

Annual Review

2023

Above's Annual Review 2023

Welcome to our first Annual Review.

This review outlines our achievements and progress during our first full year as an independent organisation.

Above was formed in April 2022 from the sale of the utilities division of the infrastructure services company, Amey. The establishment of Above as an independent business created a unique platform to leverage compelling market opportunities and develop a strategic proposition based on sustainable growth.

Our Annual Review provides our colleagues, clients, shareholders and other stakeholders with clear and transparent information on all aspects of our performance during 2023 including the progress we have made to drive sustainable outcomes.

We hope you find this review both informative and interesting.



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Introducing AvoVe

Who We Are

We are a leading engineering company that moves life forward.

We embrace the future, creating cutting-edge and sustainable utility infrastructure solutions that help improve people's lives, grow the economy and transform communities.

We are passionate about the areas where we work and live and support them by leaving a positive legacy, and engaging with colleagues, clients and communities along the journey so they feel proud of what we do.

What We Do

We provide vital services to the UK's leading utilities networks.

We design, build and deliver innovative large-scale projects across the UK, supporting the Water, Power and Telecommunications sectors.

Our innovative and flexible approach helps clients to maintain and improve their assets, enhance customer experience and protect the environment. We play a crucial role in keeping the water running, the lights on and people connected.

Our Approach

We are an expert, responsible and agile partner that is committed to making a difference, socially, economically and environmentally in the places we work and live.

Our clients



Our accreditations



Expert

We invest in people, data, technology and thought leadership, providing technical authority, efficiencies and insight for our clients.



Responsible

We care and do things in the right way, with the highest standards of ethics, transparency and sustainability.



Agile

We are a client-focused organisation and easy to do business with, anticipating and adapting to our clients' needs.





Our Services



Design & Build

We provide a wide range of sustainable infrastructure and non-infrastructure design and construction services that cover the whole spectrum of engineering requirements.



Water

We are experts at ensuring clean water reaches homes and businesses. We are a trusted long-term partner to many of the UK's water utility providers and support property developers.



Wastewater

We offer an end-to-end service delivering complex capital investment programmes, including refurbishing wastewater assets and major sewer diversions. We also provide assured sewerage repair and maintenance services.



Telecommunications

We support our clients to ensure their customers remain connected to Broadband and Digital TV by providing a turnkey approach to delivering essential fibre services.



Vegetation Management

Our highly qualified arborists proactively manage vegetation across the power infrastructure, preventing power cuts and contributing to the stewardship of the countryside.

Our Values

We want all our colleagues to feel empowered, motivated, trusted and valued. This is supported by our vision to move life forward, our four core values: Respect, Support, Fairness, Accountable and our Winning Behaviours.

We call this The Avoe Way, which is our pathway to success and all colleagues play their part in living our values and creating a great place to work for everyone.

Our Winning Behaviours



We act with Respect

- We are considerate in every way that we communicate
- We listen to each other and value different opinions
- We challenge in a positive way and provide clear and timely feedback



We treat people Fairly

- We are open-minded and flexible, giving everyone an equal opportunity to succeed
- We are transparent and consistent in our decision-making
- We take an active role in creating an inclusive environment where everyone feels safe to bring their 'whole' selves to work



We give each other Support

- We care about our colleagues and look after our health and wellbeing
- We take time to understand how people are feeling and lift each other up
- We work as a team, winning and learning together



We are Accountable

- We take ownership and pride in delivering great service
- We set clear targets, and regularly communicate progress
- We are proactive and agile, sharing best practice and suggesting ways to improve



**Strategic
Review**

Executive Chair's Statement

The consistently exceptional performance of our operations teams has been key to our success in 2023.



In our first full year as an independent business, we transformed the way we engage with our colleagues, clients and communities.

The positive outcomes of this strategic shift are reflected in a strong financial performance with our revenues up 22% and an engaged workforce. We are building a vibrant brand and forward-thinking organisation that we can be proud of, underpinned by our core values and expert, responsible, agile partnerships with our clients.

Mark Perkins

Business performance and approach

From the completion of the acquisition, we knew that we had to get our people behind our objectives and ambitions for the business, ensuring that they were a driving part of this exciting journey. An extensive programme of proactive communications saw the introduction of Colleague Roadshows, All Colleague Calls and Employee Engagement Forums, with the Executive Leadership Team travelling across our sites to actively engage with colleagues and discuss our shared vision. The positive feedback in our 2023 colleague survey demonstrated that colleagues are supportive of our efforts as we achieved an emphatically supportive engagement rate of 80%.

We also reshaped the way we engage with our partners, setting up dedicated account teams that work proactively with clients, better listening to their issues and harnessing our expertise to create innovative solutions to their problems. Delivery of Key Performance Indicators (KPIs) have been consistently high, enabling positive dialogue with clients on forthcoming opportunities and initiatives. Clients can now more easily see how we can add value to their operations as well as deliver to a high standard.

Our 'One Avoe' approach to planning and delivery continues to successfully evolve and the sharing of specific skills and best practice is evident across the entire portfolio of accounts.

Our brand has evolved throughout the year, we have invested in a new website, and achieved consistency in how we best present the unique proposition that is being part of and delivering the Avoe promise. We have increased brand awareness by sponsoring key industry events such as the Water Industry Awards and promoting our successes and case studies through our marketing channels.

Our strategic foundations of being expert, responsible and agile are successfully directing our business approach. Our technical authority and experience in critical infrastructure markets mean clients can trust our solutions; our ethical approach and transparency underpin how we operate responsibly in highly regulated sectors, and we have brought decision-making closer to our clients, removing bureaucracy and ensuring flexible and fast responses to their requirements. We play a crucial role in helping our clients provide vital services.

“ We are building a vibrant brand and forward-thinking organisation that we can be proud of.

This year's highlights

22%

Revenue increase

830

Colleagues including 265 new starters

13,206

Hours of training delivered

Investing in technology

Ensuring our teams have the right tools and processes to do their jobs efficiently and successfully is essential to the success of our business. We have invested heavily in new digital systems and in January 2023 we appointed a new Director to lead our Technology and Digitisation Strategy.

Keeping our digital infrastructure secure will always be a key priority. Similar to many businesses working in critical infrastructure, we are very aware that we are a potential target of a growing number of malign actors. This year we have achieved our Cyber Essentials accreditation, tested our security resilience and worked to continuously improve our security configuration. We have a strong security posture (measured relative to benchmark companies) and a low Cyber Risk Score (relative to sector average). We continue to automate and digitise our processes to improve efficiency, with an initial focus on our commercial activities.



Environmental

We made great strides in our environmental plans in 2023. We have a major part to play in helping our clients reduce their carbon footprint, and began our own Net Zero journey at the beginning of the year. We took a considered, data-led approach to deciding on our environmental focus and objectives, and appointed a new Head of Sustainability.

We ended the year with a sound plan, including short and long-term targets, enabling us to commit to the Science Based Targets Initiative (SBTi) with confidence. We will continue to collaborate with clients on environmental improvement projects, such as cleaning up rivers and increasing resilience in our clean water supply.

The industry has already recognised our innovative approach, with Avo being selected as a finalist in the 2023 Water Industry Awards and 2023 Utility Week Awards for innovations in sustainability.



Social impact

People & Culture

We are creating a distinctive culture, based on our shared vision that values the knowledge, experience and energy of our people. Diversity and inclusion are fundamental to how we operate, and we are committed to creating an inclusive environment where all colleagues can thrive.

Building and growing our talent is crucial to creating a sustainable company. In 2023, as part of our People & Culture strategy, we developed initiatives to attract younger people into our workforce through our early careers plan and welcomed apprentices and graduates into our design, finance and operations teams. We have supported all colleagues to develop their skills throughout the year with regular and ongoing learning and development, providing over 13,200 hours of training during the year.

Contributing to our communities

As a responsible business, delivering long-term social value in the communities where we work and live was established as an early priority and we strive to be a positive force. We match charitable donations raised by our colleagues and in March 2023 we began a two-year partnership with MIND and SAMH. Avo colleagues selected these charities due to their crucial work in supporting mental health and raising awareness to remove the stigma around mental health.

We have also formed a valuable partnership with Neighbourly, a platform dedicated to connecting businesses with local community projects. This allows us to enhance our focus on meaningful volunteering initiatives in the communities we work within.

Governance

We set up our governance structures, policies and committees immediately following the formation of Avo in April 2022, ensuring a strong foundation of integrity, with our standards outlined in The Avo Code – our commitment to always doing the right thing.

This approach to good governance is underpinned by our company policies and values, which guide how we all behave and work together. In 2023, as part of our new e-learning strategy, we launched several compliance training courses to support understanding of our Avo Code of Conduct and set up colleague working groups and subcommittees.

We prioritised specific areas, including modern slavery and human trafficking, anti-bribery, fraud and diversity and inclusion.

Our Board is committed to delivering to the highest levels of ethics and ensuring we are a responsible and trusted business that meets the expectations and standards of all our stakeholders.

Our new shareholders have played a key role in supporting us since the acquisition and I would like to thank them for their ongoing encouragement and guidance.

Looking forward

We start 2024 in good shape and we are well-positioned to help our clients meet their goals. Our focus on delivery and being expert, responsible and agile, are key to growing our business. This strategy supports our existing clients and aligns with our highly considered approach to expanding our client base and building resilience for the future.

In the water sector, preparations have already begun for the next Asset Management Programme (AMP8), which starts in April 2025. It is forecasted that the water industry will invest over £90bn in a five year period leading up to 2030, which is almost double the investment made during the last five-year cycle. This will create an active, competitive market as our clients conclude their capital investment planning and begin awarding contracts. This is generating growth opportunities for AvoVe. We won another new major framework agreement at the end of 2023, demonstrating our ability to navigate a complex tender process as well as securing growth on existing contracts.

We are also experiencing growth in the power sector. The present regulatory period, RII0-ED2, runs from April 2023 – 2028. We have seen increased investment by the Distribution Network Operators, compared with the previous period, to support the transition to Net Zero with smarter and more flexible networks. We will continue to look for opportunities to widen our offering in this sector, by leveraging the synergies available through our existing operations.

Whilst we see a buoyant market in the years ahead, our challenge will be to match our resources with the opportunities we secure. It is already a competitive market for skills, but we have been successful in bringing 265 talented people into the business during 2023, offering future career progression in a thriving organisation. We are investing in our resources to facilitate further growth, increasing the budget for apprenticeships, providing more on-the-job training and expanding our in-house teams.

We have ambitious plans for the future to create a high-quality business that will stand the test of time and create enduring value for all our stakeholders.

The strong performance of the business this year has been driven by our people, whose dedication and commitment during a period of substantial change have been exceptional.

I would like to thank every one of them for their contribution and enthusiasm. The positive feedback from our clients is a testament to this.

Mark Perkins
Executive Chair



Operations Director's Review

Our teams have worked intelligently and efficiently throughout the year, ensuring that we engage proactively with clients, who trust us to deliver on time and to budget.

We have developed true partnerships, with increasingly regular early contractor engagement enabling us to listen to our clients' needs, make insightful suggestions and propose effective and innovative solutions that deliver valuable customer and environmental benefits.

Improving health and safety, encouraging innovation and developing specialist in-house skills in design, ecology and commissioning to support integrated project delivery, have been key focus areas as we continue to grow our business responsibly and sustainably.

Patrick Rafferty



Prioritising safety and wellbeing

The health, safety and wellbeing of our workforce and the suppliers who support us in delivering essential services is our top priority. This past year, we have embedded a strong health and safety commitment through Work Together > Safe Together, which is an ethos that promotes a supportive environment where colleagues are safe, protected and feel empowered to speak up in a no-blame culture.

Our Work Together > Safe Together approach encourages everyone to see this spotlight on health and safety as a positive step forward, so that reporting incidents and near misses are treated as opportunities to learn, share experiences and continuously improve.

As we increased our number of colleagues, we have maintained our high health and safety standards with no major incidents.

In February, we received the prestigious RoSPA President's Award for our commitment to health and safety excellence: an award given to organisations that have received RoSPA Gold status for 10 consecutive years.

We believe that looking after mental health is just as important as looking after physical health and raising awareness of the support available has been a key focus for us this year. Utilities is traditionally a male-dominated industry where mental health is not openly discussed. Our partnerships with Mates in Mind and MIND and the launch of our Mental Health Heroes in 2023 have supported us in creating a culture where colleagues are encouraged to 'Start the Conversation' and share their feelings with their People Managers and other colleagues.

We are committed to continuously improving our quality assurance as we develop our internal systems and processes. During 2023 we introduced robust internal and external audits, alongside our BSI accreditations for ISO 9001 for our Quality Management System, ISO 14001 for our environmental standards and ISO 45001 for our Occupational Health and Safety management. We have expanded our Health, Safety, Environment and Quality (HSEQ) team in the past year, focusing on ensuring consistency, quality and compliance across all aspects of the business.

“ Improving health, safety, encouraging innovation and developing specialist in-house skills, as well as, building a strong integrated supply chain have been key focus areas.

This year's highlights

99%
Achilles Audit Compliance

58
Subcontractors onboarded



Maintaining high-quality service delivery

Our high standard of service delivery is underpinned by our unique 'Concept to Commissioning' capability. This approach enables us to engage with clients early in the project cycle, using our expertise in operational design, ecology and construction to provide solutions and incorporate carbon reduction measures right from the start.

In support of this, we have continued to grow our direct labour force. This helps us to develop realistic service delivery programmes, providing greater control and flexibility, and enabling us to be more agile and efficient. Our growing reputation in the sector has allowed us to attract the specific operational skills we need. Notably, our in-house commissioning team and internal design function have both grown by 25% during 2023.

To maintain our high standards, colleagues have undertaken comprehensive e-learning and classroom-based compliance training during 2023 and we intend to further develop this programme next year.

Building a sustainable supply chain

We are committed to collaborations that generate growth and value for our clients and communities. Every partner in our supply chain contributes to our success: creating the value, capacity and capability we need to deliver our services, support local communities and protect the environment.

Over the last year, we have strengthened our procurement team to help us work more collaboratively with our supply chains, understanding the challenges we all face so we can find the best ways of working together.

As part of this, we attended our first 'Meet the Buyer' event with Constructionline and we held an in-person ESG supplier engagement workshop, sharing our sustainability strategy and best practice with our supply chain.

Despite a demanding qualification and compliance process, we have onboarded 58 new subcontractors and design partners this year and identified an additional 113 subcontractors for integration into our supply chain.



Strengthening our client relationships

Combined with our proactive client engagement approach, our reputation for strong service delivery has contributed to the growth in revenue from our existing clients, including the expansion of our vegetation management and clean water and wastewater services.

This year, we introduced a Key Account Management model to ensure that each client is supported throughout our projects by a team of experts who fully understand our client's requirements and can suggest innovative methods and strategies. Our teams embed themselves into our clients' teams, working as true partners to overcome challenges and delivering excellence as one team. Examples such as our approach to the Vyrnwy Aqueduct Modernisation Programme, Strelley to Redhill, HS2 Gilson Rd, Kinnerley Borehole Pumping Stations (BHPS) and Ashbourne Airfield demonstrate the benefits of this integrated approach. These case studies are covered on pages 46 – 57.

We know that innovation can come from within and outside of the business and we give our colleagues every opportunity to share their ideas. We had over 200 suggestions submitted through our internal Lightbulb Moments ideas scheme of which 29% have been implemented.

We also brought external expertise into our operations through collaborations with Ecofill and iNPIPE PRODUCTS™ helping to introduce new approaches to reducing carbon and protecting the environment to the utilities sector.


Ready for the future

Safety will always remain the top priority as we focus on embedding a positive safety culture across the organisation, using internal quality audits to identify where we can continue to improve. Raising the standards of our risk assessments and sharing best practice will continue, as we maintain the momentum in our strong service delivery.

We are further expanding our design, build, ecology and commissioning teams as we scale up to meet the opportunities we see in regulated markets where investment is essential to meet future demand, tightening environmental standards and climate change challenges.

We are ready to respond and confident that our reputation for high safety and operational delivery standards will stand us in good stead.

Patrick Rafferty
Business Director – Operations

25% 
Increase in design and
commissioning in-house teams

Finance Director's Review

2023 has been a year of strong progress financially for AvoVe, as we accelerated our revenue growth and continued the positive trend in our operating profit improvement for the second consecutive year.

This is a testament to the achievements of our frontline delivery and account management teams, who have maintained our high standards and delivered strongly for our clients. Across the business we have purposefully stepped up our level of engagement with all clients, to ensure that we can more effectively understand the challenges that they are facing and support them in delivering better outcomes.

Revenue growth has been driven from existing clients, as a result of increased activity in our core service lines, as well as from the development of different work types with our water clients.

We have achieved profitability improvements through a focus on planning and control, higher volumes and delivering excellent customer outcomes. This improvement has also come despite a challenging inflationary environment where we have engaged pragmatically and transparently with our clients to mitigate the worst effects of this on both parties.

Darren Jones



Expanding our business

The revenue growth in the year has been broad-based, with growth across all contracts. This has been driven in particular by our capital workstreams as a result of a general increase in activity levels, and some significant projects won on our United Utilities and Severn Trent frameworks.

Across the year we have seen both our order book and bidding pipeline grow due to improved client engagement and the critical delivery stage of the AMP7 investment cycle. Revenues from design commissions have similarly increased as a result of the growth in capital projects won. Additionally, we have achieved growth in our short-cycle workstreams. On the vegetation management contract with Northern Powergrid, we have worked collaboratively with the client to improve compliance levels within their Yorkshire region which has led to increased activity volumes, whilst in Yorkshire Water we have also delivered increased volumes on the wastewater framework.

The focus we have put on further building our reputation and credibility with clients has put us in a healthy position to benefit from the opportunities presented by the new water Asset Management Plan cycle – AMP8.

This year's highlights

+120

Basis Points EBIT Margin Increase

22%

Year on Year Revenue Growth

£17.9m

Net Assets (up by £6.7m)

Delivering sustainable growth

Establishing a sustainable, profitable business is a critical focus to ensure that we can provide security for our colleagues and clients and create capacity for continued growth and development. After delivering a return to operating profit in 2022, we have made further progress in advancing the returns of the business in 2023 towards a more sustainable level. Gross profit margins improved as a result of the successful scaling up of projects, but we also proactively addressed the issue of underperforming contracts through constructive, open dialogue with clients to bring these back to acceptable commercial terms. Whilst there has been an increase in administrative expenses due to the full-year impact of establishing the necessary support functions of the business, operating profit margins have improved modestly.

Over the course of 2023, the balance sheet has strengthened and operating cashflow, a critical measure for the business, was delivered in line with expectations. The liquidity of the business was strong, with cash balances of £10m at the end of the year, helped by the strong weekly controls we exert over our working capital position, ensuring that the business has the necessary cash resources.



24

Average number of days to pay invoices

Investing in the future

We have also continued to invest in the business to build the foundations for growth, with a further £0.8m of capital expenditure over the period. Around half of this was directed towards further technology development and hardware, particularly within the commercial arena where we are automating our processes and improving controls. This will enable us to increase efficiencies within our administrative functions, supporting our intention to grow sustainably, and enabling us to remain lean and competitive as we address the opportunities ahead of us.

As part of the investment in our people, we have reduced our reliance on short-term serviced offices and invested in commercial office leases, enabling us to create our own vibrant, AvoVe-branded locations and provide collaborative workspaces that are fit for purpose and where our people enjoy working. This supports our focus on colleague engagement and the development of our culture and is one of the clear benefits of our independence. We can set our priorities and invest in up-to-date tools, plant and equipment and high-quality and greener places to work, funded by the cash we generate in the business.



£10m

Cash balances at end of 2023



Outlook

We are building a financially sound business, ready to deliver sustainable growth. We begin 2024 with a strong order book and a healthy project pipeline across our water and power client base.

We expect to continue our double-digit revenue growth and to carefully consider where we can benefit from the opportunities that the AMP8 cycle will generate in the water industry as well as expanding in other sectors.

Whilst the headline rate of inflation has reduced, and costs have become more predictable there are obvious political, global and economic ongoing uncertainties that we continue to closely monitor. We will focus on what we can control and continue to diligently manage our cost base to ensure we are competitive and able to generate the returns that will allow us to continue to invest in our people and more generally in the business.

Darren Jones
Finance Director



**Our
Performance**

Prioritising Health, Safety, Environment & Quality

Safety is our highest priority

In 2023, we appointed a Head of Health, Safety, Environment and Quality (HSEQ), who reviewed our strategy, developed a new HSEQ ethos and restructured the HSEQ function to ensure a better alignment with the needs of the business and the changing focus on health, wellbeing, environment and compliance.



Work Together > Safe Together

Safety is our highest priority, and in January 2023 we launched our new approach to HSEQ, Work Together > Safe Together.

Work Together > Safe Together is an ethos that flows through everything we do. Work Together ensures that we all work as a team and remain protected, healthy, and empowered. Safe Together ensures that we all finish work healthy and happy at the end of every working day.

To further support this, we also launched our Leadership Work Together > Safe Together tours, whereby senior leaders from across the business regularly visit our sites, engaging with our operational teams to understand what is going well, any areas for improvement or where colleagues may need additional support.

This ethos is made up of three core categories: Be Protected, Stay Healthy and Feel Empowered.

Be Protected
Covers following Risk Assessment Method Statements, planning and considering the environment

Stay Healthy
Is about watching out for our colleagues and using the right tools and wearing the right PPE at all times

Feel Empowered
Ensures that everyone has the power to raise issues and report anything that isn't right and are supported to do so

Managing utility strikes

Utility strikes are one of the biggest HSEQ risks we have. To mitigate this, we created a service avoidance champion to deliver preventative coaching across our direct labour and supply chain to reduce utility strikes and keep our teams safe. We have reinforced this by developing a simple process – Locate, Mark, Avoid and Protect.

In Q4 of 2023, we explored using new technologies to help prevent utility strikes. This included a new utility locator that creates a 3D schematic of the utilities below ground, helping to locate underground assets faster and more accurately.

Seasonal working stand downs

We began 2023 with our January Safe Starts and have continued to hold our seasonal stand downs during the year. This ensures colleagues have all the information and equipment they need to stay protected and healthy during the summer and winter months when the risks to health and safety are increased.

As part of this, we have invited guest speakers to attend the sessions, share their experiences and inspire our teams to speak up when something isn't right.

The feedback from colleagues on this approach has been positive.

Audits and accreditations

Achilles conducts an annual audit which enables us to be an approved supplier within the utilities industry. The Achilles audit assesses us against the following criteria:

- Health & Safety management system
- Environmental management system
- Quality management system
- Sustainability
- Site visits to assess health, safety, environmental and quality

We achieved a score of 99% compliance for 2023 which was equal to 2022.

99%

Achilles Compliance



A focus on mental health

Looking after mental health is just as important as looking after physical health. Mental health issues are prevalent in the construction industry, and we want to remove the stigma surrounding mental health by promoting a culture of positive wellbeing at work. Our open and supportive working environment encourages colleagues to talk about how they feel and to give each other support.

As part of this approach to support our colleagues mental health and wellbeing, we have teamed up with Mates in Mind and Salary Finance, and our colleagues chose Mind and SAMH as our company charities. These partnerships enable us to provide our colleagues with support and guidance on how to effectively manage mental health and their financial wellbeing. In 2023 we launched our Mental Health and Wellbeing Plan with five key areas of focus.

> Our mental health and wellbeing plan



Good engagement and positive feedback regarding mental health support



Increased use of the Employee Assistance Programme



Increased colleague retention – exit interviews assessed for wellbeing feedback



Increased productivity in the case of increased support for any mental health issues



Reduction in accidents/incidents

Start the Conversation Talks

In May 2023 we supported Mental Health Week and launched our 'Start the Conversation' Toolbox Talks with more than 250 colleagues taking part during the week.

This dedicated week of mental health workshops supported our colleagues by raising awareness of mental health and wellbeing whilst giving them the tools to talk about their feelings in a way that empowers them.

Due to the positive feedback from colleagues, the Mental Health Heroes conducted 'Start the Conversation' Toolbox Talks throughout the year, and this will continue into 2024.

Looking Forward

For 2024, the focus is on developing the integrated management system, and further investing in the software we use for incident reporting and inspections/audits. By improving this system we will ensure we get real-time data and all the relevant information for trends and lessons learned.

We will continue to focus on a reduction of utility strikes by ensuring our service avoidance champion is across accounts for coaching and incident investigation.

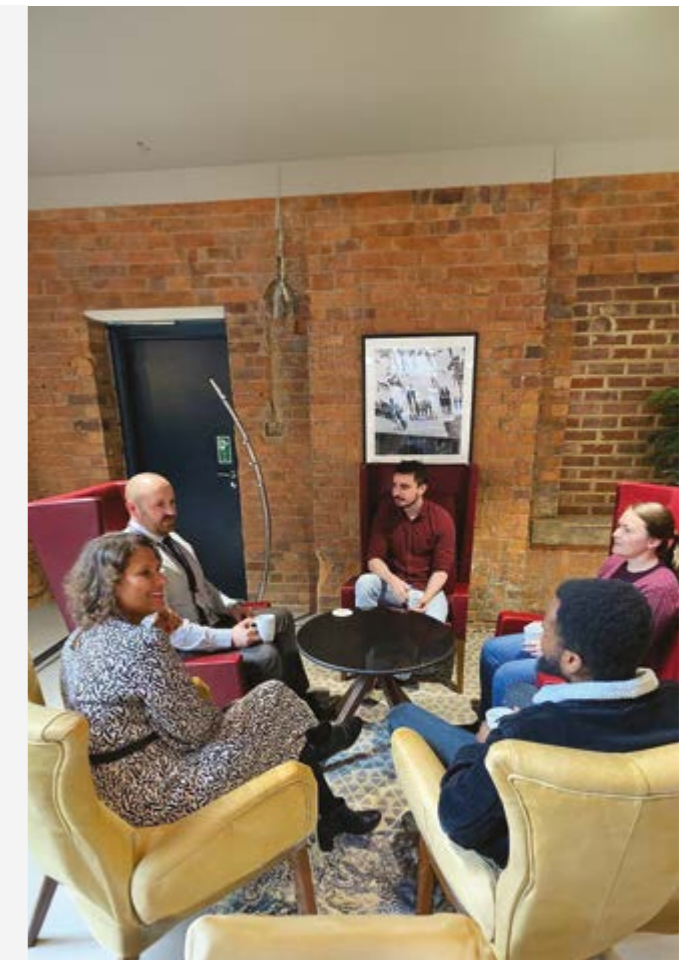
We will continue to prioritise health & safety and wellbeing, empowering our colleagues to identify improvements and share best practice. We aim to achieve 100% in our 2024 Achilles audit.

Case Study

Mental Health Heroes

A Mental Health Hero (which stands for help, empathy, respect and ownership) is a colleague who has volunteered to help embed our mental health and wellbeing strategy. Having Mental Health Heroes across the business allows our colleagues to speak to someone in the workplace if they don't feel comfortable talking to their People Manager about mental health.

Throughout the year, we have supported our colleagues with a range of activities, providing information and guidance in 'Lunch & Learn' sessions with guest speakers from Mates in Mind, Mind and SAMH, including World Suicide Prevention Day, World Mental Health Day, Men's Health Awareness Month, National Stress Awareness Week, World Menopause Day and International Men's Day.





Progressing Our People & Culture Strategy

The Above Way

We are creating a great place to work where everyone feels empowered, motivated, trusted and valued.

Throughout 2023 we have used colleague feedback and developed our strategic ambitions to shape an inclusive and diverse environment where everyone feels a sense of belonging and is given a fair and equal chance to fulfil their potential.

This included launching our new values and winning behaviours, The Above Way and a Ways of Working Policy.

Equality, Diversity and Inclusion

We implemented our Equality, Diversity and Inclusion (EDI) strategy and continued to hold colleague engagement events and activities throughout the year to recognise progress and celebrate success.

We launched our Communities of Practice (COPs) which enable colleagues to come together to discuss, learn from each other's experiences and implement ideas and strategies that support Equality, Diversity and Inclusion. Each COP has an Executive Sponsor and People & Culture Lead.

To demonstrate our commitment to Equality, Diversity and Inclusion, throughout 2023 we have:

- Signed the Armed Forces Covenant
- Been awarded the Silver Award in The Defence Employer Recognition Scheme
- Signed the Race at Work Charter
- Become Disability Confident Committed
- Joined the Womens Utilities Network
- Signed the Social Mobility Pledge
- Joined the Women's Engineering Society
- Made the Mental Health at Work Commitment
- Signed Energy & Utilities Inclusion pledge
- Promoted Pride Month and engaged with Stonewall



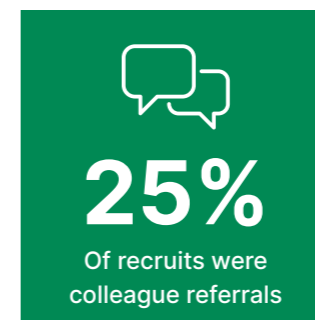
Growing our workforce

During the year we have developed our employer brand, bringing a more engaging and creative approach to showcasing the benefits of working at Avove. We have shared colleague stories and details of their roles and responsibilities across our website, social media and internal communications channels.

To further support this, we have introduced new recruitment initiatives including a Colleague Talent Referral Scheme and a Hiring Toolkit to support hiring managers, ensuring we recruit for attitude and potential. 25% of the new starters in 2023 were through colleague referrals.

Recruitment career fairs

Our Talent & Attraction team attended 11 careers fairs across the UK during 2023 to promote working at Avove, including regional job fairs and armed forces career days as well as attending schools, colleges and university open days to diversify our recruitment channels and reach a wider audience.



Colleague engagement

Ensuring our colleagues are kept informed and involved in shaping our business has continued to be a priority for us this year. Every week our colleagues receive an electronic newsletter, which covers our company successes, colleague stories, important policy information, career opportunities, our sustainability activities and EDI events.

The Executive Leadership Team have further increased their presence within the business via regular engagement sessions with colleagues in the form of on-site Work Together > Safe Together visits and quarterly Colleague Calls and Roadshows that are accessible to everyone. Key themes for the events included updates on our strategy, performance, HSEQ and ESG. Colleagues have benefitted from this in-person contact and the roadshows have allowed everyone to openly share ideas, gain feedback on new initiatives, celebrate our successes, and connect at a local level.

Case Study Celebrating our 1st anniversary

Avove was one year old on 12 April 2023. We commemorated the date with a special message to colleagues from our Executive Chair, along with celebrations at our Summer Colleague Roadshows.



Visit avove.co.uk to watch our video.

Colleague survey: Making colleagues' opinions count

In June 2023, we conducted our second colleague survey. Through an extensive engagement campaign and providing colleagues with online and offline methods to complete the survey, we saw a 15% increase in responses. There was an improvement in all the questions that were repeated from 2022.

Following the survey, all leaders received their team's results and developed action plans tailored to their department's feedback.



Enhancing colleague benefits

We have used colleagues' feedback to expand our benefits offering in 2023:

- The Avove Benefits Hub
- Private GP Helpline – colleagues and their families can call this number 24/7 to speak to a GP, with unlimited appointments
- Financial Wellbeing Hub – we partnered with Salary Finance to support colleagues in managing their finances



Reward and recognition

We celebrate success and recognise colleagues for demonstrating our values and delivering exceptional standards of work. Our Avove & Beyond Awards recognition scheme allows every colleague to say thank you.

Since the initial launch of the scheme, we have celebrated over 540 Avove & Beyond awards and recognised 325 colleagues in 2023.



Learning and development

In January 2023 we launched our new e-learning platform to support colleagues with their compliance training and their personal development. We delivered 12 courses during the year including Cyber Security, Data Protection and Environmental Awareness, with a completion rate of 93% across our business.

We also implemented our People Manager Essential Programme and high-performance leadership training to ensure that everyone has the skills and knowledge to complete their roles effectively. Over 500 colleagues received external training in 2023, with a total of 1,058 external training events booked.

Plans for our people in 2024

In 2024, we are increasing our investment in our Early Careers strategy with a dedicated team focused on the sustainable provision of apprenticeships at all levels. This will also include further development on work experience opportunities, graduates and adult learning programmes.

EDI will remain a key focus area for us and we will build on the foundations of this year, with our ambition to become a Real Living wage employer and reduce our gender pay gap, ensuring that all colleagues are paid fairly, and we have a diverse workforce. We aim to be recognised as a top employer in the industry within the next three years.



Case Study

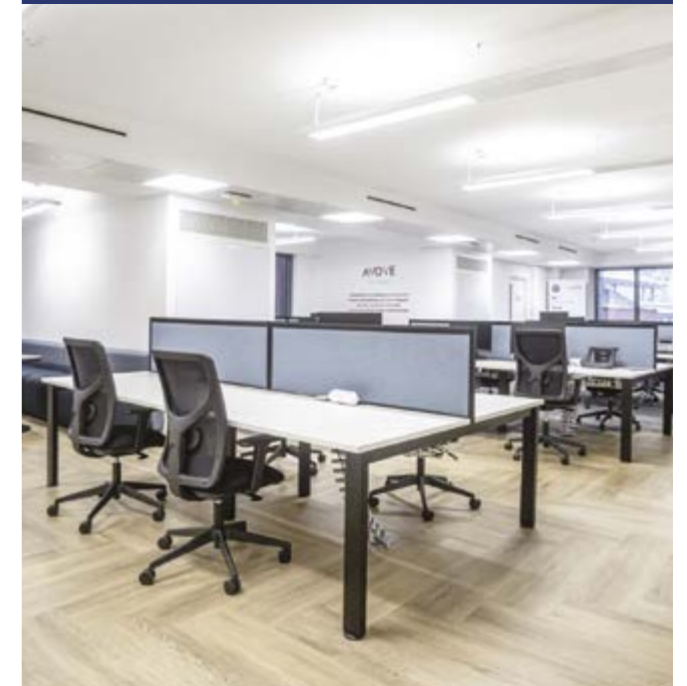
Modern and sustainable places to work

In 2023, we opened new modern, fit-for-purpose, open plan offices in desirable locations in Birmingham city centre, Derby Pride Park and Coventry.

These new workspaces replace older, smaller offices and align with our environmental aspirations: they're built to be more sustainable and energy-efficient, are powered by renewable or green energy, fitted with EV charging points and are all within walking distance of public transport, allowing us to reduce our carbon footprint.

This is helping us to bring skilled jobs and growth into the local communities and inspire our teams.

This investment into developing our offices and sites will continue throughout 2024, with new office moves scheduled for Telford, Durham, Glasgow and Chorley in the spring.



Supporting Our Clients

We have developed a partnership ethos based on transparency, trust, flexibility, and shared goals that are outcome-driven and meet the changing needs of clients.

Key account management

Our focus on key account management has confirmed that our value proposition of being an expert, responsible and agile partner is a strong offering in today's market and our bespoke engagement programmes for all clients, which have been led by our Account Leads, have facilitated significant growth throughout the year.

Concept to Commissioning

Our 'Concept to Commissioning' operating model is at the heart of supporting our clients. This is our pioneering approach to adding value across the full project lifecycle. Through forensic analysis, market research, subject matter expertise and bespoke benefit capture tools, we drive compliance, time and carbon benefits into every aspect of every project.

We have tailored our activities to align with clients' specific needs and have developed strong relationships built on consistent delivery and working in partnership. This includes regularly initiating early contractor engagement to fully understand our client's requirements and challenges, proposing solutions that deliver efficiencies in time and costs and reducing the impact on the environment and the project's carbon footprint.

2023 Achievements



Clean Water

We successfully delivered the demanding sewer diversion for Severn Trent, covering 1.5km, to accommodate the new HS2 railway line near Coleshill Village in the West Midlands. As the site crossed agricultural land between the M42 and A466, with the M6 Toll on the Eastern boundary, the diversion works had to go beneath the M42 motorway. This required extremely careful management and precision engineering due to the risk it posed to major transport infrastructure.

We were finalists for two industry awards and have been recognised for our innovative approach to cleaning the Vyrnwy Aqueduct pipelines in Cheshire, where we successfully collaborated with iNPIPE PRODUCTS™ to use air pigging and camera technologies to save tonnes of CO₂ emissions, thousands of tanker movements and millions of litres of water. The DWI and United Utilities Board members have visited the project on several occasions and commended our approach and commitment to Water Quality First compliance standards.



Non-infrastructure

Our innovations at Severn Trent's Borehole Pumping Station (BHPS) site in Kinnerley have been featured on Water Projects Online. This project showcased the ingenuity of our non-infrastructure team as we provided a collaborative and innovative design for the repair of the Iron and Manganese (I&M) filtration system. Our forward-thinking approach meant that our client could maintain the network supply to customers whilst the repairs were carried out and our unique sustainable design and reusable interconnected pipework also reduced our client's carbon footprint.



Wastewater

Our Rising Mains delivery performance on our Yorkshire Water Account has been exemplary. We are over 96% compliant in achieving the set SLAs for 'onsite – plan – deliver' which is a huge contributor to pollution reduction across the Yorkshire region. We have delivered more than 35,000 jobs of various works, achieving 99.08% compliance with our right-first-time approach to quality. Our Health & Safety performance is also worthy of note, which sits at over 97% versus a target of 95%. This represents a frontier-leading score across our client's principal contract partners.



Telecommunications

Despite the turbulent telecommunications market, we have built good relationships and brand awareness in this sector based on our flexible approach. We have increased our capacity and expertise, whilst investing in a works-management system to enable efficient scalability of operational delivery. In 2023, we were successfully appointed to Gigaclear's framework, and we will use this solid foundation and our strong brand reputation to expand our presence during 2024.



Vegetation Management

In 2023 we cut a total of 2,420kms of vegetation from Scottish Power Energy Networks (SPEN) overhead lines with 365 safe days recorded. Due to our excellent delivery, SPEN has awarded us two additional operational areas which will see us protecting powerlines in Wirral Peninsular and Merseyside in addition to our well-established locations in Oswestry, Dee Valley and Mid Wales.

For Northern Powergrid (NPG), we delivered 11,024 cut spans, carrying out 770 LV outages, 389 HV outages and 134 EHV outages which massively improved the network and removed risk. We already manage vegetation across 100% of NPG's North East and Yorkshire licence areas. However, due to our consistently high-quality service delivery, we are also carrying out an essential outage programme that is unprecedented in scale, with outstanding feedback from the client and its customers.

We have received excellent feedback and recognition from both SPEN and NPG Senior Management on our out-of-hours emergency responses to storms.

Driving innovation through strategic partnerships

We have successfully enhanced our service offering through the pursuit of innovation and have developed strategic partners that allow us to embed new, carbon reducing practices at scale across the industry:

- Through our collaboration with iNPIPE PRODUCTS™ we became the first company in the UK to use air pig and camera pig technology to clean a water main of such a large size and scope as part of the Vyrnwy Aqueduct Modernisation Programme.
- We have championed the use of Ecofill and launched an industry partnership to deliver sustainable earthworks solutions, reducing aggregate use and carbon emissions.
- We have conducted research and development throughout the year with a view to establishing new solutions that will deliver long-term value to our clients. This includes digitisation programmes, research into Artificial Intelligence and predictive modelling and analytics.

Case Study Partnering with Ecofill to reduce carbon and aggregate use

In 2023, Avoe joined forces with Ecofill and is leveraging groundbreaking technology to reduce aggregate use, lorry movements, carbon emissions and costs as well as protecting agricultural land and leaving a positive legacy.

The sustainable Ecofill technology transforms clean and contaminated clays and subsoils into aggregate replacement products. Working in partnership with Ecofill, we are offering an alternative solution to provide an on-site process with state-of-the-art machinery and environmentally friendly, specially formulated binders that transform all types of clays and subsoils into fully certified, aggregate replacement products.

Based on a typical 5m wide 1km length temporary haul road with typical haulage requirements, our partnership with Ecofill would deliver the following savings:

- 4,025 tonnes of aggregate
- 839 lorry movements
- 35 tonnes of carbon



Colleagues shaping our environmental priorities

Colleague involvement is crucial to us meeting our environmental ambitions. Throughout 2023 we have gathered colleagues' ideas and views on how we can be more sustainable through two key activities: Roadshow Sustainability Workshops and the Lightbulb Moments Campaign.

Case Study Roadshow sustainability workshops

During the Summer Roadshows, we presented our Environmental Strategy and asked colleagues to discuss their top three priority areas for reducing our carbon emissions. Their passion about protecting the environment was evident and they came up with many ideas that were consistent across the different groups which included:

- Greener fleet and plant options
- Paperless offices – tablets for teams
- Generating our own solar power
- Reducing wastage through our designs
- Only using sustainable suppliers
- Follow me printing
- Recycling PPE
- Home charging for electric vehicles



Case Study Lightbulb Moments: Project Planet

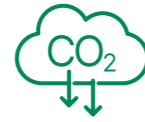


In Q3 of 2023, we launched a Lightbulb Moments Campaign which was dedicated to environmental innovations. This was called 'Project Planet' and asked colleagues to submit their ideas to advance our journey to Net Zero.

Colleagues received a £25 voucher for every idea that we progressed. We had over 30 ideas, half of which were taken to the next stage of development.

We fed back on the progress we have made against each of the areas in the November roadshows and will involve colleagues throughout 2024 as we continue to embed our Sustainability Framework.





Delivering environmental benefits for our clients

Throughout 2023, we have supported our clients in reducing the impact of their activities on the environment. There are three areas where we have made the most difference:

- Driving towards Net Zero in our Scope 1, 2 and 3 emissions
- Designing out embodied carbon from client projects
- Ecology management and environmental enhancement

We have invested in our in-house capability in these key areas and engaged both internally and with external stakeholders to establish momentum in our delivery. This includes the development and implementation of our sustainability strategy as well as expanding our team of environmentalists and ecologists.

Driving towards Net Zero in our Scope 1, 2 and 3 emissions

In November, we signed the Science Based Target initiative (SBTi) and the targets we set will be validated against the goals of the Paris Agreement. This will ensure that the annual reductions required to deliver Net Zero are embodied within those targets.

In parallel, we have established plans for transitioning away from the use of fossil fuels, through alternative power generation and progressively updating our policies to ensure that our momentum to Net Zero builds over time.

We assess our carbon footprint in line with the GHG Protocol which includes our direct and indirect emissions and those of our supply chain partners. We are therefore engaging with our supply chain on how we can collaborate to reduce their organisations' emissions as well.



Designing out embodied carbon from client projects

We play a key role in working with our clients to reduce the embodied carbon of the projects that we undertake on their behalf.

Our in-house design teams seek solutions to reduce the carbon impact through the following means:

- Eliminating unnecessary construction
- Moving to less carbon-intensive methods
- Using lower carbon materials

Our designers are increasingly involved in the early stages of projects where they positively influence and reduce the embodied carbon impact of the schemes, both in terms of the initial construction and the ongoing required maintenance.

We are collaborating with our clients on the development of carbon calculators which will better quantify carbon reductions and support an evidence-based approach. This will allow better systemising of these alternatives so that they become the standards moving forward.



Ecology management and environmental enhancement

Our team of environmental experts and ecologists ensure the natural environment is protected during the construction phase and determine plans to restore the habitats, so they are left in a measurably better state than before.

They have worked closely with local wildlife trusts, the Environment Agency, the Rivers Trust, Natural England and other key conservation organisations to ensure that we protect the ecosystems and biodiversity of our delivery footprint. Our Ashbourne Airfield case study gives an example of the positive impact they have had on the project.

Embedding sustainability

During 2024, we will fully embed sustainable policies, processes and practices throughout our organisation to ensure we protect the environment and have a clear Net Zero pathway. To support this, we will ensure best practice exists throughout our value chain, maintain transparency in how we operate and continue to engage colleagues.

Case Study

Strelley to Redhill: Designing out carbon for Severn Trent

Severn Trent is constructing a new 16km pipeline that will link the Derwent Valley Aqueduct to Strelley Reservoir and Redhill Reservoir to boost water supplies for 180,000 Severn Trent customers. By incorporating innovation and value engineering, we proposed an alternative approach, delivered large carbon and cost savings and maintaining the performance and integrity of the main.

As a result of this integrated partnership and sustainable approach, we were awarded the contract in December 2023.

Key benefits delivered

- We reduced the size of the pipe and the number of fittings required, decreasing the tunnel size, carbon and costs
- We initiated early procurement of materials, driving the best value for the client and we were able to unlock significant buying gains through a series of competitive tenders
- The integration of in-house design, ecology, customer and vegetation management teams mitigated time constraints, allowing us to effectively manage the critical path and shorten the overall project duration

2023 Achievements	Continuing our Journey into 2024
Baselined business emissions	Developing Net Zero targets
Developed a roadmap for emissions reduction	Starting the transition of our fleet to low or zero emission vehicles
Successful trials of low emission fleet and plant	'Green first plant' policy rollout
Committed to SBTi	Reviewing emissions opportunities from driver behaviour analysis
Engaged and collaborated with clients on strategic projects	Certification to ISO: 14064
Engaged with supply chain	Undertaking Energy Savings Opportunity Scheme assessment
ESG framework aligned with UN Sustainability Development Goals	Switching to low carbon energy in all office buildings under our control
Launch of PowerBI emissions dashboard	Continue to work with our supply chain to reduce emissions
Committed to moving all company cars to low or zero emission	Developing an embodied carbon tool

Investing In Our Communities

We strive to be a force for good in society and to deliver long-term social value in the communities where we work and live.

Led by our Head of Communications and Social Impact, we made good progress in developing our strategy for community giving through charitable donations, matched funding, volunteering and supporting our clients.



A colleague-centred approach

Colleagues play an essential role in delivering positive social impact. Understanding the areas of social impact that are important to colleagues was vital to establishing our social impact ambitions. We conducted several colleague engagement sessions, including a workshop at our Colleague Roadshows, to examine where we should focus our efforts.

The themes colleagues identified included protecting the environment, supporting mental health/suicide prevention charities and social mobility and diversity and inclusion. These were fully aligned with our purpose to move life forward and in early 2023 we launched our Social Impact Approach.

> Our Social Impact Approach



Charitable Partnership
Mental health and suicide prevention



Match Funding
Doubling the standard allowance for our charity partners



Volunteering
Environment, social mobility, health and wellbeing

Selecting our company charity

In March 2023 we launched our first colleague-chosen charity partnership with Mind and Scottish Action for Mental Health (SAMH). This involved signing up to Mind's Mental Health at Work Commitment and supporting Mind's events. Colleagues have fundraised throughout the year and helped to raise awareness of mental health and wellbeing.

This has included step-challenges, holding bake-offs, running marathons and Ultra 100 mile races as well as donating sweepstake winnings. At the end of 2023, colleagues raised over £8,000 for Mind and SAMH.

Matched funding

In 2023 we increased our matched funding standard allowance by 25%. To show extra support for our charity partners, we decided to double the standard matched funding allowance for Mind and SAMH. This enabled colleagues to claim up to £250 matched funding.

During 2023, Avove colleagues have raised over £20,000 for UK charities and Avove has matched a total of £2,888 of which 74% was for our charity partners Mind and SAMH.

In 2024, we want even more colleagues claiming matched funding and are increasing the allowances.

£20k+
Donated to UK charities



Volunteering

Each year we offer all colleagues one day's paid leave to volunteer for a local good cause or charity, supporting our themes of protecting the environment, increasing social mobility and diversity and inclusion and supporting health and wellbeing.

During 2023 we saw a good level of engagement with colleagues volunteering their time for a range of activities including supporting schools and community groups. This has included saving schools over £5,000 in purchasing new IT equipment and having new outdoor spaces created free of charge for the pupils to play during their breaks as well as renovating buildings and sensory gardens to support mental health community groups and environment initiatives.

Supporting WaterAid: The water industry's charity

WaterAid is an international not-for-profit organisation that is determined to make clean water, decent toilets and good hygiene normal for everyone, everywhere. Together, with its partners and supporters around the world, WaterAid has reached 30 million people with clean water and decent toilets.

Throughout 2023 we have worked alongside our clients to support WaterAid, including being the main sponsor for Yorkshire Water's annual WaterAid run, taking part in charity fundraising activities, and sponsoring and attending key events. We are continuing to support WaterAid in 2024.



Case Study

Sponsoring Yorkshire Run for WaterAid for the second year

Following the success of the 2022 event, we teamed up with Yorkshire Water for the second year running to be the main sponsor for the Yorkshire Run for WaterAid 2023. We are keen supporters of WaterAid and its aims.

It was a great opportunity for us to raise awareness of AvoVe and we handed out branded water bottles and other merchandise on the day and promoted the event across our marketing channels. The charity run was a huge success, raising over £6,000 which was a 13% increase on 2022's fundraising totals.



Community giving

We encourage our colleagues to give back to the community in a variety of ways and in 2023 we had many examples of teams working together to support good causes.

This included donating IT equipment, food, clothing and toys to local organisations that need extra help and sponsoring Scottish Hockey's U18 Girls' team.



Case Study

Sponsoring Scottish Hockey's U18 Girls' team

We are passionate about making a difference and investing in communities where we work and live, that benefit customers and the surrounding areas. Working across England, Scotland and Wales, we make contributions through charity contributions and sponsorship. During 2023 we sponsored Scotland's Aspiring Girls Under 18s hockey team with the AvoVe logo taking pride of place on the front of the team's home and away kit throughout the year. We launched our partnership during the Scottish Women and Girls in Sport Week campaign #SheCanSheWill. This sponsorship deal aimed to raise awareness of the career opportunities in the utilities sector for females, whilst supporting the athletes to develop into tomorrow's senior internationalists. We are proud to nurture talent and attract people from under-represented groups to the construction and utilities sector.





Performance Case Studies



Case Study

Using innovative air pig technology to clean the Vyrnwy Aqueduct

Built in 1892, the Vyrnwy Aqueduct runs from Lake Vyrnwy through to Merseyside delivering clean water to the North West.

The pipeline now requires work to ensure the quality of customers' drinking water and to reduce water discolouration events experienced by some customers. The Vyrnwy Aqueduct Modernisation Programme (VAMP) involves the refurbishment of three parallel pipelines, referred to as Lines 1 and 2 (cast iron pipes) and Line 3 (steel pipe). Each line is 42 inches (over 1 metre) in diameter and has a combined distance of 139km in length.

Through our innovative approach to the cleaning and relining of these large-scale pipes, we were chosen as the contractor for modernising the Vyrnwy Aqueduct pipelines in phase 1 of the works between Malpas and Tarpoley.

Key benefits delivered

- Saved 1,104 tanker journeys and reduced environmental impact
- Saved 118.2 tonnes of CO₂ across the whole project
- Saved weeks of work: reduced the time to clean the pipes from weeks to days, e.g. one section of 2,542m of pipe was completed in just 4 days instead of weeks, reducing costs, improving efficiencies and minimising disruption
- Reduced the number of excavations, launch and reception pits required from 37 to 12
- Saved 15 million litres of water compared to using the traditional high-pressure jet washing
- In addition to sustainably cleaning the pipelines with air rather than water, our use of video analysis ensured optimum investigation to provide cleaner, wholesome water for customers

Our approach

For Lines 1 and 2, which are cast iron, we inserted a new, slightly smaller, diameter plastic pipe inside the old main, creating a brand-new pipe within the host main. This process is called slip-lining. For Line 3, which is made of steel, the client originally scoped the project out using a traditional method of high-pressure jet washing. However, our team of expert designers reviewed the project and recommended a different approach called air pigging. This was particularly groundbreaking because air pigging had never been used before to clean this size and length of water pipeline.

The air pigging system utilises an air-propelled barrel-like device, known as a 'pig', through the 1-metre diameter pipes to remove any sediment that has built up from the natural minerals in the water. These pigs are traditionally propelled by water, but our method

uses air instead. Video inspection technologies via camera pigs allow us to validate the pipeline's cleanliness and track progress.

The client saw the potential in using the innovative technology, so we partnered with iNPIPE PRODUCT™ to design and manufacture bespoke air pigs and camera pigs to clean and monitor Line 3, substantially reducing the project's carbon footprint and saving tonnes of water and time.

We have received industry-wide recognition for our innovative and sustainable methods of cleaning steel pipes with United Utilities adopting this as best practice. Avove was selected as a finalist in the 2023 Water Industry Awards Net Zero category and the 2023 Utility Week Awards Collaborative Excellence category for our approach to cleaning Line 3 of the Vyrnwy Aqueduct.

1,104

Tanker journeys saved

118.2

Tonnes of CO₂ saved

15m

Litres of water saved



Case Study

Designing out carbon using an innovative and sustainable filtration system

Severn Trent required essential maintenance and repair works to one of their Borehole Pumping Stations (BHPS), which provides a dedicated supply of water into their network across Shropshire.

Our challenge was to find a solution that would not interrupt the existing service and would enable essential works to be carried out whilst maintaining existing plant output.

Key benefits delivered

- Innovative design – the Iron and Manganese (I&M) filtration unit is transportable, reusable and mostly recyclable
- No disruptions to the existing service and the system ensured Severn Trent had operational flexibility across its business
- Reduced the carbon output
- Sustainable cost-effective solution that can be used on other projects

Our approach

Severn Trent appointed AvoVe as the ‘contractor of choice’ to progress options for the maintenance-enabling works. We worked collaboratively with Severn Trent’s team to undertake early investigations on-site, scoping out what was required to facilitate the required plant repairs and refurbishment.

The key driver was to maintain the BHPS plant output to supply the network, whilst allowing the existing I&M filters to be removed from service so that repairs, refurbishment and replacement could be completed.

After careful planning, we designed and commissioned an effective, efficient temporary process, which conformed to Severn Trent’s filter design specification and allowed the existing I&M filters to be removed from service whilst maintaining plant output to meet continued network demand.

It included the provision of eight pressure filters containing sand and manganese dioxide media. The individual filter units were designed to provide a structural skid framework which incorporates pressure vessels and supporting process equipment and pipework.

We delivered a sustainable and efficient system with minimal to no impact on the surrounding environment and reduced our client’s carbon outputs by designing out embodied carbon.





Case Study

High Speed 2 long sewer diversion for Birmingham community

To support the delivery of the UK’s most ambitious railway project, High Speed 2 (HS2), Severn Trent commissioned Avove to undertake a demanding 1.5km sewer diversion project from Gilson Hamlet near Birmingham to accommodate the new HS2 railway line.

The site crossed an area of agricultural land between the M42 & A466, with the M6 Toll on the Eastern boundary, meaning that diversion works would involve crossings beneath the M42 motorway, posing a risk to major infrastructure.

Avove’s task was to reroute an existing sewer with a diameter of 1.65m to clear space for the HS2 railway line. The project necessitated thorough ground surveys, environmental evaluations and the installation of the sewer at various depths, including crossings beneath the M42 motorway with shallow cover.

Due to the complexity of the works, we had to complete detailed outlines and designs in alignment with Severn Trent Water and HS2 governance standards, whilst working towards a strict timeline.

Key benefits delivered

- Successfully completed the sewer diversion, averting conflicts with the proposed HS2 railway line
- Achieved one of the UK’s lengthiest pipe-jacking operations using a slurry method to overcome challenging ground conditions, such as running sand
- Smooth progression through pre-construction and construction phases as well as our ongoing collaboration with Severn Trent and HS2 stakeholders underscored our ability to manage intricate infrastructure projects effectively

Our approach

Avove were proactive from the outset, managing interactions with other HS2 contractors comprehensively and initiating the project by swiftly advancing through the pre-construction phases.

This included the proactive development and completion of:

- All relevant documents in HS2’s Construction Readiness Checklist and Severn Trent (ST) Project Information Plan
- HS2’s Undertakings and Assurances, for which we developed and implemented a plan to ensure compliance
- Presentations at project Go/No-Go meetings to gain necessary approvals for surveys and construction
- Interface Control Document detailing how Avove would work alongside other HS2 contractors in the area

Our solution entailed meticulous planning and execution to overcome construction risks. By proactively managing pre-construction activities and fostering close collaboration with stakeholders, we ensured compliance with all requisite regulations and successfully delivered the project, facilitating the advancement of the HS2 railway line whilst minimising disruptions to major UK infrastructure.

We innovated throughout, deploying a combination of slurry-based tunnel boring and open-faced tunnel boring machines to execute the project with efficiency. This included the installation of:

- 400m of 1.8m diameter sewer, one of the longest pipe-jacking drives of this size in the United Kingdom (UK)
- Four tunnel drives under the M42 motorway using a 1200mm diameter Tunnel Boring Machine (TBM)
- Two drives (130m and 250m) using 1800mm diameter TBM
- A 24-hour working regime to ensure the work was delivered according to schedule





Case Study

Ashbourne Airfield project: Creating biodiversity net gain

Working with Severn Trent, we undertook a project to provide an additional source of water to alleviate treated water supply issues experienced during the summer months.

To install the pipework required for this project, we had to undertake excavations across farmland which would disrupt the local environment, potentially destroying habitats and posing a threat to local biodiversity. The design and route selection were particularly important to minimise our impact on the environment and community.

Our approach

We are passionate about leaving communities in a better place than we found them and recognise our ecological and biodiversity obligations in the delivery of projects. This includes ensuring that our works are sustainable and protect and enhance biological and ecological diversity.

We set ourselves two key objectives for this project:

- Protect local land and increase biodiversity by reducing disruptions and risks during project works
- Actively seeking to improve local biodiversity beyond the project lifespan through proactive intervention

We used Defra's Biodiversity Metric to carry out a biodiversity net gain assessment, to measure baseline habitat before our works and habitat enhancement following our works. We successfully identified a land parcel approximately 2.2 kilometres long and 20m in width, in which we would conduct habitat improvements.

Key benefits delivered

Increasing biodiversity

Working within the identified land parcel, we successfully improved biodiversity by:

- Creating two new ponds for wildlife
- Planting 7.89 metres of hedgerows for habitation and protection from erosion
- Planting 79 new trees
- Reseeding the local area with locally-harvest wildflower seeds

Because of these measures, Avove successfully achieved a biodiversity net gain of 19.79 for the overall site, improving the local environment, biodiversity, and habitat availability by approximately 85%.

Protecting local land

To protect wildlife and land during the project, we installed locally sourced fencing and consulted with the local community to amend the planned route to accommodate their needs. Where invasive non-native species (INNS) were identified, we ensured that biosecurity measures were implemented through a Biosecurity Management Plan with clear instructions as to how to avoid facilitating the movement and spread of INNS, including measures such as wheel washing, fencing and clear signposting of impacted areas. We also installed boot disinfection zones using a Defra-approved disinfectant which prevented the possibility of contaminants entering the water supply, with disinfection stations being sealed and contained.

2

New ponds created

79

New trees planted

7.89

Metres of new hedgerows

19.79

Biodiversity net gain



Case Study

Great crested newts habitat protection project

In collaboration with United Utilities, Natural England, and other key conservation organisations, Above has undertaken a project with United Utilities to safeguard the habitat of great crested newts.

In delivering our works on the Vyrnwy Aqueduct Modernisation Programme (VAMP) for United Utilities, we identified the challenge of protecting great crested newt habitats whilst undertaking work within 250m of pond habitats. Our core aims were to prevent and mitigate risks to the great crested newts during and after construction, including habitat loss, fragmentation, degradation and direct harm.

Key benefits delivered

We have delivered several key benefits for habitat protection and enhancement of great crested newts:

- **Preservation of existing habitats:** Through rigorous monitoring, including monthly environmental audits, we have successfully protected the existing habitats from disturbance during construction activities.
- **Low interference solutions:** Our innovative solution did not risk the livelihood of great crested newts or their habitats. By preserving existing habitats and hibernacula, we have demonstrated our ability to generate intuitive low-risk methodologies.

Our approach

To address this, we developed a comprehensive strategy to safeguard great crested newt habitats, focusing on both immediate protection and long-term habitat enhancement. We have collaborated closely with local environmental agencies, wildlife trusts, and conservation organisations to ensure the effectiveness of our measures.

To protect great crested newts during construction activities, we implemented strict protocols such as regular surveys to identify their habitats, exclusion zones around breeding ponds, ecological supervision for vegetation clearance and the use of environmentally friendly construction methods.

This included bridges across hedgerow root systems along the haul road that could be utilised as great crested newts' hibernacula during the winter months.

This approach prevented plant machinery ground compression which could lead to the crushing of this protected species. With the use of bog matting, the hedgerow could be cut down to just above the ground and the root systems preserved until the end of the hibernation season by bridging it with bog matting that is designed to spread the weight of the passing plant.

Once the hibernation season was over the matting was removed, and a licensed ecologist conducted a destructive search of the roots before the haul road was installed.

We have initiated habitat restoration projects, including the creation of new breeding ponds, the restoration of degraded habitats, and the planting of native vegetation to provide shelter and food sources for great crested newts.

Our environmental monitoring programs, including regular surveys and habitat assessments, provide evidence of the effectiveness of our conservation efforts.

Through these efforts, we have successfully protected and enhanced great crested newt habitats, contributing to the conservation of this endangered species. Our commitment to environmental stewardship and collaboration with stakeholders demonstrates our conservation ethos, limiting risk factors when undertaking ecologically sensitive works.

Social Impact Case Studies

Case Study

Donating IT equipment to a Warrington Primary School

Our United Utilities Account team donated IT equipment to support Meadowside Community Primary (CP) and Nursery School in Warrington, Cheshire – saving them approximately £3,000. Meadowside Community Primary is one of only five primary schools in Warrington that provides teaching for children with additional needs and those on the Autism Spectrum.

The donated computer equipment will be installed in the IT suite which will help to support the school and assist the children with their studies. We believe that all children deserve equal opportunities and should have access to technology, and we hope this donation will help those at Meadowside CP achieve their potential.



Case Study

Supporting Chorley Children's Charity Christmas Appeal

Our Finance, Business Technology Group, Fleet & Plant and Procurement teams alongside our United Utilities Capital and Marketing & Communications teams have all supported a local Chorley charity, Derian House Children's Hospice, with donations to its Christmas Gift Appeal.

Derian House provides respite, palliative and end-of-life care to children and young people across the North West. These presents will help to relieve some of the pressure faced over the festive period by the children and their families.



Case Study

Avove donates a heart defibrillator to Mandale Business Park, in Durham

As part of our commitment to supporting local communities, we have paid for a lifesaving device to be installed for use across Mandale Business Park, in Durham, where our Northern Powergrid account team is based.

The defibrillator is housed in a locked cabinet on the outside wall of the offices and can be used by anyone in the case of an emergency. It can provide lifesaving treatment to an individual as it comes with voice instructions and can be used to restart a heart in an emergency.



Case Study

Avove picks up the Silver Award from the Defence Employer Recognition Scheme

In October 2023, we were awarded the Silver Award in The Defence Employer Recognition Scheme (ERS), in national recognition of our commitment to the Armed Forces.

The Silver Award is awarded to employers who have pledged to support the Armed Forces, signed the Armed Forces Covenant, promoted being Armed Forces-friendly and are open to employing reservists, veterans, cadet instructors and their partners. At Avove, we recognise the value that reservists, veterans and their military families can bring to our business and to the utilities sector.

Social Impact Case Studies

Case Study

Building an adventure play area for Bradshaw Primary School

We were approached by Bradshaw Primary School, in Halifax, to support them in creating a new adventure play area. The space needed updating and the school wanted to introduce 'crawl through' pipes for the pupils to use.

As part of our volunteering programme, a team of colleagues working on our Yorkshire Water account were more than happy to support them! We agreed a plan of action over the summer holidays with Deputy Headmistress, Julia Baker. Not only did we donate the pipes, but we also renovated the area which included the pipe installation to provide the crawl-through area and reinstated the ground. As part of this project, we increased the overall size of the play area giving the students a lot more space to enjoy when they return to school in September.



Case Study

Volunteering to renovate North East Community Hub

North East charity FACT (Fighting All Cancers Together) is a charity that provides support to cancer sufferers and survivors and promotes a friendly and safe environment to discuss problems no matter how big or small. FACT had acquired new premises and was converting an old pub into a new community hub in Wrekenton, Gateshead.

FACT approached us to support them and a team of nine colleagues working on our Northern Powergrid account volunteered to kickstart the renovations of the building. This involved the removal of internal walls and ceilings and tidying decorative flower beds.

The team thoroughly enjoyed the day with the FACT team and felt a sense of satisfaction in what they had achieved.



Case Study

Supporting the Royal British Legion

Our United Utilities operatives volunteered during the Royal British Legion Poppy Appeal 2023 at Morrison's supermarket located near our depot in Chadderton, Oldham. The team worked on the stand all day, talking to customers, and helping to raise more than £720. This was a new record for the Oldham Poppy appeal that beat the previous year's target.



Case Study

HSEQ team supports Birmingham Sensory Garden

Martineau Gardens is a charitable organisation that manages a beautiful community garden which is a destination for outdoor escape and supports people with mental health and learning needs. The charity needed help tidying up their pond and bringing the surrounding woodland and gardens back to life.

Our HSEQ team rolled up their sleeves and donned their PPE to clear leaves and debris and transform the woodland area, which is an essential part of Martineau Gardens, bringing this vital area of the gardens back to life. The work will benefit people who are supported by the team at Martineau Gardens and visitors by providing an area to enjoy.



Case Study

Supporting a local community's food bank and community café

The House of Bread is a charitable organisation which supports vulnerable and homeless people in Stafford and the surrounding area.

A team of volunteers who work in our People & Culture team joined the House of Bread colleagues taking part in a range of activities including baking bread and scones, making lunch and collecting fresh stock for their café, and sorting through donated food and clothes.

Our team also went out with a House of Bread colleague who took some larger household items to vulnerable people living locally and did a few tip runs.





| Governance

Avove's Executive Leadership Team

The Executive Leadership Team (ELT) is responsible for the strategic direction of Avove and sets the annual budget ensuring the necessary resources are available to deliver our strategic objectives. The ELT has oversight of our environmental, social, governance (ESG) initiatives, risks and opportunities and has

approved an ESG mapping exercise to ensure that sustainability in particular is reflected in all decisions made within the business.

The ELT comprises a vastly experienced team that has operated across many business sectors being led by the Executive Chair.



Mark Perkins, Executive Chair

With over 40 years of experience, Mark is well versed in developing and leading teams engaged with complex capital and service programmes. He is a Chartered Director and has worked with Rubicon Partners on transaction delivery, restructuring and leading portfolio businesses for the past nine years.



Neil Cooney, Business Development Director

Leading our business development and strategic growth initiatives, Neil brings over 30 years of sector expertise. He leads Avove's Work-Winning and Marketing & Communications functions, driving our success in these crucial areas.



David Holmes, General Counsel

With a wealth of experience in both governance and operation management and more than 30 years of experience in the construction industry, David oversees all legal matters along with property and corporate governance.



Darren Jones, Finance Director

With over two decades of experience in senior finance roles across services and consumer goods, Darren provides strategic leadership for Avove's Finance, IT, Fleet & Plant and Procurement functions and is the executive level sponsor for Environment, Social Impact and Governance.



Becky Kimber, People Director

Becky is a senior HR professional with nearly 20 years of experience. Becky is responsible for providing strategic direction and leadership for all aspects of the People & Culture function, creating a working environment where all colleagues can thrive.



Patrick Rafferty, Business Director – Operations

Patrick has nearly 40 years of experience managing operations across all aspects of utilities. As well as leading Avove's Health, Safety, Quality and Commercial functions, Patrick oversees all business operations, supported by a team of Account Directors and Managers.

Giving Our Stakeholders Confidence

At the point of establishing Avoe as an independent business, the Board and Executive Leadership Team (ELT) stated their intent to introduce and sustain a level of governance within the business that enabled us to deliver our strategic objectives in a transparent and structured manner. The aim is to strike the right balance for our business between structure, control and formality with the ability to be agile and responsive to our clients and appropriately empower our people.

Key policies

This starts with the policies that we abide by across our organisation and throughout 2023 we have reviewed the suite of policies to ensure that they cover the necessary aspects of the business and are supportive of our intentions.

The Avoe Code, which is a key policy in this regard as it sets out the way we conduct our business, has been updated, approved by the ELT and communicated across the business, aligned with the rollout of our values. The tone that this sets has then been consistently applied across all other policies, importantly across critical topics such as Anti-Bribery and Corruption, compliance with the Modern Slavery Act and our policy regarding Risk Management.

We have formed working groups with membership from all parts of our business to inform these policies and ensure that our people know that they have an important part

to play in setting out the rules by which we operate. Specifically, the working groups in regard to Modern Slavery and GDPR have been influential in informing these policies and our Employee Engagement Forum, again with membership from all levels and parts of our business, have been an important voice in ensuring that we are creating an organisation that people are proud to work for.

Compliance training

Our e-learning platform has also enabled us to roll out the necessary training to all of our people on these subjects to ensure that there is both awareness and a level of understanding of what they mean to all of us. Training on Modern Slavery, Bribery, Whistleblowing, GDPR and Cyber Security amongst a number of other topics has been conducted across 2023, in a pre-planned programme of modules.

Completion of these bite-size courses has also been actively managed, with support given to those who have found access to them more problematic and as a result we achieved a 93% completion rate.



Subcommittees

In a number of areas we have chosen to set up Subcommittees of the Board and ELT to foster the transparency and focused oversight that we want to instil within the business. Separating these topics from the main business of the Executive Meetings means that we can ensure the right focus is placed on these important areas and that the appropriate membership is in place.

Our Approvals Subcommittee has been set up to work collaboratively with our account teams to ensure that we submit strong bid propositions to our clients whilst managing the relevant risks and return. Major supply chain contracts are also approved in this forum, ensuring that an appropriate and fair process has been conducted in reaching an award that reflects good value for money. Although these meetings are held weekly, we have a flexible approach to ensure we can react quickly where required to support client timelines. On a monthly basis a business performance Subcommittee has been established with our account leads, providing the opportunity to coach, guide and support them in achieving their business plans.

Other Subcommittees set up over the course of 2023 include our Risk and Audit Committee and Remuneration Committee.



Risk management

The Risk and Audit Committee membership includes representatives from our shareholder and is attended by our external auditor Mazars, twice a year, with further meetings scheduled as required. Terms of reference include oversight over our external audit, internal audit and client audit programmes, including the implementation of recommendations coming out of all of these, as well as review of our corporate risk register and delegation of authorities.

The Remuneration Committee meets monthly and ensures that there is the appropriate rigour and visibility put around both internal promotions and changes to remuneration for our people across the business.

Whistleblowing

During 2023 we had one whistleblowing incident, which led to a detailed investigation launched within 24 hours of being reported and was led by an impartial manager and supported by our People & Culture function and General Counsel. Learning from this incident has also subsequently led to a refinement of the policy. Our whistleblowing hotline is independently maintained and is available for use by colleagues, suppliers, subcontractors, and customers for reporting any matters of concern to the company.

Looking ahead

We will be continuing to review our governance environment into 2024, including recommendations coming out of government-sponsored reviews into the principles of good governance which, although may not be mandatory, would be good practice for Avoe to adopt.

