



## The importance of ethics and sustainability

Adnams is the award-winning UK brewer, distiller, hotelier and wine merchants based in the picturesque Southwold on the Suffolk coast. Founded in 1872, it produces over 200,000 bottles of spirits and 95,000 barrels of beer each year. In 2010 the company established the Copper House distillery which produces world-class gin, vodka and whisky.

### Adnams story so far

Back in 1990 the Adnams Board made a decision that business had a higher purpose than just making money. They launched a community trust that donated 1% of their profits to local charities where they could really make an impact.

A few years later, when CEO Andy Wood joined the business, he took this underlying principle further and they officially defined their values and purpose to be an exemplar sustainable, ethical business.

### Sustainable buildings

One of their first major projects was to completely relocate and reinvent their distribution centre which was based in the heart of Southwold in Suffolk. Andy said: "Although we tried to be good neighbours, our brewery was right in the heart of a residential area and had an impact on our community". They secured land in nearby Reydon and began designing a unique building with the key objectives; sustainability and a

shorter supply chain. They worked with a local firm of architects, the University of East Anglia (UEA) and the University of Bath to produce a state of the art building that is 100% sustainable. From inventing a new form of building material, HempCrete, creating a carbon sink on the roof, to digging the foundations 7m under the ground to control temperature, they turned the way distribution centres operated completely on its head.

The building also proved to be a turning point in the company's fortunes. CNN the broadcaster, spent the day with the team which in turn, led to the supermarkets replicating their design ideas and even Government engaging with the team to ensure that they shared the achievements of the new distribution centre far and wide.

The Adnams brewery, as you would expect, is also state of the art. They harness the steam (a bi-product of the brewing process) that converts into the next batch of beer.





The next step on Adnams sustainability journey was to consider the impact of using traditional glass bottles. In conjunction with academics at UEA, Adnams identified that producing and transporting glass bottles was a significant contributor to carbon emissions. Adnams set about producing a lightweight beer bottle that has since been adopted across the whole industry.

Andy said: "We really can claim that 'a little brewery in Suffolk' revolutionised the industry and changed the way we do things forever."

Andy and his team are very much of the opinion that "the polluter will pay". They believe that businesses that don't adopt an ethical approach to their business, particularly around sustainability will suffer in the long-term not only from their customers and their staff, and from society in general.

### The bottom line

Ensuring you are a sustainable business is becoming more and more important to both customers, staff and investors. The Adnams' story demonstrates a journey that has enhanced sales, deepened relationships with partners and ultimately, increased profitability.

A great example is how the relationship between Adnams and Tesco developed. Inspired by the Adnams broadcasts on CNN, Tesco visited

## "Be a good business, for your employees, customers, suppliers, investors and community"

Adnams distribution centre and brewery. The supermarket giant were so impressed with what they saw, and understood the consumer trend for more sustainable products, they commissioned Adnams to create a "green beer" for them. East Green was created for them, and uniquely tracked at every stage of its production, from field to shelf by the School of Environmental Sciences at UEA. This firmly cemented the Tesco/Adnams relationship, increased sales for both businesses and was warmly received by Tesco customers.

### The next challenge

Of course, every business needs to continually improve, and Adnams is no different. The leadership team are working on addressing the equality, inclusion and diversity issues that all industry faces. Their strategy is to be an 'exemplar business' that treats everyone equally and with compassion.

### Employee engagement

Having a loyal and committed workforce is vital to the leadership team at Adnams, and it's become even more important during the COVID-19 pandemic. The business runs regular staff surveys and they have consistently scored highly.

Adnams employees are proud of the company's story and their approach to business.

Sadie Lofthouse, director of HR said: "Our values must be lived, not just written down. We have to do as well as say. Your workforce very quickly understand the difference."

However, the pandemic has undoubtedly had an impact on the business. They started talking with staff several weeks before the Government furlough scheme was announced, and although these were very difficult conversations, the management team were 100% supported by their workforce.

Fortunately, the Job Retention Scheme has supported their staff, many of which are connected with the hospitality sector, with the company's hotel chain, pubs, and shops. Social capital is important to the business. They have been involved with over 15,000 random acts of kindness including creating and producing hand sanitiser and delivering "treats" to frontline staff in the form of a 'G&T'.

### Adnams supply chain

A successful supply chain is based on trust and the Adnams' team very much live that philosophy. They held their first 'Supply Chain Conference' three years ago, and had planned to host another in 2020. During the Supply Chain Conference, Adnams recognise the value that their suppliers and partners bring to the Adnams business.

The company values a collaborative approach and work with partners, particularly in the HE sector. Adnams supports to a greater or lesser extent the MBA programme in Oxford, Cambridge, UEA, Anglia Ruskin and Cranfield. This type of 'partnering arrangement' also ensures that they are able to recruit the next generation of 'Adnams pioneers'.

Of course, the pandemic has affected their supply chain greatly. March 2020 saw an 80% decrease in potential revenue, but they worked with all the suppliers, supporting the small companies that would be adversely affected by this, and negotiating payment terms with some of the global suppliers. "People won't forget businesses who in the midst of the pandemic lived their values" Andy commented.

