

## **UN Global Compact – Communication on Progress for Brammer Limited**

Period covered by Communication on Progress (COP) From: August 2016 To: August 2017

### **1. STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER**

I am pleased to confirm that Brammer Limited reaffirms its support of the Ten Principles of the United Nations Global Compact. In this our first annual Communication on Progress, we outline the actions that we have undertaken to integrate the Global Compact and its principles into our culture, operations and business strategy. We maintain our commitment to advance in the areas of Human Rights, Labour, Environment and Anti-Corruption and recognise the importance this bears to all of our employees, customers and stakeholders.

Yours sincerely,  
*Hermann Maier*  
*Chief Executive Officer*  
*Brammer Limited, United Kingdom, COP for 2016-2017.*

### **2. DESCRIPTION OF ACTIONS**

#### **Introduction to Brammer**

The Brammer Group is a value added supplier of maintenance, repair and overhaul products and related inventory management, procurement and logistics in Europe. We are committed to helping our customers improve production efficiency, lower operating costs and, in turn, reducing their energy consumption and carbon footprint.

#### **Human Rights 1-2**

Brammer is committed to acting with honesty, integrity, in accordance with the highest ethical standards and in compliance with all applicable local and international legislation.

Through its annual employee survey, Brammer provides a confidential basis upon which to appraise the engagement and wellbeing of its employees and also has a formal whistleblowing process in place to allow any abuses to be notified in a timely and confidential manner. 2017 has been a transformation year for Brammer, and in February 2017, Brammer was acquired by a wholly owned subsidiary of funds managed by Advent International. Since the acquisition Brammer has been the subject of a major business transformation programme which mean that this year, the employee survey did not take place.

Brammer does not condone and will not participate in any form of human exploitation, including child or forced labour, slavery and people trafficking. Brammer is aware of the provisions of the Modern Slavery Act 2015 and, in compliance with this, in 2017 Brammer published its Modern Slavery Act Transparency Statement on its website, available at <http://www.brammer.biz/modern-slavery-act.htm>.

The Group also acts in compliance with all applicable national laws in relation to minimum wage, working time regulations and overtime pay, and is supportive of ensuring that employees are paid a living wage.

The Group endeavours to select suppliers who adopt high ethical standards that are consistent with Brammer's corporate beliefs and values. Brammer expects its suppliers (and their subcontractors) to operate their businesses and conduct employee relations in an ethical manner and to meet the requirements stipulated by both international and regional laws and industry standards.

As outlined below, we are supportive of the development of opportunities for disabled people. Recently the Group's UK business contracted Haven Products to pack certain items of personal protection equipment for supply to our customers. Haven Products are part of the Rehab Group, which is a not-for-profit and fully quality certified organisation providing rehabilitation, training and care services for disabled people throughout the UK.

### **Labour Standards 3-6**

The Group is committed to promoting equality of opportunity for all staff and job applicants. We aim to create a working environment in which all individuals are able to make best use of their skills, free from discrimination or harassment, and in which all decisions are based on merit. Both employment policy and practice in the Group are based on non-discrimination and equal opportunities. These principles are set out in the Group Dignity at Work policy, which is available to all employees.

The Group remains supportive of the employment and advancement of disabled people. It is the policy of the Group to give full and fair consideration to applications for employment received from disabled persons, having regard to their particular aptitudes and abilities; and wherever possible to continue the employment of, and to arrange appropriate training for, employees who have become disabled persons during the period of their employment. The Group provides the same opportunities for training, career development and promotion for disabled persons as for other employees.

The Group also acts in compliance with all applicable national laws in relation to minimum wage, working time regulations and overtime pay, and is supportive of ensuring that employees are paid a living wage.

The Group strives to provide and maintain a safe environment for all employees, customers and visitors to its premises and to comply with relevant health and safety legislation. In addition the Group aims to minimise the risk of work based accidents by ensuring systems are in place to address health and safety matters.

The Group encourages the involvement of employees and aims for continual improvement in health and safety matters through a formal structure with a training, reporting and review process. Compliance with health and safety policies and legislation is monitored on a country by country basis. The goal of the Group is to achieve best practice in all of its operations.

The Group's health and safety policy statement, which is published on our website, focuses on establishing a suitable environment, providing proper training and communication with employees.

Reports on health and safety performance are made to meetings of the Board on a quarterly basis. A format of health and safety reporting is in place so that the board can monitor more carefully injury statistics and trends across the Group, especially where there are locally notifiable incidents.

### **Environment 7-9**

Brammer recognises that it is part of a wider community of employees, shareholders, customers, suppliers and other stakeholders, and that Group companies have a responsibility to act in a way that respects the environment. This is at local, regional and national level, and covers a multitude of different areas.

It is the policy of Brammer, so far as is reasonably practical, to protect and conserve the local and wider environment from any adverse impacts caused by its operations and to take all reasonable steps to lessen its impact upon the environment; including reducing its carbon footprint through decreasing energy consumption and proactive waste management. As a distribution company, the interests of our major stakeholders and the environment are well aligned as increased efficiencies can reduce our carbon footprint, and help to both drive increased shareholder value and improve costs for customers.

Across all its operations Brammer works hard to ensure that employees are provided with relevant environmental training and awareness, to meet all relevant legislative requirements on environmental issues and ensure all contractors follow our practices while working on site and respond promptly and efficiently to adverse occurrences. Brammer also looks favourably upon suppliers who have committed themselves to reducing their own impact upon the environment.

As part of its environmental commitments, Brammer takes part in the annual EcoVadis CSR analysis system, which covers 21 criteria across four themes of environment, fair labour practices, ethics/fair business practices, and supply chain. In 2016 Brammer was awarded a CSR Silver rating by EcoVadis.

Brammer also takes part in the Carbon Disclosure Project disclosure process in order to measure its environmental risk and how effectively Brammer is addressing this risk. In 2016 Brammer achieved the "Management B" level.

The Group employs the services of an independent consultant, Carbon Clear, to produce a Carbon Accounting tool to measure our global carbon footprint. The carbon accounting methodology adopted follows the GHG Protocol Corporate Standard - an internationally recognised standard which provides guidelines for companies and other organisations preparing a GHG emissions inventory. Carbon Clear were involved in the measurement and reporting of our footprint ensuring that the data is credible, consistent and reliable. Implementing a structured and integrated approach to carbon accounting allows Brammer to report an accurate and credible carbon footprint, enabling the organisation to identify opportunities for improving its environmental performance across the Group.

Transport is a key area for Brammer when considering energy use and reduction. Brammer has the following Group-wide initiatives in place in relation to transport:

- Deliveries are in the main carried out overnight so that vehicles do not get held up in traffic, thus reducing their emissions. Overnight delivery routes are reviewed regularly to ensure maximum efficiency in scheduling to reduce fuel usage and thereby reduce vehicle emissions.
- Vehicles with diesel particle filters are preferred and cars with low fuel consumption (fleet scheme) are utilised.
- Employees are encouraged to optimise their use of car-pooling, use of public transport and limit the amount of air flights.
- Drivers are asked to conserve their speed as this is more energy efficient. Hybrid and electric cars are offered to employees as part of the Group car scheme.
- Where possible Brammer UK continues to minimise CO2 emissions, with improved GPS delivery routes introduced to reduce fuel costs.

### **Anti-corruption 10**

The Group continues to update its policies and procedures in order to meet the requirements of the Bribery Act 2010. This includes training for employees and an anti-bribery and corruption policy which is available to employees on the Group intranet.

### **3. MEASUREMENTS OF OUTCOMES**

#### **Labour Standards 3-6**

One measure of the Group's commitment to equality and diversity in the work place is the percentage of male and female employees within Brammer Group by employment level. See Table 1 below. The decrease in percentage of females in the "Manager" category between 2015 and 2016 is understood to be due to a re-categorisation of the "Manager" category by the Human Resources Department.

**TABLE 1: Percentage of male and female employees within Brammer Group by employment level**

	2016		2015	
	Male	Female	Male	Female
<b>Total Gender Split</b>	<b>75%</b>	<b>25%</b>	<b>75%</b>	<b>25%</b>
<b>Manager</b>	<b>87%</b>	<b>13%</b>	<b>74%</b>	<b>26%</b>
<b>Senior Manager</b>	<b>86%</b>	<b>14%</b>	<b>84%</b>	<b>16%</b>
<b>Executive</b>	<b>81%</b>	<b>19%</b>	<b>86%</b>	<b>14%</b>

#### **Environment 7-9**

As detailed above, in 2016 the Group has achieved CSR Silver rating from EcoVadis and "Management B" level from the Carbon Disclosure Project. Each year the Group strives to improve these ratings.

As the Group does not have manufacturing activities, the main impact on the environment is the Group's logistics. The Group therefore monitors its packaging and distribution costs from both an efficiency and environmental point of view. Table 2 shows the applicable key performance indicators for 2016.

**TABLE 2: Packaging**

	2016	2015
<b>Packaging costs as % of costs of goods sold</b>	<b>0.52%</b>	<b>0.34%</b>
<b>Distribution costs as a % of sales (representing delivery costs to customer)</b>	<b>1.48%</b>	<b>1.21%</b>

Measurements of the Brammer Group's GHG emissions for the 12 months ending 31<sup>st</sup> December 2016 are set out below with year on year comparisons set out in tables 3, 4 and 5. Using an operational control approach, Brammer identified all of the activities and facilities for which it is responsible. Relevant activity data was collected and provided to independent consultant Carbon Clear Limited.

The validity of the data was checked by Carbon Clear and used to calculate the annual emissions for Brammer in tonnes of carbon dioxide equivalent (CO<sub>2</sub>e).

The calculations performed follow the GHG Protocol for Corporate Reporting and give absolute emissions and emissions per £m revenue (intensity) as required by the Companies Act (2006) Directors Report Regulations 2013 (The Mandatory Greenhouse Gas Reporting regulations).

The Group's 2016 emissions were 22,078 tonnes of CO<sub>2</sub>e, comprised of:

### Scope 1 & 2 – Mandatory Greenhouse Gas Reporting

- Direct Emissions (Scope 1) amounted to 4,605 tonnes of CO<sub>2</sub>e or 21% of Brammer's total greenhouse gas emissions
- Indirect Emissions (Scope 2) amounted to 3,496 tonnes of CO<sub>2</sub>e or 17% of Brammer's total greenhouse gas emissions

### Scope 3 – Additional Activity Data Reported

- The sources of Other Indirect Emissions (Scope 3) comprised 62% of total emissions or 13,976 tonnes of CO<sub>2</sub>e.

**TABLE 3: Year on Year Comparison of Emissions by Activity in 2015 and 2016**

Type of Emissions	Activity	2016 tCO <sub>2</sub> e	2015 tCO <sub>2</sub> e	% Change
Direct (Scope 1)	Natural Gas	1,291	1,356	(5%)
	Other Fuels	1,629	189	760%
	Owned Vehicles	1,686	3,197	(47%)
	<b>Subtotal</b>	<b>4,605</b>	<b>4,743</b>	<b>(3%)</b>
Indirect (Scope 2)	Electricity, Steam and District Heating	3,496	4,234	(17%)
	<b>Subtotal</b>	<b>3,496</b>	<b>4,234</b>	<b>(17%)</b>
Indirect Other (Scope 3)	Rail Travel	49	33	47%
	Air Travel	768	755	2%
	Road travel	7,526	4,623	63%
	Freight Transport	1,732	1,548	12%
	Purchased goods	122	91	33%
	Water	34	35	-3%
	Waste	126	68	84%
	<b>WTT All Scopes</b>	<b>3,620</b>	<b>5,139</b>	<b>-30%</b>
<b>Subtotal</b>	<b>13,976</b>	<b>12,293</b>	<b>14%</b>	
<b>Gross total tCO<sub>2</sub>e</b>		<b>21,270</b>	<b>22,078</b>	<b>4%</b>

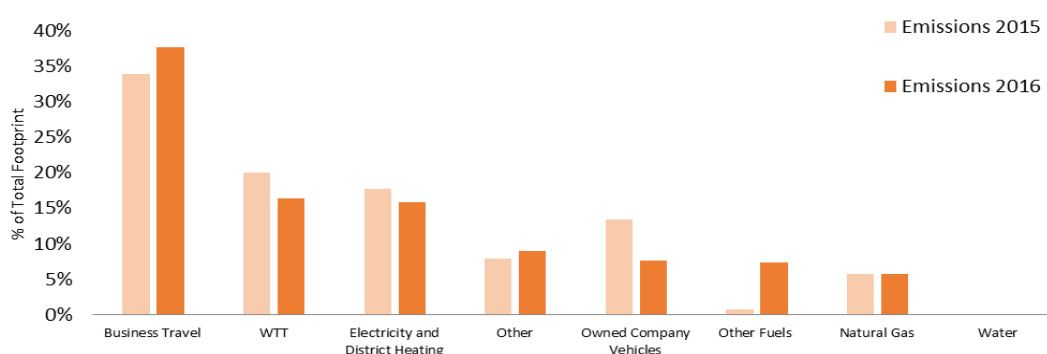
**TABLE 4: Emissions Intensities by Country**

Area	Gross Emissions (tCO <sub>2</sub> e)		Revenue		Emissions Intensity		% Change
	2016	2015	mil'£ 2016	mil'£ 2015	tCO <sub>2</sub> e/£ 2016	tCO <sub>2</sub> e/£ 2015	
Czech	644	468	17	15	81	66	22%
France	1,123	852	96	85	12	10	14%
Germany	6,061	2,026	129	113	47	15	212%
Italy	372	333	17	16	22	24	-10%
Netherlands	1,166	679	38	36	30	19	63%
Poland	1,410	2,280	46	39	31	65	-52%
Spain	1,076	1,810	61	54	18	34	-47%
United Kingdom	7,952	11,068	265	273	30	49	-39%
Nordics	865	387	44	45	20	8	135%
Belgium	506	460	17	16	29	33	-12%
Hungary	400	231	6	5	62	70	-11%
Other	502	676	18	20	85	115	-26%
<b>Total</b>	<b>22,078</b>	<b>21,270</b>	<b>754</b>	<b>717</b>	<b>29</b>	<b>33</b>	<b>-12%</b>

### Year on Year Analysis

- The United Kingdom and Germany collectively make up 64% of the total, or almost two thirds of the footprint.
- There has been a 28% decrease in emissions in the UK. This is due to a drive to consolidate offices, cut back on gas usage in all branches and make branches more energy efficient.
- There has been a 38% and 41% decrease in emissions in Poland and Spain respectively.
- Emissions from Owned Vehicles decreased by 47%.
- Scope 2 accounted for the largest reduction in emissions this year, decreasing by 17% overall.
- Germany has seen a large increase in emissions compared to 2015. This is largely because this year there was more data available and the accuracy of the footprint has been improved. This means that the percentage change is only an estimate of the actual change in emissions that occurred.
- As well as being one of the largest emissions contributors, road travel increased by 63%, the largest increase reported this year. This is largely due to improvements in data accuracy.

**TABLE 5: Year on Year Comparison of Emissions by Activity in 2015 and 2016**



### **Anti-corruption 10**

Brammer has not been the subject of any legal cases, rulings or other events related to corruption and bribery.

Brammer Limited's financial statements and accounts are subject to statutory annual external audit, which is used as one of the methods of identifying any suspicious activity that could be linked to bribery and corruption.