

# ANNUAL REPORT 2016/2017



# OUR MISSION AND VISION STRATEGY MODEL



## MISSION AND VISION STEERING COMMITTEE



PAUL RIVETT  
CHAIRMAN



STEPHANIE KENT  
WORKPLACE



MIKE PARSONS  
ENVIRONMENT



ANTHONY GRAVESTOCK  
MARKETPLACE



MAUREEN TALLIS  
COMMUNITY



GRAHAM RANDLE  
SAFETY



DAVID WILLETTS  
INNOVATION

# INTRODUCTION FROM DAVID PINDER



Operating our business in a sustainable and ethical way is critical to our future success. Society, which includes our customers, judges us and makes commercial decisions based on what we do, and the way we do it. That is why we have to be, and are, aware of our environmental and social responsibilities.

We want to inspire and motivate all colleagues and have training and support in place to help them achieve their full potential. We are committed to providing a safe working environment and are working on initiatives for their financial, physical and mental wellbeing.

We strive to be a good partner with our local communities and improve the society in which we operate. Whether we are donating our time, knowledge or money to national and local charities, or are involved in projects that aim to reduce youth unemployment, or are providing better housing facilities for those in need, our colleagues demonstrate outstanding core values and commitment beyond the call of normal business duty.

We are committed to operating an ethical business, delivering class leading products and services, and exceptional customer satisfaction. This includes working with our suppliers to ensure they comply with our high standards at all times.

We are working to identify and minimise carbon emissions, noise pollution, waste and packaging in our workplace, in our products and throughout the supply chain.

## OBJECTIVES

- 1 CREATE A SAFE WORKING ENVIRONMENT FOR ALL COLLEAGUES AND PARTNERS.
- 2 ENGAGE AND UNITE COLLEAGUES IN THE DELIVERY OF AN ETHICAL, PROFITABLE AND SUSTAINABLE FUTURE.
- 3 MAKE OUR COLLEAGUES PROUD TO WORK FOR US.
- 4 BE THE PARTNER OF CHOICE FOR OUR CUSTOMERS.
- 5 MEASURE, PUBLISH AND REDUCE OUR CARBON EMISSIONS THROUGHOUT THE SUPPLY CHAIN AND PRODUCT LIFE CYCLE.
- 6 ACHIEVE, AS A MINIMUM, COMPLIANCE TO THE CSR HANDBOOK.
- 7 PARTNER WITH THE COMMUNITY TO:
  - SUPPORT NATIONAL AND LOCAL GOOD CAUSES
  - EDUCATE AND DEVELOP TALENT FOR THE FUTURE.

David Pinder  
CEO UK and Ireland

A handwritten signature in black ink that reads "David" with a long, sweeping underline that extends to the right.

# ENVIRONMENT

We value our environment and we are committed to its conservation.

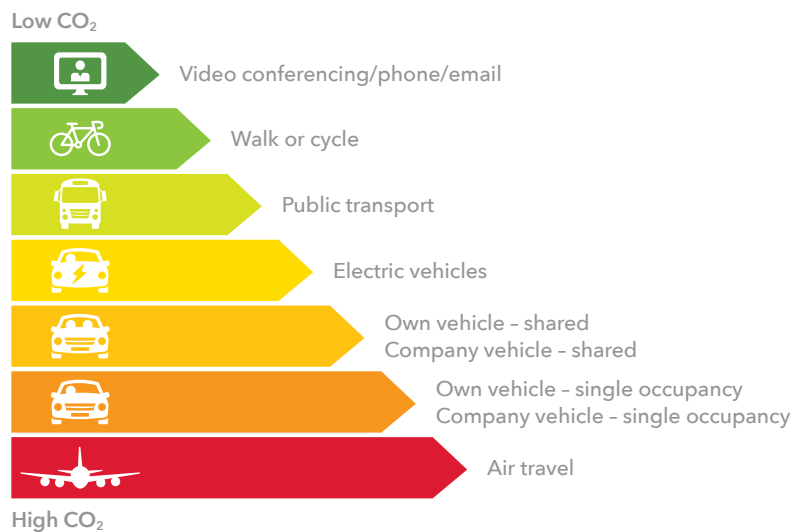


Our environmental objectives continue to focus on encouraging sustainable travel and reducing the carbon emissions of our fleet. We continue to encourage the use of online collaboration tools, such as Webex and video conferencing, to reduce the requirement for travel between sites and countries.

## OBJECTIVES

- 1 EMBED THE "GUIDE TO SUSTAINABLE TRAVEL" WITHIN THE UK BUSINESS.
- 2 REDUCE TRAVEL BY INCREASING THE USE OF ONLINE COLLABORATION BY 10%
- 3 CONTINUE WITH OUR PROJECT TO MEASURE AND REDUCE CARBON FOOTPRINT FOR THE UK BUSINESS.
- 4 COMPLY WITH GOVERNMENT'S ENVIRONMENTAL IMPACT MEASUREMENT LEGISLATION ESOS AND REVIEW DATA COLLECTED WITHIN A CI FRAMEWORK.

## Guide to sustainable travel



## New vans for Baxi Customer Support

We are replacing the Baxi Customer Support fleet with smaller, more environmentally friendly and safer vans. The new vans comply with new height restrictions in major cities and are shorter in length, making them easier to park. Engineers can carry the same amount of parts, but have no internal walkways where they can slip or trip.

- Emissions reduced by 33%.
- Fuel reduction saves £1,500 per year, per vehicle.



## ISO 9001:2015 and ISO 14001:2015

Our Norwich site has passed recent audits conducted by external regulators BSi.

The site was assessed against the latest versions of management standards for Quality (ISO 9001:2015) and Environment (ISO 14001:2015). The team received extremely positive feedback from the auditors with only a few minor non-conformities being identified. Action plans have been put into place to solve these.

# WORKPLACE

Our people are our best asset. We want our colleagues to be engaged and enjoy the experience of working for us.



## OBJECTIVES

- 1 WE PRIORITISE COLLEAGUE WELLBEING.
- 2 WE OFFER OPPORTUNITIES FOR GROWTH.
- 3 WE PROMOTE TWO-WAY COMMUNICATION AND COLLABORATION.

## You said, we did

Our annual colleague survey, Your Voice, provides feedback that is vital to our future performance and provides us with a clearer view of what it's like to work at Baxi Heating. It allows us to highlight areas which are working well and identify where we need to improve. Here are some of examples of positive actions taken as a result of the 2016 survey.

YOU SAID	WE DID
We want more useful feedback from the Personal Development Review (PDR) process.	<ul style="list-style-type: none"> <li>• PDR training for managers.</li> <li>• Launched Career Pioneer scheme for all colleagues.</li> </ul>
We want better collaboration between business units and functions.	<ul style="list-style-type: none"> <li>• New Connect intranet launched.</li> <li>• Yammer social networking platform.</li> <li>• Site tours and job swaps.</li> </ul>
The Company rarely tries new ways of working. Management do not make an effort to get the ideas and opinions of colleagues like me.	<ul style="list-style-type: none"> <li>• Xchange innovation platform available to all colleagues to encourage idea sharing and collaboration.</li> <li>• Annual Baxi Heating Innovation Awards launched to recognise colleagues who have put good ideas into action.</li> <li>• Completed the Xplore Innovate UK project.</li> <li>• ILM 3 Innovation &amp; Managing Change module.</li> </ul>
Employees are not sufficiently involved when the company undertakes change.	<ul style="list-style-type: none"> <li>• New communication channels including monthly newsletters, executive videos, Yammer.</li> <li>• Storytelling training for senior leaders.</li> </ul>
I am not aware of the training opportunities available to me.	<ul style="list-style-type: none"> <li>• Launched Baxi Heating Career Centre, with online training materials to grow skills and achieve personal goals and aspirations.</li> </ul>

Colleague wellbeing is a focus for the Workplace pillar. We are currently reviewing our initiatives that support mental, physical and financial wellbeing and will be looking to run further workshops on how we can support these.

## Safety

We are committed to providing a safe working environment for all and, starting with our Board of Directors, we are inviting all colleagues to sign up to our Safety Commitment.

**Behaviour:** Challenging unsafe working practices and behaviours.

**Actions:** Taking actions to prevent tomorrow's injury.

**Xcellence:** Achieving safety excellence exceeding legal requirements.

**Investigating:** Reporting and investigating incidents and accidents.



# COMMUNITY

We are committed to supporting the communities where we live and work, through participation, engagement and investment, and seek to make a genuine difference to local people's lives.

## OBJECTIVES

- 1 TO ENGAGE IN PROJECTS IN OUR LOCAL COMMUNITIES.
- 2 TO PROVIDE THE NEXT GENERATION WITH SUPPORT THROUGH PARTNERSHIPS WITH SCHOOLS AND COLLEGES AND HELP THEM FULFIL THEIR POTENTIAL.
- 3 TO RAISE THE PROFILE OF OUR COMPANY IN OUR LOCAL COMMUNITIES.
- 4 TO BE THE LOCAL EMPLOYER OF CHOICE.



## National charity partnerships

We raised £164,270.14 for Marie Curie, our previous charity partner in the UK and €13,700 for The Irish Hospice Foundation.

In 2017, colleagues voted for The Alzheimer's Society as our new national charity in the UK and the Alzheimer's Society of Ireland. Fundraising events and donations to these partnerships are co-ordinated by the local CSR teams at each of the UK and Ireland sites.

Colleagues were also invited to have Dementia Friends training, an initiative to change the way people think, act and talk about dementia.

1. Dementia is not a natural part of ageing.
2. Dementia is caused by diseases of the brain.
3. Dementia is not just about losing your memory - it can affect thinking, communicating and doing everyday tasks.
4. It's possible to live well with dementia.
5. There's more to a person than the dementia.



THE ALZHEIMER SOCIETY of IRELAND



## Baxi Heating Charitable Trust

As a business, we need to follow a fair and consistent approach to making decisions to support charities and organisations. In addition, we need to improve our internal and external communications in order to let employees, and our local communities, know about the good work that we do. We have, therefore, set up The Baxi Heating Charitable Trust.

The Trust has been established so that all our charity fundraising and donations are in one place. It allows us to be more strategic in the causes we support, helping us to help more people whilst being more transparent in our fundraising.

The money fundraised will be used to support charitable activities designed to benefit the

communities in UK and Ireland in which we live and work. There are three key themes that the Baxi Heating Charitable Trust looks to support:

- the relief of sickness and the preservation of health
- the advancement of learning and education
- the maintenance and improvement of accommodation facilities for the homeless and the prevention and relief of poverty.

All requests for support including grants, free of charge products, sponsorship for events, and volunteer hours must now be made via the Trust.

[www.baxiheating.co.uk/charitable-trust.htm](http://www.baxiheating.co.uk/charitable-trust.htm)

# MARKETPLACE

We are committed to operating an ethical business and quality assured supply chain that delivers exceptional customer satisfaction with class leading products and brand values.



## OBJECTIVES

- 1 BE THE SUPPLIER OF CHOICE.
- 2 MEASURE AND IMPLEMENT AN IMPROVEMENT PLAN FOR CARBON REDUCTION THROUGHOUT THE SUPPLY CHAIN, INCLUDING KEY PRODUCTS.
- 3 PROVIDE APPROPRIATE PRODUCT AND SUPPLY CHAIN DATA THAT WILL SUPPORT COMMERCIAL ACTIVITY.
- 4 MAINTAIN AND IMPROVE OUR CSR RATING AS MEASURED BY ECOVADIS.

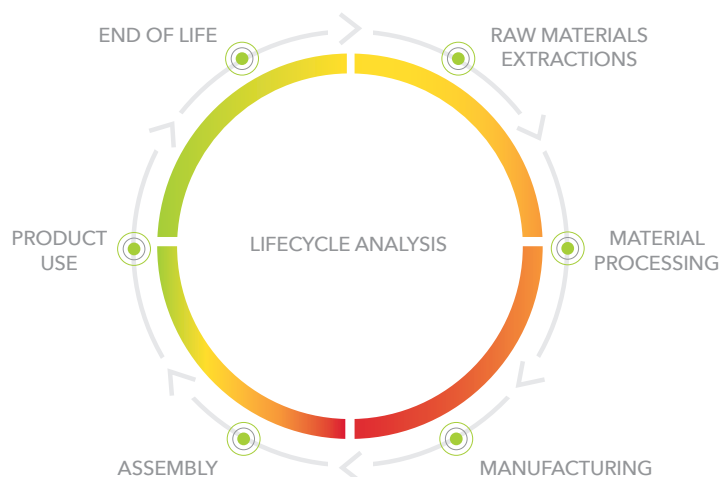
## Product lifecycle tool

The work we have already done on carbon footprint analysis has shown us there's a demand for product 'in life data'. This covers the time from purchasing the product through to the end of its life. The important information is the 'total cost', energy used and carbon.

We are continuing to work with Anthesis, who is helping us to build a tool/database that means we can find the key parameters on the usage profile of a selected product. The tool will be able to calculate the energy used and cost of running the product.

The tool is being developed so that we can offer a number of drop-down options, such as maintenance plans or buy-back schemes, which in turn will alter the output information, demonstrating how the product may last longer or the total cost might reduce. It will also enable products to be compared with our own or our competitors' products.

We are working on a more flexible and useful web-based version of the tool and then plan to make it App based.



## Modern slavery and human trafficking statement

We recognise our moral and legal responsibilities with regards to a number of unethical business practices such as modern slavery and human trafficking, and are committed to ensuring that our suppliers do not breach modern slavery legislation through rigorous audit and assessment. We take these responsibilities incredibly seriously and have created statements, which can be found on all our brand websites, to give guidance and instruction on the standards we expect from our businesses in the manufacture of components and raw materials supplied to our companies.

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