

Our ESG Strategy

October 2023



Foreword from Peter De Haan

For Adare SEC, driving sustainable and positive change has always been core to our values and principles. This has also been a personal passion for me, having founded the Peter De Haan Charitable Trust in 1999 which has seen £30m donated to organisations supporting environmental, arts and community welfare projects. In addition, the ESG ratings of the underlying investments and their related plans for the future have been core to the ethical investment decisions taken by my family advisers.

As we've grown Adare SEC organically and through acquisition, we have an opportunity to effect real change in the communities & environment in which we operate so that's why we launched our **Environmental, Social and Governance Strategy** and made public our robust commitment to making a difference.

Central to this is the need to continually look for ways to reduce our greenhouse gas (GHG) emissions, publicly holding ourselves to account and measuring improvements.

Therefore, through the Science Based Targets initiative (SBTi), we've joined the Business Ambition for 1.5oC – an urgent call to action from a global coalition of UN agencies, business and industry leaders, in partnership with the Race to Zero.

We are making our contribution by committing to an increased 70% reduction in GHG emissions from our operations by 2030. Importantly, we have decided not to use carbon offsetting schemes to achieve this target – it will be delivered through meaningful change and independently verified reduction of our emissions. We have also committed to measure and reduce our supply chain carbon footprint in parallel and deliver a series of social value initiatives in the communities in which we operate.

We look forward to sharing progress against these plans in due course as we continue to drive positive change.

Peter De Haan

Chairman



Our Policy

Adare SEC is committed to ensuring a high standard of responsible and sustainable practice across our business and trading landscape. We continually works to raise expectations internally as well as those of our supply chain. Through our Environmental, Social and Governance (ESG) Strategy, 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, ensuring that we:

- Continuously work to lower our environmental impact through Greenhouse Gas (GHG) emissions and reduced use of single use plastics
- Trade with those who comply with an Ethical Code of Conduct and use FSC, PEFC or other certified sustainable sources of paper
- Attract, nurture and develop an inclusive and diverse workforce as a Real Living Wage employer
- Improve social outcomes in geographical areas of work
- Manage successful and prosperous stakeholder relationships

Our strategy articulates a series of protocols, processes and tools across Adare SEC, to enable us to ‘conduct business ethically, effectively and efficiently for the benefit of the business, colleagues, partners, clients and local and global communities’. Accordingly we have aligned our strategy with the UN’S 17 Sustainable Development Goals and we have joined the UN’s Race to Zero initiative through Science Based Targets (SBTi), committing to a 70% reduction* in direct, indirect and supply chain (Scope 1, 2 &3) GHG Emissions by 2030. We will not consider carbon offset schemes as contribution to this target and it will constitute only meaningful reductions in GHG emissions. We will continue to use the EcoVadis Sustainability Rating to externally verify progress against our ESG goals and objectives, ultimately targeting a platinum rating through continuous improvement of our ESG performance.

The Board of Adare SEC is fully committed to delivering this strategy and will continually monitor and measure its success through regular review.

Tony Strong
Chief Executive Officer

This policy is supported by our Environmental Management System Policy which underpins our ISO 14001 certified Environmental Management System

*Against a 2019 baseline year for Scope 1 & 2 GHG emissions. All Carbon measurements are externally verified by CarbonQuota.

Our Strategy



Our Footprint

Environmental Sustainability

Continue to reduce our environmental impact and carbon footprint



Our Supply

Sustainable Procurement

Promote responsible supply chain sustainability



Our People

Human Resource & Culture

Nurture a diverse, inclusive and safe environment for colleagues



Our Community

Social Initiatives

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



Our Practices

Governance & Policy

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



Our Statistics



66%

Reduction in total energy consumption vs 2019 baseline



70%

Of our electricity now comes from renewable sources



66%

Reduction in overall energy consumption since 2019



15%

Decrease in water consumption over the past 12 months



5%

Of sustainable businesses rated by EcoVadis

Our Footprint

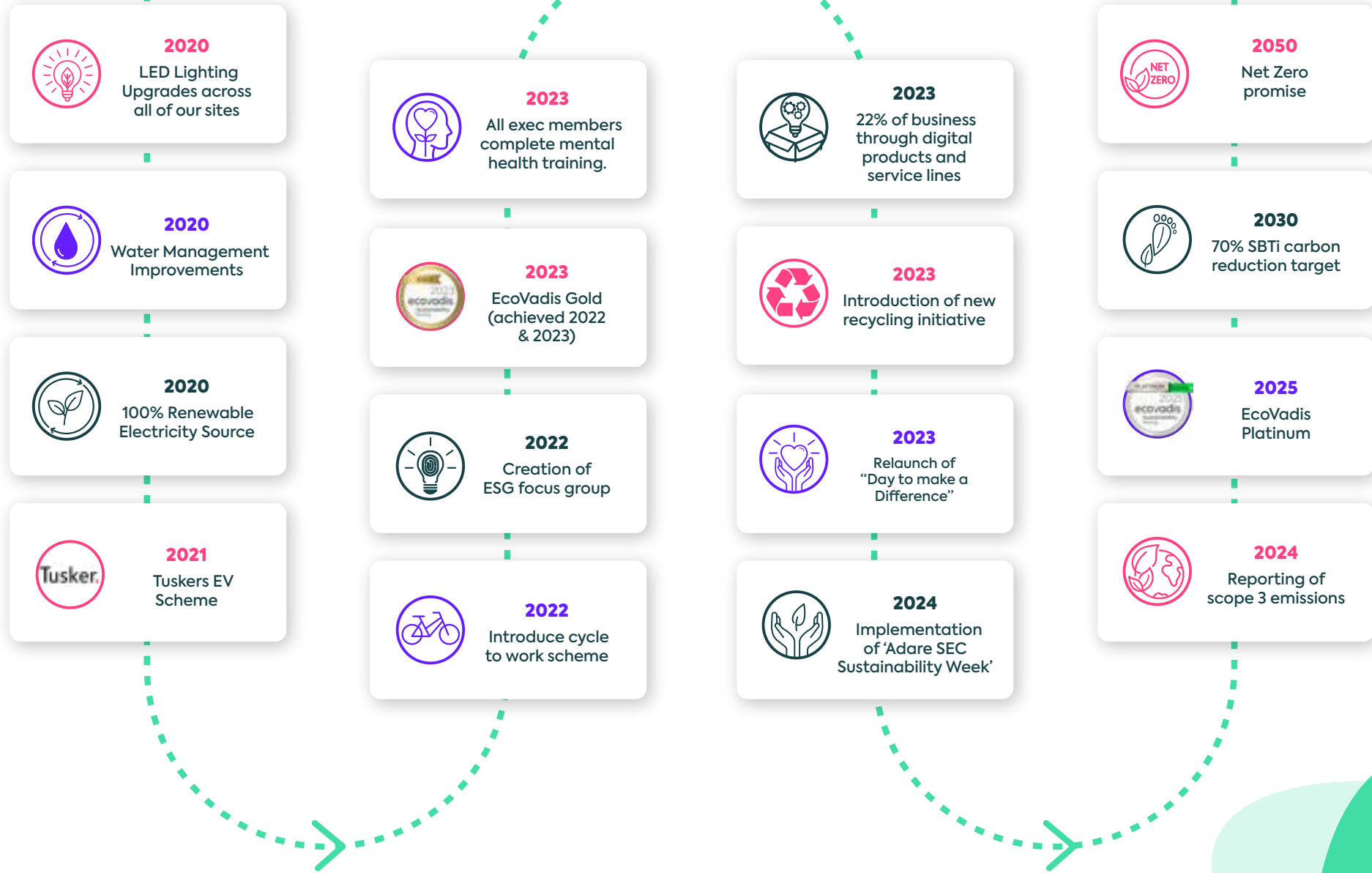
Environmental Sustainability

At Adare SEC, environmental sustainability means minimising the environmental impact of our operations and daily activities across our business. Our priority is to deliver services and products that are created and delivered with minimal environmental impact and our aim is for our business to run with a holistic sustainability view, making adaptable changes to fit the future.

We seek to improve the environmental performance of both existing and new partners and we recognise that sustainable asset management not only needs to be in line with our commitment to responsible procurement, but also provides long-term efficiencies and cost savings that can improve our overall business performance. By reducing our carbon footprint, minimising our waste output and focusing on sustainable site and staff initiatives we are able to put these policies into effective practice.



Our Timeline & Targets



Our Carbon Reduction Plan

Over the past number of years we have implemented a range of augmented initiatives which are contributing to our ongoing sustainable vision and carbon reduction target. Across our sites we have installed LED lighting, an upgrade which allows us to consume considerably less energy and produce less waste in the process. Our reduced energy consumption target has also benefitted from the upgrade of highly efficient warehouse equipment, with some replacements saving as much as 80% energy efficiency as overall solutions.

In 2019 Adare SEC became the first UK communications provider to commit to using 100% recyclable and biodegradable envelopes and also moved energy suppliers to a provider that supplies 100% renewable energy. Additionally, improvements were made the year after to our water management system which allowed us to save on transportation and container requirements.

In 2021 the introduction of our electric vehicle scheme gave employees affordable access to a greener private vehicle option and also contributed to our overall 2021 carbon footprint reduction.

Measured through Carbon Quota, an external carbon specialist, our Scope 1, 2 and 3 emissions are monitored and verified on an annual basis. The above initiatives are all integral to us maintaining our ISO 14001 standard and also being awarded gold EcoVadis status.



Our Supply

Sustainable Procurement

Sustainability is integral to our procurement process and we recognise the increasing importance of proactively managing our supply chain. We understand that purchasing activities can have direct impact on the environment. By addressing social, economic and environmental considerations, and fully understanding and effectively managing our supply chain risks, we not only gain the trust and confidence of our stakeholders but also raise awareness and promote best practice in sustainable procurement across the business. Taking environmental, social and whole life cost impacts into consideration enables us to enhance the assessment of true value for money, which in turn increases our competitiveness and improves business practices across the full scope of our organisation.

Adare SEC understands and recognises the importance of protecting the world's natural resources. Our Procurement staff are encouraged to seek out environmentally friendly products within the available supply chain with emphasis on sustainability. Management of the procurement of commodities and services in order to minimise or reduce negative impacts on the natural environment e.g., waste, carbon emissions, transport miles, biodiversity and consumption of natural resources is key. We review and analyse the production cycle and management of paper and pulp related products when sourcing raw materials, ensuring that any products purchased are from certified sustainable sources such as FSC and PEFC.

From the sourcing of materials, to facility production and delivery to our clients, supply chain management is key to Adare SEC's ESG strategy.



Our Supply



Supplier Management

As we continue to integrate sustainable development across our key business activities our suppliers play a critical role in helping us to source responsibly and uphold our environmental and social performance. We apply the same principles and benchmarks to our suppliers as to our own company and our Supply Chain Policies provide the framework through which we outline our responsible sourcing ambitions and approach. We endeavour to work only with suppliers that share our values and comply with our business ethics. Our suppliers must also agree to transparency, to remedy any shortcomings, and to drive continuous improvement.



Performance & Monitoring

Adare SEC monitors complaints and non-conformance to ensure best performance, value for money and the interception of potential supply issues. Vendor review meetings (at least two per annum), one of which forms the basis of the annual review and incorporates feedback from all parties, the end client, the vendor and our Procurement team) allow us to measure vendor performance against reported external complaints, internal opportunity for improvement (OFI) and delivery or usage issues. Adare SEC monitors the vendor's financial performance, environmental practices and business ethics on an on-going basis and, in addition to BAU site visits, also reserve the right to spot check vendors. Allow us to measure vendor performance against reported external complaints, internal opportunity for improvement (OFI) and delivery or usage issues. Adare SEC monitors the vendor's financial performance, environmental practices and business ethics on an on-going basis and in addition to BAU site visits, also reserve the right to spot check vendors.

Supply Chain Audits are used to ensure our own operations and those of suppliers comply with legal obligations and our Ethical Supply Chain Policy. This includes auditing compliance to modern slavery act, anti-bribery act, legal compliance, performance management and service levels, diversity and inclusion and the real living wage.



Selection & Appointment

Adare SEC adopts a collaborative approach with key vendors to maximise buying power whilst minimising risk and ensuring consistency and continuity of supply.

Adare SEC on-boards vendors via a documented process. The decision includes considerations of due diligence, assessment of criticality, contingency planning, ethical trading, accreditation and assessment of performance and capability. This ensures that the correct vendor is in place with the correct qualifications and certifications for any specific requirements. The correct selection is also key to our Scope 3 carbon reduction initiatives.



Code of Conduct

Procurement Principles

1. Business is conducted lawfully and with integrity.
2. Work is conducted on the basis of freely agreed and documented terms of employment with legal compliance.
3. All workers are treated equally and with respect and dignity.
4. Work is conducted on a voluntary basis with no forced or compulsory labour.
5. All workers are of an appropriate age.
6. All workers are paid fair wages.
7. Working hours for all workers are reasonable.
8. All workers are free to exercise their right to form and/or join trade unions and to bargain collectively where permitted by law.
9. Workers' health and safety are protected at work.
10. Workers have access to fair procedures.
11. Business is conducted in a manner that embraces sustainability and reduces environmental impact.
12. Progress and compliance are monitored.



Our People

Human Resource & Culture

Our people are at the heart of what makes Adare SEC a great place to work. Fostering a culture of openness and respect, we value every individual whilst striving to work as one cohesive team. We invest significantly in our people and their working environment by creating and maintaining safe and healthy working environments and ensuring we prioritise their ongoing professional and personal development.

We are continually focused on improving not only the experience of our employees but also that of our clients and stakeholders too. We endeavour to work with transparency across the board and remain committed to the monitoring and improvement of 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 persistently seek out enhanced ways to conduct business in a fair, honest and open manner, ensuring that we comply with all relevant laws and regulations.

Across the business we have recently implemented a number of new employee focused schemes including our Employee Assistance Programme and Well Being platform. Additionally, all Board members, Directors and Managers continue to receive mental health training.



Our People



Employee Assistance Programme

This programme provides access to My Health Advantage which allows all of our employees to benefit from various resources, such as webinars, health checks, on-line counselling, and a range of 4 week programmes which people can download to help support them through various topics relevant to individuals.



Wellbeing Page

Our wellbeing platform provides access to CALM - the #1 app for sleep, meditation and relaxation and also has thousands of videos from sleep stories, to meditation and yoga practices. It also allows employees access to Hussle - where colleagues can gain unlimited access to 1000's of UK venues such as a spa, pool or gym.



Real Living Wage Foundation



The Living Wage Foundation is an independent movement of businesses and people who celebrate and recognise the leadership of responsible employers who choose to pay a real Living Wage based on the cost of living and not solely on government set minimums.

Adare SEC is proud to be accredited as Living Wage Employers. It makes sense to us as an organisation that paying a living wage is beneficial not only to our employees but also the overall health and success of our business. It also forms part of our aim to be an employer of choice and is in line with our high level objectives which focus on attracting, developing and retaining top talent.

The logo for the Living Wage Foundation, featuring the text "Living Wage Foundation" in a white, sans-serif font. The text is overlaid on a graphic of three overlapping circles in blue, green, and yellow. The logo is positioned in the bottom right corner of the slide, set against a background of purple and pink curved shapes.

Living
Wage
Foundation

Our Community



Social Initiatives

Adare SEC understands the importance of its activities on its immediate communities and wider society and, as such, has aligned its strategy to create a lasting positive legacy.

Strongly supported by our Board and Executive Team, we encourage our people to give something back, whether it is time, effort or aid contributions. It's important that we play our part to build a better world for current and future generations and where we actively operate we endeavour to connect with communities, make positive local contributions, help people fulfil their potential, and promote wider wellbeing.

Adare SEC will initiate and develop business wide initiatives as well as support individual colleague activities which are run with the aim of positively impacting local and wider communities. Furthermore, each colleague across the business will be able to access allocated business hours on an annual basis to fulfil these pledges.



Our Practices

Governance & Policy

Through our experienced and diverse Board and Executive Team, Adare SEC has worked to develop a stringent Corporate Governance framework which focuses on both internal and external practice, structure, people and policy.

All of our Governance and Policy decisions are managed at the highest level and reviewed by our dedicated ESG focus group to ensure robust ethical, risk and governance focused business practices are embedded into the decision-making process throughout our whole business.

Our framework is designed to responsibly manage protocols and auditing, stakeholder relationships, company structures and pay, and operational risks.

We will:

- **Maintain regulatory policies and procedures which have been developed through our Board and our Risk and Compliance team.**
- **Provide regular structured compliance training to every employee.**
- **Ensure accurate and structured reporting to provide stakeholders and board members with a clear picture and understanding of the performance of the business.**
- **Adhere to all Regulation Authority requirements to the extent that they apply to us.**



Measuring Success

How do we know we're on the right track?



Gold EcoVadis rating



Science Based Targets



ISO 14001 accredited



Independent carbon measurement



Forest Stewardship Council

