ESG strategy that not only meets our goals but also supports our customers in achieving theirs. Together, we can create a more sustainable and equitable future.



# ESG in action

At Adler & Allan, we bring ESG to life every day, helping our customers create better environments, stronger communities, and thriving businesses. Our services are designed to deliver on this promise, but equally vital is how we uphold our own ESG commitments.

This document highlights our journey so far, celebrates our achievements, and shares our vision for a more sustainable future.



# Our impact in numbers

How we are working to increase sustainability within our operations.

**-19%**



tCO<sub>2</sub>e/£ achieved, showcasing our sustainable growth

**34,951**



employee Health and Safety training hours in FY24

**82%**



of our waste produced is recycled or recovered

**115+**



ex-service men and women in employment

**16%**



of company cars are EV, promoting sustainable commuting habits

**40%**



of Detectronic's products are refurbished to re-enter circulation, advancing a circular economy

**13**



safety executive leadership walks performed, fostering a culture of safety

**80%**



average completion rate across our business ethics trainings.

**74%**



decrease in our Accident Frequency Rate compared to last year, reflecting our safe working practices

## A snapshot of how our operations and services create positive impact.

182



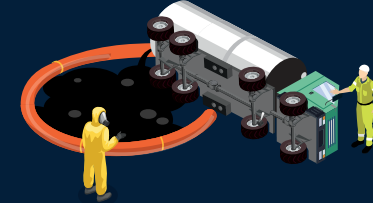
EV chargers installed

753



customers we have helped to reduce pollution through preventative maintenance

8704



tonnes of pollution treated to safeguard our environment

1667



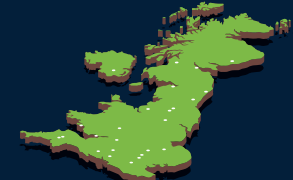
skilled professional full time employees

57



graduates and apprentices building the future

38



sites delivering nationwide impact

98%



UK-based suppliers strengthening local economies

42%



proforma revenue growth FY23 v FY24

98



years of sustainable operation in the UK

If you would like to learn more about how our services are putting ESG in Action, please click [here](#).





# 2024 Review



# State of the Nation

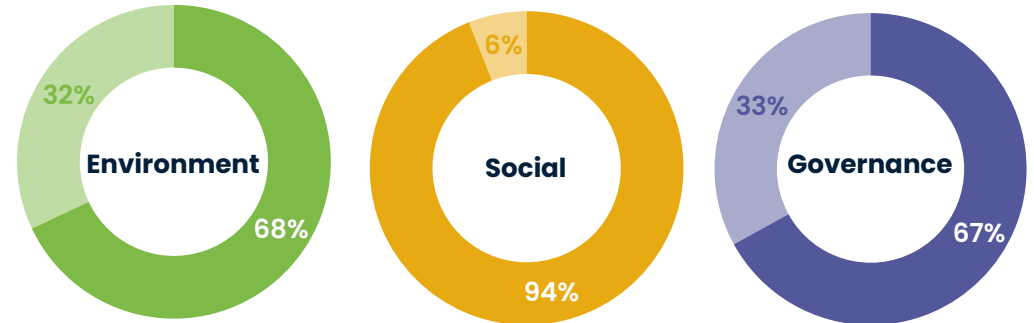
We have been working hard to implement the actions we set in 2023.

At the end of 2023 we set ourselves several ambitious goals across our material topics to achieve over the next three years.

We have been working hard to complete these and have already managed to achieve 74% of the actions set.

However we will continue to set new, even more challenging commitments across our topics, to make sure that we stay at the top of our ESG game.

More information about progress against our actions can be found in the Topic sections.



## Our 2024 Actions

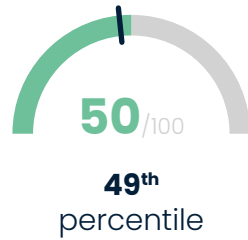
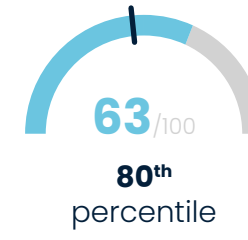

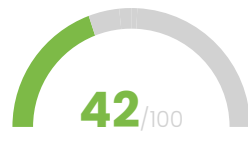
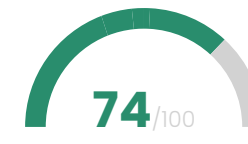
Actions achieved	Decarbonisation plan with budget	Establish ESG Action Group	Career development training
	Biodiversity policy	New whistleblowing platform	Total lost time and driver risk data
	Positive impact KPI collection	Review supplier onboarding and assessments	Inclusivity internal working groups
	Waste data improvements	ESG performance included in supplier review	Inclusivity data collection
	Waste guidance in product manuals	Mandatory business ethics training	
	Climate risks and opportunities review	Employee Code of Conduct	
	We're still working on it!	Internal waste audits	



# State of the Nation

## Our improvements have been recognised by EcoVadis and our external ESG advisers.

Our work to implement the commitments we set in 2023 has led to measurable improvements in our overall ESG maturity.

External Benchmark	Our 2023 Performance	One year later ...	How we did it
<p><b>EcoVadis</b> EcoVadis is an internationally trusted provider sustainability ratings. EcoVadis has rated the ESG performance of over 130,000 companies since their founding in 2007.</p>	<p><b>Overall Score</b></p>  <p>50/100 49<sup>th</sup> percentile</p>	<p><b>Overall Score</b></p>  <p>63/100 80<sup>th</sup> percentile</p> 	<p>Between July 2023 and July 2024, we improved our EcoVadis score by 13 points, taking us from the 49th percentile to the 80th percentile. EcoVadis noted particular improvements in the implementation of additional policies and measures, increased sustainability reporting together with advanced management systems for environmental issues.</p>
<p><b>Our external ESG advisers</b> We worked with our external ESG advisers to understand our ESG maturity in 2023, and to assess how we have improved since then. Their questionnaire focuses on seven ESG focus areas.</p>	 <p>42/100</p>	 <p>74/100</p>	<p>Over the last financial year we have seen significant improvement in our ESG implementation and strong completion rates across our social and environmental initiatives. We will continue to improve in priority areas such as supply chain management and climate risks and opportunities.</p>



# 2025 Vision





# Thinking long-term

## We will become industry leaders in our future focus topics.

We are improving our ESG performance across all our material topics. We believe that developing these areas we will be vital for ensuring that we have a positive social and environmental impact as a business.

As we develop our overall ESG performance, we will begin to further prioritise our 'Future Focus' topics. These are the areas in which we will strive to differentiate ourselves as industry leaders.

### 2024

#### Establish

Our first challenge was to establish our ESG programme and begin working towards our material topic commitments.



### 2026+

#### Lead

Our long-term goal is to differentiate ourselves as industry leaders in our future focus topics.

Each topic will have its own strategy document with KPIs and performance targets.



### 2025

#### Develop

This year we are striving to complete and further our topic activity; building a stronger and more sophisticated ESG performance across all our material topics.



# Materiality and Future Focuses

Our materiality assessment ensures we remain focussed on our highest impact areas.

In November 2023, we renewed our materiality assessment of the ESG topics set out in the UN Global Compact and GRI standards with our external ESG advisors.

The assessment prioritised topics of the greatest relevance and impact through stakeholder analysis and industry benchmarking.

From this process our eight material topics were selected.

As we continue to refine our ESG strategy in the coming years, we will review our materiality analysis, introducing the concept of double materiality.

We will also work to further prioritise our material topics, by identifying our 'future focuses'; those areas where we strive to differentiate ourselves as industry leaders.

Material Topics	Related SDGs
Climate Change	
Product Lifecycle	
Environmental Management	
Employee Engagement	
Inclusivity	
Health and Safety	
Supply Chain	
Business Ethics	

Future Focus Topics	Related SDGs
Climate Change	
Product Lifecycle	
Biodiversity	
Employee Engagement	
Supply Chain	







# Environment



# Our Actions

Our Actions	Progress	Going Further
<p><b>CLIMATE CHANGE</b></p> <p>Develop our carbon reduction strategy with budget allocation.</p> <p>Identify and communicate physical and transitional climate risks and opportunities.</p>	<p> Published our first carbon report and set a decarbonisation budget for FY25.</p> <p> Assessed our climate risks and opportunities internally.</p>	<p>Invest in our decarbonisation actions and revise our plan every year.</p> <p>Preparing for voluntary TCFD*-aligned disclosure.</p>
<p><b>PRODUCT LIFECYCLE</b></p> <p>Include waste disposal information and instructions in product manuals.</p>	<p> Developed waste disposal information for Detectronic products.</p>	<p>Reviewing our product assembly and components for increased recyclability.</p>
<p><b>ENVIRONMENTAL MANAGEMENT</b></p> <p>Develop a comprehensive biodiversity policy.</p> <p>Create a practical policy for internal and customer waste segregation.</p> <p>Conduct internal waste audits to identify efficiency improvements.</p>	<p> Created first biodiversity policy and identified priority locations.</p> <p> Launched internal waste data collection and selected a digital waste tracking system.</p> <p> We will be starting this work shortly.</p>	<p>Increasing the understanding of our biodiversity impact and aligning with TNFD** recommendations.</p> <p>Roll out our digital waste tracking system and increase coverage of internal data collection.</p> <p>Develop and enact an internal waste reduction strategy.</p>

\*Taskforce for Climate Related Financial Disclosures. \*\*Taskforce for Nature Related Financial Disclosures.



# Climate Change

## Climate change is embedded into our business strategically, financially and culturally.

Adler & Allan has seen significant operational growth over the past year. The current Adler & Allan combined revenue was 42% larger in FY24 than its proforma equivalent in FY23.

Our absolute emissions have increased by 15% this year, in line with our operational growth. The increase of our direct emissions (Scope 1 & 2) has been driven by our fleet expansions, whilst our indirect emissions (Scope 3) have been influenced by an increase in our purchased goods and services.

However, despite this operational expansion, Adler & Allan have decreased the carbon intensity of our operations by 19%, reducing our footprint from 224.66 to 181.49 tCO<sub>2</sub>e/£ million in revenue.

We wish to go further and decouple our organisational growth from our absolute emissions, becoming less carbon intensive and achieving our overall reduction targets.

### Electric Van Trials

We have taken on short-term electric van trials to help us understand how we can move to a future electrified van fleet.

We have found success within our electrical service business, who have now adopted their electric van full time.

### Net-Zero Site

This year we will be installing solar PV energy generation and an air source heat pump at our Droitwich depot.

This, together with our new renewable electricity tariff, will make Droitwich our first net-zero energy site.

### Risks and Opportunities

We will be working with external partners to help us review our process for identifying climate risks and opportunities.

These will be embedded into our business growth plan and help us to prepare for voluntary TCFD disclosure.

### EV Home Charging

In October, we launched our first Adler & Allan EV home charger grant for company car drivers.

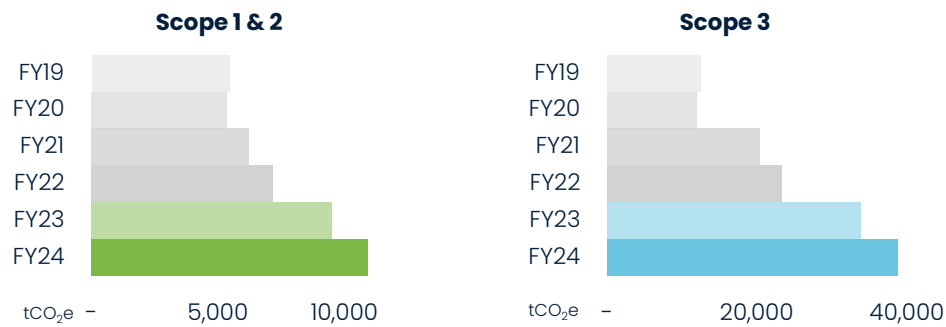
As of August 2024, 16% of our company cars were fully electric. We hope that this grant will further incentivise EV adoption.



# Emissions

Although we have seen our absolute carbon footprint increase due to organic operational growth, we have achieved a reduction in our carbon intensity.

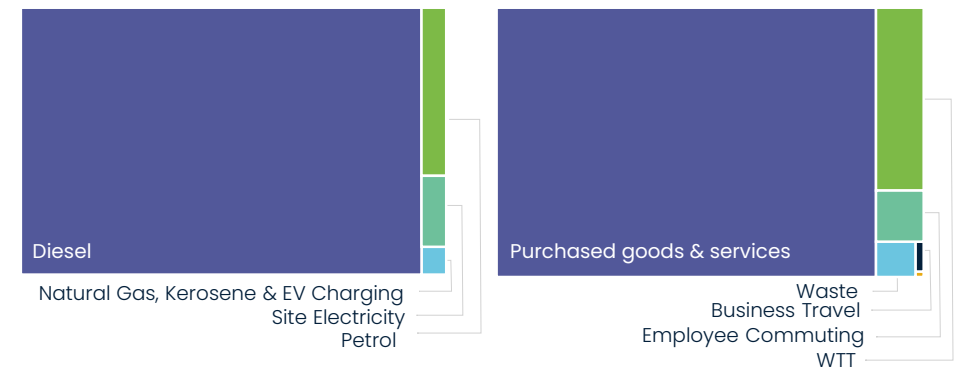
## What are our emissions?



\*FY19-22 do not include emissions from Aqua Consultants, Detectronic, PSS, Utility Line or QEMS Solutions.

In FY24, we measured a total of 10,883 tCO<sub>2</sub>e in Scope 1&2 emissions, and 38,687 tCO<sub>2</sub>e in Scope 3 emissions. This has increased by 15% from FY24. While this increase is in line with our organisational growth, we wish to go further and decouple our absolute emissions from business growth.

## Where do they come from?

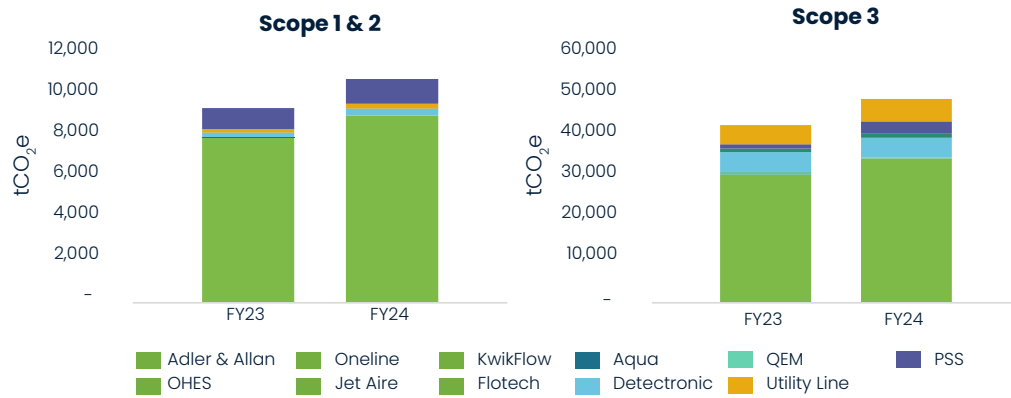


98% of our Scope 1 and 2 emissions come from our fleet of cars, vans and HGVs. This fleet is vital to ensure that we can respond to environmental incidents throughout the country. However, we are working hard to reduce the impact of this fleet through efficiencies and electrification.

88% of our Scope 3 emissions derives from the goods and services that we purchase. These emissions are estimated based on the amount of money we spend on certain products. Next year we will be utilising our EcoVadis partnership to gain supplier-specific data to help increase the accuracy of this figure.



### How are our emissions distributed across our Group?



As a Group, we achieve growth organically and through acquisitions. Once acquired, our new business is included within our carbon calculations. We have retrospectively included all acquisitions back to FY23, forming our new baseline. Due to the range of our services, some businesses are more carbon intensive than others. This is displayed in the graph.

### What is our carbon intensity?

Operational Growth



Carbon Intensity




Despite the increase in absolute emissions from FY23 to FY24, we saw a decrease in our carbon intensity by 19% over the same period. Our carbon intensity is measured using our revenue as a proxy for organisational growth. A reduction in carbon intensity means that we are producing fewer carbon emissions than we used to for the same amount of revenue earned.


# Product Lifecycle


## Our products are designed for a circular economy.


How we are reducing the environmental impact of our products at Detectronic:


 Including environmental assessments in our design stage gates.

 Increasing disassembly and refurbishment.

 Selecting recycled materials to reduce resource usage.

 Including end-of-life guidance in all product manuals.

 Working with UK-based suppliers and manufacturers.

 Working with Waste Experts to increase recyclability.

 Researching rechargeable batteries.

### Lengthening Product Life

This year, Gavin and the team will be investigating the use of rechargeable batteries. Currently, the lifespan of our product is limited by the battery life.

By changing the battery, we hope to extend the product's life from 2 years to 10 years.

### Increasing Recycled Content

We currently use 80% recycled plastic in our LIDoTT ALARM. This not only reduces resource demand, but also reduces the product's carbon footprint by 6%

Over the next two years we will aim to increase the recycled plastic content to 90%.

### Designing for Disassembly

By working with our partners, Waste Experts, we are furthering our understanding of how to design for disassembly.

Designing our products to be easily dismantled will further increase our refurbishment and recycling rates per product.

Detectronic specialises in waste water monitoring, flow and data analysis. We design and manufacture smart monitoring solutions to help utilities manage waste water networks effectively to prevent flooding and reduce pollution.

*“Our product design lifecycle incorporates environmental stage gates which help us to create products that use fewer raw materials, minimise energy consumption during production, and support recyclability at the end of the product’s life.*

*By embedding these principles into the core of our engineering process, we not only meet regulatory standards but also set new benchmarks for sustainable innovation.”*

**Gavin Wagstaff,**  
Head of Product Development at Detectronic





# Environmental Management

Reduce our environmental impact through eco-conscious working practices.

## Waste

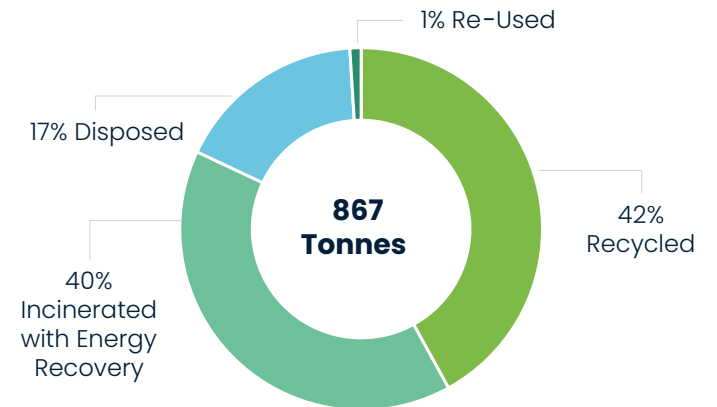
This year we began collecting our internal waste data. This is the waste we generate through our day-to-day operations at our depots and in our offices. Currently, only 17% of our waste is disposed.

Next year, we will be introducing a Waste Reduction Strategy based on the data we have collected. This will aim to further reduce the amount of waste generation, and the proportion that we send to landfill.

## Biodiversity

We also published our new biodiversity policy for the Adler & Allan Group. In developing this policy, we used the WWF Biodiversity Risk Filter to assess the potential physical and reputational biodiversity risks of our sites.

Going forward we will be focussing on the highest combined potential risk sites to understand actual biodiversity impact and creating mitigation plans. We will also expand our assessment to include services and products.







**Physical Risk Map**      **Reputational Risk Map**  
All figures created using the WWF Biodiversity Risk Filter

# Social





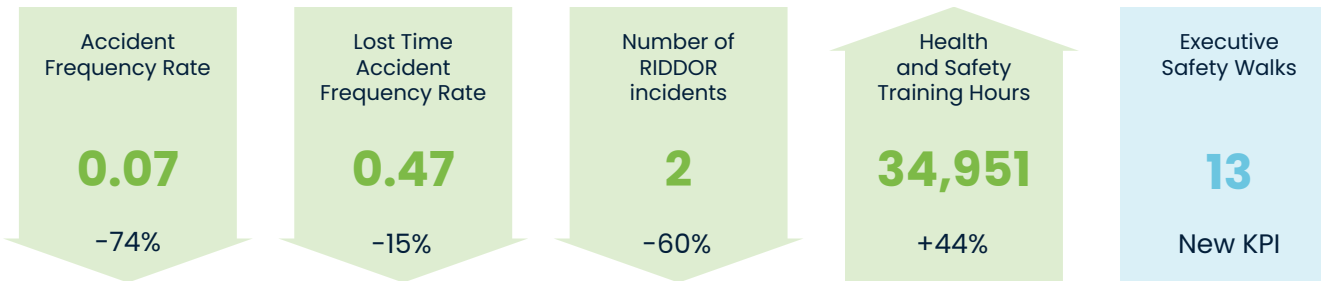
# Our Actions

Our Actions	Progress	Going Further
<p><b>HEALTH &amp; SAFETY</b></p> <p>Increase our health and safety data analysis around driver risk and lost time.</p>	<p></p> <p>Changed the way we record lost time and introduced driver risk assessment software to reduce road traffic incidents.</p>	<p>Collect further data including age demographic of incident and injury to understand how to better support our workforce.</p>
<p><b>EMPLOYEE ENGAGEMENT</b></p> <p>Introduce career and department specific training to support skill gaps and career progression.</p>	<p></p> <p>Launched our Manager’s Essentials training programme.</p>	<p>Introduce our ‘Leveraging Capabilities’ scheme.</p>
<p><b>INCLUSIVITY</b></p> <p>Evolve our employee engagement survey to collect inclusivity data.</p> <p>Launch employee-led inclusivity working groups.</p>	<p></p> <p>Prepared the new employee survey with inclusivity data collection sections.</p> <p></p> <p>Introduced Women Making Waves, a working group where women can thrive and support each other.</p>	<p>Inclusivity data collection and pulse surveys launch in December 2024.</p> <p>Continue to grow and develop the Women Making Waves network.</p>

# Health and Safety

We ensure that everyone returns home safe and healthy every day.

## How are we doing?



FY23 v FY24

### Understanding Age

The average age the UK's workforce is rising, and we need to understand how this impacts our own colleagues.

Collecting age information with incident and injury data will help us to identify opportunities, like age-appropriate training and ergonomic workspaces.

### Game Changers

The Game Changers programme forms the next part of our "Bring your A Game" strategy.

These are our key rules for influencing health and safety of our employees.

If everyone includes these in their workday, it will help keep them safe.

### Managing Fatigue

Responding to our customers' needs can often involve shift work, extended hours and on-call arrangements. If not managed properly, this can lead to fatigue.

We will develop a Group Fatigue Management Policy to reduce the risk of fatigue-related injuries and incidents.





# Case Study:

## Staying safe at Luton Airport

On October 10<sup>th</sup>, 2023, flames ripped through Luton Airport's multistorey terminal 2 car park. The fire was declared a major incident, and more than 100 firefighters were deployed to bring the blaze under control. Adler & Allan were called upon to help minimise the impact to the environment.

This project spanned over 24 months, during which we introduced a bespoke programme of proactive safety behaviour, delivered by all Adler & Allan employees and subcontractors, in order to prepare for the unique challenges that an active international airport environment brings.

From containment measures to environmental monitoring, this project stands as an excellent example of the broad range of capabilities we can bring to bear in any given situation.

The project demonstrated comprehensive, proactive health and safety measures throughout the project lifecycle, ensuring full compliance with the Construction Design and Management (CDM) Regulations 2015. This included offering advice and support to the customer, conducting specialised risk assessments for COSHH, fire,

manual handling, and DSEAR, and implementing effective control strategies. Our occupational hygiene measures involved monitoring exposure limits and providing detailed reports and action plans. Robust Foreign Object Debris (FOD) prevention measures were enforced, alongside clear site rules covering PPE, traffic management, and emergency arrangements. We also supported customer engagement with external regulators and local authorities, and compiled comprehensive health and safety documents, including risk assessments and method statements. Our trained personnel were equipped with appropriate PPE to ensure safe operations.

By the project's end, we demonstrated effective collaboration with external stakeholders, rapid response and containment to protect the local environment and ecosystem, the safe management, treatment and disposal of over 11 million litres of contaminated water, and the capability to operate safely in challenging environments.





# Employee Engagement

## Everyone is inspired and supported to contribute to our shared values and goals.

The results from our 2024 employee engagement survey showed that the majority of our employees enjoy working at Adler & Allan, feel motivated to do their best work, and see themselves working for us in a year's time.

While our employees are generally positive, they did identify areas where we can improve, particularly around wellbeing, recognition, and communication. Addressing these areas will not only further enhance morale but also improve retention and ensure that everyone feels even more valued and supported as Adler & Allan continues to grow.

**Here are three of the projects we are introducing this year to address these areas:**

### Recognising Our Workforce

This year we will be reviewing our Adler & Allan values as well as a bespoke behaviours framework. This will focus on measuring not just what we do, but *how* we do it.

Developing this framework will allow us to foster a shared culture, drive performance, and celebrate our employees' achievements.

### Leveraging Capabilities

As part of our Making Waves programme, we have introduced the Leveraging Capabilities project.

This initiative aims to retain and nurture talent, fostering a stronger, more resilient workplace where employees feel valued. The programme will focus on identifying critical roles for development, encouraging collaboration across teams, and providing opportunities for everyone to excel.

### Clear Communication Channels

The need to improve internal communications and employee engagement have been raised as 'key topics' in the last two annual employee engagement surveys. As a result, an internal communications and engagement function has been introduced to provide consistent and robust communications to all employees, across the whole company. Effective communication and engagement with all employees will enhance satisfaction and assist with the delivery of the company's strategic objectives.

### What else did we learn from our employee engagement survey?

We were happy to hear that our employees...

- Value their supportive and friendly colleagues.
- Find the variety of their projects interesting and engaging.
- Appreciate the flexible and hybrid working options.
- Recognise the potential for both professional and personal development at Adler & Allan

### But they also told us that they would like us to improve in these areas...

- Provide clear and open communication of the vision for Adler & Allan from our leadership team.
- Consider employee wellbeing regarding work-life-balance, particularly around overtime expectations.
- Look at how we can recognise people better, across the group and locally.



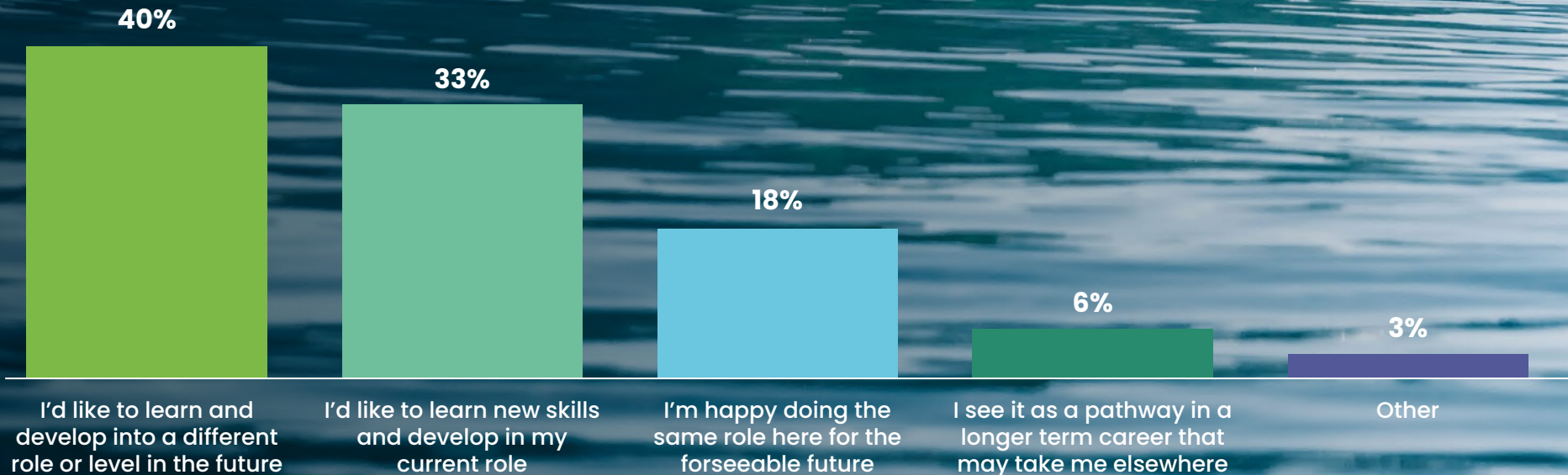
# Case Study:

## Leveraging Our Capabilities

In our Employee Engagement Survey, we learned that 73% of our employees would like to learn and develop at Adler & Allan, with 33% wanting to develop within their current role.

In response to this feedback, we have developed our Making Waves programme. This will focus on retaining and growing our talent to build a stronger, more resilient workplace where our employees' contributions truly matter.

We will identify key roles to develop, share expertise across teams and create opportunities for everyone to thrive. With structured succession planning and a proactive approach to capability building, we're not just securing business continuity, we're reducing barriers and building a culture where our employees' growth fuels our success.



# Inclusivity

## Create a place where everyone has an equal opportunity to thrive.

Inclusivity remains a top priority for us, woven into the fabric of our organisational culture. We see it as a habit, not an act, ensuring every decision, policy, and action reflects our commitment to diversity, equity, and inclusion.

This year, we will focus on reviewing our values and behaviours, developing comprehensive behavioural frameworks to drive clear career paths and foster a sense of purpose and belonging. Our partnership with WorkBuzz, our engagement provider, allows us to gain detailed insights into our diverse population, ensuring inclusivity remains at the forefront of our efforts. This game-changing approach helps us create a supportive and inclusive workplace.

### **Women Making Waves**

Women Making Waves is a proactive and collaborative group that serves as a platform for sharing knowledge, discussing challenges, and most importantly, finding solutions.

Offering opportunities for women to develop their skills, build meaningful connections, and advance their careers, we aim to create a space where women feel valued and empowered to reach their full potential.

### **Integrating Talent and Skills with Ex-Forces Personnel**

Supporting ex-service men and women in their transition to civilian employment is a cornerstone of our social responsibility. This year, we extended our initiatives to include their families through Forces Families. We are proud to have over 115 ex-forces personnel working with us and actively engage with an external community of around 100 individuals until they are ready to join our team.

Our deep passion for this cause drives us to continually enhance our support and create meaningful career pathways for those who have served.

### **Supporting Leaders**

We are dedicated to fostering inclusive leadership across all levels of our organization. Our “Making Waves” development program continues to empower our managers, and in 2025, we will extend this initiative to our senior leaders.

Complementing this, our new “Dignity at Work” module is available for all managers and leaders, reinforcing our commitment to creating a respectful and inclusive workplace.



# Our Communities

## Charity Fundraising for St. Margret's Hospice, Taunton

Online were proud to have participated in a 5km charity walk for **St. Margret's Hospice, Taunton**, and raised a further £745.50 for St Margret's Hospice Care in the Wessex Water football tournament.



Online again supported their local St Margaret's Hospice Christmas tree collection. In the New Year five Online employees volunteered for two days to collect as many old Christmas trees as possible from the area around our depot in our Oneline vans.

## Volunteering in North Yorkshire

The Harrogate Office spent the day volunteering for the **Canal and River Trust**, cleaning up the Canal in Skipton.



## Delivering Social Value in Blackpool

Gardening and litter picking the gardens at Palatine library and the recent donation to Save the Children will be followed by **Carbon Literacy Training** for staff at Blackpool and Fylde College.



# Our Communities

## Aqua Consultant's Continuous Support

Further support from Aqua Consultants includes donations of over £2,100 to **Water Aid, Every Youth Foundation, Macmillan Cancer Research, Andy's Man Club, and Meningitis Research.**

**Homeless support**

This included an emergency donation to EveryYouth's partner in Northern Ireland, MACS, to support 5 young homeless people over the Christmas period.

**STEM**

Helped to secure STEM funding from The Royal Society for a project to increase biodiversity at Allerton Primary School, Leeds.

## Supporting Wildlife

The South West team have been volunteering at **Secret World Wildlife Rescue**, helping with some key maintenance to support all the wonderful animal rehabilitation.



## JetAire's Community Work



JetAire staff headed out into the Cleveland Hills on their first Santa Stroll in December 2023 to raise money for children's Christmas boxes for local hospitals.

Over 1,000 selection boxes later, JetAire we able to donate 200 boxes to each of their **five local children's hospital wards.**



JetAire colleagues also collaborated with Esh-Stantec to drop off over £1,000 worth of food items to **Middlesbrough Food Bank** as part of a Christmas giving initiative.

Three Jet Aire cars and a van were packed up and headed to the food bank to deliver the items in time for Christmas.



# Governance



# Our Actions

Our Actions	Progress	Going Further
<p><b>BUSINESS ETHICS</b></p> <p>Create a dedicated ESG Action Group with lead, contributors and Board oversight.</p> <p>Create a formal Employee Code of Conduct that is implemented across the Group.</p> <p>Integrate business ethics into our mandatory training platform.</p> <p>Launch a third-party whistleblowing platform.</p>	<p> ESG Action Group operating for one year, with quarterly meetings and Board oversight.</p> <p> We aim to launch the Employee Code of Conduct following our updated A&amp;A values project.</p> <p> Business ethics training is now mandatory for all new starters.</p> <p> Launched in January 2024.</p>	<p>ESG included as key topic in monthly Board meetings.</p> <p>Mirror our internal Employee Code of Conduct with a Supplier Code of Conduct.</p> <p>Make mandatory for all existing employees on the next training cycle.</p> <p>We will continue to raise awareness of our whistleblowing platform through internal ESG communications.</p>
<p><b>SUPPLY CHAIN</b></p> <p>Review our approach to supplier assessments for ESG factors.</p> <p>Devise supplier selection criteria based on ESG factors.</p>	<p> Working with EcoVadis to understand ESG risk and performance throughout our top suppliers.</p> <p> Following roll out of the EcoVadis platform we will review suppliers based on risk and scorecards.</p>	<p>Roll out the EcoVadis Supply Chain Tool to our high spend suppliers.</p> <p>We train our procurement teams in sustainable procurement principles.</p>



# ESG Governance Structure

We have designed our ESG governance structure to ensure that business leaders have ultimate responsibility and oversight of our ESG strategy, risks and opportunities.

The ESG strategy is enacted by the ESG Action Group, a team of leaders from HR to Finance to SHEQ. This is led by the Group Sustainability Manager, who is responsible for developing and delivering the strategy.

Our CEO and CFO hold overall responsibility for the ESG strategy and performance. They are engaged through three channels:

- 1. Monthly Board Reports:** Providing performance updates, highlighting risks and next steps.
- 2. Monthly Meeting with the Group Sustainability Manager:** Opportunity to discuss ESG performance in more detail.
- 3. ESG Steering Committee:** A select committee of business leaders formed for ad-hoc sessions designed to provide in-depth information and guidance on specific ESG topics.



# Business Ethics

We operate with transparency and integrity.

In 2024, we launched five new business ethics trainings. Our aim is to achieve >90% completion rate across all five trainings by September 2025.



## Employee Code of Conduct

Reflecting the rapid growth of our organisation, we will be creating a new group-wide Employee Code of Conduct.

This will set out the values and expectations for all our employees to maintain in regards to business ethics.

## Monitoring our Training

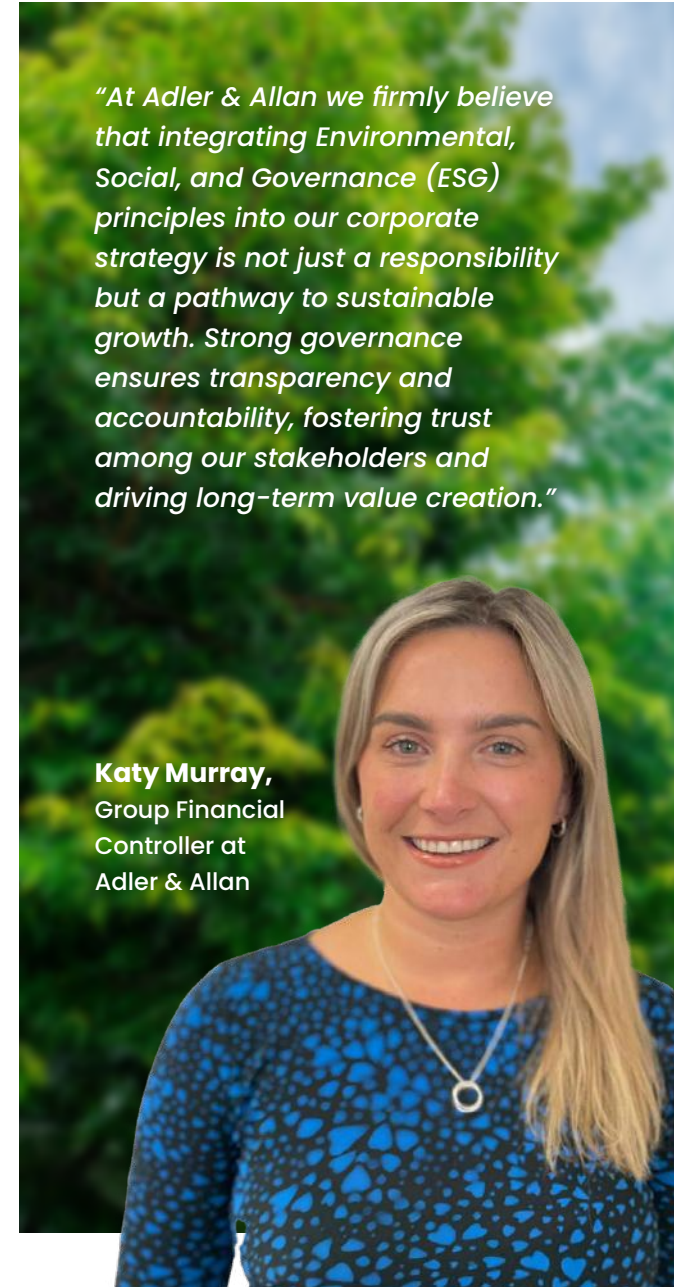
To support our new Employee Code of Conduct, we have release four new code of conduct mandatory trainings, covering Drugs and Alcohol, Bribery, Corruption and Cyber Security. We will be monitoring completion rates for these trainings across the Group.

## Uplifting our Compliance

This year we are conducting a risk and gap analysis review of Adler & Allan’s policies and procedures relating to Anti-Bribery and Corruption (“ABC”), Sanctions, Antitrust, Data Protection, and Environment, Health & Safety resulting in a step plan for implementation and roll out of updated policies and procedures consistent with the recommendations, including ongoing support and training, and reporting metrics.

*“At Adler & Allan we firmly believe that integrating Environmental, Social, and Governance (ESG) principles into our corporate strategy is not just a responsibility but a pathway to sustainable growth. Strong governance ensures transparency and accountability, fostering trust among our stakeholders and driving long-term value creation.”*

**Katy Murray,**  
Group Financial  
Controller at  
Adler & Allan





# Supply Chain

We work proactively with our suppliers to ensure our operations are sustainable.

Last year we reviewed our current supplier onboarding practices to see how we could improve the process and introduce more of an ESG focus. During this exercise we decided to introduce a third party ESG risk and scoring tool, EcoVadis, to better understand the ESG best practice and risk areas within our supply chain.

Our partnership with EcoVadis will allow us to identify ESG risk hotspots in our supply chain through light-touch questionnaires and risk radars; have ESG deep dives with our top spend suppliers; and finally, utilise their carbon tool to improve our Scope 3 data collection.

It is our aim that over the coming years, we will have enrolled over 90% of >£100k per annum suppliers onto the EcoVadis supplier account.

## Working with EcoVadis

### IQ Vitals Questionnaire

Light touch process to understand potential ESG risk areas.

### Ratings

In depth ESG assessment and action plan for our priority suppliers.

### Carbon Action Manager

Understand carbon emissions risk and performance to improve our Scope 3 emissions reporting.

IQ Vitals Questionnaire

Ratings

Carbon Action Module



# Data





# Tracking our progress

We have worked hard to increase and improve our internal ESG data this year. By setting KPIs for each ESG topic and applying them retrospectively to FY23 and FY24, we have more than doubled our ESG data collection.

Material Topic	KPI	FY23	FY24
Environmental Management	Pollution treated by Adler & Allan (tonnes)	6,643	8,704
	Number of sites where we have installed EV chargers for customers	129	114
	Number of customers we have supported with preventative maintenance	772	753
	Water consumption (m <sup>3</sup> )	Not measured	15,723
	Waste produced (tonnes)	Not measured	867
	% recycled	Not measured	42%
	% re-used	Not measured	1%
	% incinerated with energy recovery	Not measured	40%
	% disposed	Not measured	17%
	Hazardous waste (tonnes)	Not measured	25
Climate Change	% company cars that are electric	Not measured	16%
	% fleet that is electric	Not measured	3%
	GHG emissions tCO <sub>2</sub> e (Scope 1 & 2 market-based)	9,483	10,883
	GHG emissions tCO <sub>2</sub> e (Scope 3)	33,742	38,687
	tCO <sub>2</sub> e/ £ million revenue	225	181

# Tracking our progress

Material Topic	KPI	FY23	FY24
Product Lifecycle	% of products have disposal guidance	0	20%
	% recycled plastics in products	0	15%
	% of waste product recycled	5%	35%
	% refurbished to re-enter circulation	Not measured	40%
Health and Safety	AFR	0.27	0.07
	LTAFR	0.55	0.47
	No. RIDDORs	5	2
	Total days lost to accident or injury at work	Not measured	Started FY25
	No. employee H&S training hours per annum	24,203	34,951
	No. safety Executive leadership walks performed	0	13
Employee Engagement	Attrition (total and voluntary)	27%	18%
	% employees completed survey	86%	79%
	% would recommend us as a great place to work	73%	63%
	% of people who plan to be working with us in 12 months	71%	71%
Inclusivity	Gender ratio of full time employees	23.5%	24.5%
Business Ethics	Business ethics trainings completion rate (%)* <small>* Average across Drug &amp; Alcohol, Anti-Bribery, Anti-Corruption and Anti-Money Laundering trainings.</small>	Not measured	80%
	Cyber security training completion rate (%)	Not measured	93%
Supply Chain Management	% suppliers have signed the Code of Conduct	Not measured	Started FY25
	% of >£100k suppliers enrolled onto the EcoVadis Supply Chain Platform	Not measured	Started FY25





# Our ESG future





# Our ESG future

We are committed to delivering on our ESG promises. True leadership requires action and accountability, which is why we track and measure our impact to drive meaningful change. By using data-driven insights, we focus on key challenges:

## Managing Water Resources

We help businesses protect and manage water through flood resilience, spill response, and sustainable drainage solutions, ensuring long-term water security.

## Reducing Pollution

Minimising environmental harm is a priority. We support pollution prevention, hazardous material management, and sustainable waste solutions to promote a cleaner environment.

## Improving Biodiversity

We restore habitats and enhance biodiversity through responsible land management, green infrastructure, and conservation initiatives.

## Climate Challenge Management

We help businesses assess climate risks, build resilience, and reduce carbon footprints, ensuring they adapt to a changing climate.

## Transition to New Energy

We support the shift to sustainable energy by offering solutions in renewables, fuel management, and energy efficiency.

Leading by example, we embed ESG principles into our operations, championing sustainability, employee well-being, and community engagement. Our goal is to be more than a service provider—we aspire to be a role model, building trust and inspiring others to embrace ESG principles. Through our work, Adler & Allan is proving that ESG leadership is both achievable and impactful.





