

CORPORATE AND SOCIAL RESPONSIBILITY

Health & Safety

The Alumasc Group plc places the highest priority on health and safety matters. There is a clear group policy to this effect and it remains the first agenda item for all subsidiary and group Board meetings. Achieving an embedded health and safety culture and the reduction of accident risk is the responsibility of management and employees alike.

The group continues to hold regular health and safety best practice days. Each operating business or site has local health and safety committees that meet regularly and is subject to an annual health and safety audit, carried out by external consultants, with consequential action plans being monitored in Board meetings. All of our businesses/sites continue to improve on their excellent audit results with an embedded focus on seeking best practice.

The reporting of near misses has improved, with identified instances of near misses increasing by nearly 80% over the last year, largely due to a refreshed initiative to encourage employees to be more aware of health and safety issues whilst working. This has also resulted in a significant reduction in the number of accidents resulting in lost days, down 60% in 2017/18 compared with 2016/17. Our principal health and safety KPI, the performance rate index (a relative measure capturing the total number of lost time and other safety incidents, relating the result to the overall number of hours worked), improved to 4.3 from 5.7 in the previous year. The improvement in health and safety performance over the last year is consistent with the longer term trend, resulting from prioritisation, focus and continuous improvement actions taken by both management and employees over many years. Following prior initiatives of strengthening risk assessments, safe systems of work and training in those areas of our businesses judged to be those capable of causing the most serious incidents, work continues to ensure that improvements are continually made.

Employee matters

Role	Male	Female	Total
Non-Executive Director	5	–	5
Executive Director	2	–	2
Senior managers	42	7	49
Employees	366	114	480
	415	121	536

As a group, we are committed to promoting diversity and providing equal opportunity to all areas of the business from recruitment, employment and career progression to learning and development. We recognise the benefit of calling on the widest range of knowledge, skills and experience and we use a broad spectrum of recruitment advertising and methods of attraction (for example, press advertising, internet job sites, Jobcentre Plus, agencies) to try and reach all relevant potential applicants within the members of society and local community. The group is an equal opportunities employer and its policies for recruitment, training, career development and promotion are based on the aptitude and abilities of the individual regardless of religion, gender and sexual orientation. Those who are disabled are given equal treatment with the able-bodied. Should employees become disabled after joining the company, every effort is made to ensure that employment continues and appropriate training is given. A formal Equality and Diversity Policy has been approved by the group Board and applies to all our businesses.

Employees are kept informed of changes in the business and general financial and economic factors influencing the group, this is done through briefing sessions and presentations. The group values the views of its employees and consults with them on a regular basis about matters that may affect them. Some of our businesses issue quarterly internal newsletters with a mix of company updates and employee related news such as charitable events that employees have participated in.

Environmental and sustainability matters

Alumasc is cognisant of the impact its business operations may have on the environment, and where practicable we seek ways of working to improve our environmental footprint. Our strategy of focusing on building products activities and divesting our engineering and industrial products businesses over recent years has significantly reduced the impact of the group's operations on the environment.

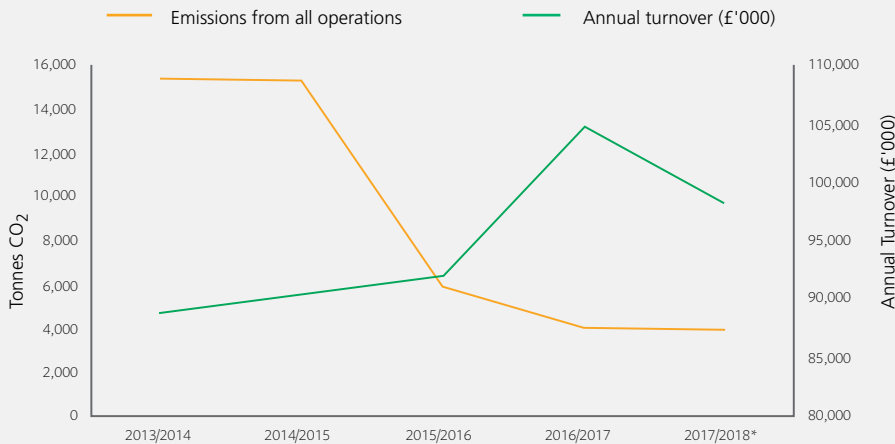
Many of our building products businesses are strongly focused on providing effective solutions to enhance sustainability in the built environment. The group has established leading positions in water management, through brands such as Alumasc Water Management Solutions, Wade, Gatic, Alumasc Roofing and Timloc; and energy management through Levulux.

The Board supports continuous improvements in environmental standards throughout the group. This is achieved through a variety of methods, including product process development, promoting use of recycled materials, waste minimisation, energy efficiency and reducing the emissions from all our operations.

Our programme of environmental audits, carried out and certified by external consultants, has continued through the year. These audits are designed not only to highlight areas in which we can improve, but also to form a basis for our achieving ISO14001:2015 Environmental Management accreditation in a number of our businesses.

Strategic Report

CORPORATE AND SOCIAL RESPONSIBILITY continued

CO₂ emissions (Tonnes)

* 2017/18 emission figure includes Wade from date of purchase

Carbon Management & Greenhouse gas ("GHG") emissions

The group continues to work with Carbon Footprint Limited, the carbon and sustainability management specialists, to improve our environmental and sustainability credentials. We continue to reduce carbon emissions including:

- Moving our old, energy inefficient Timloc factories to a single new purpose built energy efficient building that has reduced its electricity usage by around 19%; and
- Acquisition of typically low capital intensity, specialist building product businesses, such as Wade International, whose factory has roof-top solar panels, generating power for its manufacturing operations, with the surplus sold back to the national grid.

All operational sites segregate their process waste to allow direct recovery and recycling. Our obligations to recover and recycle packaging waste are discharged by membership of an independent compliance scheme operated by Valpak.

The wider group is well positioned to benefit from environmentally-driven changes in policy and regulation. In particular, the growing awareness of sustainability and life-cycle cost amongst building and construction specifiers should benefit those group businesses that assist their customers to manage energy and water use in the built environment.

The group's strategy of becoming a focussed supplier of premium building products has enabled the group to reduce its overall CO₂ emissions by just under 74% over the last five years to 4,054 tonnes in 2017/18 from 15,245 tonnes in 2013/14, see the graph above, whilst growing revenues over that period.

Whilst the majority of our reduction in CO₂ emissions have resulted from the sale of our engineering businesses, our businesses also saw a reduction in electricity usage in 2017/18 of 22% when measured against 2016/17 across the group. This demonstrates the effect of continuing process efficiencies on group emissions as a whole. The full statutory report on greenhouse gas emissions can be found in the Directors' Report on page 54.

Community

In addition to the wider community benefits arising from our environmental programme, the group is committed to supporting local community initiatives and a number of charitable donations have been made throughout the year by our subsidiaries including to football and rugby clubs and European Rally in aid of The Teenage Cancer Trust and The Rainy Day Trust. Group donations in the year amounted to £1,949 (2016/17: £1,237).

Human Rights and Modern Slavery Act 2015

Alumasc has long had a culture of seeking to treat people fairly and of being honest and straightforward in its business relationships. As Alumasc comprises a number of relatively small businesses operating from the UK and exporting to mainly developed countries, the Board does not consider it necessary to have a formal human rights policy.

Following the enactment of the Modern Slavery Act 2015, Alumasc has introduced a new Modern Slavery and Human Trafficking Policy. The Alumasc Group plc has a zero tolerance approach to modern slavery and is committed to act ethically and comply with all laws and regulations, which are relevant to the group's businesses and in all countries where the group operates. The group expects its suppliers to hold their own suppliers to the same high standards. The latest statement is available at www.alumasc.co.uk.

The group does have policies on the related topics of equal employment rights policies and communication with employees as highlighted earlier in this report. It also has the following policies in place:

- Business Ethics policy;
- Anti-Bribery and Corruption policy;
- Equality and Diversity policy; and
- Whistleblowing policy.

Pavestone Rally

Alumasc Water Management Solutions ("AWMS") took up the challenge to enter the Pavestone Rally in aid of The Rainy Day Trust and The Teenage Cancer Trust. The 2017 Rally event raised over £100,000 with AWMS raising over £1,000 with the help from its customers and suppliers.

Over 30 cars took part, crossing through ten countries between 7 and 10 September 2017. The AWMS team of four were tasked to "buy a banger" costing under £500 and create something that will grab people's attention and then drove from Dover to Monte Carlo – passing through Belgium, Germany, Switzerland and Italy en-route, crossing their fingers they didn't break down!

The 2017 rally event raised

>£100k

Alumasc raised

>£1,000

How many cars took part

>30



"Driving from Dover to Monte Carlo for charity – passing through Belgium, Germany, Switzerland and Italy en-route crossing their fingers they didn't break down!"