

Strategic Report

Corporate and Social Responsibility

Committed to Sustainability

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 energy and water management, through brands such as Alumasc, Levelux, Harmer, Gatic and Blackdown.

Health and safety

The Alumasc Group plc places the highest priority on health and safety matters and seeks to achieve high standards for the well-being of its employees. 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 majority of Directors and many senior managers within the group have been trained to Institution of Occupational Safety and Health (IOSH) accreditation standard with others trained and certified to National Examination Board in Occupational Safety and Health (NEBOSH) standards. The group holds regular health and safety best practice days. In addition, each operating business has local health and safety committees that meet regularly and are subject to an annual health and safety audit, carried out by external consultants, with consequential action plans being monitored in board meetings.

Further progress has been made during the year in ensuring our strong health and safety ethos is fully embedded throughout the group. 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 3.1 from 3.8 in the previous year. This reflected a reduction in both the number and severity of incidents, particularly in the higher risk engineering business, Dyson Diecastings, which was sold on 30 June 2016. 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.

Role	Male	Female	Total
Non-Executive Director	5	–	5
Executive Director	2	–	2
Senior managers	42	8	50
Employees	345	110	455
	394	118	512

Employee matters

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. An analysis of our employees by gender at 30 June 2016 appears above.

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.

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.

Environmental and sustainability matters

Alumasc is cognisant of the impact its business operations may have on the environment, and where practical, we seek ways of working to improve our environmental footprint. Each operational business is also subject to an annual independent Environmental Compliance audit. Our strategy of focussing 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.

The Board is committed to applying best practice environmental standards throughout the business. 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 company vehicles.

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, Alumasc Roofing and Gatic; and energy management through Levelux and Alumasc Façades. We are committed to complementing this leadership by adopting environmentally sound business practices throughout our operations.

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.

Subscription to the BREEAM (BRE Environmental Assessment Method) Points System and LEED (Leadership in Energy and Environmental Design) (see page 11), allows a specifying architect or engineer to differentiate between those products with true sustainable credentials and those not achieving the benchmark, enabling the realisation of innovative, next generation buildings that make effective use of all resources, for example the Alumasc BluRoof system (see page 13).



We also work with Carbon Footprint Ltd, the carbon and sustainability management specialists, to help us to seek to reduce emissions over time.

Find out more here:
www.carbonfootprint.com

Indicative ratings for building materials given in the BRE Green Guide to Specification ('BRE Guide') also allows designers to choose those products or construction methods that will be most beneficial to reducing carbon emissions, protecting biodiversity and that are the most ecological. Alumasc roofing systems, for example, score highly in BREEAM ratings – notably for responsible sourcing of materials. They also contribute to a very good generic rating in the BRE Guide, capable of an A+ rating when installed on timber or metal decks.

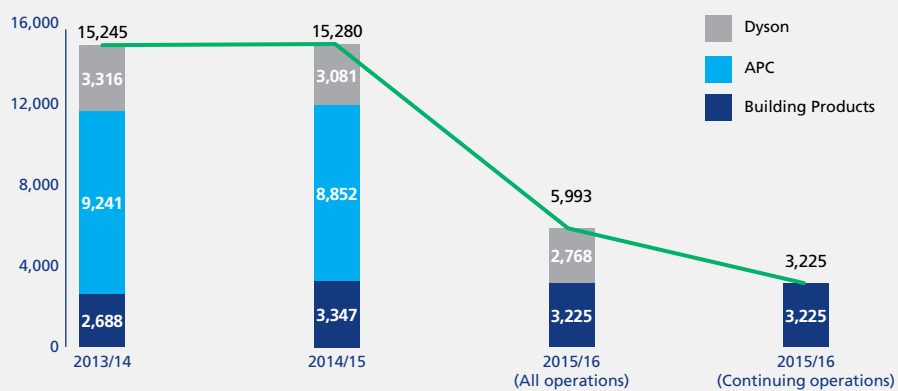
Our programme of environmental audits, carried out and certified by external consultants, has continued through the year. These audits are designed not only to highlight areas in which we can improve, but also to form a basis for our achieving ISO14001 Environmental Management accreditation in a number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

The group has an ongoing programme to monitor progress of a number of criteria against which improvements in environmental performance can be measured in operating businesses. This programme has delivered continuous year-on-year improvements against measures from the use of recycled paper to energy usage and efficiency.

As new environmental regulations come into force, the group takes active steps to comply. We continue to ensure compliance with the REACH Regulations on the manufacture and import of chemicals in the EU.

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.

CO₂ emissions (tonnes)



Carbon Management & Greenhouse gas ('GHG') emissions

The group continues to work with Carbon Footprint Limited, the carbon and sustainability management specialists, as part of our initiatives to improve our environmental and sustainability credentials.

The group's strategy of becoming a focused supplier of premium building products, culminating in the sale of Dyson Diecastings, has enabled the group to reduce its overall CO₂ emissions by nearly 80% over the last two years to 3,225 tonnes from continuing operations in 2015/16 from 15,245 tonnes in 2013/14, see the graph above.

Whilst the majority of our reduction in CO₂ emissions have resulted from the sale of our engineering businesses, our building products businesses also saw a prior year reduction in emissions by 3.6%, or 5.3% when adjusted for revenue growth in 2015/16. 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 45.

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 schools, youth charities and health and armed forces charities. Donations in the year amounted to £1,983 (2015: £2,438).

Human Rights

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.

The group does have policies on the related topics of equal employment rights and communication with employees as highlighted earlier in this report. It also has the following policies in place all of which can be found on the company's website (www.alumasc.co.uk):

- Business Ethics policy
- Anti-Bribery and Corruption policy
- Whistleblowing policy.

Modern Slavery Act 2015

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.