



CORPORATE SOCIAL RESPONSIBILITY STATEMENT

We take our Community Responsibilities very seriously indeed. We recognise that the success of our Company is dependent on our relationships and we recognise that, as a large and successful business, we have a serious responsibility to those we employ, our business associates, the community which allows us to thrive and the environment in which we operate. We go beyond compliance with legislation, having ethical values and respecting people, communities and our natural environment.

ENVIRONMENTAL

We recognise the importance of our Environment.

Throughout the production process, we actively work to minimise our impact on the environment whilst continuing to reduce our carbon footprint. By working closely with all our suppliers, we maintain our policy of purchasing Chain of Custody certified papers along with those containing a recycled content. The papers which we use can also be carbon-balanced via World Land Trust with all donations being put towards the many conservation schemes which they support.

We are a large user of paper and compostable magazine-wrappers which can both be recycled easily in a variety of different ways. We offer eco-friendly coating solutions and have two in-house baling plants to assist with the removal of waste paper. Our reel-to-sheet Cutstar presses have a variable cut-off facility which also helps reduce paper waste. When this process is combined with the latest Heidelberg press technology, the amount of “make-ready” sheets is kept to an absolute minimum; therefore, we generate far less waste than those suppliers who operate conventional sheeted or web-offset presses.

We possess ISO14001:2015 GB07/72753, ISO9001:2015 GB95/6121, Chain of Custody since 2007.

In addition, Stephens and George Ltd will endeavour to:

- Reduce carbon emissions via energy efficiencies;
- Comply with all relevant environmental legislation, regulations and approved codes of practice.

- Protection of the environment by striving to prevent and minimise our contribution to pollution of land, air, and water.
- Minimise waste production and encourage recycling throughout the site.
- Lower solvents usage by implementing new technology.
- Conserve natural resources used in manufacturing and despatch operations.
- Maintain Duty of Care requirements through the safe storage and disposal of waste.
- Reduce noise to the lowest levels practicable.
- Retain best housekeeping standards in and around the site.
- Operate in a responsible manner communicating best environmental practice to all employees.
- Maintain an environmental management system that reflects the principles outlined above.

Key Achievements:

- Replacing 5 compressors with 1 large variable drive compressor for max efficiency as it runs only as fast as usage dictates, 1 normal and 1 slave compressor reducing total energy used.
- Forklift trucks powered by LPG gas replaced existing diesel trucks, reducing certain emissions including NOx, Sulphur Dioxide (SO₂), Carbon Dioxide (CO₂) and fumes.
- We hold a Climate Change Agreement; and the Company improved its energy efficiency significantly in 2019 and 2020 by 39.7% compared to its base year of 2008. This was against a target of 8.4% set by the Environment Agency. This meant the site overachieved its energy efficiency target by 810 tonnes of Carbon and 2973 tonnes of CO₂. Over the four measuring periods the Company overachieved against its targets to the value of 3745 tonnes of Carbon and 13,734 tonnes of CO₂.
- External lighting has been replaced with more efficient LED fittings; internal lighting has all been fitted with movement sensors. All production areas have been fitted with new LED fittings, replacing the inefficient T5 tubes.
- Investment in new more efficient technology has also reduced consumption of energy from 6,594.977Kwh in 2017 and CO₂ emissions of 3,567.8 tonnes in 2017, to 6,172,722 Kwh in 2019 and CO₂ emissions of 1,647.09 and 449.17 tonnes of carbon in 2019. * In 2020 electricity usage was 4,223,239 Kwh, CO₂ emissions of 1,031 which produces 281 carbon. *Covid reductions apply in 2021*.
- Company commercial vehicles fitted with Euro 5 or Euro 6 engines and ECO Drive systems.
- 50% of our Company vehicles are electric/ hybrid.
- We have installed 12 electric car charging points at various locations of the factory.
- Daily site inspections, reports issued to management with findings used to generate environmental non-conformances.
- Monthly compliance review ensuring we act in accordance with all relevant environmental legislation. All NCRs in line with ISO procedures.
- Our IPA solvent usage on presses is 4-4.5%.
- 100% of all waste is recycled. Achieved through implementation of waste segregation system within the factory where different streams of paper, card, plastics, wood and chemicals are collected and stored until collected by our waste partners. Paper is returned to the mills, wood is sent for chipping, plastics and card sent to recycling, chemical waste sent for recovery or utilised in a cement kiln for recovery in energy form. All domestic waste is now incinerated to provide energy

(Virridor the energy plant where this is sent is producing energy from waste of 1,807GWH equivalent to powering 500,000 homes.)

- Members of Paperpak scheme – Packaging Waste Regulations meeting our obligations.
- Our printers' pallets purchased are made to order and re-used. Any broken wood/damaged pallets are collected by our pallet supplier on a weekly basis and chipped for agricultural and industrial use.
- Records kept and analysed on Energy usage, waste streams, verification of waste collections and waste carrier's licences, Duty of Care visits undertaken.
- Conventional plate processors replaced with processor-less units using only water and non-chemical-based gum to protect the plates.
- In-house barcode system allows us to track all paper usage from storage to press minimising paper waste.
- Reduction in plastic wrap for mailing with introduction of compostable wrap and paper wrap.
- An example of how investment in our manufacturing equipment has benefited the environment. The purchase and installation of paper-wrapping and mailing equipment in 2018, means that since 2017 the shrink wrap and poly-film purchased for mailing and despatch was 86.9 tonnes in 2019 this had reduced to 39.6 tonnes and in 2020 this was 21.02 tonnes.
- Our usage of paper wrap was up to 50% and our normal poly usage was at 22% whilst compostable and naked mailings were at 14% each.
- As a result of our closed loop system in press hall we have reduced our consumption of water. As a consequence, we only use 0.001602 litres of mains water per sheet.
- We have installed 5,561 solar panels on our roof space, operation should start in October 2022. This installation is projected to produce some 18% of our total energy consumption.
- We are replacing all of our old air conditioning units from R22 gas which is extremely harmful to the environment to R32 units or the equivalent.

SOCIAL & COMMUNITY

The majority of our 159 employees live in the community where the factory is based, and therefore we have a responsibility to the community, both externally and internally. We have a policy of recruiting, training and developing local people, which should instil in them a sense of community in their workplace and with their colleagues. We therefore endeavour to sponsor and support local schools, and charities. We have a Company sports and social club, through which we try to hold events within the local community.

As one of the largest local employers we endeavour to promote lifestyle changes, with various schemes that we have to offer e.g., "Cycle to Work Scheme". In addition to this, we have always taken very seriously its position as the largest private employer in our Borough and as such founded our own Stephens & George Centenary Charitable Trust in 2012. The Trust aims to improve literacy within our community. First alerted to the astonishing low levels of literacy within the area when the apprenticeship and employment applications were of such a low standard as to make applicants unsuitable for work, we decided that something had to be done. Forming the Trust has shown a deep commitment to developing the local community and the opportunities available to people within it. We recognise that, in order to succeed, a strong, motivated and successful community is essential and that investment in people is the only way to achieve this mutually beneficial working relationship. By providing people outside the organisation with the opportunity to better their education and, opportunities we are, in effect, generating a

future generation of people who are able and willing to work towards their own successful careers and can at last have aspirations. Our Trust has worked in partnership with Arts Council for Wales, Royal Welsh College of Music and Drama and Wales Millennium Centre to deliver a literacy festival for World Book Day in our town for the last eight years.

We also provide bursaries; for education (means tested). The Trust works closely with the community to help deliver projects in Primary schools and other establishments and as part of this recognition has been gifted a local Community Centre which will continue to be run on a “not for profit” basis by the Trust. These projects include reading support volunteers and the building of libraries within local schools, and has inspired the Welsh Assembly Government to follow our lead providing, a chess in school programme.

During Covid restrictions we diversified and organised food parcels via volunteers to be delivered to vulnerable people in the community. As a result, the Trust has recently been awarded the Queens Award for Voluntary Services. We continue to work with children from the community providing remote learning support and innovative classes online. We provided an online book festival when children were allowed back into schools, with authors, artists and poets transmitting simultaneously to several thousand children in school locations. Hence, we have won The Education and Training Category Award for the best in the UK at the 2021 Charity Awards. We continue to build relationships in the Trust with various government agencies; Probation Services, Voluntary Action, Welsh Assembly Government, and as a result of these partnerships and our volunteer programme, we have given numerous young people career opportunities within our business over the last 9 years and taken on several mature trainees in the production, estimating and warehouse areas.

SUPPLIERS & ASSOCIATES

We have striven to develop and maintain long-standing relationships with all our suppliers; where many of our competitors shop around for the most cost-effective option at any one time, our preference is to establish a set price over a fixed period with a reliable associate, ensuring lasting, strong business relationships and fair pricing standards. We believe that this approach to resource and relationship managing is the most ethical and mutually supportive manner in which to develop a productive, thriving business environment for all concerned.

We have been with our paper suppliers Antalis since 1987 and have built up strong ties with other suppliers since the mid-nineties. Each of our suppliers are valued and play a vital and unique role in the

success of S&G. Although we continually meet with new suppliers in order to keep up with market developments, we persevere to preserve the relationships we have built up gradually, through trust, reliability and continued excellent results. “We’d rather stick with the people that we know; they know our business inside out. It would be possible to switch to another supplier and perhaps make a saving, but it is vital to factor in the problems and upheavals any changes would bring,” explains Gareth Collins, Estimating Manager. We buy approximately twelve thousand tonnes of paper each year and as a result are able to pass on the savings this buying power inevitably brings to our clients. Our relationship depends on excellent communication networks. We recognise the importance and value of interpersonal relationship to engender a fluid, effective and long-term business transaction. We work hard to keep channels of communication, from emails to social events. We even work directly with the suppliers of our suppliers, in order to fully appreciate and understand each stage of the process and to ensure we are fully aware of all the elements of our business operations.

Forming, utilising and developing these lasting relationships with all of our business contacts inevitably allow us to work within a structured and efficient routine. Good communication, proven two-way reliability and lasting ties with our suppliers engenders a trusting and honourable mutual relationship, guaranteeing an efficient regime, improved productivity and the best possible results for our clients and our business associates. This in turn allows us to broaden our client range and our scope for production, to increase the diversity and range of the products we are able to create. As a Company we are able to expand and develop productively and creatively, increasing the number of employees and variety of jobs available.

EMPLOYEES

Based in a region with one of the highest rates of unemployment in the UK, the majority of our 159 staff live within a five-mile radius of the factory. Our staff are encouraged to develop and grow into their careers with us. This clearly has a wider impact on the business itself as well as on the Community as a whole; with productive, enthusiastic and skilled employees working to further the business, this can only improve the Company, its business opportunities and therefore its ability to contribute to the development of the community. It is a self-perpetuating system which guarantees its own results. Our commitment to the development of individuals with the business is unparalleled. We run apprenticeship programmes to train staff in specialised areas from a young age, allowing them to learn and develop successful careers and productive, transferrable skills within the industry. We pay the minimum Government hourly rate to these young people based on wage not a fixed weekly amount as a lot of companies. We have our own formalised training programmes in all areas of the business; On the job training being complemented by external training and examinations at local educational institutions. In certain production areas highly, specific training may require training overseas.

Through this we demonstrate a deep commitment to an investment in our employees. We adopt a policy of taking on local people who show a combination of aptitude and attitude. Two thirds of our middle and senior managers are local people who have been with us from a very young age and are now part of the team which has made our Company the success it is today. We recognise these achievements with our "Long Service Awards" for over 20 years' service held every October. We pride ourselves on our forward- thinking attitude to staff management, as well as our approachability and accessibility across all levels of employment; from Company Directors to shift workers. We believe in an open-door policy, where staff can state their views, requirements and problems and communicate directly with the highest or most appropriate level of management without fear of repercussion or breach of confidentiality. To this end bi-monthly Partnership Forums are held, members of staff appoint their own representative who airs any issues from each department, and where under a formalised agenda, both financial, environmental, personnel, working conditions and production issues are discussed and pay negotiations and bonus structure agreed. Although members of staff are allowed to be union members this negates the need for Union recognition. We welcome a two-way information flow and encourage staff to discuss their work in a positive, encouraging and pleasant environment for everybody.

We also believe that our success as a Company is due to the hard work and dedication of our employees and aim to reflect this in our stakeholder relationships; after a budget has been set a specific percentage is agreed by staff to act as an annual bonus. We believe in rewarding the hard work of our staff as this continues to engender a positive working relationship and thus improve productivity. We strive to develop and maintain long-standing relationships with all our suppliers;

where many of our competitors shop around for the most cost-effective option at any one time, our preference is to establish a set price over a fixed period with a reliable associate, ensuring lasting, strong business relationships and fair pricing standards. Many of these suppliers are based locally and benefit from the success of our Company.

ANTI-SLAVERY POLICY

Stephens & George is committed to meeting the aims of the Modern Slavery Act 2015. We strongly oppose slavery and human trafficking in our supply chains and any part of our business. To be trusted to do the right thing is one of our core values. We would never knowingly engage with suppliers or contractors involved in slavery or human trafficking. Our Anti-Slavery Policy sets out S&G's commitment to acting ethically and with integrity in our supply chain arrangements, and the safeguards we have implemented to require that our suppliers and contractors comply with the Modern Slavery Act. As part of our procurement process, any potential contractor or supplier will be required to confirm that they comply with the Modern Slavery Act and, if appointed, we require that they flow down the requirements we place on them to any sub-contractors they use to provide their services to S&G. Our terms and conditions will include contractual provisions relating to compliance with the Modern Slavery Act. We will implement these new provisions in all new agreements, upon renewal of existing agreements and upon issue of purchase orders. Our Human Resources Department maintains recruitment policies to protect against slavery and/or human trafficking in our own operations.

EQUAL OPPORTUNITIES

It is our policy to promote an environment free from discrimination, harassment or victimisation when everyone will receive equal treatment. All decisions relating to employment practices, including recruitment, training and development, promotion and pay are objective, free from bias and based solely on work criteria and individual merit. We recognise our talented and diverse workforce as a key competitive advantage. We aim to provide a work environment that fosters fairness for all and respect for social and cultural diversity.

We are committed to employing the best people to do the best possible job. Managing diversity makes us more creative, flexible, productive and competitive.

Andrew L G Jones
Chairman and Group Managing Director

5th July 2023