Sustainability Report 2021 Andron Facilities Management





An Introduction from our Directors

Welcome to Andron's 2021 sustainability report. This report looks back at the last 12 months and the huge progress we have made in our sustainability efforts.

As we reflect on 2021, despite the ongoing disruption caused by the pandemic, we have continued to make strong progress across the three pillars of our sustainability strategy: Our Planet, Our People and Our Communities.

I am extremely proud of how far we have come since we began our sustainability journey, however, I recognise that this is only the beginning. I am committed to making our business a leader in our industry and championing sustainability at every opportunity to ensure we build a better future for all.

I believe that we are leading the way with our commitment to supporting our local communities and I am particularly proud of the profound impact that our employability programme "Inclusive Futures" has already made on disadvantaged people's lives. It's particularly pleasing to report that our first recruit from a background of homelessness recently celebrated their 1st year working anniversary with us.

As a family-owned business, our people are at the heart of everything we do and over the past year, we have invested heavily in the wellbeing of our employees, which is evidenced throughout our report.

We have also worked hard to champion the real living wage across our client base and are proud to have seen a 35% increase in contracts paying the Real Living Wage since we received our recognised service provider accreditation in 2018. At the time of writing, 53% of our employees are now being paid the real living wage.

This year, working closely with an independent sustainability consultant, we have set an ambitious net-zero target, aligned with the Science Based Target Initiative (SBTi) and have also disclosed our carbon emissions to the CDP. The next step on our net-zero journey is to have our targets approved by SBTi and to officially begin on our path of decarbonisation. Additionally, we are committed to assisting our clients in achieving their own net zero goals and we are making some remarkable progress in minimising our environmental impact across our clients' portfolios.

To ensure that we continue to achieve our sustainability goals, we know we must challenge existing behaviours and adopt new ways of working that result in innovative and sustainable solutions. We are fortunate to work with clients and supply partners who share our passion for sustainability, allowing us to achieve our ambitious sustainability goals, together.

As we focus our attention on 2022, we are confident that we will continue to make remarkable progress across all pillars of our strategy and further integrate sustainability within the core of our business strategy. We know that our long term success is intrinsically linked to ensuring we look after our planet, our people and our communities and we hope that you can see from this report the encouraging steps we have made to date.

Cheryl Stewart

Director



Our Sustainable Development Goals

| SDG | What does it mean? | How we are making an impact |
|---|--|---|
| 3 GOOD HEALTH AND WELL-BEING | Ensure healthy lives and promote well- being for all at all ages | A practical, proactive approach to health and safety is embedded in our culture. We are committed to ensuring the health, safety and wellbeing of all our people, clients and communities at all times. All of our people are given the tools and opportunities to grow, develop and thrive in their career and we always celebrate their successes. |
| 5 GENDER EQUALITY | Achieve gender equality and empower all women and girls | Discrimination has no place at Andron and we know that our diversity of thought, perspective, and people are what make us stronger. Female representation in management and graduate programmes is progressing and women make up nearly half of our workforce. We have an equal opportunities policy in place, as well as policies against harassment and discrimination, which are embedded across our organisation through training and education. |
| 8 DECENT WORK AND ECONOMIC GROWTH | Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all | We are committed to creating more sustainable and inclusive communities for our customers, colleagues, and suppliers alike. We work with charities and local business groups to support programmes which develop the skills of disadvantaged people and empower them to re-enter the workplace. We aim to partner with local SME suppliers to reinvest into the local economy and add value to the wider community. |
| 10 REDUCED INEQUALITIES | Reduce inequality within and among countries | We strongly stand against all forms of inequality and take proactive steps to ensure our workplace is fair and free of discrimination. We ensure our staff undertake regular diversity and inclusion training and monitor our wider supply chain to ensure that like us, they have policies and practices in support of equal opportunities. We continue to champion the real Living Wage across every contract and are committed to improving our recruitment processes through the Race at Work Charter and our Disability Confident Committed Accreditation. |
| 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | Ensure sustainable consumption and production patterns | At Andron, we are focused on responsible consumption and ensure zero waste is diverted to landfill through our waste management process. We also have ambitious targets in place to eliminate single use plastic from entering our clients sites and eliminating harmful cleaning chemicals wherever possible .We continue to promote chemical-free and plant-based alternatives on all of our contracts. |
| 13 CLIMATE ACTION | Take urgent action to combat climate change and its impacts | We are taking urgent action to combat climate change by ensuring our business practises have minimal impact on the environment. This year, in response to growing demands from our clients and in recognition of the growing threat that climate change poses to our planet, Andron took the decision to measure our full operational carbon footprint including a full |

scope 3 assessment, with the aim of gradually reducing our emissions towards Net Zero.

change and its impacts

Sustainability Highlights 2021



£15,000

pledged to co-sponsor a house to be built at the new Social Bite Village in London. 369,000

litres of traditional cleaning chemicals eliminated from our operations.



£35k

Donated to various charities throughout the UK, including Social Bite, Cash for Kids and MacMillan.

2

new employees from a background of homelessness recruited through our Inclusive Futures programme.



14,000+

Plastic bottles diverted from landfill through our sustainable uniform.



1,039

hours of volunteering completed by our staff for causes close to our heart



78%

recycling rate on client sites, with the remaining sent for energy recovery at waste-to-energy facilities.

4 Industry Awards

This year, the hard work of our site-based and management teams was recognised through several industry awards, inlcuding:

- CSR Excellence Award
- BSIA Regional Security
 Manager of the Year
- PFM Corporate Partnership
 Award
- PFM Overall Event Winner



1

fully electric vehicle added to our company fleet. This is the first step towards the transition of a fully electric fleet by 2025.

Net Zero Strategy

This year, in recognition of the growing threat that climate change poses to our planet, we measured our full operational carbon footprint and set an ambitious net-zero target, aligned with the Science Based Target Initiative (SBTi).

78

awards presented to our staff through our "Going the Extra Mile", "Making a difference" and long service awards.





In recognition of the growing threat that climate change poses to our planet, we are taking urgent action on decarbonisation and working towards a net zero goal. We are working with our supply chain to protect our planet's natural resources through the sourcing of sustainable products and chemicals, reducing energy and water consumption in our operations, increasing recycling rates and ensuring zero waste to landfill, all while being open about the progress we've made.

Commitments & Progress

Throughout 2021, we have continued to make progress on our environmental goals, including: reducing our waste by implementing closed-loop initiatives; removing chemicals from our cleaning products; and working with our suppliers to design innovative approaches that allow us to support both Andron's and our clients' goals.

One of our main focus areas for this year was measuring our overall carbon footprint for the first time and setting a Net Zero strategy. The built environment, within which Andron and our clients operate, currently accounts for 40% of carbon emissions worldwide. Current efforts to reduce carbon emissions are not sufficient to prevent catastrophic warming, and it is therefore essential that both Andron, our suppliers, and our clients continue to make progress on our environmental initiatives.

In the following pages, we've outlined the progress we have made this year, and the future steps we intend to take to protect our planet.

| FOCUS AREA | COMMITMENTS | 2021 PROGRESS | 2020 PROGRESS |
|---------------------------|--|--|---|
| Cleaner Chemicals | Replace current range of chemicals/products with a more sustainable range and offer to all current and prospective clients. | We replaced 80% of our chemical products to more sustainable alternatives, eliminating over 369,000 litres of harsh chemicals from our operations. | • No data |
| Fleet Management | Full fleet of electric vehicles by 2025. At the same time, steadily reduce business travel and improve MPGs by issuing green driving advice and conduct- ing meetings virtually where possible. | Throughout 2021, our fleet has driven 465,782 miles, consumed 62, 467 litres of fuel, and emitted 13,741 lbs of CO2. Now that we have a baseline, we will be able to regularly monitor and report on our progress in this area. | • No data |
| Environmental Advocacy | Engage with Andon employees, the general public, clients, and suppliers on sustainability issues. | Through our employee app, MyAndron, and across our website and social media pages, we have: Developed a Supply Chain Sustainability Charter which sets out our expectations for our suppliers Issued a Sustainability Survey to our supply chain to measure their progress on sustainability issues Issued updated 'Green Driving' guidance for employees who use our company cars Developed an 'Environmental tips' list for all staff to help them be more eco-friendly whilst at home and in the workplace. | • No data |
| Sustainable Uniforms | Introduce the more sustainable uniforms across all client sites. Work with suppliers to develop process for recycling all end-of-life uniform. | We have rolled out sustainable uniforms across many client sits. This range is fully recycled and includes material from 15 plastic bottles per item. Since mid-2021, we have saved over 14,000 plastic bottles from entering landfill. | · No data |
| Renewable Energy` | Move towards renewable energy sources for the office locations where the energy supply falls under our control. | In line with our Net Zero strategy, this year we have focused on ensuring all offices within our direct control (Aberdeen, Warrington & Cumbernauld) were transitioned to renewable energy sources. | • No data |
| Net Zero Carbon | Work with sustainability consultant to measure our 2020 carbon footprint. Disclose performance to CDP. Set a carbon reduction strategy aligned to our 2040 goal for Net Zero. Align with the SBTIs. | We worked with Avieco to determine our carbon footprint was 4,951 tCO2e. We also submitted to CDP, receiving a C(+) for Awareness and set our Net Zero strategy. We will submit to the SBTI throughout 2022. | • No data |
| Product Deliveries | Work with our new consumable provider, Bunzl, to streamline order patterns and routes, minimise the number of deliveries going to site, and reduce the associated carbon footprint. Throughout 2022 and beyond, we will work with Bunzl to reduce the associated carbon impact of our consumable deliveries to client sites by 30%. | Since partnering with Bunzl earlier this year, we have access to new data which will allow us to monitor our progress towards carbon neutral deliveries. Since May this year, Bunzl have carried out over 2000 deliveries and generated over 11,000 kg of CO2 for Andron. | • No data |
| Waste Management | Monitor the levels of waste produced on client sites, maintain and improve on our recycling rates, and ensure zero waste to landfill. Explore new ways to reduce the production of waste e.g. closed-loop initiatives. | In 2021 we generated 1,064,530 kgs of waste and reported an 78% recycling rate for our waste, with 22% sent for energy recovery at waste-to-energy facilities. The energy recovered is enough to power 1,924 TVs for a year. | In 2020 we generated 1,167,993 kgs of waste and reported an 85% recycling rate for our waste, with 15% sent for energy recovery at waste-to-energy facilities. The energy recovered is enough to power 1411 TVs for a year. |

Our Carbon Footprint

This year, in response to growing demands from our clients and in recognition of the growing threat that climate change poses to our planet, Andron took the decision to measure our full operational carbon footprint including a full scope 3 assessment, with the aim of gradually reducing our emissions towards Net Zero.

Key milestones in our net zero journey

June 2021: We began working with Avieco on our journey to Net Zero.

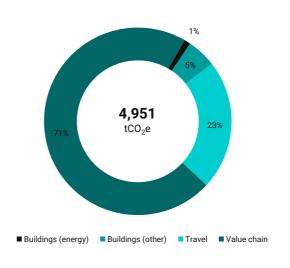
July 2021: We calculated our baseline carbon footprint including scope 3 emissions, and subsequently disclosed our emissions publicly through CDP to enable complete transparency.

December 2021: We completed our Net Zero targets with Avieco which will see us firstly, aim for short-term 7% year on year emissions reduction in line with SBTi (Science Based Target initiative) guidelines, before moving on to our long-term target of reducing emissions by 97% Achieving Net Zero means reducing our carbon and greenhouse gas emissions as much as possible, as well as balancing out any that remain by removing an equivalent amount. This can be done through 'offsetting', a process by which you compensate for your emissions by funding an equivalent carbon dioxide saving elsewhere, e.g. by planting a tree.

We enlisted the help of a sustainability consultant Avieco to help us navigate the challenges of gathering and analysing the data needed to measure our environmental impact. Measuring carbon footprints is a complicated process, however a company's emissions can be broadly categorised into 3 key areas:

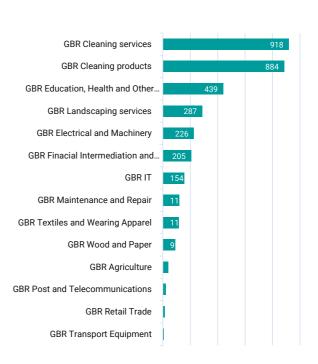
- Scope 1: Covers direct emissions from owned or controlled sources, such as our company cars.
- Scope 2: Covers indirect emissions from the generation of purchased electricity, steam, heating and cooling, including the energy used to power our offices.
- Scope 3: Our purchased goods and services, including the work our supply chain undertake on our behalf.

Avieco calculated Andron's carbon footprint for 2019/2020 at 4,951 tonnes of carbon. The main drivers of our carbon consumption include:



- Goods & services (71%) Driven largely by cleaning services and cleaning products
- Travel (23%) This includes employee commuting (17%) and business travel (4%)
- Other building emissions (5%) Made up of water, waste and paper emissions and although not entirely significant, represent action on sustainability by the company
- Building energy (1%) Although not material, these are our direct emissions associated with energy and requires a targeted response.

The carbon footprint of a business can vary significantly depending on the nature of the business. To contextualise Andron's impact: the average UK citizen is responsible for approximately 10 tonnes of CO2 per year, while Andron accounts for 4,951. In 2020 it is estimated that the UK produced 414.1 million tonnes carbon dioxide equivalent (MtCO2e).



Net Zero Strategy & The Science Based Targets Initiative

Andron is taking a science-based approach to reducing carbon emissions and improving efficiency across our operations.

The Science Based Targets initiative (SBTi) has set a science-based certification Net-Zero Standard for companies to align net-zero targets with the Paris Agreement's 1.5C pathway.

SBTi offers two mitigation pathways to align with Net-Zero:

- 1) Absolute contraction this method reduces absolute emissions by an amount consistent with a mitigation pathway. For near-term SBT's, a 4.2% linear reduction rate must be achieved, whereas for long-term SBTs there must be a minimum 90% overall reduction. This method must be used by all companies in aligning their scopes 1 and 2 emissions with Net-Zero.
- 2) Intensity metric companies using this pathway may define their own physical or economic intensity metric. For near-term SBTs, a 7% Year on Year reduction must be achieved, whereas for long-term SBT's an overall 97% reduction must be achieved.

Andron will firstly, aim for short-term 7% year on year emissions reduction in line with SBTi (Science Based Target initiative) guidelines, before moving on to our long-term target of reducing emissions by 97%. Andron will be following the intensity metric pathway to align with net zero.

We have identified the key impact areas driving our emissions and discussed mitigation strategies with Avieco in order to reduce our impact going forward. This will be a key focus for 2022 and beyond.

With 98% of Andron's emissions coming from Scope 3, a crucial part of this process will be engaging with our suppliers to support their own journey to Net Zero.

Our strategy for reducing emission to Net Zero will include, but is not limited to:

- Ensuring all offices under our direct control are operating on fully renewable energy tariffs
- Transitioning our company fleet to fully electric vehicles by 2025
- Reducing our business travel year on year, including flights
- Working with our supply chain to reduce their carbon footprint, as this will positively influence our own Scope 3 emissions

Science Based Targets Initiative (SBTi)

In the coming months, we will also be submitting our targets to the SBTi. The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

The SBTi defines and promotes best practice in emissions reductions and net-zero targets, and companies who submit their strategy can have their targets scientifically verified in line with what the latest climate science deems necessary to meet the goals of limiting global warming to below 1.5 degrees.

CDP

Following the calculation of our footprint, we disclosed our emissions to CDP, a reporting platform which measures worldwide progress towards a carbon-neutral future. We are pleased to report that we scored C+ for 'Awareness: Knowledge of impacts on, and of, climate change'. This is an excellent score to have received for our first disclosure.

To ensure transparency, we will continue to communicate our progress towards Net Zero through our annual sustainability reports, our employee app MyAndron, our website and social media accounts.

Driving towards Net Zero

One of our largest sources of direct emissions is our fleet and in 2021, we took a key step towards our journey to Net Zero through the introduction of a fully electric car. This is the first step towards the transition of a fully electric fleet by 2025.

Currently, the remainder of our fleet are all either low emission or Hybrid, and are fitted with trackers that monitor fuel consumption. We aim to increase MPG by 2% each year through 'green' driving advice and cut down on unnecessary business travel through video conferencing software as an alternative to face-to-face meetings.

Furthermore, through a partnership with Forest Carbon, we contribute monthly towards new forestry and woodland projects that capture our CO2 from our fleet emissions, through the planting and management of hundreds of thousands of trees over the next few years. The projects are independently certified and there's the added comfort of knowing that forests do so much more for the environment than simply capturing CO2.



Sustainable Sourcing & Supply Chain

Throughout 2021, we have worked tirelessly to minimise our impact upon the environment by switching to sustainable products across our client sites. At the heart of this approach is a focus on forging lasting partnerships ethical suppliers who are as dedicated as we are to providing the best possible service to our clients.

Earlier this year we started working with Bunzl, who now provide our range of consumable products. We welcomed their commitment to sourcing innovative and sustainable products for us, and as Bunzl are a Supply Sustainability School Gold Member, Andron and our clients will benefit from the most environmentally-friendly products available.

The usage of our cleaning products is monitored to minimise any negative environmental impact, and all chemicals are subject to our stringent environmental risk assessment procedures. Where possible we use only chemical-free cleaning systems and products to minimise the amount of chemicals used in our operations.

Closed Loop Recycling

In partnership with Bunzl and several key clients, we have successfully trialed 'Closed-Loop Recycling' with 5 litre cleaning product containers. This means that once containers are empty, we collect them from site, refill them, and return them to be reused. Closed loop recycling helps

us to move away from a linear economy (where products are manufactured, used, and sent to landfill) and towards a circular economy, where waste is eliminated and resources are continually recirculated.

Energy Efficient Equipment

At Andron, we have been working closely with clients to introduce a range of eco-friendly equipment, chosen specifically for their high energy efficiency. These machines rely mostly on batteries, water or non-toxic chemicals, meaning we rely less on fossil fuels such as gases, heavy oils and diesel. Even equipment faults are diagnosed remotely via an app, meaning no unnecessary engineer trips and the avoidance of associated carbon emissions.

We are currently looking at the best possible ways to recycle our equipment after use.

These surveys allow us to capture data on Sustainability, Ethics, and Diversity & Inclusion within our supply chain. We recognise that everyone is at a different stage in their sustainability journey, and by capturing this data, we are better able to manage supplier relationships, support their progress, and deliver on our Corporate Social Responsibility objectives.

We have highlighted some of the key findings below:

- 100% are ISO 14001 accredited or work to an **Environmental Policy**
- 86% are classed as Small, Medium or Micro enterprises (SME's)
- 67% invest in their employees through wellbeing initiatives and internships
- 40% use hybrid of electric vehicles
- 91% of supply chain employees are paid the real Living Wage
- 90% offer flexible working
- 6991 hours of community volunteering carried out by supply chain staff

Eliminating 369,000 litres of harsh chemicals from our operations

In 2021, our consumable partner, Bunzl, carried out a full review of our cleaning products. We identified those that had the most detrimental impact on the environment and we are now in the process of swapping them over to a range of Lactic acid, enzyme, and bio-based cleaning products, therefore helping us eliminate over 369,000 litres of chemicals from our operations.

These chemicals are non-irritant, nonhazardous and are as safe for the planet as they are for people. Even the packaging is made from recycled materials and is manufactured using renewable energy sources, and as a concentrated product, the reduction in the packaging size leads to more efficient deliveries, and fewer lorries on the road transporting our orders.

Supply Chain Charter

This year Andron created its own supply chain charter stating our commitment to continually support our people, our communities and the environment. All our major suppliers have now signed up to our charter agreeing to fall in line with our expectations on the following:

People:

- We require suppliers to adhere to minimum wage legislation and where possible work towards implementing the RLW across their own operations.
- Ensure suppliers have the relevant procedures in place to eliminate modern slavery.
- Expect all businesses in our supply chain to respect their people and to offer a safe workplace that is free from harm, intimidation, harassment, or fear.
- Expect all suppliers to provide a safe working environment for all their staff, to ensure the mental and physical health and wellbeing of all employees.
- Expect our supply chain to treat all people equally, with respect and dignity, promoting a diverse and inclusive workplace and ensuring equal opportunities for all. We do not discriminate, nor do we tolerate discrimination on the grounds of age, colour, disability, ethnicity, gender, marital status, sexual orientation, religion, faith or on any other unjustifiable or illegal grounds.

Communities:

- Andron take pride in supporting the business community, and over 90% of our suppliers are SMEs. We also expect our suppliers to aim to work as much as possible with SMEs.
- Andron expect suppliers to support their local communities where possible. This can include volunteering days or charitable donations.
- Andron believe it is important to give opportunities to vulnerable and disadvantaged people, and we expect our suppliers to go beyond their legal obligations, taking an inclusive approach to recruitment and selection when hiring from the community.
- Andron expect our partners to support the training and development of their workforce through initiatives such as community apprenticeship schemes, training programmes, school education partnerships and career mentoring/workshops.

Environment:

- Andron expect all suppliers to have targets in place to reduce their carbon emissions, and be actively looking to meet and build upon these targets.
- Andron expect suppliers to explore ways in which to reduce water consumption, the use of potentially harmful chemicals, and the amount of waste they are sending to landfill.
- Andron expect all suppliers to reduce the amount of single-use plastic they use as much as possible.
- Andron expect our clients to continually seek to implement innovative ways of working which have a less detrimental impact upon the planet, and to commit to the transfer of environmental best practice across their operations.
- Where possible and practical, Andron expect our suppliers to consider whether their company vehicles can be switched to electric or hybrid models.





As a family business with strong family values, we care about our people. The health and wellbeing of all our employees is our top priority and we have worked tirelessly to create an environment which celebrates our differences.

Commitments & Progress

Throughout 2021, we have continued to make progress on our commitment to our people through: championing the real Living Wage to all new and existing clients, improving resources and awareness to support our employees physical and mental wellbeing, continually rewarding and recognising employees who go the extra mile and investing in employee training and development.

In the following pages, we've outlined the progress we have made this year, and the future steps we intend to take to protect our planet.

| FOCUS AREA | COMMITMENTS | 2021 PROGRESS | 2020 PROGRESS |
|---------------------------------------|---|---|---|
| Diversity, Equality, and Inclusion | Capture and report D&I data to allow us to develop targets and initiatives to improve performance. Work with external organisations to improve D&I understanding and opportunities throughout the business. Continue to campaign the real living wage across our client base through our Recognised Service Provider accreditation. | We are pleased to confirm an increase in the number of employees paid the RLW – up to 53%. We signed up the Armed Forces Covenant this year to demonstrate our commitment to supporting the employment of service leavers. | 40% employees were paid the RLW in 2020. We signed up to the Race at Work Charter and Disability Confident Committed as part of our commitment to improving D&I in Andron. |
| Wellbeing | Improve resources and awareness for staff mental and physical wellbeing. Promote Mental Health tips and resources via MyAndron. Provide support to employees by increasing number of MHFA and support options throughout company. | In addition to our existing 3 Mental Health First Aiders, we signed up to an Access to Work pro- gramme. This is an excellent service that offers staff up to 9 months of tailored support. Employ- ees can sign up via the links on MyAndron. | In 2020 we trained 3 Mental Health First Aiders to support staff who may be experiencing a difficult time, particularly throughout the COVID-19 pandemic. |
| Reward & Recognition | Increase channels for employee reward and recognition throughout the business, and ensure winners are celebrated on our internal employee app. | We have awarded 42 Long Service Awards and TBC Going the Extra Mile Awards. We also decided to award 2 Making A Difference Awards this year for staff members who we felt had truly made a difference to people's lives on site. Lastly, we implemented a Thank You Card Scheme to allow more frequent recognition of our employee's hard work. | We awarded 32 Long Service Awards and 33 Going the Extra Mile Awards. |
| Apprenticeships | Support skills development by adding apprenticeship positions into the business. | This initiative will be a key focus in 2022. | No data. |

Awards & Recognition

Despite the many challenges faced over the course of 2021, there was also reason for celebration. With the collective diligence of our colleagues and clients, we at Andron were honoured to receive recognition, both from a business perspective and for the work displayed within our communities, summoning pride during challenging times. Following are some of the awards received this year:

"Andron FM and Cushman & Wakefield were judged to be the stand out winner in this years PFM Awards due to a long list of highly impressive and sustainable achievements."

Judges Comments



PFM Partnership Awards

Together with our client Cushman & Wakefield, we were delighted to receive the Partnership in Corporate award for our longstanding, trusted partnership.

Adding to our delight, we were also crowned Overall Winner on the night for our work with a national retail banking client.

The PFM awards are designed to recognise the very best examples of effective partnerships within all sectors of the FM industry, showcasing the best practices in partnership, innovation, achievement and sustainability.

We received the following feedback from the judges of the PFM Awards:

"High levels of appreciation for the one team approach that was evident throughout the presentation to the judges, which had produced numerous benefits throughout the supply chain.

In addition to strong examples of genuine innovation, there had been numerous achievements resulting from the excellent collaborative practices.

Further supported to comprehensive achievements in delivery of sustainability goals, the judges stated it was highly obvious that standards have increased across the board and resulted in the entry being a clear winner of the category."

The IWFM Impact Awards

The IWFM Impact Awards are designed to showcase the best practices in the FM industry in terms of Sustainability, Social Value, wellbeing and productivity.

Our Inclusive Futures employability programme was shortlisted for the finals and although we didn't take home the gold, we were delighted to be recognized as worthy of a spot in the final for these prestigious awards.

CSR Awards

We are extremely proud winners of the International CSR excellence award for our inclusive futures employability programme which strives to create employment opportunities for those from marginalised communities, with a background of homelessness and ex offenders.

Our Board Director Cheryl Stewart commented: "Myself and my team have worked really hard over the last 18 months to drive sustainability and social value forward at Andron Facilities Management and its great to be recognised with this prestigious award!"

BSIA Awards

We are exceptionally proud of Andron Security Manager, James Howdon, who was awarded Security Manager of the Year at the British Security Awards 2021.

Organised by the British Security Industry
Association (BSIA), the British Security Awards
celebrates the achievements, acts of bravery,
innovations and commitment made by members of
the UK's security industry.

James won the award for demonstrating continual and consistent excellence in a senior security management capacity, and for his commitment to keeping people, property and places safe.

Mental Health and Wellbeing

At Andron, we believe in the importance of showing compassion to ourselves and each other. It's imperative to us that we foster an environment in which our employees have access to resources that provide guidance and support towards their physical, mental and emotional wellbeing needs.

The unfolding of recent global events has been a catalyst for dramatic change and ultimately our focus has shifted towards supporting each other through difficult times, learning new ways to cope and breaking down barriers and social stigmas related to mental health.

In 2021 we continued to provide Mental Health Awareness training to all managers, allowing them to better understand mental health in the workplace and provide support to employees who were suffering.

We also understand the importance of talking about Mental Health and actively celebrate Mental Health Awareness Week, and World Mental Health Day.

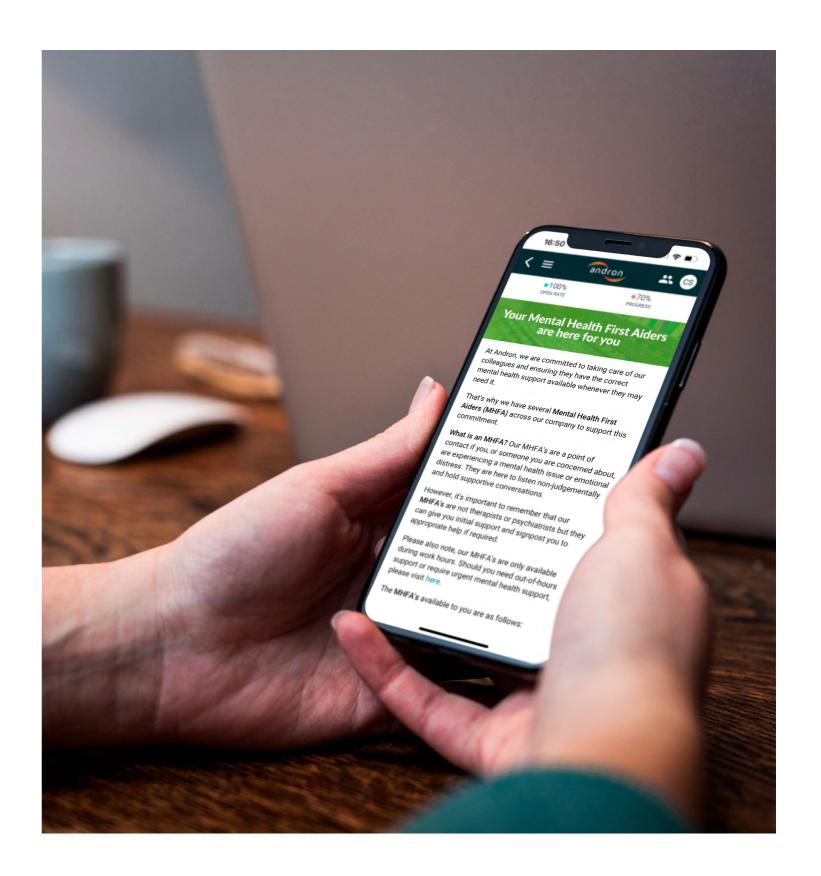
Furthermore, our employee app, MyAndron, includes an area dedicated to employee health and wellbeing with advice, guidance and support. We ensure regular communication with additional wellbeing tips such as home workout ideas and healthy eating advice.

Mental Health First Aiders

A vital part of our workplace culture at Andron, is for our staff to feel empowered in approaching the subject of mental health. As part of this initiative, we have increased the number of "Mental Health First Aiders" to a total of 9 this year, ensuring that employees always have the support they need.

Able Futures

Andron have teamed up with Able Futures in their "Access to Work programme", a free and confidential service which provides professional mental health support to those who need it, helping employees to cultivate new tools to deal with issues concerning their mental health.



Supporting employee engagement, wellbeing and development with MyAndron

Andron is building a strong culture and investing in our people to attract a diverse and innovative workforce. All of our employees are valuable to us and therefore our investment in them is on-going. We are committed to supporting our employees to be the best that they can be, at every step in their career.

In 2021, we focused on connecting and engaging with our remote workforce. Following the official launch in 2020 of our employee engagement app, MyAndron, we focused our efforts on onboarding the remainder of our staff.

Currently, MyAndron has a 90% activiation rate, meaning over 1800 of our employees are actively using the app. Communication with our remote workforce is now instantaneous, allowing us to reach employees with important information within a matter of seconds.

Employees are able to connect & engage with colleagues in social walls. The social wall feature offers our employees a private, safe space to communicate with their colleagues and/ or manager. Employees can use the social wall to discuss anything from shift changes, wage enquiries, wellbeing advice and good news stories.

Another crucial feature of MyAndron is the ability to send notifications to staff containing important information and updates. Through the

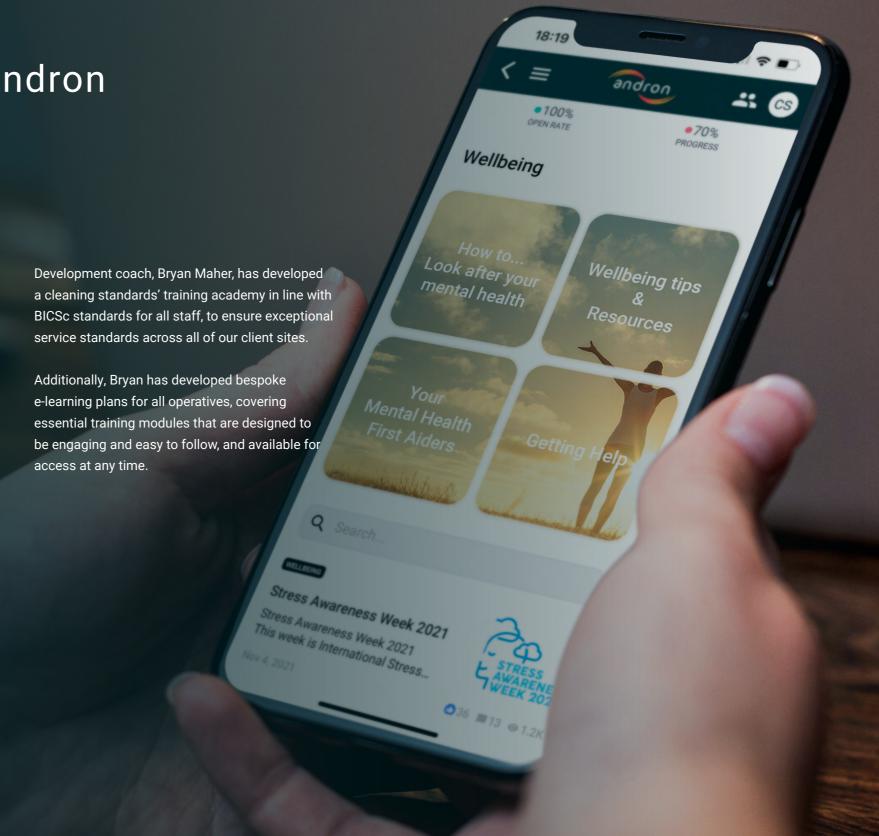
app analytics, we can track the open rate and immediately identify employees who have not yet engaged with the update and require a reminder. This is particularly useful for updates that are sent outside of typical working hours. During the pandemic, Andron's HR team also kept staff up to date with important COVID-19 updates, whenever government advice changed.

Through MyAndron, staff can also access Andron's dedicated wellbeing section, full of free resources on looking after their mental health, as well as direct contact to our team of Mental Health First Aiders.

Additionally, MyAndron provides an opportunity for 360 feedback, where employees can comment on updates or share their concerns through pulse surveys.

Training & Development

High quality training yields high quality standards. Through MyAndron, our dedicated Training &



Championing a 35% increase in clients paying the real Living Wage

The real Living Wage is an independently calculated rate of pay that is based on the cost of living. At the heart of the Living Wage movement is a simple idea - that a hard day's work deserves a fair day's pay.

We are a living wage Recognised Service Provider proudly working with the Living Wage Foundation to promote the real Living Wage. This means we pay all of our own head office and core function staff the real Living Wage as per the Living Wage Employer agreement.

We have also committed to always submit a Living Wage bid alongside every market rate submittal to all prospective and current clients. This means the client always has the choice to implement the Living Wage at the point of tender and there is a pathway towards the Living Wage for the client in place.

As it stands, Andron currently pays 53% of our workforce the real Living Wage – a huge 35% increase since we obtained recognised service provider status just over 2 years ago. We have worked hard to campaign the real living wage across our client base and as more of our clients commit to paying our employees the living wage in 2022, we are confident that we can continue to pay more of our employees a fair wage to meet the rising living costs in the UK.

Through the implementation of the real Living Wage, we have seen reduced staff turnover, increased engagement and improved wellbeing. Employees paid the real Living Wage feel more valued, demonstrate higher motivation and perform better; this has been reflected in improved customer satisfaction scores.

"Since I started working for Andron
I have found the real Living wage
to be a huge difference financially
compared to national minimum wage.
I'm able to handle bills much better,
save a lot more and even have money
left over in my pocket to spend! The
living wage definitely gives you more
incentive than minimum wage."

Anthony Proctor, Andron Security Officer





Diversity & Inclusion

Discrimination has no place at Andron and we know that our diversity of thought, perspective, and people are what make us stronger.

We have a 2100 strong workforce with employees from 65 different countries. We have worked tirelessly to create an environment that celebrates our diversity and differences.

Like many companies, we have more work to do on diversity, equality, and inclusion, but we believe we are on the right path.

Empowering Change-makers

In 2021, we continued our commitment to improving equality of opportunity in the workplace by providing all staff that form part of the recruitment process regular training on Diversity and Inclusion, so as to provide equal and fair treatment both during recruitment and throughout the employment period. All staff also undergo annual refresher training on our Equality & Diversity Policy.

Additionally, we provided 'Anti Bias' training to all account management staff, designed to develop an in-depth awareness of the different forms of bias and how they perpetuate inequality. The interactive training, which aims to cultivate a more inclusive workplace and drive systemic change, consists of fun workshops, challenges and debates lead by experienced facilitators in a safe and supportive environment. Anti Bias training ensures greater

understanding between individuals, fosters respect, builds relationships, and strengthens team dynamics.

360 Feedback

Using pulse surveys issued via our employee engagement app, MyAndron, we have built a culture of "360 feedback" and ask employees for feedback on the issues that matter to them. This allows us to provide the best support to our staff and ensures employees feel their values, beliefs and experiences are recognised and appreciated.

Awareness & Celebration

We work to an 'Awareness & Celebration' calendar, through which we celebrate causes that are important to our staff. Previous events include Purple Tuesday, Environment Day, and Pride celebrations for our LGBTQIA+ employees.

Accreditations

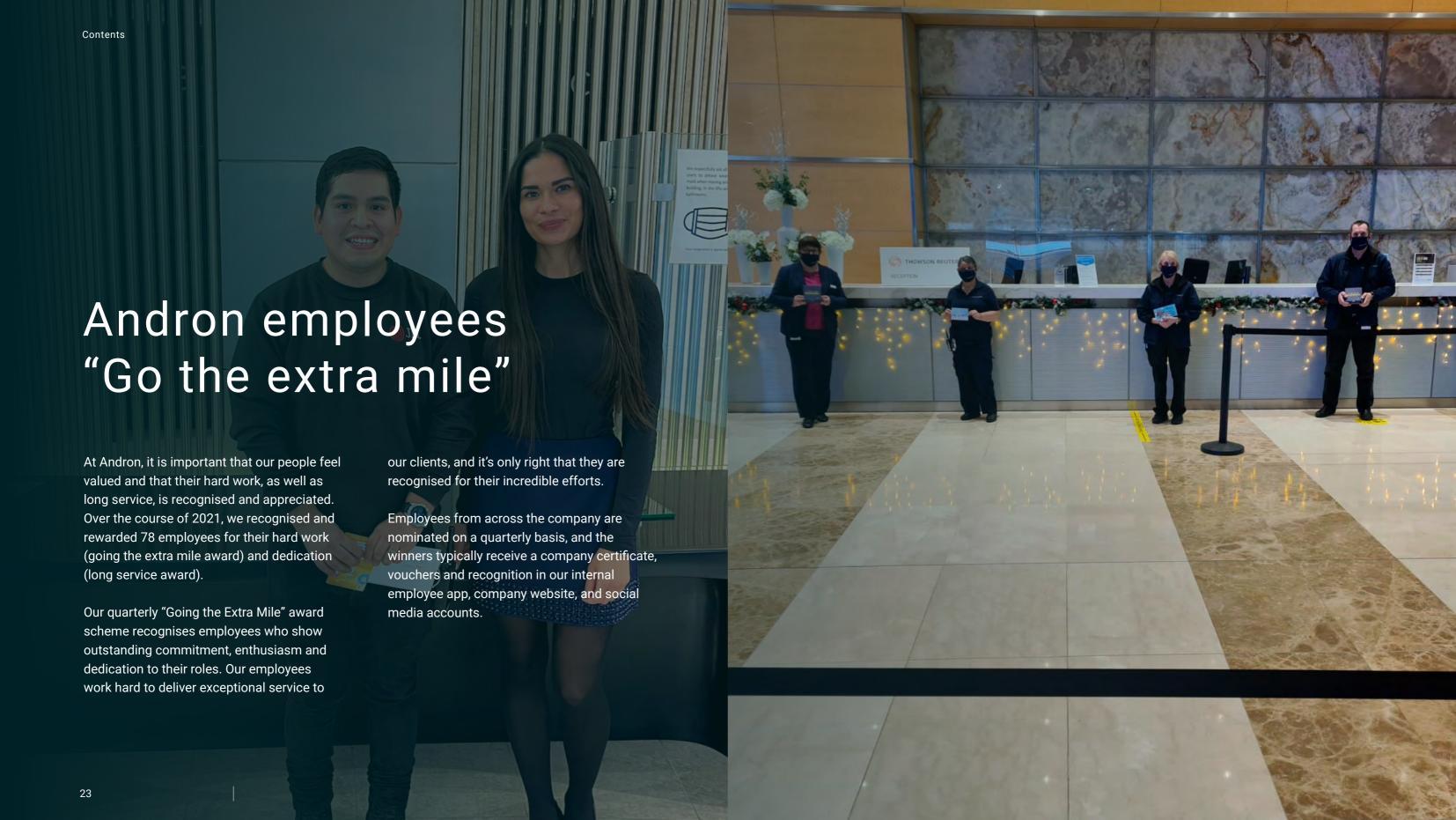
We are members/signatories of Disability
Confident, Social Mobility Pledge, Race at Work
Charter, and the Armed Forces Covenant, and
actively work to celebrate and empower employees
from all backgrounds.

Proudly supporting The Armed Forces

In 2021, we signed the Armed Forces Covenant, which recognises the value that serving personnel, reservists, veterans, and military families bring to our country.

Signing the Covenant symbolises our promise to support armed forces employment, as well as recognising military skills and qualifications in our recruitment process, and supporting important causes such as Remembrance Day and the annual Poppy Appeal.

Through this initiative, we are committed to ensuring armed forces personnel can develop their second careers in a supportive working environment. We're excited to begin this journey and look forward to welcoming former service people to Andron and the FM industry in the years to come.



Health & Safety

We have attained key Health & Safety accreditations including OHSAS 45001 and SafeContractor. We have also committed to reducing the number of major and minor accidents by 5% each year.

Our culture of Health & Safety

A practical, proactive approach to health and safety is embedded in our culture. Our teams work hard to eliminate, reduce and minimise potential health and safety hazards to our employees, clients, contractors and the public. Through our risk assessment process we carefully assess what has the potential to cause harm to people, to ensure we've taken the correct precautions or if we should do more to prevent harm.

Through a programme of toolbox talks and online training modules conducted through MyAndron, all staff understand the importance of their involvement in the risk assessment process, helping keep their work place safe as well as achieving the proper completion of duties.

Health & Safety Management Software

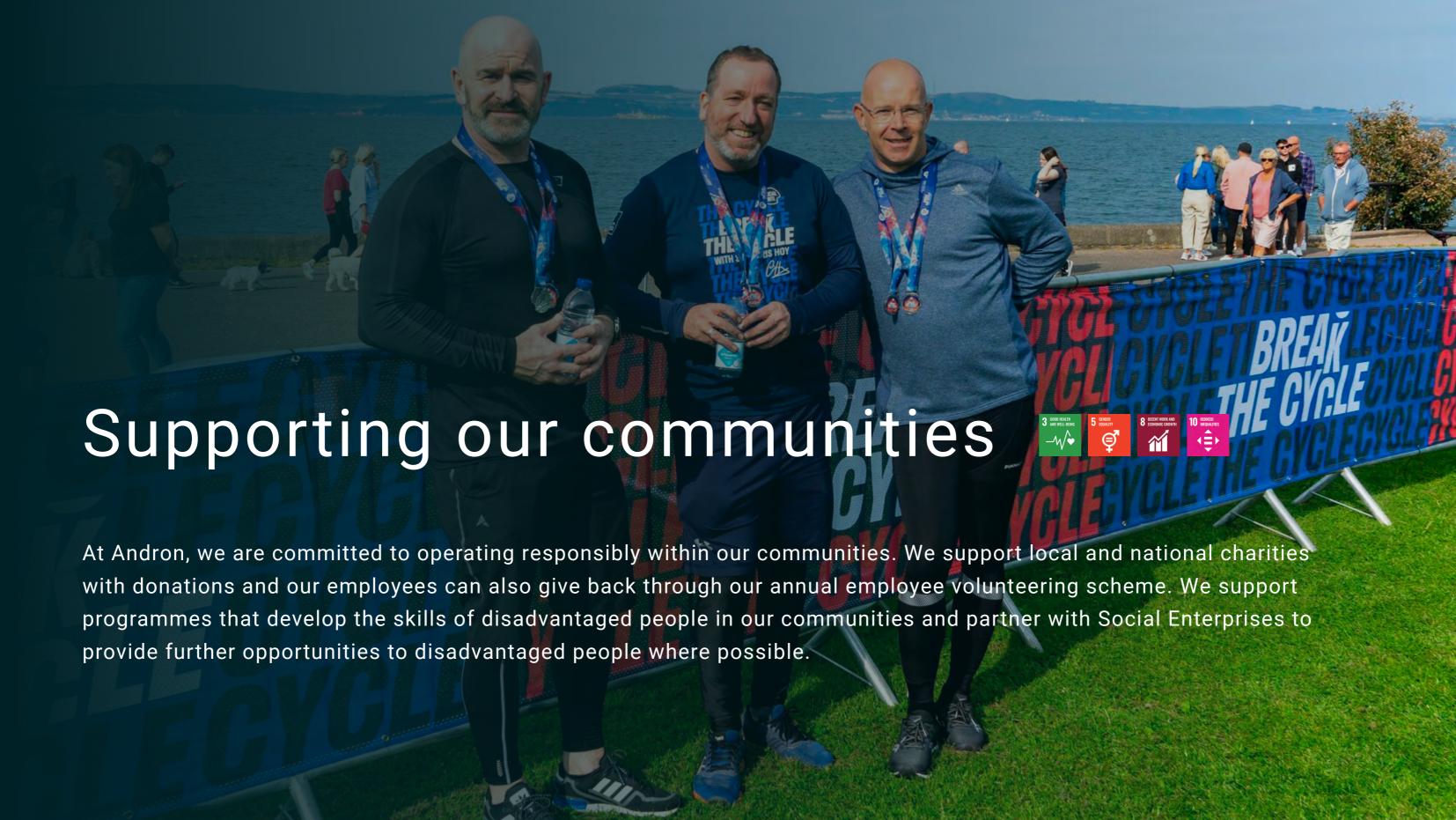
To further ensure HSE compliance and employee safety, we have invested in HSE software to provide a simple and efficient platform to engage employees, suppliers, and contractors in H&S activities, and promote a proactive culture of H&S across our entire workforce.

Through the software, users can report events, complete inspections and view H&S information in one central location.

Additionally, users can capture incidents, near misses and hazards as well as record audits, inspections or assessments 24/7, online or offline, from any location.

Furthermore, the software ensures we move beyond basic Health & Safety requirements by supporting a positive culture across all levels of our organisation.





Commitments & Progress

In 2021, we made it our focus to be of service to society and tighten community bonds, through various volunteering initiatives, charitable donations and the acceleration of our employability programme, inclusive futures.

In the following pages, we've outlined the progress we have made this year, and the future steps we intend to take to protect our planet.

| FOCUS AREA | COMMITMENTS | 2021 PROGRESS | 2020 PROGRESS |
|------------------------------|---|--|---|
| Staff Fundraising | Support employees with any ad hoc or external fundraising and volunteering they undertake. Ensure staff can communicate their efforts to the wider company via MyAndron. | In 2021, our staff donated over 1000 hours to local community projects, including Cash for Kids, St Mungos, Watch us Grow and the Great British Spring Clean. | Our staff donated over 700 hours of their time for charities who played an essential role throughout the pandemic, including the NHS, Social Bite and Cash for Kids. |
| | | This year, we have pledged: | |
| Company Donations | Continue to support our charity partners with donations. | £16,000 to support the development of a Social Bite village to support those experiencing homelessness £8000 for Cash for Kids Aberdeen £3000 each to Cash for Kids Manchester, and Edinburgh £500 to Glasgow-based refugee support charity, Refuweegee £200 for christmas hampers for Recruitment Junction £100 to raffles hosted by our client sites £400 to McMillan £1000 for Community food initiative Aberdeen £1000 for Coats for Kids (Cash for Kids initiative) £2000 to support a young female kick boxing professional in Aberdeen £3000 donated to various fundraising initiatives Approximately £35,000 in total. | £32,000 donated to support our charity partners and the important work they are doing in our local communities. |
| Volunteering | Increase volunteering hours throughout the company for both office and sit-based staff. Work towards having regional volunteering champions and coordinators. | In partnership with our clients and service partners, Andron' employees have delivered approximately 994 hours of volunteering and community support this year. This includes: • 877 hours to Cash for Kids • 40 hours to St Mungos charity • 45 hours to support Watch Us Grow's community garden • 77 hours of community support delivered to our charity partner Radical Recruit, and through community litter picking events and charity walks hosted by 1 Kingdom Street and Rochdale Exchange Shopping Centre. | We delivered 940 hours of volunteering to Socia Bite. Cash for Kids, and the NHS (to support a volunteer sign up event at NHS Lothian Head- quarters). |
| Inclusive Futures Placements | Continue to develop charity partnerships and work with these organisation to increase number of em- ployees from disadvantaged backgrounds. | In 2021, we placed 2 new employees through our Inclusive Futures programme. | In 2020. we launched Inclusive Futures placed our first candidates at client sites in Glasgow. |
| School Partnerships | Identify and set up partnership with schools in disadvantaged areas. Work with these schools to provide career support/guidance/CV writing etc. | This is a new initiative and will be a key focus in 2022. | Not tracked. |

Tackling homelessness with Inclusive Futures

Andron's employability programme, Inclusive Futures, provides life-changing employment opportunities for people furthest from the job market, including people with a background of homelessness, ex-offenders and people from marginalised communities.

As a company who strives to operate responsibly, we are always on the lookout for ways to create social value and give back to our local communities. The Facilities Management industry provides a wealth of employment opportunities and with the social and economic impact brought on by the pandemic, we looked for ways to help those who were the most vulnerable in a time of crisis and uncertainty.

We know that employment can be incredibly transformative, and with our new "Inclusive Futures" employability programme, our aim is to give individuals from disadvantaged backgrounds access to employment opportunities. Through this programme, we believe that we can really make a difference in people's lives and to the wider society.

We aspire to achieve systemic change through the overall reduction of homelessness, challenging bias within our industry and to equip our managers to be changemakers within our organisation.

COVID-19 and the beginning of Inclusive Futures

We first piloted our employability programme "Inclusive Futures" early in 2020 in partnership with Scottish charity, Social Bite; a major employer of homeless people.

At the time, the charity was facing café closures as a result of the national lockdown. Following discussions, we formed an idea in which we could prevent as much of the detrimental impact as possible, by looking for employment opportunities within Andron for these individuals receiving support from Social Bite.

We worked closely with Social Bite to ascertain how we could bring this plan to fruition, looking at the level of support required from both Social Bite and our own operational team. As a result, we were able to recruit and subsequently place, our first employee at a client site in Glasgow in November 2020.

In March 2021, we placed our second "Inclusive Futures" candidate within a client site in Glasgow city centre, in a full-time cleaning role.

Following the success of our partnership with Social Bite, the charity has replicated our employability programme within their own business, creating a programme called "Jobs first" where Andron are acting as the pilot employer.

To further expand our "Inclusive Futures" reach across the UK, we formed a partnership with Radical Recruit, a recruitment charity who work exclusively with candidates from marginalised communities, and The Recruitment Junction; an agency for ex offenders.

The impact and next steps

Since its establishment, Inclusive Futures has not been without its challenges, but overall, it's been a huge success, with a total of 3 new personnel joining Andron as a direct result of the programme. Our first recruit through Inclusive Futures has also celebrated their 1 Year anniversary with Andron, a heart-warming testament to the success of Inclusive Futures.

Key to its success is the diligence of our charity partners, who have provided the recruits with

wrap-around support whilst they transition into employment, in addition to assisting our managers through the recruitment and integration process.

We know this is merely the beginning of our journey in developing employment opportunities for people from vulnerable backgrounds as we look to expand on the work we have already done, create new partnerships and solidify our existing ones. In doing so, we aim to create a working environment that is much more equal, diverse and inclusive.

"The experience for me has been life changing in that I have moved from long-term unemployment to a very supportive work environment. Both the staff at Andron and my support worker at Social Bite have been professional and caring in their accommodation of my particular set of circumstances and life experiences."

Inclusive Futures Recruit

Andron staff raise over £7300 to 'Break the Cycle' of homelessness

On the 5th September this year, team Andron joined Sir Chris Hoy for a 60-mile cycle from Glasgow to Edinburgh, as part of Social Bites 'Break The Cycle' fundraising event. Setting off from the Sir Chris Hoy Velodrome in Glasgow, our Operations Director, Paul Orru, Training & Social Development Manager, Bryan Maher and Regional Manager, Peter Jones, pedalled the 60 miles across Scotland's central belt and crossed the finish line in Edinburgh – just along from Social Bite's flagship Village in Granton.

Team Andron finished in the top 10 teams for overall funds raised and received a photo opportunity with Sir Chris Hoy himself!

Earlier in the year, our colleagues up and down the country also took part in a series of Break the Cycle virtual challenges. Over a period of 4 weeks they set their own challenges, from walking to running and cycling, and raised an incredible £2,185, as well as walking and cycling some pretty impressive distances too!

All funds raised will go directly towards building two new Social Bite villages and on further projects that will support Social Bite on their mission to Break the Cycle of homelessness.



Helping Cash for Kids and St Mungos make a difference this Christmas

Based across 22 areas in the UK, Cash for Kids are a grant-giving charity, helping community groups, other charitable organisations, schools and individual causes. They focus on supporting children and young people aged 0-18. With cash raised locally and spent locally, Cash for Kids focus on alleviating disability, combating illness and improving quality of life.

We supported Cash for Kids again this year by donating £14,000 across Manchester, Edinburgh and Aberdeen, to support them in their mission to improve the lives of disadvantaged children and young people in our communities who are affected by poverty, illness, neglect or have additional needs.

As well as our donation to cash for kids we are pleased to have also volunteered over 160 hours to support their mission Christmas initiative. This brilliant project helps to bring presents to children and teenagers who may otherwise wake up on Christmas day with no gifts to open.

Furthermore, on 14th December 2021, colleagues from JLL, Andron and Regular Cleaning Services met to wrap gifts for St Mungo's, a charitable organisation working to end homelessness and providing services to keep people healthy, housed and hopeful.

These gifts were collected and then distributed by St Mungo's over the Christmas period.









Refuweegee and the Afghanistan crisis

During the crisis in Afghanistan many refugees were re-homed within the UK, however, refugees arriving in the UK only receive £8 a week.

We therefore decided to support Refuweegee, a local charity that helps to provide a warm welcome to forcibly displaced people arriving in Glasgow. Andron were happy to donate £500 to this cause as well as essential supplies for

welcome packs, which will be passed on to the refugees affected by the crisis in Afghanistan. Our employees also wrote encouraging "welcome to Scotland" postcards to be placed within welcome packs for any new arrivals.



Watch us Grow

Earlier this year, Andron's office-based team in Cumbernauld spent two days volunteering at local Scottish charity, Watch Us Grow: a charity dedicated to making positive changes in the lives of Adults with Additional Support Needs.

Watch us Grow are a charity that Andron has supported for several years and at the heart of their charity is a garden, which provides the basis for their students to learn and work. Our teams spent the day painting sheds and tending to the various outdoor sections of the garden used for growing plants, vegetables and fruit.

The garden is an important place for students to socialise with peers, develop their confidence, and learn the skills they need to thrive, and we had a lovely time socialising with some of the students who attended that day.

At the end of the afternoon, the students were kind enough to send us home with some freshly picked fruit and veg! We were delighted to once again support this incredible charity who are doing such important work in our local community, and look forward to volunteering again next year.

Keeping Britain Tidy

Andron staff at both 1 Kingdom Street, London, and Rochdale Exchance Shopping Centre participated in litter picks, as part of the Great British Spring Clean campaign.

The initiative, organised by Keep Britain Tidy, aims to inspire people to eliminate litter now and for future generations, and make British outdoor spaces cleaner and greener. Their efforts contributed to the 1 million bags of litter collected over the course of the campaign.

Governance

A common term used to measure a company's sustainability performance is Environmental, Social, and Governance, or ESG. In this context, the idea of 'governance' considers Andron's internal controls, practices, and procedures that ensure we are operating for the benefit of our people, our communities, and our planet. In this introduction to Governance, we will explore the company leaders responsible for ESG, as well as the external memberships and accreditations we use to benchmark our performance and some of our key business codes and policies.

Governance & Measuring Performance

As a family owned and operated organisation, we have always believed in "purpose over profit" and our board members are invested in the long-term success and goals of Andron, which includes being a sustainable and ethical organisation that looks after our people, planet and communities.

Ultimate responsibility for sustainability lies with the Andron's Board of Directors, and sustainability is a key topic at every board meeting. All Directors are fully invested in Andron's sustainability performance, and take full responsibility for our ESG strategy and goals:

Managing Director

Ron Stewart has been integral in ensuring sustainability is embedded deep into our mission and strategy. Ron has set out our purpose as a responsible business to operate in a sustainable manner and have a positive impact on our people, planet, and our communities. Our MD continues to demonstrate active support and enthusiasm on this important issue.

Sales Director

Cheryl Stewart is heavily involved in our sustainability strategy and directly manages our Sustainability Team to ensure that we are achieving our ambitious targets and assisting our clients in achieving theirs. Cheryl is key to ensuring our sustainability mission is communicated and

embraced throughout the business, from sitebased teams to senior management.

Operations Director

Paul Orru ensures all sustainability initiatives are implemented across our site-based operations and that our client's sustainability goals are communicated and supported throughout the Operations team. Paul also works closely with our supply chain partners to achieve all sustainability goals.

Compliance Director

Derek Stewart is responsible for ensuring that our HR, HSE and compliance teams are working to achieve all our goals and that the relevant policies and procedures are in place to achieve our strategy.

Finance Director

Andrew Harper is key to ensuring appropriate annual budgets are in place to achieve our sustainability goals, including net zero carbon initiatives, charitable donations, community projects and replacing our fleet with electric vehicles.

Measuring our Performance

In the pursuit of both our sustainability and business objectives, we must continually seek ways to monitor, measure and improve our performance. One of the best ways to do this is by engaging with external organisations and subject matter experts who can ensure that we are developing best-in-class practices and working to industry recognised standards.

Andron operates an Integrated Management
System which is accredited to ISO standards 9001
(Quality), 45001 (H&S), 14001 (Environment), and
50001 (Energy). These standards, in addition to
our numerous industry accreditations, ensure we
can implement the processes needed to abide
by government regulations, achieve customer
satisfaction, enhance sustainability, and satisfy the
needs and expectations of our valued employees.

Throughout 2021, as we have started our journey towards Net Zero, we have also engaged with several sustainability experts including our Sustainability Consultant Avieco. We have also disclosed our carbon footprint to the Carbon Disclosure Project (CDP), which supports organisations to measure and manage their risks and opportunities on climate change. Disclosure

through CDP also allows us to report our emissions directly to our clients and help us stay ahead of climate-related regulatory and policy changes.

Policies and Procedures

Our policies, procedures and standards are set at the Director level and these are supported by our Integrated Management System which is aligned to the ISO standards listed above.

All employees have unrestricted access to the Employee Handbook which details the key policies they must follow during employment and the standards that Andron Facilities Management commit to upholding. These include, but are not limited to:

- Equal Opportunities:
- · Bullying and Harassment
- Anti-Bribery
- Whistleblowing
- Health, Safety, and Environment
- Feedback

Finally, all opinions are valid at Andron, and we believe in maintaining a culture of 360-degree communication and feedback. If you have any questions, suggestions, or comments about any of the information contained within this report, we urge you to get in touch with us at hello@andron.co.uk.





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