

# Annual ESG Report

Environmental, Social & Governance Report  
2023/24



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“  
**ESG IS WOVEN  
 INTO EVERYTHING  
 WE DO**”

## Chief Executive's statement

**Clients and colleagues,  
 I'm delighted to share Adare SEC's ESG  
 report for our fiscal year 2024, ending  
 31st March.**

Last year was a very busy year for our business, with the onboarding of several sizeable new clients and projects.

As we continue to expand our business, we naturally have an increased potential to impact the environment and the communities in which we work. It is therefore increasingly important that we continuously work to ensure our ESG strategy remains on course to make a progressive difference, for example by reducing our greenhouse gas emissions and by contributing to society as a whole. As such, and as set out in our combined ESG Strategy, which we officially launched in 2022, we are committed to ensuring our targets are impactful, up to date and effectively monitored.

This report provides us with the opportunity to publish our progress over the past 12 months and allows us to make our objectives clear, publicly demonstrating our continued commitment to positive change.

We are, as always, eager to seek external validation and benchmarking of our progress. We were delighted therefore to have retained our prestigious EcoVadis Gold rating in 2023 and improve upon our overall score from the previous year.

This award places us in **the top 5% of more than 130,000 appraised companies** and is testament to how seriously we take our environmental, social and governance responsibility.

Last year, we also aligned our Strategy to The UN 17 Sustainable Development Goals and set a new SBTi goal of a 70% reduction by 2030. I am pleased to report that we **reduced our Co2 emissions by 28%** against our 2023 figures. This figure demonstrates an impressive **77% reduction against our 2019 baseline** – a result for the whole business to be proud of. Social initiatives continue to be a priority and over the past year we have rolled out our 'Day to Make a Difference' charity campaign, affording employees the opportunity to give a working day to one of a range of supported charities.

We are also extremely proud to announce the Motor Neurone Disease Association as our nominated 2024/FY25 charity, with several high-profile activities planned across this timeframe.

I hope you find this report informative and that it serves a clear record of our ESG progress and intent. I look forward to sharing further progress in due course.

**Tony Strong**  
 Chief Executive Officer

## About this report

This report highlights our ESG Strategy priorities and progress for FY24 which ran until 31st March 2024. It captures our performance, key achievements and reportable data, and outlines our current challenges and future actions as we endeavour to become a more sustainable and responsible business.



**440**  
COLLEAGUES



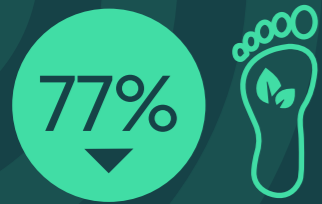
**3**  
SITES



**£125m**  
REVENUE



## Our highlights



**Carbon Reduction**  
(against baseline)\*



**Carbon Reduction**  
(against 22/23)



**ESG Objectives**

All SLT and ESG group members given ESG training objectives for FY25



**Charitable Donations**

Over the past year we have fundraised for a number of worthy causes



**Colleague Inclusion**

We launched our first holistic colleague survey



**Day to Make a Difference**

We are delighted to have launched our 'Day to Make a Difference' project



**UN 17**

We have aligned our strategy with the UN 17 Sustainability goals



**EcoVadis**

We are proud to have maintained our EcoVadis gold award with an improved 2023 score



**Electricity Consumption**

Reduction (against baseline)\*

“It is increasingly important that we work to further develop our ESG strategy and ensure that this is channelled to make a progressive difference.”

\*Against baseline (2019)

## Strategy and values

**Our ESG strategy ensures we are committed to a high standard of responsible and sustainable practice across our business and trading landscape. We continually work to raise expectations internally as well as those of our supply chain.**

Our goal is to strengthen an ethos which considers social, economic and environmental consequences, and the company expects all internal colleagues, partners and suppliers to work to these augmented standards wherever possible.

In 2022 we announced our ambitious ESG programme, focused on reducing our impact on the planet, promoting equality and fairness, and increasing transparency around our operation. More than 18 months on, as we enter a new financial year, that mission remains unchanged. Alongside the work we are doing with our clients and suppliers, we are also committed to improving the culture within Adare SEC and aligning it closely with our values.



### **OUR COMMUNITY** Social value and initiatives

Seek to drive positive social change in the communities in which we work



### **OUR SUPPLY** Sustainable procurement

Promote responsible supply chain sustainability



### **OUR FOOTPRINT** Environmental sustainability

Continue to reduce our environmental impact and carbon footprint



### **OUR PEOPLE** Human resource and culture

Nurture a diverse, inclusive and safe environment for colleagues



### **OUR PRACTICES** Governance and policy

Ensure values and ethics set at Board level are reflected in everything we do

## Supply chain

The importance of Environmental, Social and Governance consciousness in supply chain management has become increasingly evident in recent years, with our clients and stakeholders demanding greater transparency and accountability. ESG considerations are paramount throughout the management of Adare SEC's supply chain, as they impact everything from the products we buy to the companies we chose to work alongside.

With this in mind it is a priority for us to evaluate existing and new contractors for sustainable performance in line with our own values and ethical practices. By addressing social, economic and

environmental considerations across our trading landscape, and fully understanding and effectively managing our supply chain risks, we are not only able to gain the trust and confidence of our stakeholders but we also continue to raise awareness and promote best practice in sustainable procurement across the business.

Integrating ESG into our supply chain processes allows us to assess ESG risks and opportunities across areas including supplier accreditations, sustainability reporting, the use of environmentally-friendly materials and processes, the fair treatment of workers, social value and the following of ethical business practices.

“ ESG considerations are paramount throughout the management of Adare SEC's supply chain, as they impact everything from the products we buy to the companies we chose to work alongside. ”



## Environmental

**At Adare SEC we are constantly working to minimise the environmental impact of our operations. Underpinned by our wider framework and values, our environmental strategy looks to monitor and reduce the impression our daily activities have on both our operating environment and the wider world.**

As a priority, we aim to deliver services and products that are designed and supplied with minimal environmental impact, and our objective is for our business to function with a holistic view, making necessary and flexible changes that are fit for the future.

Seeking the environmental performance of both existing and new partners is a key pillar in our approach and we recognise that sustainable asset management not only needs to be in line with our

commitment to responsible procurement, but also looks to provide long-term efficiencies and a decreased expenditure that can improve our overall business performance. With this in mind, and in addition to scope 1 and 2, we have worked diligently over the past year to set up the measurement of our scope 3 emissions.

Also this year, in line with our augmented ESG Strategy, we have a renewed focus on our carbon footprint, which continues to allow us to put our reduction plan into effective practice. In FY24 we are pleased to report a 28% reduction (against 22/23) in our carbon based emissions. We are also pleased to report that due to our SBTi target being reached last year, 7 years ahead of schedule, we have now set a new objective and will work towards a 70% overall reduction by 2030.

With the assistance of an external partner, Carbon Quota, we are now proud to routinely capture our Scope 3 emissions. The result of activities from assets not owned or controlled by Adare SEC, but which we indirectly affect, the capturing and reporting of these emissions consists of data collected from both our upstream and downstream activities.

Scope 3 emissions include all sources not within our scope 1 and 2 boundary, the scope 3 emissions for our organisation are essentially the scope 1 and 2 emissions of our partners and suppliers. The capture of this data allows us to establish a relevant, complete, and accurate view, which in turn provides us with an enhanced position from which we can implement processes of continuous improvement.

“**We ensure that any general waste does not go to landfill but is instead collected to be used for Refuse Derived Fuel.**”



### Bug hotel

Colleagues at our Leicester office are now the proud custodians of our onsite bug hotel. The hotel, which is made of natural materials, has been created in an outdoor space to give our creepy crawly friends a nice, cosy place to find shelter and hibernate.

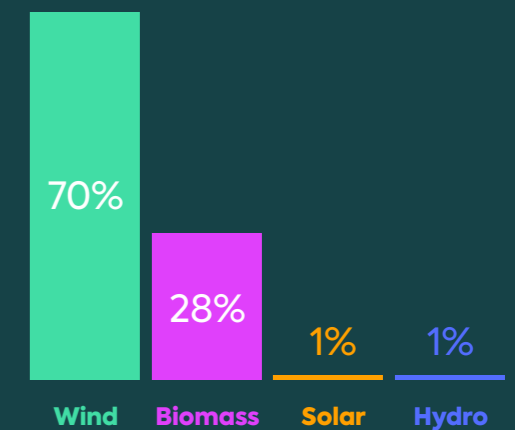
## Sustainable sites

Our sites, offices and warehouses are a key part of our roadmap to becoming a low-carbon business. We ensure that 100% of our electricity now comes from renewable sources and we have installed new, more efficient machinery, which not only helps us in reducing our overall energy consumption but also helps to reduce noise pollution around our sites.

We are also pleased to report the successful introduction of an enhanced recycling process whereby both our office and factory waste is processed through a new, more efficient system. We ensure that any general waste that is left over does not go to landfill but is instead collected to be used for Refuse Derived Fuel or RDF. This waste is shredded, dried, baled and then finally burned to produce electricity. Refuse Derived Fuel is a renewable energy source that ensures waste is put to good use rather than being thrown into landfill.

*\*Against baseline (2019)*

### Renewable electricity stats





## Social

Over the last 12 months we have continued to review our internal and external social initiatives and policies to ensure they are inclusive, agile and support the needs of our colleagues and communities, in line with best practice.

Key updates we have made this year include: implementing our colleague engagement survey; rolling out our long service recognition programme; implementing our Day to Make a Difference campaign in line with our new volunteering policy; and renewing our internal communication approach across a number of different channels.

As a company we are committed to diversity, equality and inclusion and employees are able to benefit from training, career development and promotion opportunities without prejudice. This commitment, coupled with an inclusive leadership framework, enables our Exec and Senior Leadership Team to understand their responsibility for DE&I and enables them to take greater accountability across their teams and the wider business to encourage the building of a truly inclusive workplace (detailed in the Equal Opportunities and Diversity & Inclusion policies).

We are continually focused on improving not only the experience of our employees but also that of our clients and stakeholders. Through this focus we endeavour to work with transparency across the board and remain committed to the monitoring and improving all aspects of our ‘people experience’.

Paying close attention to areas such as health & safety, working conditions, gender balance, modern slavery protocol, living wage amendments, and work life balance suggestions, we keenly seek out improved ways to conduct business in a fair and honest manner, ensuring that we comply with all relevant laws and regulations.

### Long Service recognition

Our long service recognition celebrates colleagues for their loyalty and dedication to Adare SEC. We are proud to mark every 10th anniversary (right through to 50 years) for our long serving colleagues, and we also recognise the 25th anniversary.



Colleagues who achieve these milestones are awarded a £100 voucher of choice and a thank you card. Since the launch of the scheme in July 2023 we are pleased to have recognised over 25 colleagues.

### Colleague Engagement Survey



A crucial part of our continued success is for us to understand exactly how our colleagues feel about working for Adare SEC. With this in mind, we conducted a survey amongst all colleagues to help us better understand how to best direct our strategies and efforts.

The survey was completed by an encouraging number of colleagues and the results were presented in our quarterly Town Hall. Some clear key themes emerged from the survey and each theme was then coupled with an action plan which ensures that our common thinking is transformed into practical reality across the business.

### Apprenticeships



We are proud to be able to call ourselves an apprenticeship friendly business, running a successful apprenticeship scheme since 2017. Currently supporting a number of different apprenticeships across the business we are honoured to provide practical on-the-job experience, essential learning tools and all-important qualifications across areas such as HR, Customer Service, Operations and Management.

“Our social value and charity initiatives are one of our main priorities for the coming year.”

Pat Kelly, Executive ESG Sponsor

## Giving back

**Volunteering empowers our colleagues, builds skills and develops confidence while also making a positive impact on society.**

Throughout the year our colleagues have embarked upon fundraising activities in support of a number of causes such as the Trussell Trust and Macmillan Cancer Care. This year we are also delighted to announce our Day to Make a Difference initiative

which gives colleagues the opportunity to take one paid day per year to volunteer for a charity or project. This might be planting a tree, helping at a local food-bank or spending the day doing a sponsored event. Colleagues are able to make a difference individually or take part as a group, also providing the opportunity for team and relationship building.



## MND Association – Our 24/25 partner charity



**We are extremely proud to announce that our charity partner for FY25 is the MND Association - who do so much great work in the fight against motor neurone disease.**

Choosing a charity partner for the year gives our fundraising efforts real focus as a business, and we will be engaging in a number of different internal and external activities over the next 12 months to raise money and awareness for this most deserving of causes.

Our partnership officially launched on 8th May where we were joined by MND Association’s Richard Parris, Corporate

Development Manager. Over 100 colleagues joined Richard, alongside our Marketing and Communications Director, Pat Kelly, to gain insight into the impact of MND and how funds raised are put to important use.



The MND Association focuses on improving access to care, research and campaigning for those people living with or affected by MND.

**For more information visit: [www.mndassociation.org](http://www.mndassociation.org)**



## Adare SEC Spirit

**Our Senior Leadership Team has been working hard on identifying and capturing our defining values as a business. The result is the Adare SEC Spirit which describes our eight central principles so that we can better remember them and apply them to all we do. Put simply, the Adare SEC Spirit steers how we work.**

Each of our identified values plays a role in shaping our business, our employees, our leaders, our business partners and our clients.

Each Value has a bi-monthly focus whereby colleagues can nominate individuals who exemplified the value for that period. The Values Champion receives a £50 voucher and 1 day extra annual leave for the year.

Individually, the implementation of each of these values works to improve business performance. But taken together, these values create our spirit, the way we want to operate as a business – the compass steering our customer-centric focus.



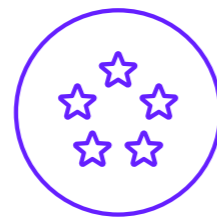
We are **Authentic**



We are **Communicative**



We are **Collaborative**



We are **Quality**



We are **Continuously Improving**



We are **Sustainable**



We are **People Focused**



We are **Customer-First**



Our everyday actions at work are just as vital to achieving our objectives as our processes. Everybody keeping these values front of mind will help to strengthen our one-company identity, creating a spirit that is recognisably Adare SEC.



# Governance

ESG is a core lever in Adare SEC’s ambitious transformation programme, which continues to facilitate exciting changes across the business. We continue to focus on our ESG Steering Committee, chaired by the Director of Marketing and Communications, Pat Kelly, which is responsible for setting ESG targets, approving initiatives and strategy updates and driving cross-functional alignment around ESG issues throughout the business. The Committee also comprises colleagues from our Compliance, Bids, Employee Experience, Procurement and Client Experience teams.

Governance defines a set of rules and good practices, along with a series of processes that determine how Adare SEC is managed and controlled.

We are committed to building strong and lasting relationships with our stakeholders and colleagues and will conduct business with integrity and transparency. We believe that good corporate

governance is essential for a successful business and we will implement good governance, specifically prioritising an experienced, active, and engaged board of directors with the skill to properly oversee and direct management and encourage protocols to enhance transparency and good governance.

### Our key strategic governance priorities are:

- Ensuring effective engagement and support for all colleagues and stakeholders

- Responsible sourcing and consumption, including working with suppliers to demonstrate compliance to our standards, in line with our Supplier Management Policy
- Monitoring and anticipating ESG and industry risks to feed into our governance processes.



We are proud to share that in 2023 Adare SEC was awarded an EcoVadis Gold rating for the second year in a row. We improved on our overall score from 2022, and the new ranking places Adare SEC amongst the top 5% of businesses rated by the world’s largest sustainability assessor.



The UN’s Sustainable Development Goals (SDG’s) are the centre of the United Nations 2030 agenda for sustainability which was adopted by all 193 UN member states in 2015. Addressing issues such as climate change, poverty and gender equality, the 17 goals reflect the three dimensions of sustainability – ecological, social and economic.

Adare SEC have sought to apply these goals, where applicable, to our own policies and targets. We have made a commitment to support the SDG’s program and use this guidance as a benchmark for measuring and prioritising our impacts across the business.



## Training and performance



**Adare SEC provides ongoing training for all colleagues across the business, applying industry training**

**platforms and experts that focus on upskilling, guidance and industry insight.**

In addition to mandatory training, developmental training recommended by a colleague's manager will also look to be delivered in a timely manner. Over the past 12 months, the ESG Committee has been reviewing ESG training which will roll out as mandatory training for our Exec and Senior Leadership team members from

June 2024 and then subsequently across the business.

We are committed to providing colleagues with the feedback necessary to improve their performance, reviewing expectations of their position and fostering growth in their current role. Managers conduct performance reviews that are completed annually for the majority of employees and are used to determine merit increases, make recommendations for further development training and also used to give an opportunity for colleagues to provide feedback to their manager and voice any questions or concerns.

## Gender Pay Gap

**We have been reporting our Gender Pay Gap since 2018. The Gender Pay Gap is the difference in earnings between all men and all women who work at Adare SEC.**

It relates specifically to the percentage difference between the mean or average hourly earnings of men and women and the difference between the median or mid-point salary for men and women.

Our average or mean gender pay gap for 2023 is 16.6%. Whilst we are pleased that our Gender Pay Gap is closing since we first started reporting in 2018, when it was 19.7%, we recognise there is more work to be done. We are developing our recruitment

strategies to promote further diversity whilst also promoting a more flexible working approach including job sharing and part time working to attract a more diverse workforce.

We continue to review our Family Policies. With effect from 1 April 2023 our Maternity Leave Pay was increased to 10 weeks at full pay followed by 29 weeks Statutory Maternity Pay. We also standardised the Paternity Leave so that the entitlement remains at two weeks, however the first week is taken at full pay and the second week is paid at the statutory paternity pay amount. Our Adoption Leave mirror the Maternity Leave/Paternity Leave entitlement.



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## Speak to us today about our ESG Strategy

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