
ESG Report 2023

The Pebble Group



About us

The Pebble Group provides digital commerce, products and related services to the global promotional products industry through two focused, complementary and differentiated businesses: Facilisgroup and Brand Addition.

facilisgroup **brand addition.**

Facilisgroup - provides technology solutions and a digital commerce platform to promotional product distributors in the United States and Canada, that enables them to benefit from significant business efficiencies and supply chain advantages.

Brand Addition - is a leading provider of promotional products and related services that help the world's most recognisable global brands build culture, awareness and meaningful connections. It designs products and product ranges, utilising its global network and technology infrastructure to source and deliver complex, sustainable, creative promotional merchandise solutions.

In this report

- 02 About us
- 04 Business overview
- 05 CEO introduction
- 06 Our approach to ESG
- 07 ESG materiality
- 08 UN Sustainable Development Goals
- 09 Delivering stakeholder value through ESG
- 10 Introducing our 2023 ESG report
- 11 Our evolved 2030 objectives
- 12 Our progress
 - 12 Advancing sustainability
 - 28 Empowering our people
 - 40 Community engagement
 - 46 Responsible leadership
- 59 ESG metrics and supporting information



Advancing sustainability

Empowering our people



Community engagement



Responsible leadership

Our values define our behaviour and decision making, underpinning the delivery of our long-term growth and securing our long-term future.



ONE TEAM, DIVERSE AND UNITED

We are one team using our diverse skills and experience to support each other's successes and challenges, respecting our differences.



ENJOYING THE JOURNEY

Enjoying the journey in a culture of integrity, transparency and fairness, where we are proud of our past and excited by our future.



AMBITIOUS POSITIVITY

Ambitious in our commitment to achieving positive results with sustainable impact.



ALWAYS LEARNING AND GROWING

Learning and growing knowing there is always progress to be made.



CONNECTED TO OUR STAKEHOLDERS

Connected to all our stakeholders developing long-term relationships by engaging to understand needs and aspirations.

Business overview

Building brands. Growing relationships. Strengthening businesses.

Our vision is to provide industry leading digital commerce, products and related services to the global promotional products industry.

EMPLOYEES

560+

SITES

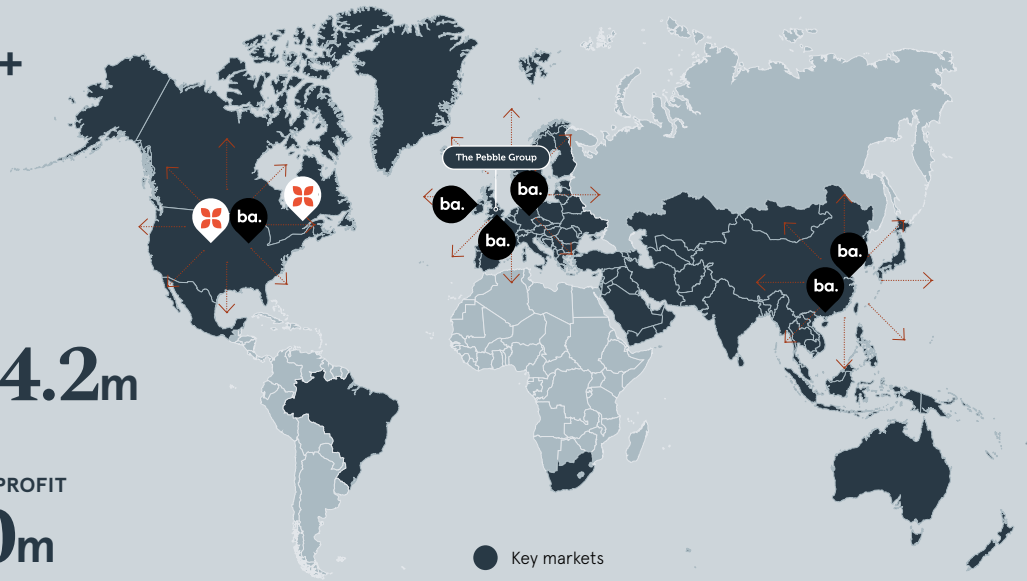
10

REVENUE

£124.2m

OPERATING PROFIT

£8.0m



ESG HIGHLIGHTS

Our four cornerstones represent the ESG categories that are most important and relevant to our Group and form the foundation of our ESG action plan.

2023 PROGRESS



**Advancing
sustainability**

54%

reduction in our
Scope 1 and Scope 2
emissions

100%

of our sites are now
using renewable
electricity



**Empowering
our people**

58%

female representation
across the Group

**Race
Equality
Code**

quality mark achieved



**Community
engagement**

1,165

Group volunteering
hours donated to
local community
projects

1,366

Participants attended
Facilisgroup's Supplier
Showcase and Partner
Summits



**Responsible
leadership**

ISO27001
certification
achieved

ISO9001 and
ISO14001
certification expanded
to cover all key sites

CEO introduction

Progressing against our ambitions

Dear stakeholders,

Welcome to our Environmental, Social and Governance (ESG) report for the year 2023. This report provides a comprehensive overview of the Group's commitment to sustainable practices and our progress in the areas of environmental stewardship, social responsibility and corporate governance.

We aim to embed ESG into all aspects of our business, not only because it's the right thing to do but it also makes us a better business. We believe that ESG reporting is essential for demonstrating transparency, attracting the right team, clients, investors, managing risks and building brand loyalty. We are committed to providing our stakeholders with accurate and reliable information about our ESG initiatives, performance and impact.

Our four ESG cornerstones ensure that we remain focussed on the ESG-related categories that are most important and relevant to the Group. In 2023 we updated our materiality assessment, our ESG cornerstones and evolved our action plan to reflect feedback received from our stakeholders to ensure our priorities were aligned with the areas where we can make the largest impact.

We have a dedicated team in place across the Group to deliver against our ESG strategy and ambitions. We continue to work with our clients to remain their partner of choice, by supporting the development of bespoke sustainable product ranges that are aligned with our clients' brand values and that are

manufactured through responsible and transparent supply chains. This also supports new business acquisition by demonstrating our market-leading position in our approach and commitment to ESG and sustainability.

We have remained focussed on tackling our own environmental impact and have successfully transitioned all our sites to purchasing electricity from renewable sources. Plus, we have accelerated our supply chain engagement activities by collaborating with suppliers to understand the steps they are taking to measure and reduce their emissions and encouraging action to reduce our own Scope 3 emissions.

Across the Group, we closely monitor new and evolving ESG frameworks and legislation and aim to adapt our policies and reporting requirements to align with best practice. We are pleased with the progress we have made in 2023 and remain committed to continuous improvement. We believe that our ESG initiatives will help us create long-term value for our stakeholders and contribute towards a more sustainable future for everyone.

I hope that you enjoy reading our report and we welcome your feedback.

Christopher Lee

Chief Executive Officer

March 2024

“I hope that you enjoy reading our report and we welcome your feedback.”



Our approach to ESG

Integrating ESG into all aspects of our business

We aim to integrate ESG into all aspects of our business and strive to create an exciting and engaging place to work and to tackle the increasing environmental and social challenges faced by the world.

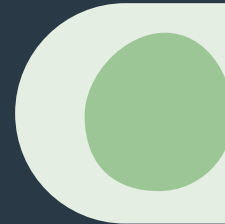
We challenge ourselves to make positive steps and commitments to ESG in a way that is meaningful, to future proof our operations and hold ourselves accountable. We see ESG reporting and disclosures as an opportunity to differentiate our Group by sharing the progress we have made against our commitments.

Our ESG priorities continue to be informed by our materiality assessment, representing the topics that are likely to have the greatest impact on our Group and are the most important to our stakeholders.

Redefining our cornerstones

Our four cornerstones represent the ESG categories that are most important and relevant to our Group. These cornerstones form the foundation of our ESG action plan that is aimed at reducing our environmental impact, attracting and retaining talent into our organisation, supporting our local communities and acting responsibly.

Since launching our ESG strategy in 2020, we have listened to feedback from our stakeholders and have redefined our ESG cornerstones, allowing us to articulate our efforts more clearly under our framework.



Advancing sustainability

Our aim is to make a positive long-term contribution to reducing the environmental impact of our operations across all aspects of our business, which includes offering innovative products and solutions that support the circular economy.



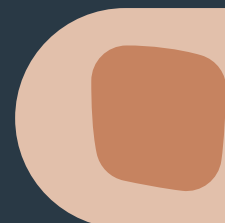
Empowering our people

Our aim is to create a safe and inclusive culture where our people can thrive and grow, celebrating individuality and diversity.



Community engagement

Our aim is to create a lasting positive social impact in our local community while building a strong distributor network that promotes growth, innovation and collaboration in the industry.



Responsible leadership

Our aim is to lead responsibly through the use of good governance, not just as a set of guidelines but as a way of establishing our credibility and accountability. By embedding clear, policies, processes and safeguards we aim to protect the interests of our stakeholders and mitigate or reduce the risks that the Group faces.

ESG materiality

Identifying our key ESG topics

Our materiality assessment provides an opportunity to engage directly with our key stakeholder groups to determine the ESG related topics that are most important to them and to our business, ensuring that we focus on the areas where we can make the biggest impact.

In 2023, we updated our materiality assessment and expanded its scope by using it to seek views and input from our employees, clients and Partners, strategic suppliers and our shareholders. This resulted in the addition of a further four material topics to the assessment (sustainable logistics and distribution, customer satisfaction and engagement, sustainable packaging and engagement, supply chain management), redefinition of our four ESG cornerstones and an update to our priorities and objectives, allowing us to articulate our efforts more clearly.

Our process:

1. Identifying the material issues and material topics for the Group

A desk-based brainstorming exercise was undertaken by a cross-functional team, to identify all ESG related issues deemed to have the potential to impact our businesses. Once identified, these issues were grouped into 17 different topics and categorised against the most relevant ESG cornerstone.

2. Engaging our stakeholders

An online questionnaire was developed and sent to all of our key stakeholders (employees, clients and Partners, strategic suppliers and shareholders) to seek feedback and rank the 17 material topics identified in terms of importance and impact.

3. Reviewing and compiling our results

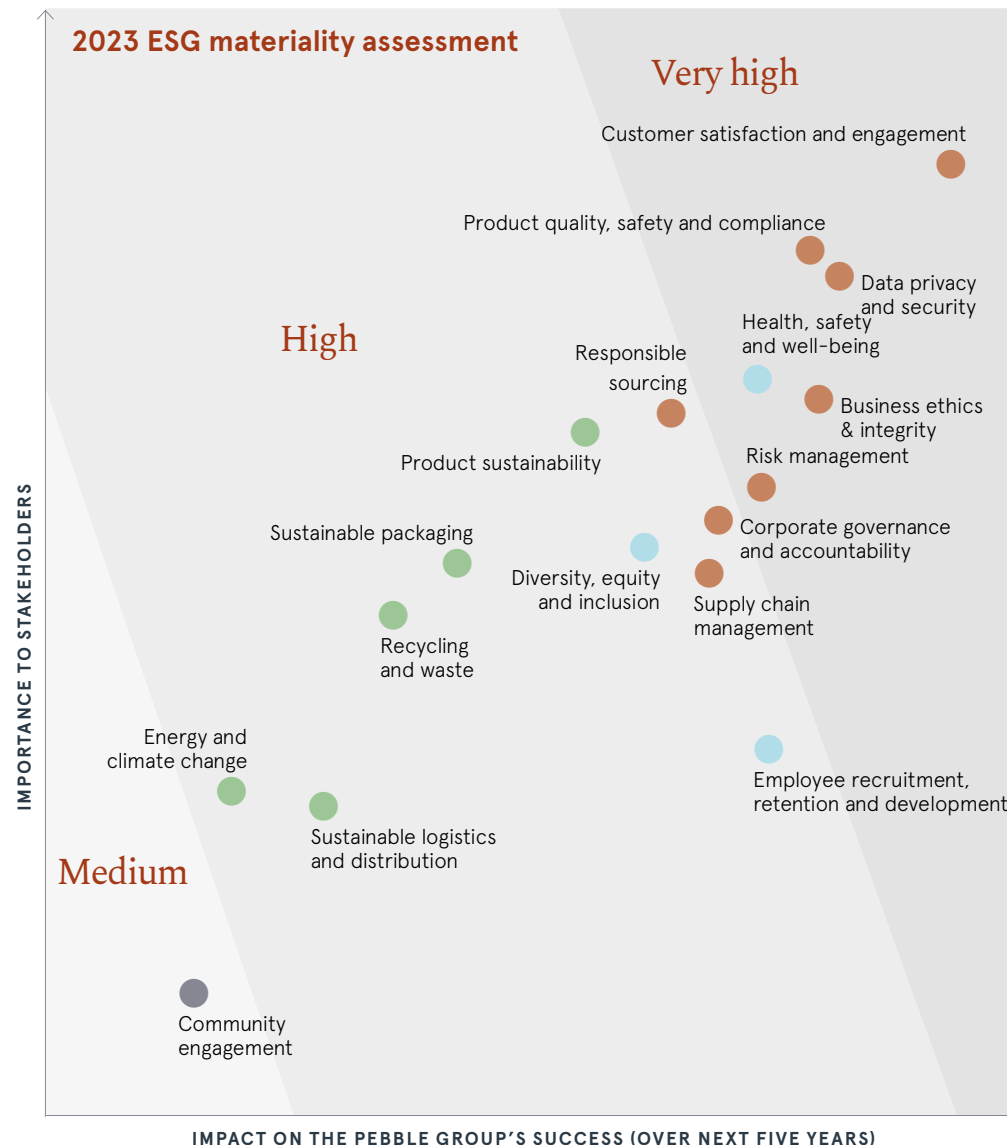
All results received were analysed and scored to determine the priorities identified by our key stakeholder groups.

4. Materiality matrix

The results were compiled to develop the Group materiality matrix.

5. Updating our materiality assessment

To ensure that the ESG topics remain relevant, the assessment is reviewed annually for continued suitability, with a new assessment conducted when deemed appropriate.



UN Sustainable Development Goals

Realigning our ESG topics with the UNSDGs

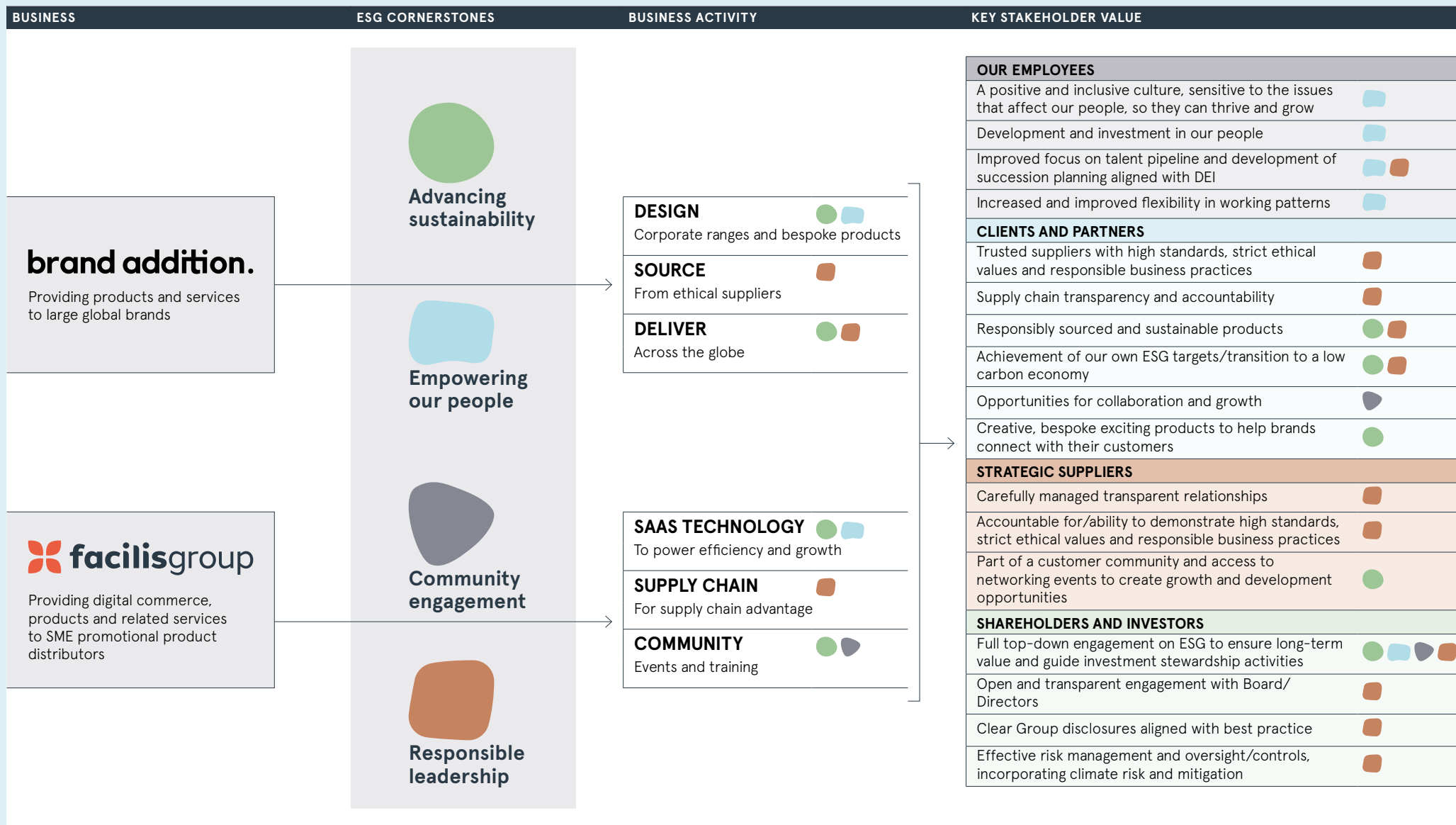
As we have evolved our ESG strategy, we have also re-evaluated the UN Sustainable Development Goals (UNSDGs) that we can meaningfully contribute against. The below table provides details of our commitments towards addressing these goals. Details of our actions and progress can be found in the 'Our progress' section of this report.

- Advancing sustainability
- Empowering our people
- Community engagement
- Responsible leadership

GOAL	SDG 5	SDG 8	SDG 10	SDG 12	SDG 13	SDG 14	SDG 15
							
DETAILS	GENDER EQUALITY	DECENT WORK AND ECONOMIC GROWTH	REDUCED INEQUALITIES	RESPONSIBLE CONSUMPTION AND PRODUCTION	CLIMATE ACTION	LIFE BELOW WATER	LIFE ON LAND
OUR COMMITMENT	To actively promote an inclusive culture for all across the Group, providing equal opportunities regardless of gender.	To ensure all our employees feel safe, valued and engaged and are paid at least a living wage. Aim to ensure the same responsible business practices are upheld across our supply chains.	To ensure all employees feel respected and are treated fairly and equally. We will also aim to uphold these values throughout our supply chain, operating a zero tolerance approach to any form of intimidation, bullying, harassment, discrimination, or victimisation.	Aim to ensure all the products we source and the suppliers we use prioritise the use of sustainable materials and processes.	To reduce our impact on the environment through carbon reduction initiatives and the employment of sustainable materials and optimised logistics.	Aim to reduce plastic and marine pollution by striving to minimise single use plastic packaging from our own transit packaging and bespoke manufactured products.	To develop and promote products that have a reduced impact on the environment by identifying the origin of raw materials and giving priority to organic, recycled, recyclable, or biodegradable options.
SUPPORTING CORNERSTONES	● ● ●	● ● ● ●	● ● ●	● ●	●	●	●

Delivering stakeholder value through ESG

Our four cornerstones underpin our ESG strategy and are fully integrated into all aspects of our business. Through ESG we aim to deliver sustained long-term value for our business and our stakeholders.



Introducing our 2023 ESG report

Adapting to a changing landscape

Welcome to our 2023 ESG report. This year, we have realigned our ESG reporting cycle to align with our annual report and accounts timetable, so this report covers our 2023 financial year and the ESG progress made across our Group during that period. ESG remains a constantly evolving topic and, as a Group, we continue to adapt to the changing legislative and stakeholder landscape, with the aim of remaining focussed on the ESG related topics that matter most to our business and our stakeholders.

In 2023, we updated our ESG cornerstones to reflect the feedback received from our new materiality assessment and to respond to the output of direct engagement with our key stakeholders on ESG. We also took the opportunity to re-align our goals against each of our cornerstones and to develop 11 key priority areas for the Group that we can meaningfully report against. This was an important exercise to ensure that our time and investment into ESG initiatives remains focussed, relevant and adds real value to our Group.

Throughout 2023, we continued to make good progress in reducing our environmental impact by accelerating our efforts to source all our electricity from renewable sources. By the end of the year, we had successfully transitioned all our sites to renewable electricity through a combination of direct

renewable energy contracts and the use of renewable energy certificates. In addition, to begin to address our indirect emissions, we began a supplier engagement programme, aiming to benchmark the performance of our strategic suppliers and educate them on the importance of taking action to tackle climate change, by measuring and reducing their direct and indirect GHG emissions.

On diversity, equity and inclusion (DEI), during the period, we set up a Steering Group and sought input from a third-party consultant to conduct an evaluation against the RACE equality code to provide feedback on the progress we have made on DEI and race equality across the Group. The output of the assessment provided a detailed list of areas where we were performing well and areas for improvement, enabling the Group to develop an updated DEI Strategy and tangible action plans for implementation during 2024 which can be used to measure ourselves against. We were delighted when the Group was one of the first limited companies to be awarded the Race Equality code - Quality Mark in October 2023, which is an accreditation that recognises our efforts and future commitments to DEI and race equality in the workplace.

During the period, we have continued to strengthen our governance practices. In March 2023 we launched our Group framework on conduct, ethics and compliance, providing training for all staff. The Group team also led training on modern slavery and human trafficking and developed a new IT Security incident response plan for implementation across the Group. In June, Brand Addition was successful in extending the scope of its ISO9001 and ISO14001 certifications and in August it achieved the ISO27001 certification information security standard further demonstrating its robust approach to quality, compliance, ethical business practices and reducing its impact on the environment.

We remain committed to evolving our strategy and framework to strengthen it and adapt to changing legislation and new reporting standards, ensuring that our efforts remain firmly focused on making us a better business and continuing to deliver long-term sustainable value for our stakeholders.

Kirsten Motyl

Senior ESG Officer (left)

Lucy Penfold

Group General Counsel and Company Secretary (right)







Our evolved 2030 objectives

Updating our priorities

As part of evolving our four cornerstones we have updated our priorities and objectives to represent the areas where we can make the largest impact and reflect the feedback received from our key stakeholders and the results of our materiality assessment. As we gather more data and benchmark our performance we will review and revise our goals to include quantitative measures to help track our improvements.

The below table details our evolved ESG cornerstones and our 2030 ESG action plan.

Progress against each of our ESG priorities and objectives can be found in the 'Our Progress' section of this Report.

ESG CORNERSTONES	PRIORITIES	2030 OBJECTIVES
 <p>Advancing sustainability</p>	<ul style="list-style-type: none"> Reduce GHG emissions and our environmental impact Enhance the range of sustainable products and support customers to become more sustainable Make packaging more sustainable and reduce waste 	<ul style="list-style-type: none"> Net-zero in our direct operations by 2030, 100% renewable electricity by 2025 Prioritise the reduction of Scope 3 emissions Continued development of bespoke customer focused products and stock ranges made from sustainable materials Strive to reduce the amount of single-use plastic in our product packaging and transit packaging Aim to reduce the amount of waste being sent to landfill from our warehouses and distribution centres
 <p>Empowering our people</p>	<ul style="list-style-type: none"> Expand Group diversity Attract, retain and develop our employees Provide opportunities and training to help our people achieve their goals 	<ul style="list-style-type: none"> Aim to achieve the Race Equality Code Quality Mark and strive to create an inclusive culture where everyone feels valued, respected and treated fairly Aim to achieve and then maintain an employee engagement score of 75 Strive for zero accidents in the workplace
 <p>Community engagement</p>	<ul style="list-style-type: none"> Provide support and charitable giving to local communities Build and grow relationships, in the industry to expand the Facilisgroup community 	<ul style="list-style-type: none"> Aim to volunteer over 1,000 hours annually to support local community projects and encourage a majority of our employees to take part in community volunteering activities to learn new skills and support local projects Grow the Facilisgroup distributor community through organised events, education, collaboration and training
 <p>Responsible leadership</p>	<ul style="list-style-type: none"> Implement and improve key policies and frameworks to provide effective governance Regularly engage with all stakeholders Raise standards in our supply chain and increase ESG supplier screening 	<ul style="list-style-type: none"> Development and continuous improvement of key Group level policies Improve the supplier assessment programme to incorporate additional ESG related assessment criteria into supplier selection Evaluate our suppliers to verify that they are acting responsibly and they are aligned with our ethical and environmental standards Achieve ISO27001 certification at Brand Addition and SOC2 certification at Facilisgroup

Our progress

Advancing sustainability

Our aim is to make a positive long-term contribution to reducing the environmental impact of our operations which includes offering innovative products and solutions that support the circular economy.

IN THIS SECTION

ADVANCING SUSTAINABILITY DASHBOARD →

GHG EMISSIONS AND ENERGY USAGE →

- GROUP EMISSIONS
- DIRECT EMISSIONS AND ENERGY USAGE
- INDIRECT EMISSIONS

PRODUCT SUSTAINABILITY →

PACKAGING AND WASTE →

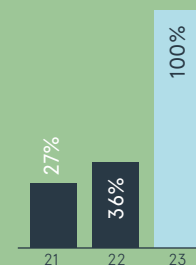
Supported UNSDGs



Key measures

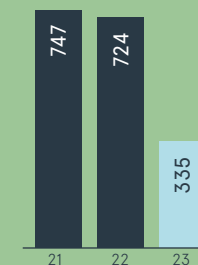
RENEWABLE ELECTRICITY (31ST DECEMBER 2023)

100%
renewable electricity, achieved 2 years ahead of our target



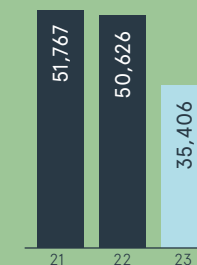
DIRECT EMISSIONS (tCO₂e)

54%
reduction



INDIRECT EMISSIONS (tCO₂e)

30%
reduction


















Advancing sustainability

Dashboard

Progress summary

In 2023 we continued to reduce our environmental impact by switching our sites to renewable electricity or using renewable energy certificates (RECs) where renewable electricity is not readily available from utilities providers. We have also accelerated engagement efforts with our suppliers to encourage the measurement and reduction of their own carbon emissions to support our own Scope 3 reductions and continue to support our customers with supplying innovative sustainable products to help them meet their goals.

-  On track or achieved
-  Making progress, but not as quickly as we'd like
-  Further work needed

2030 KEY ACTIONS	2023 PERFORMANCE	STATUS	DETAILS	PAGE NUMBER
GHG EMISSIONS AND RENEWABLE ENERGY				
100% renewable electricity by 2025	 100%		All European sites now using renewable electricity and RECs purchased for North America and Asia, achieving our target	16
	 84%		Total electricity consumption from renewable sources	16
Net-zero in our direct operations	 54% reduction		Reduction in direct emissions through the use of renewable electricity	15
Prioritise the reduction of Scope 3 emissions	 30% reduction		Reduction in Scope 3 emissions. Improvements to product mix, data accuracy improvements and a reduction in supplier spend has all contributed to this	17
PRODUCT SUSTAINABILITY				
Continued development of bespoke customer focused products and stock ranges made from sustainable materials	See details		Working with customers to develop sustainable 'long-life' bespoke products and stock ranges, prioritising the use of sustainable materials	22
PACKAGING AND WASTE				
Strive to reduce the amount of single-use plastic in our product packaging and transit packaging	 88% reduction		88% reduction since our 2017 base year but a 2% increase in 2023 due to some specialist packaging requirements. This will remain an area of focus for 2024	25
Aim to reduce the amount of waste being sent to landfill from our warehouses and distribution centres	See details		Zero waste to landfill from our Manchester site, working to determine the options available from waste contractors in other regions	26



GHG emissions and energy usage

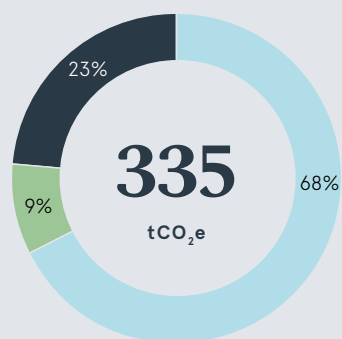
Group emissions

IN 2023 OUR TOTAL GHG EMISSIONS REDUCED BY

30%

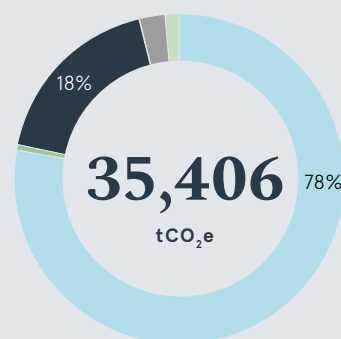
32% reduction in net emissions

DIRECT EMISSIONS (MARKET-BASED SCOPE 1 AND SCOPE 2 EMISSIONS)



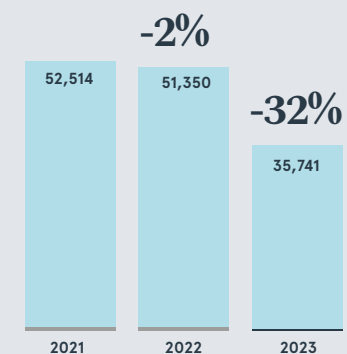
- Stationary combustion
- Mobile Combustion
- Electricity

INDIRECT EMISSIONS (SCOPE 3 EMISSIONS)



- Purchased goods and services
- Fuel and energy-related activities
- Upstream transport and distribution
- Waste in our operations
- Business travel
- Employee commuting

TOTAL GROUP EMISSIONS (tCO₂e) (MARKET-BASED)*



- Direct emissions
- Indirect emissions

* Total emissions, excluding offsets

Please see the table on page 60 for a full breakdown of the Group's emissions.



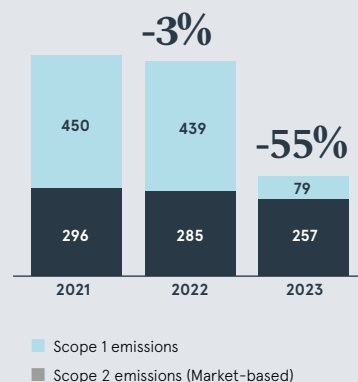
GHG emissions and energy usage

Direct emissions and energy usage

54%

2023 REDUCTION IN OUR DIRECT EMISSIONS (SCOPE 1 AND SCOPE 2)

SCOPE 1 AND SCOPE 2 EMISSIONS (tCO₂e)



Scope 1 and Scope 2 emissions

As the Group does not have any on-site manufacturing facilities or large plant equipment our direct emissions are relatively low and consist of GHG emissions generated from:

- The electricity used to power our office equipment and the forklift trucks in our warehouses;
- The fuel (natural gas) used to heat our buildings; and
- The fuel used in our employees leased (company cars), which are a combination of combustion, hybrid and electric vehicles.

In 2023, we revised our Scope 1 and Scope 2 emissions target with the aim of accelerating our efforts to achieve net-zero emissions by 2030, aligned with a science-based approach. In FY23, with the completion of moving all our sites to renewable electricity we have reduced our market-based Scope 2 emissions by 82%, through a combination of renewable energy contracts and RECs, achieving a 54% reduction in our total direct emissions (55% compared to our 2021 base year).

For our Scope 1 emissions, we continue to face a number of challenges to actively reduce emissions further from the combustion of fuel on site (natural gas) for heating our buildings and for the company cars which our employees lease. In 2022, Brand Addition signed a renewable gas contract for its Manchester head office site which allows it to use RGGOs to match the amount of gas use with 'Green (bio) gas'. These options are not available at any of our other business locations and there are currently no options to switch to electric heating.

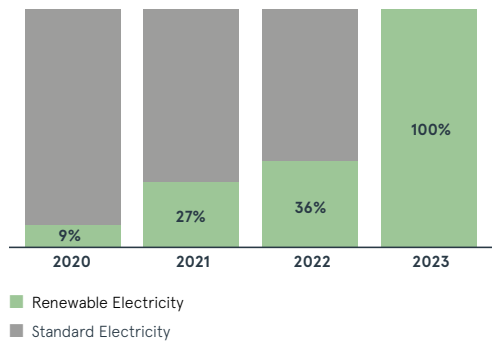
We may in the future decide to accelerate the reduction of our Scope 1 emissions by offsetting our remaining emissions until our employee lease vehicles have been transitioned to electric or alternative solutions have been found to heat our buildings. However, our long-term goal remains the same to achieve net-zero Scope 1 and Scope 2 emissions by 2030, only using offsets where no other viable alternative exists.



GHG emissions and energy usage

Energy usage

PERCENTAGE OF SITES USING RENEWABLE ELECTRICITY (DECEMBER 2023)



In December 2023 we switched our final site to renewable electricity, enabling us to achieve our goal two years earlier than planned.

In 2023, our Group reduced its energy consumption by 7% or 208MWh compared to 2022. This was despite seeing increases in energy consumption at some locations due to staff returning to the office after periodic closures in early 2022 caused by the pandemic. These reductions were made possible by the completion of our German warehouse consolidation project at the end of 2022, which allowed us to benefit from a larger working area and efficiency savings. The new warehouse is fully fitted with LED lighting and more efficient heating, which has helped us reduce our overall energy consumption for 2023 and we will continue to benefit from these savings over the long-term.

We also continue to educate our team members on being energy conscious, turning off lights and shutting down computers and monitors to help minimise our energy usage. We have also encouraged team members to utilise video conferencing facilities to minimise business travel and reduce fuel consumption in employees' own vehicles.

Electricity

Since 2020, the Group has been working towards transitioning all of its business premises over to renewable electricity. The Group has offices and warehouses across the world, all of which are leasehold with different countries more advanced than others in building the infrastructure to support the generation and delivery of renewable electricity.

Operating globally has made aligning our strategy and goals challenging as we have been unable to install our own renewable electricity generation on site and where we have the possibility of sourcing renewable electricity, switching electricity contracts is difficult in shared occupancy buildings, or where there is no direct access to renewable electricity.

To address these challenges our strategy has been to:

- Switch to renewable electricity contracts where possible
- Use statutory instruments such as renewable energy certificates or energy attribute certificates, where there is no direct access to renewable electricity
- Transition sites using RECs / EACs to renewable electricity contracts as soon as they become available

We successfully transitioned our remaining European site to renewable electricity at the end of November, so all European sites now have renewable electricity contracts in place. Outside of Europe, in our U.S and Canadian offices we have worked with a renewable energy partner to help us source (green-e certified) RECs for the portion of electricity consumed and in China we have used International RECs (I-RECs) to cover the electricity we have used. In 2023 84% of our electricity consumption was from renewable sources.

Natural gas

Across the Group, 50% of our sites use gas boilers to heat our offices and warehouses. In 2022 we were able to transition our UK (Manchester) site to a renewable gas contract with our energy provider where the provider purchases 100% renewable gas matched to the amount that the site uses, backed by renewable gas guarantees of origin (RGGOs) or Biomethane certificates (BMCs), which are independently verified by Eco Act.



GHG emissions and energy usage

Indirect emissions (Scope 3)

Addressing our key challenges

Indirect emissions from Brand Addition accounts for 99% of the Group's total carbon footprint with the majority of the emissions falling into two categories: purchased goods and services and transport and logistics. These emissions originate from our entire value chain in the processing of raw materials, the manufacture and the decoration of products supplied to our customers. Transport emissions are generated from the inbound transport of finished products from suppliers to our warehouses and final mile deliveries to our end customers.

Reducing our impact

This year, we have achieved a 30% reduction in our absolute indirect emissions compared to the prior year (32% against our base year). This is a combination of a reduction in the volume of products purchased and data accuracy improvements, such as moving to supplier specific reporting for our main logistics providers and proactive steps taken across the Group, as detailed:

- Launching a supplier engagement project to educate our suppliers on our long-term strategy and goals to reduce our GHG emissions. The aim of the project was to encourage suppliers to take action and address their own carbon emissions. More details can be found in our case study on page 20;
- Prioritising services from our logistics providers that lower carbon emissions, such as DHL's Go Green service and the FedEx carbon offset pilot programme; and
- Continuing to work with our customers to develop bespoke products made from sustainable materials, products that are less energy intensive to manufacture and had a lower overall impact.

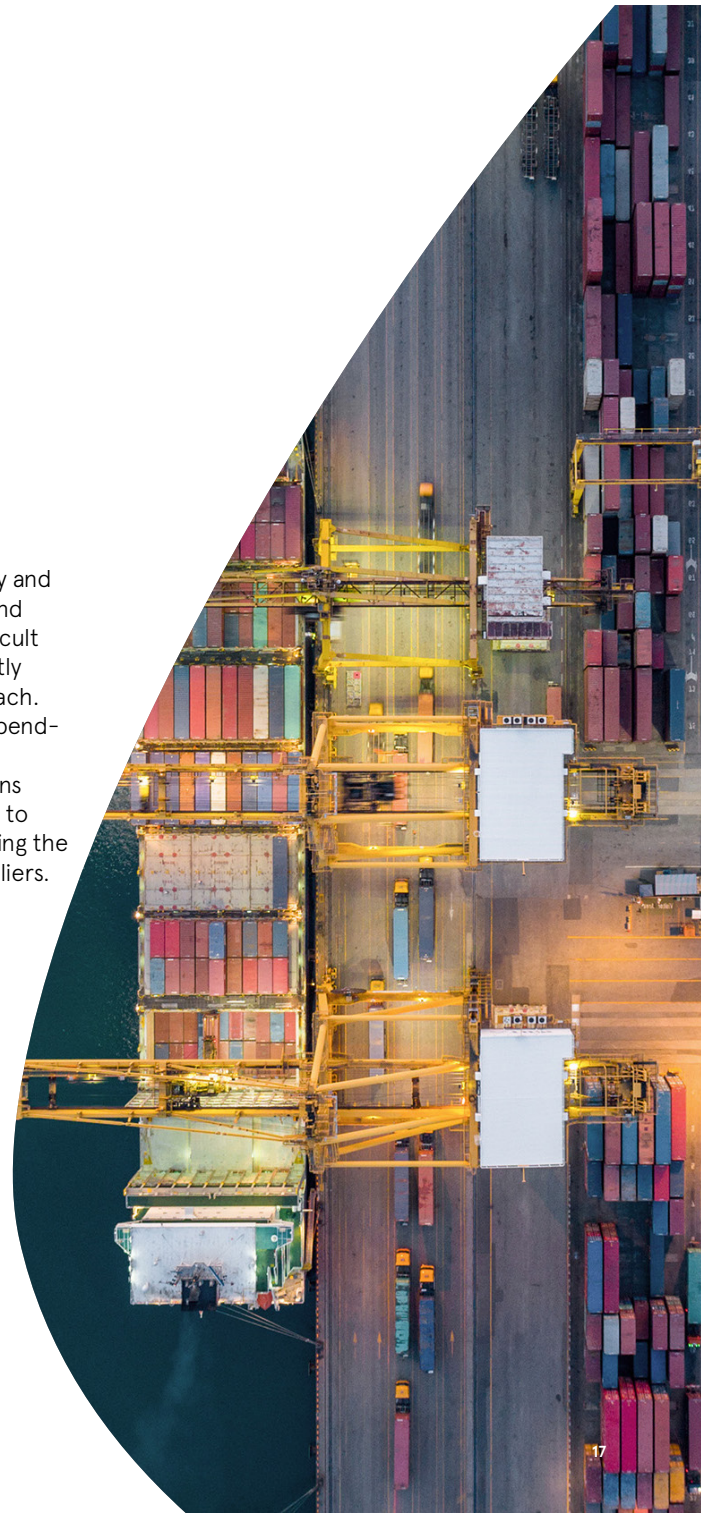
Business travel and employee commuting

In 2023, we continued to reduce travel between sites by making best use of video conference facilities where appropriate. However, as a consequence of more people returning to the office and recommencing in-person customer visits after the pandemic, in addition to improvements in the way that we track travel, our overall business travel emissions increased by ~600 tonnes CO₂e.

Improving Scope 3 reporting

Emissions from the products we supply and the suppliers we use to manufacture and decorate products continue to be difficult to accurately track, as they are currently calculated using a spend-based approach. Developing methods to move from a spend-based approach to an activity-based approach to track our emissions remains a priority. This remains challenging due to complexities and variabilities in collecting the necessary product data from our suppliers.

In 2023, our Group reduced its indirect GHG emissions by 30%.





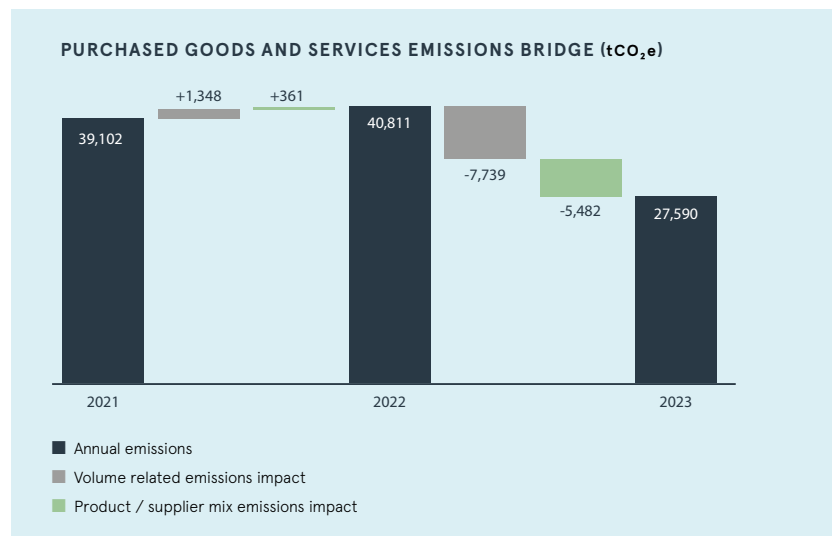
GHG emissions and energy usage

Purchased goods and services

Purchased goods and services represent 77% of the total Group emissions. The majority of these emissions are generated from the processing of raw materials and the manufacture and decoration of promotional products sold by Brand Addition. To calculate the emissions associated with purchased goods and services we use a spend-based approach however, it is our long-term goal to transition to a more accurate way of calculating these emissions by moving to a hybrid or activity-based calculation. Through our supply chain engagement activity we aim to encourage and influence change so that this data becomes available from our suppliers in the future.

Acknowledging the volume impact of 2023, we have also saved over 5,000 tonnes of CO₂e from changes to the product mix and the suppliers that we have used. These changes are from working with customers to develop products from more sustainable materials, selecting products that are less energy intensive to manufacture or have a reduced carbon footprint.

In 2024, we will continue to work internally and also with our strategic suppliers gathering more activity-based data to investigate how, in the future we transition to a hybrid-based calculation method providing more granular product data combined with spend data to improve the accuracy of our reported emissions, until we can move to full activity-based reporting.





GHG emissions and energy usage

Transport and distribution

Upstream transport and distribution

In 2023, we made good progress in improving the accuracy of our reported emissions, moving from spend-based calculation to supplier specific emissions data for our largest freight forwarders and logistics partners. In addition, we have reduced the number of freight forwarders and logistics partners to streamline our incoming and outgoing transportation which enabled us to make emissions savings throughout the year. We have also taken the opportunity to utilise final mile delivery services for our customers that take advantage of carbon neutral delivery programmes.

In 2023, we achieved a 30% reduction in upstream transport and distribution emissions against prior year and a 48% reduction against our base year, excluding any offsets from the carbon neutral delivery programmes.

FedEx carbon offset pilot programme

In 2023, Brand Addition worked closely with FedEx in the U.S to make use of transportation options that offer a lower carbon footprint on final mile deliveries. However, this only represents a small number of the shipments made annually. To help bridge the gap, in September 2023, Brand Addition joined the FedEx carbon offset pilot programme, where FedEx purchases and retires carbon credits to compensate for the emissions generated from any final mile deliveries made so that Brand Addition is able to utilise a delivery service in the U.S that is carbon neutral reducing our overall emissions from transport and logistics.

Utilising DHL Go-Green in China

At the end of 2022, Brand Addition became the first company to sign a contract with DHL Express Shanghai to use its Go-Green service. In August 2023, our Brand Addition team met with DHL to discuss how the Go-Green service was helping the Group reduce its Scope 3 emissions and provide more sustainable logistics solutions for its customers. In Europe we are in the second year of using DHL's Go-Green service which has become our preferred shipping method for the majority of our final mile deliveries.





Case study

Value chain engagement

Purchased goods and services from our Brand Addition business represent our largest source of emissions and one of the ways to tackle this is by engaging with our strategic suppliers and our value chain.

In May 2023, Brand Addition started a project to benchmark the performance of its value chain, focussing on approximately 60 suppliers that represented the largest source of emissions and greatest spend. The purpose of the project was to determine the steps being taken by our strategic suppliers to measure and reduce their own GHG emissions and to identify those suppliers who need help and support to start their journey.

Our approach:

1. Identify the suppliers with the largest GHG emissions;
2. Invite those suppliers to provide feedback on their efforts towards measuring and reducing their own GHG emissions;
3. Collect and analyse data to establish progress being made by suppliers;
4. Develop an internal system to rank suppliers based upon their feedback; and
5. Set internal engagement targets to monitor supply chain progress and use the results to help aid future purchasing decisions.

The results from the initial assessment were encouraging, with nearly half of our strategic suppliers surveyed already measuring their own GHG emissions, with this figure continuing to grow over the next three years. We also saw the assessment prompting positive discussion with our suppliers who were keen to share their work, future plans and suggestions for possible collaboration on future projects, to help reduce emissions.

The work undertaken so far is the start of a long-term project. Our aim is to get all our strategic suppliers to commit to measuring and reducing their emissions. We understand that we cannot achieve this overnight and this is why we have focussed on those suppliers who can make the largest impact. The results of our initial assessment will be used to develop our own actions plans which will involve:

- Educating internal and external stakeholders on our initial findings;
- Using the results to engage in dialogue with our strategic suppliers to support them in taking the first step in measuring their own emissions, or encouraging suppliers to accelerate their efforts and commit to reducing emissions through setting science-based targets; and
- Defining our own targets and KPIs which will set our strategic suppliers' expectations.





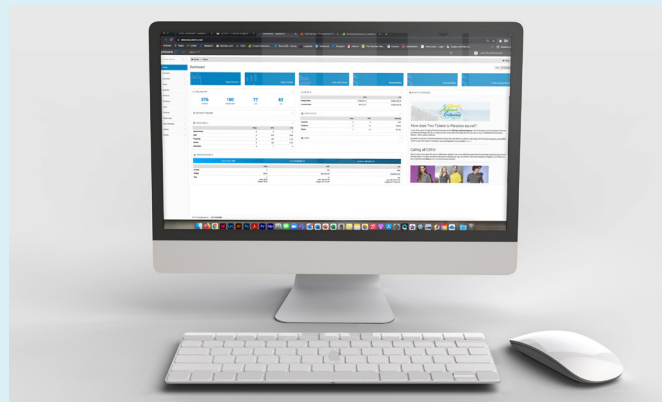
Product sustainability

Create a lasting impression

Promotional merchandise plays an important role in connecting brands with their target audience. As sustainability increases in importance, our customers recognise that the products used to promote their brands must reflect this changing landscape. Our Group is well placed to support customers facing these challenges.

Facilisgroup

Facilisgroup's digital commerce platform; Syncore, connects SME promotional product distributors and suppliers in North America, enabling those businesses to benefit from significant business efficiencies through its technology to gain a meaningful supply chain advantage from the ability to purchase from quality suppliers under preferred terms. In 2023, we committed to make searching for sustainable products easier in the Syncore platform and have advanced a project to catalogue products from Preferred Suppliers that are made from sustainable materials, can be recycled easily, or support charitable causes. This allows Preferred Partners to easily identify products aligned with their business' goals or meet their customers' needs. We are also looking to develop additional search tools to enable Partners to identify suppliers with specific sustainability credentials, to support activities such as emission reduction targets.



Brand Addition

Brand Addition supports its customers in all aspects of product sustainability and works with its suppliers and supply chain to validate material composition and sustainable product claims to prevent greenwashing.

Product development:

- Brand engagement
- Prototype development
- Material research
- Sustainability focus

Responsible Sourcing:

- Rigorous supplier evaluation
- Sustainable material validation
- In-line product evaluation and quality control
- Product testing and compliance

Final packaging and delivery:

- Low impact deliveries
- Global fulfilment
- Sustainable packaging solutions
- End of life considerations

Product sustainability

Responsible products

Product sustainability standards

In 2022, Brand Addition created a product sustainability standard. The purpose of this standard was to define the materials, certification and processes required for a product to be classified as 'sustainable'. The standard ensures that all of the products developed and sourced are aligned to a common criteria and that any sustainable product claims or benefits are validated and certified. In 2023, three additional documents were developed: (i) a responsible sourcing standard; (ii) a packaging standard; and (iii) a single use plastics policy, each designed to ensure that all sustainable products developed were aligned with best practice guidance and international social and environmental standards.

Sustainable product catalogue

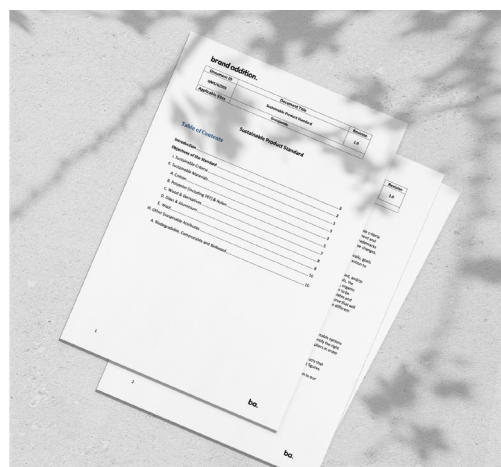
This catalogue has been developed to enable internal sales teams and customers who are building sustainable ranges to select products that have been pre-assessed against our own internal product sustainability standards, which ensures that any product sustainability claims have already been validated. The catalogue features over 350 different sustainable products in all core categories and provides a variety of innovative products that, not only allow our customers to promote their brand in a sustainable way, but also explain how that product provides a sustainable benefit and supports the circular economy. The aim is to continue to develop and evolve the sustainable product catalogues to showcase innovative products that use sustainable materials, to drive sustainable product sales and to help the whole industry move to using more sustainable materials overall.



Bespoke sustainable products

In addition to working with wholesalers and distributors to source products, we have significant internal expertise in our design, purchasing and sustainability teams at Brand Addition, who develop innovative, bespoke sustainable products. The products are usually designed in-house, where we work closely with customers and trusted suppliers to select materials that meet strict sustainability criteria and provide a sustainable benefit to our customers. In 2023, we continued to provide our customers with innovative bespoke sustainable product solutions.

Examples include, textile products made from fabric repurposed from recycled plastics found in our waterways and the use of organic materials that reduce production waste and are easily recycled or biodegradable. Our aim with all the promotional products that we supply is to ensure that they are useful and are something that people want to keep. This not only prevents waste but also helps our customers increase brand impressions and grow their target audience.





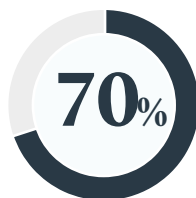
Case study

Material innovation

Sourcing more circular products and materials is crucial to our carbon and waste reduction strategy. That’s why we’re challenging our suppliers to find a wider variety of recycled and recyclable materials.

A good example was a designer drinks coaster made of 70% recycled aluminium. This was a technically challenging project which has never knowingly been done before, but with strong research and development we were able to utilise over 40 tonnes of post-consumer recycled aluminium (GRS certified). The mono-material design and ability to recycle aluminium indefinitely means this product represents true circularity. Even our product packaging is made from 100% recycled and fully recyclable kraft paper.

RECYCLED ALUMINIUM



“A technically challenging project which has never knowingly been done before.”

POST-CONSUMER RECYCLED ALUMINIUM

40 tonnes



Case study

Doubling down on sustainability

Down (feathers) are a material renowned for having the greatest warmth-to-weight ratio of all natural fibres and with excellent compression recovery.

This puffer jacket was developed with a 100% post-consumer recycled down padding which would otherwise go to landfill. In a used duvet where the outer fabric has become damaged, the down remains in good condition. Our partner collects these before they end up in landfill and regenerates the down with no new animal input. We wrap this in a 100% recycled polyester outer layer to complete the look for our sustainably conscious client.

RECYCLED
POLYESTER
OUTER LAYER

100%



“In a used duvet where the outer fabric has become damaged, the down remains in good condition.”

POST-CONSUMER
RECYCLED DOWN
PADDING

100%



Packaging and waste

Packaging

Packaging plays an important role in protecting the products we deliver to our customers. We also recognise our role in supporting the circular economy, by ensuring that the packaging we use is appropriate and can be easily recycled to minimise its environmental impact.

To minimise the amount of packaging used, where possible, we make direct shipments from manufacturers to our end customer or send out product from our warehouses in the original packaging. Where customers require smaller quantities, we use our own transit packaging to package the goods. In 2023, we made a number of improvements to our own internal transit packaging. These changes were focused on our U.S warehouse and included:

- Replacing the carton sealing tape used historically with a reinforced tape that has resulted in a ~40% reduction in the amount of tape used during application;
- Reducing the thickness of some of our smaller boxes to reduce cardboard content without compromising the products being transported;
- Increasing the post-consumer recycled content in our packaging void fill to 99% (previously 60%); and

- Improvements to the way in which individual products are packaged to reduce the volume of packaging materials used.

We are committed to reducing our reliance on single-use plastics. While it is not possible to eliminate the use of plastics entirely, we aim to increase the amount of recycled content in the packaging we purchase. We monitor the amount of single-use plastic that we purchase and work with our suppliers to find alternatives, where available, to help us reduce our reliance on plastic packaging. In 2023, we saw a small increase (2%) in the amount of plastic packaging used due to specialist packaging requirements for a small number of items distributed. We will closely monitor our purchasing decisions with the aim of reducing our reliance on single-use plastic in our warehouses. In cases where no alternatives are available, we aim to ensure that all of the plastics we use contain recycled content.

Individual product packaging and packaging used by our suppliers can vary significantly. For bespoke manufactured products, Brand Addition provides a detailed packaging specification to ensure that product packaging is minimised and products are bulk-packed where possible, to reduce the amount of packaging used. Where products are purchased from distributors and wholesalers, we have less control over the product packaging used, but to align these suppliers, Brand Addition created a packaging standard, aimed at providing guidance on the packaging that should be used. In 2023, the standard was sent to all suppliers who were invited to join webinars explaining the requirements of the standard and what was expected of them. We are still in the early stages of roll-out, but we have received a positive response and we will continue to encourage our suppliers to develop their own internal standards to help reduce packaging and waste.





Packaging and waste

Waste

Although the Group is not a large producer of waste, it is still our responsibility to ensure that waste is sorted into the correct waste streams for disposal and we educate our teams to help us minimise our direct impact.

Over 95% of our business waste comes from our warehouse locations and consists of cardboard from the transit packaging of incoming deliveries. The remaining 5% is general office waste made up of paper, a small amount of electrical waste from old equipment and waste from meals and snacks. To minimise the amount of waste sent to landfill and maximise recycling rates, staff are regularly educated on correct waste segregation and encouraged to take part in internal initiatives such as litter-less lunches and conducting waste audits to monitor waste segregation.

We have set ourselves a target of reducing the amount of waste that is sent to landfill with the aim of zero waste to landfill by 2030. We aim to achieve this by increasing recycling rates and continuing to educate our team members on correct waste segregation. We will work with our waste contractors to divert any waste that cannot be recycled away from landfill for energy recovery, however, at present that option is only available for our UK warehouse. For our other locations, we remain in dialogue with our waste contractors so that we can utilise these services when they become available.

To reduce the end-of-life impact of the products we supply, our priority is to develop products that are desirable, useful, long lasting and creative, prioritising the use of sustainable materials. Rather than developing low-cost giveaway items, our core focus is on supporting our customers to select premium products that are linked to their brand strategy and values. By using this approach, we aim to ensure that products are used for many years to come and when they do reach the end of their life, we strive to make our products easier to recycle, minimising their environmental impact.





Future plans

Our future plans

GHG EMISSIONS AND RENEWABLE ENERGY

- Further develop the way in which we track our Scope 3 emissions
- Evaluate credible carbon compensation options to offset residual emissions
- Accelerate supply chain engagement activities to get suppliers to commit to measuring and reducing emissions
- Improve our internal processes to help facilitate the collection of activity data for key product categories

PRODUCT SUSTAINABILITY

- Continue to expand the range of sustainable products
- Work with our suppliers to increase the availability of products manufactured from sustainable materials
- Improve the functionality in our Syncore platform to assist our partners to find sustainable product options

PACKAGING AND WASTE

- Continue to prioritise the use of recycled and recyclable materials in our transit packaging with the aim of reducing single use plastics
- Aim to increase the amount of recycled content in our product and transit packaging
- Improve the level of waste data collected at our non UK warehouses and collaborate with our waste contractors to find options to reduce the amount of waste being sent to landfill





Our progress

Empowering our people

Our aim is to create a safe and inclusive culture where our people can thrive and grow, celebrating individuality and diversity.

IN THIS SECTION

EMPOWERING OUR PEOPLE DASHBOARD →

DIVERSITY EQUITY AND INCLUSION →

TRAINING AND DEVELOPMENT →

HEALTH, SAFETY AND WELL-BEING →

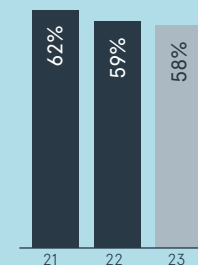
Supported UNSDGs



Key measures

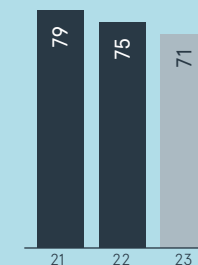
GENDER DIVERSITY (% FEMALE)

58%
female representation



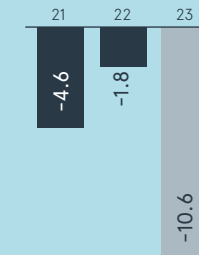
EMPLOYEE ENGAGEMENT

71
employee engagement score



GENDER PAY




-10.6%
UK median gender pay gap











Empowering our people

Dashboard

In October 2023, we became one of the first limited companies to be awarded the RACE Equality Code Quality Mark, which is an accreditation to recognise the commitments we have made towards accelerating efforts to address DEI and race across the Group. The Group maintains a positive gender balance and we continue to investigate ways in which we can expand Group diversity. We have continued to educate our team members with over 4,000 training hours delivered in 2023 and have maintained an excellent health and safety record with no reportable accidents or incidents throughout the year.

-  On track or achieved
-  Making progress, but not as quickly as we'd like
-  Further work needed

2030 KEY ACTIONS	2023 PERFORMANCE	STATUS	DETAILS	PAGE NUMBER
DIVERSITY EQUITY AND INCLUSION				
Aim to achieve the RACE equality code quality mark	Achieved		Achieved the Race Equality Code Quality mark in October 2023	31
Aim to maintain a team that is reflective of our stakeholder groups and customers	 58% female representation		The Group continues to maintain a good gender balance across the Group	33
	22% ethnically diverse team members		Improving ethnic diversity across the Group remains a priority and we continue to monitor and implement steps to recruit from the widest pool of candidates possible	33
Aim to maintain a UK gender pay gap below the national median	-10.6%		UK Gender pay gap remains below the UK median and we continue to closely monitor our performance	34
TRAINING AND DEVELOPMENT				
Supporting our team members to thrive and grow	4,097 training hours		In 2023 this was below 2022 as we had fewer new starters and we concentrated on providing more targeted training to particular teams and individuals, such as on-site supplier training and fire-side chats. In 2024 we will continue to evaluate and promote the training opportunities available across the Group	35
Engaged employees (achieve and maintain an employee engagement score of 75)	71		Employee engagement remains an important area for the Group and we will review feedback from our survey and work on actions as appropriate	37
HEALTH, SAFETY AND WELL-BEING				
Aim for zero accidents in the workplace	Zero reportable accidents		No reportable accidents in 2023	38



Diversity, equity and inclusion

Promoting a culture of inclusion and belonging

The Pebble Group is committed to developing a culture of openness, belonging and trust. We strive to provide an inclusive place to work where everyone feels valued, respected and treated fairly. We are focussed on providing equal opportunities throughout the Group and aim to promote a 'speak-up' culture with inclusive systems and processes. We want to attract and retain the best individuals by providing opportunities to learn and grow through the development and integration of inclusive and equitable practices.

We are focussed on promoting diversity in:

- Race and Ethnicity
- Gender
- Age
- Disability
- Education and socio-economic background
- Sexual orientation and the representation of minority groups throughout our organisation at each level

We also see diversity of personal attributes as having equal importance. We seek to build a team that consists of individuals who have a range of skills and attributes, such as strength of character, courage, openness, honesty, tact, an ability to listen, forge relationships and develop trust and sources of intellect, critical assessment and judgement. We are therefore also focussed on diversity in cognitive and personal strengths.





Diversity, equity and inclusion

Evaluating our DEI strategy – ‘The Race Equality Code’

Our aim is to continually improve our approach to DEI. We are firmly focussed on providing an inclusive workplace and we value the feedback we receive internally and externally which helps make us a better business. In April 2023, the Group appointed an external consultant to commence ‘The Race Equality Code’ assessment, joining a network of over 50 other organisations who have completed a formal evaluation of how race and DEI is tackled within the workplace. Of those 50 organisations, we were one of the first limited companies to engage in the process.

The assessment is aimed at providing feedback to businesses on their existing DEI strategy and policies to identify areas of strength and where action can be taken to progress their efforts to improve DEI. The assessment consists of a comprehensive four stage review which covers:

- a diagnostic document review and survey;
- a governance assessment;
- a code diagnostic self-assessment; and
- an inclusion support questionnaire.

The results of the assessment provide a detailed account of business performance against the four key principles of the RACE code (Reporting, Action, Composition and Education), identifying areas of strength and making suggestions for areas of improvement. All organisations who adopt the RACE code are required to provide a written statement against each of the four RACE principles detailing the actions they are going to take over a three-year period to move the dial on RACE and DEI in their organisation and to influence positive change, moving from being data aware to becoming data driven.

In October 2023, The Pebble Group was awarded the RACE Equality Code Quality mark to recognise the commitments it has made towards accelerating efforts to address DEI and race. The action plan allowed us to update our DEI Strategy focusing on seven key areas to improve DEI across the Group. In order to retain the ‘RACE Quality Mark’, regular external reviews and check-ins are undertaken to confirm that progress is being maintained against our four principles statement and action plan. Our accreditation lasts until October 2026 when the Group will be reassessed.

The RACE code evaluation has helped us create a clear and tailored action plan for implementation in 2024 and beyond that is specific to our business needs and will allow us to focus on the most important areas of DEI and race across the Group.

Our 7 DEI strategic objectives:

- Create a culture of support which embraces individuality and combats bias
- Attract, maintain and develop a high performing diverse workforce
- Communicate regularly with our stakeholders performance against our objectives
- Identify and recognise where we lack diversity in the business and why
- Ensure that all our staff are rewarded based on performance and merit
- Enhance our employees knowledge around race and DEI through targeted training
- Establish a clear DEI governance structure throughout the Group to ensure that it is effectively managed






Diversity, equity and inclusion

Building a culture of openness belonging and trust


We want to remove bias from the workplace and ensure that everyone who works across the Group can bring their true self to work each day. We focus on many different aspects of DEI helping to build psychological safety and safe spaces where people can discuss challenges in an open environment and build internal support groups in a number of key areas.

The Group Board is ultimately responsible for DEI and delegates responsibility for DEI oversight to the Nomination Committee. The Committee approves the Group DEI Policy and DEI Strategy on an annual basis and conducts a detailed review of DEI progress and achievements once per year. The Group established a new Group Executive level DEI Steering Group during 2023 and each business also has its own DEI executive sponsor and internal DEI champions, who have volunteered to help raise awareness of specific topics identified as important to the Group such as:

 Race, ethnicity and religious beliefs

 Mental health

 Gender and gender identity

 Sexual orientation

 Disability

 Midlife related changes + menopause

 Age and generational

The role of the DEI champions is to take responsibility for supporting developing and driving inclusion forward in a number of ways such as:

- Creating awareness and talking openly about diversity and inclusion;
- Challenging how we define diversity and help us to widen our vision;
- Educate others, share knowledge and overcome barriers;
- Lead and/or support 'engagement drop-in sessions', including talking about challenges and how they can be addressed; and
- Promoting and celebrating difference, such as holding events to support inclusion for all.

In 2023, our businesses started to run drop-in sessions and coffee mornings to discuss topics such as becoming a new parent and the menopause, using these opportunities to talk about how we can support our employees and build psychological safety so that our team members have a safe space to talk about their challenges which helps build trust and openness throughout the Group. We also ran sessions throughout the year to raise awareness of cultural and international events such as PRIDE, Juneteenth and Black history month in the U.S.

Growing our support network

As part of becoming a contributor to the Race Equality Code we take part in a quarterly discussion forum which consists of over 50 adopters of the RACE code. The forum provides an opportunity to share best practice, benchmark our performance and interact with businesses across a wide range of different sectors in a safe space to discuss challenges and opportunities, whilst building a useful network of other businesses committed to change.





Diversity, equity and inclusion

Group diversity

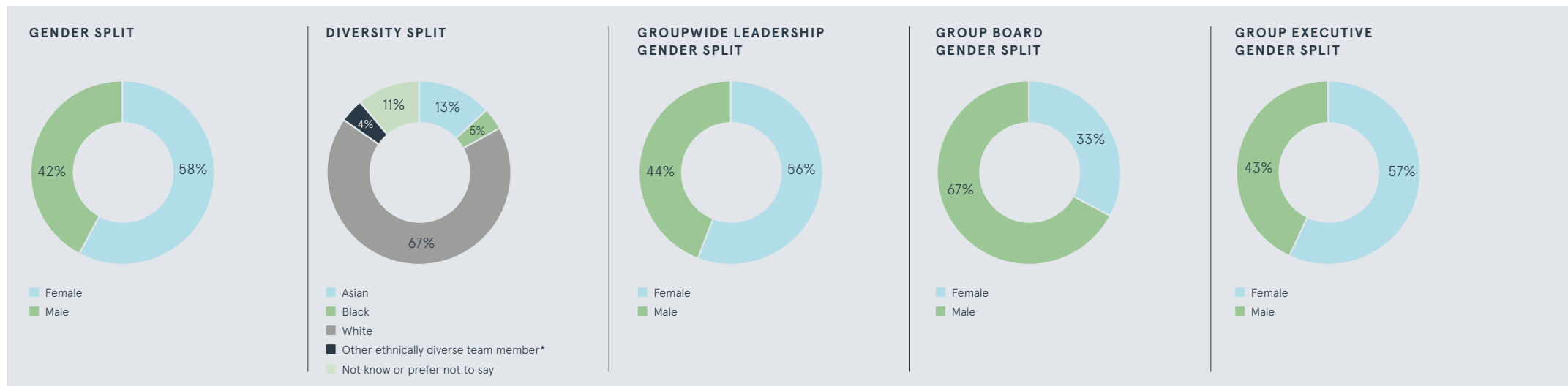
The Group is committed to fostering a culture of diversity and inclusion. We take pride in our gender balance and consider it to be an area of strength. We are also proud to have a diverse range of people representing nationalities from all over the world, with approximately 36 different languages spoken throughout the Group.

Internally, we continue to evolve our approach to recruitment and have implemented steps to ensure we have the widest pool of candidates when we advertise new roles. We continue to work on attracting candidates from all backgrounds.

The Group has maintained a healthy gender split across the business and our senior leadership teams. The appointment of David Moss as our new Non-executive Director in June 2023 saw our Group Board gender balance reduce, however, the senior roles of our two female Board members (being Group CEO and Senior Independent Director) are

strengths from a gender balance perspective. Overall, our gender and ethnicity split across the Group remains similar to previous years.

As part of our new DEI strategy, we will benchmark ethnic diversity levels against regional and national data. We will also use the help of our network through the RACE Equality forum to identify opportunities to continue to improve.



* Other ethnically diverse team member incorporates: Hispanic/Latino, Mixed, Other, Pacific Islander, Native American



Diversity, equity and inclusion

Gender pay gap

We have reported our results by business along with our Group gender pay gap and specifically highlighted the data collected across our Brand Addition UK business as they have now exceeded the mandatory reporting threshold of 250 employees in the UK for the snapshot date of 4th April 2023. As a benchmark we have used the national UK median gender pay gap as reported by the Office For National Statistics (ONS) to compare our performance at both a business level and a Group level.

A full set of our gender pay gap results can be found in our Group gender pay gap report that can be found by following this [link](#). Brand Addition has also published its own separate gender pay gap report which can be found [here](#).

A summary of our findings

THE PEBBLE GROUP (FULL GROUP)

10.4%

BRAND ADDITION (UK)

-10.6%

BRAND ADDITION (GROUP)

0.0%

FACILISGROUP

30.4%

UK NATIONAL MEDIAN GENDER PAY GAP (2023)*

14.3%

* Office for National Statistics (UK), 1st November 2023

The results of this year's gender pay gap show that our UK median gap has widened in favour of women and our Group gap has widened in favour of men, but both remain below the UK median figure. We saw an increase in the UK median gap due to a reduction in the number of bonus payments made in the snapshot year which had a greater impact on the median hourly pay of men which caused the gap to widen.

The Group gender pay gap remains influenced by having fewer women in senior positions at Facilisgroup which is due to a general shortage of females taking on software-based careers across the whole software industry.

Across the Group, we will continue to monitor the gender pay gap and take action aimed at reducing or minimising any further increases. Facilisgroup will continue its activity to promote female careers in IT and Brand Addition will review its processes for deciding how annual bonuses are paid to try to reduce fluctuations in the future.



Training and development

Employee training and development

33 new training courses developed in 2023.

We consider the training and education of our employees an important part of our long-term success and strive to provide them with the best opportunities to learn and grow in their roles. Our online training platforms offer a variety of courses and materials that cover both essential and optional topics. In the last year, 33 new courses were added to our online training platforms.

In addition to the online courses, we offer internal training sessions that are customised to business requirements. In 2023, our team members spent over 4,000 hours taking part in various training activities across the Group such as:

- New starter induction training and introductions to the promotional products industry
- Modern slavery training
- IT security
- Policy updates

Team members were also invited to take part in live training sessions where employees could engage with internal experts and learn more about different aspects of our business. Training sessions were also conducted on business systems and software to help our employees enhance their skills. We also ran education sessions on topics such as waste management and our new sustainability standards.

Another way we enhance the training and education of our employees is by providing opportunities to take part in off-site supplier training days. These are hands-on experiences where our employees can observe how the products we source are manufactured and decorated. They can also participate in different stages of the production process. This helps them gain a deeper understanding of the products and the decoration techniques that we offer to our customers. We also provide external training from subject matter experts on topics such as DEI, unconscious bias, internal auditor training and other topics to provide expert advice to help our teams learn and grow.

2023 saw a reduction in the total number of training hours reflecting less new starters joining the business so fewer induction training taking place. However, this is not unusual as we are likely to see the total number of training hours fluctuate annually depending on mandatory training requirements or new training initiatives being run by each business. What is important is that we continue to develop new relevant content and update existing training for mandatory topics to support the understanding and development of our team members.

Mentoring programme

In September 2023, Brand Addition introduced a pilot mentoring programme. The aim of the programme was to help nurture and grow talent within the organisation, pairing employees with mentors to assist them with their personal development and support them so they can improve and advance. Twelve employees (mentors and mentees) joined the initial programme which will run for six months and, based upon feedback, changes will be made if required and the programme will be extended in 2024.





Training and development

External training and education

Educating our suppliers

We began conducting training sessions with our suppliers in 2023. The aim of these training sessions was to communicate our policies, goals and aspirations and how we seek the co-operation of our suppliers to comply with our core business practices and help them understand our policies and procedures. Training centred on educating suppliers on our product standard, sustainable packaging standard and legislative updates to compliance and packaging in Europe, explaining our expectations and what we require from our suppliers in the future. The sessions also served as an opportunity to exchange information across our supply chain, reinforce our commitments, provide an opportunity to work together on projects and share best practice ideas.

Partner training and education

In addition to the work we do to train our own team members, Facilisgroup supports the training and development of its Partners through 'Amplifi', its paid for training platform, delivered online and in-person by Facilisgroup's training team. The aim of Amplifi is to give sales reps and new hires the confidence and skills to grow their sales and quickly integrate new employees into the promotional products industry giving them a head start.

PromoIntro was the new training course developed for 2023 and has been designed as an onboarding tool for new hires to prepare them for the promotional products industry. The training has been developed not only as an offering to Partners but also as Facilisgroup's first broad industry wide training tool, replacing the basic industry course created by the PPAI.

Amplifi offers three different training modules:

Electrifi
Amplifi

Comprehensive training for new sales reps

THREESIXTY
Amplifi

Accelerating sales growth for intermediate sales reps

PromoIntro
by Amplifi

Preparing new hires for the promotional products industry

By the end of 2023 we had a total of 200 students graduate through the three Amplifi training courses.

In addition to the Amplifi program, The Facilis Training Team sent over 300 Partner participants through additional paid training offerings, such as sales, CSR, finance, graphics and production courses.

In 2024 Facilisgroup will build new product offerings for the community and also expand into offering industrywide training. They will also focus upon updating their training materials ensuring that it remains current and relevant, providing the best training experience for its students.



Training and development

Employee engagement

“Seeking feedback to identify our areas of strength and where further improvements can be made.”

We believe that having an engaged workforce is essential to ensuring our business continues to thrive and evolve. Throughout the year, we held meetings, briefings and employee forums to provide team members systematically with information of concern to them as employees, to give them opportunities to ask questions and to achieve a common awareness on the part of all employees on business progress and the performance of the Group. In 2023, we arranged two networking sessions with the Group Board where senior employees across the business had the opportunity to talk with all Directors on various topics in an informal environment. In addition to the briefings and meetings, we host a number of events throughout the year focused on team building, celebrating success and building a supportive and inclusive culture across the Group.

We conduct employee engagement surveys at least once a year to monitor our performance. Employees are asked to answer questions on various topics to allow us to understand how our people feel about working for us and how we can better support them in the future. The results provide valuable feedback on a number of different topics to help identify our areas of strength and where further improvements can be made. The results of the surveys are compared against previous results and used to develop future action plans to help us improve.

In 2023, we achieved an average employee engagement score of 71 across the Group, which is a slight reduction on our 2022 score of 75. In 2024, we will review the feedback and work on actions as appropriate. The results of employee engagement surveys are shared annually with employees through company briefings and newsletters and published annually in this ESG Report.





Health, safety and well-being

Health and safety

The Group is committed to providing a safe working environment for all its employees that promotes a healthy work-life balance and encourages a positive attitude towards mental health and well-being.

The Group has its own health and safety policy that describes its approach and commitments to the health, safety and well-being of all employees. Each Group business has adapted its own version of the Group policy to make it relevant to its business. Each business has its own appointed health and safety officer who is also a member of the senior leadership team and is responsible for the health, safety and well-being of its employees. Their role is to ensure that the health, safety and wellbeing of all employees is effectively managed.

Health and Safety Committee meetings are held at least once a year at each Group business and these are an opportunity to review findings from workplace risk assessments or health and safety walkarounds. The Board is provided a summary at each Board meeting on the health and safety performance of each business. In 2023 there were no reportable accidents or incidents recorded across the Group.

Employee mental health and well-being

Employee well-being remains an important aspect of health and safety. We invest time and resources to support the physical and mental health of our employees. All our employees can benefit from flexible wellness programmes that aim to enhance physical and mental well-being. These wellness programmes provide free or subsidised memberships for things such as online fitness classes, gym memberships, or access to mindfulness apps as an example. Each Group business operates their own wellness programme and organises events and training sessions throughout the year aimed at raising awareness of specific topics.

In 2023 we observed a 15% increase in the number of team members participating in the Brand Addition 'ba well-being programme'. Facilisgroup conducted its annual mental

health awareness month in May 2023 and extended employee access to the 'Calm' app which offers tailored content to help individuals manage stress, anxiety and improve sleep. They also turned their training room into a 'zen room' which was open every day in May for anybody to unwind and clear their mind. Facilisgroup also kicked off a summer weight loss challenge by seeing who was the "Biggest Loser". 20 participants accepted the 60-day challenge with Facilisgroup teaming up with a local gym to help keep track of all the numbers and update a scoreboard from the bi-weekly weigh-ins, with one male and one female winning a prize and the title of the "Biggest Loser" at the end of the challenge.

In 2023 there were no reportable accidents across the Group.





Empowering our people

Our future plans

DIVERSITY, EQUITY AND INCLUSION

- Implement an updated DEI action plan based upon output from The Race Equality Code assessment and our revised DEI strategy
- Continue to focus on improving diversity levels across the business and actively promote DEI events throughout the year to raise awareness and encourage employee participation

TRAINING AND DEVELOPMENT

- Implement actions with the aim of improving our employee engagement score based upon the feedback received from the employee engagement surveys
- Continue to develop and evolve our succession planning process to help our team members achieve their career aspirations

HEALTH, SAFETY AND WELL-BEING

- On-going focus on promoting health, safety and well-being in the workplace, encouraging our team members to take advantage of the well-being programmes available across the Group
- Continue to promote a pragmatic approach to health and safety, focussing on maintaining zero accidents in the workplace



Our progress

Community engagement

Our aim is to create a lasting positive social impact in our local community while building a strong distributor network that promotes growth, innovation and collaboration in the industry.

IN THIS SECTION

[COMMUNITY ENGAGEMENT DASHBOARD](#) →

[VOLUNTEERING AND SUPPORTING COMMUNITY PROJECTS](#) →

[PARTNER SUMMITS AND GROWING THE FACILISGROUP COMMUNITY](#) →

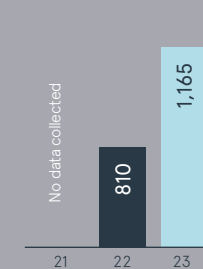
Supported UNSDGs



Key measures

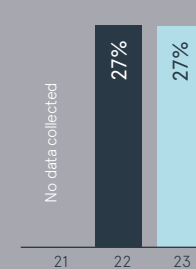
VOLUNTEERING HOURS

1,165
hours



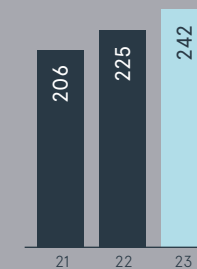
PERCENTAGE OF EMPLOYEES VOLUNTEERING

27%
participation



NUMBER OF FACILISGROUP PARTNERS




242
Partners





Community engagement

Dashboard

-  On track or achieved
-  Making progress, but not as quickly as we'd like
-  Further work needed

Facilis cares has continued to support local charities throughout the year and Brand Addition strengthened its connection with 'The Mustard Tree', extending its support by offering temporary work placements to help individuals improve their skills and their confidence in the workplace. For the first time Facilisgroup organised two Partner Summits in the same year along with its annual Supplier Showcase to provide training, network opportunities and to help build a better and stronger industry for all.

2030 KEY ACTIONS	2023 PERFORMANCE	STATUS	DETAILS	PAGE NUMBER
VOLUNTEERING AND SUPPORTING COMMUNITY PROJECTS				
Provide support and charitable giving, aiming for 1,000 hours volunteering	1,165 Hours		Continued support of local charities through each Group business and the facilis cares initiative, achieving our target	43
Encourage 50% of our employees to take part in volunteering activities	 27% participation		The proportion of staff involved in volunteering activities was unchanged from the previous year. In 2024 we will promote team and business wide volunteering projects with the aim of increasing involvement	42
PARTNER SUMMITS AND GROWING THE FACILIS COMMUNITY				
Continue to grow the number of Facilisgroup partners	242 Partners		In 2023, three Facilisgroup events were held in different locations across the U.S to increase community engagement, Promote Syncore and Commercio and educate our Partners	44





Community engagement

Volunteering and supporting community projects

In 2023, we donated 1,165 volunteering hours exceeding our target of 1,000 hours by continuing to support local community projects.

By increasing the number of volunteering hours, we have been able to strengthen our involvement with local community projects and increase our level of support. Although our Group participation rate remained the same as the previous year, we believe that our achievements will help strengthen our relationships with the local community and offer future opportunities for wider business involvement.

Across the Group, we partner with charities and good causes to provide local support in a variety of different ways and we encourage our employees to take part in volunteering projects by giving them up to two days paid time off to do so. The projects can range from company-wide initiatives, to supporting smaller community projects. Not only do we see our volunteering activities helping the local community, but we also see a great benefit to our employees.

By supporting these projects our team members have the opportunity to learn new skills and broaden their experience to help them learn and grow. In 2023 rather than all employees being involved in company wide activities, we focussed on providing regular support throughout the year and this allowed individuals to support their own projects. Whilst we recognise this has impacted upon the percentage of employees supporting volunteering activities, we have been able to build stronger relationships with the local community by offering ongoing support. We will look to continue to increase the number of employees supporting volunteering activities and consider hosting business or wider team volunteering activities in 2024.



We aim to support the local community in a variety of different ways.

GROUP VOLUNTEERING HOURS DONATED IN 2023

1,165



Volunteering and supporting community projects

A force for good

facilis ❤️ cares

Our facilis cares initiative brings Partners and suppliers together to give back as a community.

facilis cares aims to capture the collective spirit and dedication of the Facilisgroup Community to help fulfil the needs of underserved and underprivileged individuals through service and donation. When hosting events, Facilisgroup commits to leaving that local area in a better place than it was prior to their arrival. Via facilis cares, Facilisgroup supports a local charity initiative during the time spent in the area. Below are just a few examples of activities the Facilisgroup community have supported over the last year:

- During the Partner Summit in Denver, Facilisgroup partnered with Wish For Wheels, a non-profit organisation to build and donate brand-new bicycles and helmets to children in need in the Denver area. Our community of Partners, suppliers and Facilisgroup staff worked together and built 30 bikes for a group of happy children
- facilis cares partnered with the St. Louis area foodbank during the '2023 Summer of Caring' activities. Facilisgroup was able to donate 20 hours packing boxes, collect 539kg of food and provide 974 meals to local families in need



brand addition.

Brand Addition continued to strengthen its links to the local community providing further help and support to 'Mustard Tree', a local charity which aims to combat poverty and prevent homelessness by supporting the vulnerable back to work. In H2 Brand Addition offered temporary work placements to help individuals improve their skills and their confidence in the workplace. In Manchester our Brand Addition team also supported local schools with careers fairs, work experience and hosted a 'Bring Pupils to work day' so that they could experience, different aspects of business to help them in making future career choices.

During Earth day week, Brand Addition donated 1% of sales for every order placed between 17th – 21st April 2023 to the Xerces Society for Invertebrate Conservation's Pollinator Conservation Programme. The Programme is dedicated to protecting endangered species and their habitats, including pollinators like bees, butterflies and birds. It also helps farmers to restore and manage habitats providing bees, butterflies and other vulnerable pollinators with the flowering plants crucial to their survival and resilience.

Throughout the year the Group also makes donations and supports local charities, hosting Macmillan coffee mornings and other worthwhile causes.





Partner summits and building the Facilisgroup community

Facilisgroup Partner Summits

Facilisgroup extends beyond the conventional definition of a technology company. Working with Partners and Preferred Suppliers, Facilisgroup creates a community through which all parties benefit from sharing practices, collaborating on industry trends and offering exclusive access to events, webinars, training and networking opportunities to ultimately build a better and stronger industry for all.

In 2023, Facilisgroup organised a Supplier Showcase and two Partner Summits collectively attracting 1,366 participants. Both the summits and the showcase provided attendees with invaluable networking opportunities, complemented by thought-provoking workshops and social events.

From panel discussions exploring the influence of transformative technology on the industry to workshops dedicated to leadership best practices, guests gained practical takeaways tailored to their businesses and the larger promotional products industry. Facilisgroup will continue to leverage Partner Summits to serve as a dedicated platform, specifically, to increase awareness of the promotional products industry's impact on the environment and to champion actions aimed at mitigating climate change.

The Partner Summits and Supplier Showcases provide a valuable opportunity for Preferred Suppliers to directly engage with attendees, gaining insights into the needs of distributors and offer Partners an opportunity to network and collaborate on leadership best practices, transformative innovation strategies and industry education.



Fostering growth and community within the promotional products industry.

PARTICIPANTS

1,366





Community engagement

Our future plans

VOLUNTEERING AND SUPPORTING COMMUNITY PROJECTS

- Encouraging our team members to get involved in community projects and use their volunteering days to support our local community partnerships or taking part individually in their own local project to help positively impact the community
- Continue to make a positive impact at each Facilisgroup event by supporting a local project and using Facilisgroup community through the facilis cares programme

PARTNER SUMMITS AND GROWING THE FACILIS COMMUNITY

- Continue to develop our Facilisgroup Partner Summits and introduce elements of education around specific ESG related topics to encourage discussion and change across the industry through our Facilisgroup Preferred Supplier and Partner network



Our progress

Responsible leadership

Our aim is to lead responsibly by demonstrating our strong values and through the use of effective governance. We work to ensure that our governance structure reflects best practice and is embedded into our Group's culture.

We believe that responsible leadership through good corporate governance creates shareholder value and builds engagement and trust with our key stakeholders. By embedding clear, policies, processes and, safeguards we aim to support sustainable growth, protect the interests of our stakeholders and mitigate or reduce the risks that the Group faces.

IN THIS SECTION

- RESPONSIBLE LEADERSHIP DASHBOARD →
- GOVERNANCE, POLICIES AND PROCEDURES →
- RESPONSIBLE SOURCING →
- STAKEHOLDER ENGAGEMENT AND FEEDBACK →
- INFORMATION SECURITY AND DATA PROTECTION →

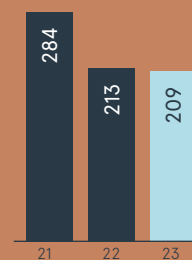
Supported UNSDGs



Key measures

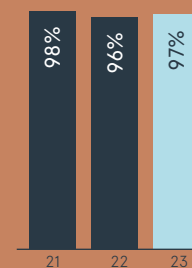
NUMBER OF SUPPLIER ASSESSMENTS COMPLETED

209



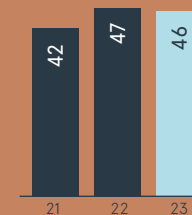
PARTNER RETENTION RATE (FACILISGROUP)

97%



NET PROMOTOR SCORE (NPS) (BRAND ADDITION)

46











Responsible leadership

Dashboard

In 2023, we continued to evolve and adapt our policies and procedures to address any changes across the Group and we implemented our Framework on Conduct, Ethics and Compliance to align our Group policies. Our Brand Addition business successfully achieved ISO27001 (information security) certification across all of its sites, expanded ISO9001 (quality management) globally and ISO14001 (environmental management) across its warehouse locations. We maintained a strong NPS score and our Partners retention rate remained strong, increasing to 97% in 2023.

-  On track or achieved
-  Making progress, but not as quickly as we'd like
-  Further work needed

2030 KEY ACTIONS	2023 PERFORMANCE	STATUS	DETAILS	PAGE NUMBER
GOVERNANCE, POLICIES AND PROCEDURES				
Continue to enhance and develop our Group level policies, aligning our approach across the Group	See details		All Policies were subject to annual review and re-approval at Board level Launch of our Group Framework on conduct, ethics and compliance. Group-wide training delivered for all staff on the new Framework and on modern slavery and human trafficking	49
RESPONSIBLE SOURCING				
Evaluate our suppliers to ensure that they are acting responsibly	209 supplier assessments conducted		Continued to prioritise on site supplier assessments in high risk locations	52
Percentage of suppliers who have signed ethical code of conduct	 68%		Increased the number of suppliers from 67% in 2022 who have signed the business ethical code of conduct	51
Improve supplier assessments by incorporating additional ESG related elements into the assessment process	See details		We continue to review and update our supplier assessments to improve scoring methodologies and incorporate new questions to evaluate suppliers performance against the Group responsible sourcing requirements	52
STAKEHOLDER ENGAGEMENT AND FEEDBACK				
Aim to maintain a strong Net Promotor Score (Brand Addition)	46		Brand Addition maintained a strong NPS score	55
Aim to maintain a consistent Partner retention rate (Facilisgroup)	 97%		Improved from 96% in 2022	55
INFORMATION SECURITY AND DATA PROTECTION				
Achieve ISO27001 and SOC2 certification	ISO27001 achieved		All of Brand Addition sites worldwide achieved ISO27001 certification in August 2023	56



Governance, policies and procedures

Responsible governance

We see the principles of good governance not just as a set of guidelines, but as a real basis for making us a better business with strong internal controls that will deliver long-term value and meet stakeholder expectations around leadership and oversight.

Our corporate governance strategy is centred around ensuring that our operations are conducted with integrity, fairness and transparency.

We are focused on ensuring that the governance we introduce is not only aligned with best practice but reflects feedback from our stakeholders and is designed in a meaningful way to fit with our culture and way of working. We strategically engage with experts where doing so will enhance our governance approach, for example, through our ongoing appointment of remuneration advisors in relation to Executive remuneration and the consultancy support sought on DEI policy and approach.

ESG Governance

The Group Board is responsible for ESG and provides strategic oversight, approves the ESG Strategy and reviews and approves the Group's annual ESG Report. The Senior ESG Officer is responsible for developing and executing the ESG Strategy and has operational management of ESG, supported by the Group General Council and Company Secretary and the

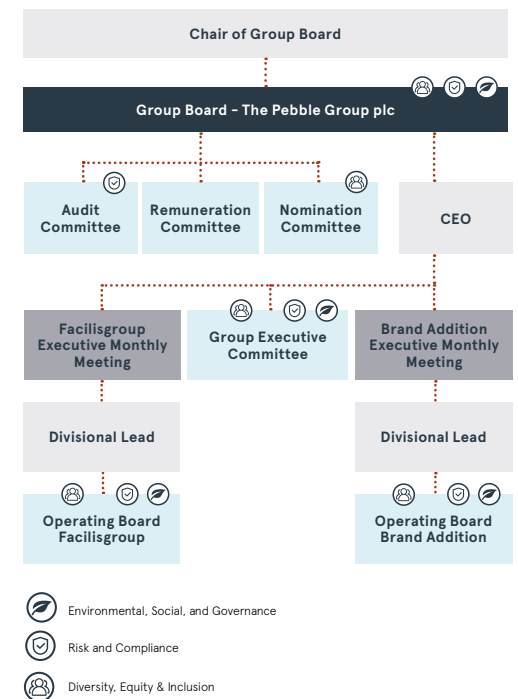
Divisional Leads of each Group business. The Group Board reviews progress against the ESG strategy every six months and the Strategy is reviewed and re-approved annually. The Group Board is supported by the Audit Committee which provides oversight of the Taskforce on Climate-Related Financial Disclosures (TCFD) climate-related risk and opportunities assessment as part of its integrated risk review.

Each Operating Board, led by their Divisional Leads, is responsible for the implementation of the ESG Strategy into their own business. Each business has flexibility to develop its own ESG focus, policies and initiatives, defining their own objectives, providing these are aligned with the Group objectives and goals. The Senior ESG Officer meets regularly with each business to discuss progress against agreed non-financial objectives related to energy usage, carbon emissions, climate-related risks and opportunities, DEI, policy implementation and training.

The Group Executive Committee includes an ESG update as a standing agenda item at each meeting and ensures regular communication and discussion of ESG Strategy and progress

with the Divisional Leads and other members of the Committee. The Senior ESG Officer holds regular meetings with the Divisional Leads of each business to review operational progress in relation to agreed ESG objectives related to minimising environmental impact, promoting DEI, health and well-being, community support and engagement and policy implementation, training and responsible sourcing.

We are aware of the changing ESG landscape and the introduction of a plethora of new and emerging ESG regulations and reporting requirements. Being an AIM listed business, a number of these changes are not yet applicable to our Group, however we take a pro-active approach to stay updated through webinars and on-line training with the aim of adapting our policies and reporting requirements to align with best practice. This remains an ongoing task and we will aim to improve and evolve our reports annually to align with new reporting requirements before they become mandatory.





Governance, policies and procedures

ESG performance measures

Integrating ESG into Executive remuneration

The Group Board delegates authority for setting and reviewing Executive remuneration to its Remuneration Committee. During 2023, the Committee looked in detail at the structure, workings and performance conditions applied to the Executive Bonus Plan. Following this review, the Committee approved the introduction of three specific ESG related performance measures linked to tangible targets for inclusions alongside financial performance targets for 2024. This is an important step for the Group, as it demonstrates the growing importance of ESG and how it is fundamental to our long-term success. The ESG performance measures will focus on three areas equally weighted at 5% each, accounting for a total of 15% of total Executive bonus award in 2024:

- Customer Satisfaction – to be measured by the Net Promoter Score (NPS) metric in Brand Addition and Partner Retention Rate metric in Facilisgroup;
- Employee Engagement – to be measured by the score resulting from the annual employee survey within each of Brand Addition and Facilisgroup; and
- ESG and Sustainability, to be measured by reference to Brand Addition's Ecovadis rating.

We will continue to review and where appropriate evolve these ESG performance measures to ensure they remain suitably aligned with our Group's ESG priorities.

“Three specific ESG related performance measures linked to tangible targets for inclusions alongside financial performance targets for 2024.”

Key governance policies and procedures

The Group has developed key governance policies to establish a common understanding of the high standards of conduct, ethics and responsible business practices expected across our businesses and in our wider stakeholder relationships. They serve to cascade the right culture down from the Group Board and set the tone for expected behaviour. Our culture and values aim to protect the Group from unnecessary risk, to enable delivery of long-term growth and to secure our long-term future. In developing our policies, we consider:

- Our legal and regulatory obligations
- Our QCA Code governance obligations
- New and upcoming changes and standards
- Best practice guidance
- Our own tone of voice

We strive to make policies relatable to our employees and relevant to our Group operations so that they underpin and guide the objectives and strategy of each business. The aim is for everyone to feel proud of the Group, its purpose and vision. Our policies are reviewed on at least an annual basis, to ensure that they reflect current working practices, remain relevant and are aligned with best practice.

They are re-approved by the Group Board each year. Implementation and embedding of our key policies is addressed through a mixture of:

- Inclusion in new starter induction process
- Ad hoc communication and reminder processes
- Ad hoc training

Adherence to policies by our employees and suppliers is tracked through:

- The opportunity at each Group Executive Committee for Divisional Leads to raise policy breaches as part of a standing risk agenda item at each meeting
- Bi-annual attestation of compliance with key policies by the Group's senior leaders in relation to their respective teams and reported to the Group Audit Committee
- Monitoring of any whistleblowing reports received
- Robust vendor audits of suppliers
- Supplier visits
- A internal policy audit by the Group team, which was introduced during 2023



Governance, policies and procedures

Ethical business practices

Key governance policies and procedures (continued)

Group Framework on Conduct, Ethics and Compliance

- An umbrella document to provide an overview of all Group conduct, ethics and compliance priorities, to empower our employees and provide them with links to all Group policies in one place

Anti-bribery and corruption policy

- Including gifts and hospitality rules and outlining a zero-tolerance approach. This reflects the Group's commitment to acting honestly, professionally and with integrity in all business dealings and relationships

Anti-slavery and human trafficking policy

- Outlining a zero-tolerance approach and clarifying the responsibilities of our businesses to implement and enforce effective systems and controls to ensure that modern slavery is not taking place anywhere in our businesses or supply chains

Whistleblowing policy

- To support and encourage employees and stakeholders to raise concerns in respect of conduct within the organisation that could fall below expected standards without fear of recrimination, victimisation, or suffering a disadvantage of any kind

Group wide dealing policy and share dealing code

- Designed to ensure that Directors and employees do not misuse, or place themselves under suspicion of misusing, information about the Group which is not public. These support compliance with the applicable regulatory framework on market abuse

DEI policy

- Promoting integrity and openness and highlighting diversity as an important part of our long-term focus on shareholder value

Group environmental and climate change policy

- Reflecting our obligation to be part of the climate crisis solution and the importance of reducing greenhouse gas emissions

Group health, safety and well-being policy

- Aiming to create an inclusive culture for our employees which focusses on prevention, and in the case of any issues, ensure that they are minimised and managed before they have a detrimental impact on our employees' well-being.

Group labour standards and human rights policy

- Outlining our corporate responsibility to ensure that our activities do not directly or indirectly violate labour standards and human rights

Group data protection policy

- Recognising that the correct and lawful treatment of personal data will maintain confidence in the Group and its businesses and will provide for successful operations

Group anti-facilitation of tax evasion policy

- Setting out the Group's responsibilities and those working for us, in observing and upholding our position on preventing the criminal facilitation of tax evasion

All of our Group policies can be found in the ESG section of the company's website. →

Responsibilities

Each policy notes which Director of the Board has primary responsibility for establishing and maintaining proportionate and effective policies and processes for that area. It also states that, ultimately, the Group Board has overall responsibility for ensuring that the policy complies with legal and ethical obligations and that the policy is complied with.

The Group Executive Committee is responsible for reviewing policies prior to passing up to Group Committee level (as appropriate), then to Group Board, for approval. The Group Executive Committee also communicates all finalised policies to the senior executives in each business to ensure consistent messaging and the Divisional Leads are responsible for implementing the policies, as appropriate for their business.

We will continue to evolve and adapt our policies and procedures to address any changes across the Group as we continue to grow and ensure alignment of key business practices across our two businesses.



Responsible sourcing

Supply chain management

Our strategic suppliers play a vital role in the quality of our products and services. We manage our suppliers and our relationships with them carefully to make sure they act responsibly and meet the standards that are expected from us and our other stakeholders.

Our Group labour standards and human rights policy sets out the fundamental principles embedded in our business operations and culture to ensure we do not engage in activities that directly or indirectly violate labour standards and human rights. These principles extend to include our suppliers and business partners, where we expect them to behave consistently with the provisions outlined in the policy. Each Group business has their own suite of policies and processes aligned with our Group policies and suppliers are regularly assessed to ensure that minimum ethical, environmental, quality and safety standards are met.

We have mandatory compliance clauses integrated into third-party partner and supplier contracts which include corporate social responsibility, anti-bribery and corruption, anti-slavery and human trafficking, trade restrictions and anti-facilitation of tax evasion. These contracts include termination rights for non-compliance. In addition to contractual clauses, product suppliers are sent an annual request to read and acknowledge a supplier code of conduct, reminding them of our expectations and how we expect them to act. We keep track of the responses we receive and follow up where suppliers have not responded. In 2023 68% of suppliers signed the code, a 1% increase from the previous year.





Responsible sourcing

Supplier assessments

In 2023 a total of 138 on-site supplier assessments and 71 desktop assessments were conducted across the Group.

ON-SITE SUPPLIER
ASSESSMENTS

138

DESKTOP
ASSESSMENTS

71

Product suppliers

Brand Addition works with over 700 suppliers annually. These suppliers range from large scale factories to small, family run businesses. With such a diverse range of international suppliers we need to ensure that every supplier is aligned to a minimum set of social and ethical standards that meet the Group's expectations on labour standards and human rights.

Brand Addition has a mature supplier assessment process, which consists of a desktop assessment and for suppliers of high-risk products or for those located in countries deemed higher risk countries such as Turkey, China and other parts of Asia, a mandatory on-site assessment is also required. Only suppliers that have been through the assessment and met the required standards are approved for use. Assessments are predominantly undertaken by our own audit team based in China and Europe, using our bespoke assessment, specifically designed to cover the key criteria applicable to the products and services used. These assessments are used to evaluate suppliers' performance and ability to meet key criteria, such as, social and ethical business practices, environmental performance, working conditions, product quality and compliance obligations.

Upon completion of an assessment, suppliers will receive an audit report, providing a detailed account of the findings and a corrective action plan. Findings are rated as minor, major, or critical with critical findings requiring immediate rectification. If a supplier is unwilling to address any critical findings they will not be approved as a supplier or if the supplier is being re-assessed (which occurs every 2 years), they will be removed as a supplier so they can no longer be used. Prior to supplier approval or re-approval, suppliers are required to provide evidence of any remediation actions they have completed to address critical concerns raised during an assessment and the auditor will revisit the factory where possible or validate the actions via video conference before the supplier is approved for use.

To align with our future goals and targets we regularly review our supplier assessments and add additional questions to help integrate more ESG related elements into our assessments. We do this to ensure that our suppliers not only continue to meet our requirements but also share our vision and ambitions to minimise their environmental impact, move to using more sustainable materials, begin to tackle and report their carbon emissions and reduce the amount of waste they produce.

In 2023, Brand Addition undertook a total of 209 assessments of its supplier network. 5 critical non-conformances were identified and 4 suppliers were not approved for use as a result.

Preferred Suppliers

All Facilisgroup's Preferred Suppliers are required to submit information as part of their Preferred Supplier agreement to allow the business to conduct a product safety and compliance desktop assessment as part of the onboarding or the contract renewal process. All Preferred Suppliers are required to complete an ESG survey providing details of all of their ESG credentials and to also confirm acceptance of a number of non-negotiable declarations relating to corporate and social responsibility, cotton sourcing and conflict minerals. All suppliers are required to adhere to the Promotional Products Association International (PPAI), industrywide code of conduct, or equivalent internal codes. The Facilisgroup onboarding team then undertake due diligence checks to validate the information provided and conduct additional checks to ensure that the potential Preferred Supplier is not subject to any legal proceedings, litigations or product claims. Only upon successful review are they granted approval.



Responsible sourcing

Product compliance, quality and safety

Validating product claims and compliance.

Customers want to be confident that the products they use to promote their brand are compliant and meet all the necessary regulatory requirements, are free from defects, manufactured through approved supply routes and will not present any safety concerns. If any claims are made related to a product or its materials, customers want to be assured that these claims have been validated. Product compliance, quality and safety is a non-negotiable requirement.

Brand Addition has a dedicated product compliance function that supports purchasing and merchandising teams to develop product testing plans, undertake product risk assessments, evaluate product compliance documentation and test reports to ensure that products are fit for purpose. For bespoke manufactured products, extensive product testing is undertaken with certified third-party laboratories to ensure that products do not contain hazardous substances and products have been tested for typical use cases.

Where products are purchased from wholesalers and distributors we expect full transparency, access to details of their supply chains and the materials used in the manufacture of the products. Test reports, restricted substance declarations and sustainable material certificates are fully evaluated and compared against required standards to ensure that products have been tested to the latest requirements prior to product approval. Where products feature in customer stock ranges periodic product compliance spot checks are carried out to ensure that products remain compliant to all applicable standards. Our teams remain informed of changing regulations and legislation by attending webinars, specific training courses, subscribing to mailing lists and attending compliance workshops.

Outgoing quality inspections are undertaken on products that are shipped directly to customers and products received by our warehouse also undergo an additional incoming quality check. Inspections are performed by third-party inspection companies or our own quality team. The purpose of these inspections is to ensure that the products we receive are free from defects, meet the agreed specification and are fit for purpose.





Stakeholder engagement and feedback

Listening to our stakeholders

We regularly engage with all of our stakeholders, this could be through investor meetings, webinars, on-line training with our suppliers, satisfaction surveys or quarterly business reviews with our customers.

We also conduct company updates at a Group level or through each individual business to keep our team members up to date with our latest achievements and our future plans and actions. Investing in and developing, our stakeholder relationships are central to our values. For a full overview of all stakeholder engagement activity, topics of engagement in 2023 and the outcome from such engagement, please see the **listening to our stakeholders** section in our Annual Report. We believe building and maintaining, effective relationships with our stakeholders makes people want to work with, purchase from, sell to and invest in us. This approach is cascaded down through our businesses in pursuit of the success of the Group. Our stakeholders are key to our decision-making and are considered by the Group Board and also by our senior team as part of the decision-making process.

We also place great value in stakeholder feedback to ensure that as a Group, we are meeting their needs and expectations. We regularly interact with our stakeholders and invite feedback on our performance and how we can improve. Our recent

materiality assessment (shown on page 7 of this report) is just one example of where we have gained feedback from our wider stakeholder Group to help us refine our ESG strategy and focus on the areas that matter most to our business and our stakeholders. After publishing our last ESG report we also reached out to our key investors to gain feedback on our report to identify areas where we could improve, integrating the recommendations into this report.

In 2023, our businesses dedicated over 260 hours to directly engaging with suppliers (in addition to the Facilisgroup's Supplier showcases and Partner summits covered on page 44), training them on new standards and working practices through webinars, meetings and in-person site visits. We intend to continue with our education sessions in 2024 and use them as an opportunity to inform our suppliers on our future goals and how they can contribute towards helping us reduce our indirect emissions and reduce the overall impact of our industry on the environment.





Stakeholder engagement and feedback

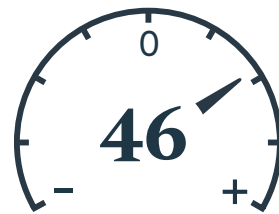
Customer satisfaction

We closely monitor customer satisfaction and customer retention across both businesses.

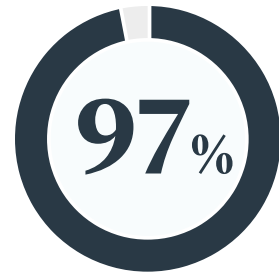
This allows us to receive regular direct feedback on how we are performing from our customers and where we can improve. Customer satisfaction surveys are conducted monthly on the products sold to customers and each of our Preferred Partners have quarterly business reviews where feedback is monitored and it provides an opportunity to talk to Partners about any challenges they are facing and support them in resolving any issues.

Each Group business individually measures customer satisfaction through a Net Promotor Score (NPS) and customer or Partner retention rates. We use these KPIs to track our progress and help identify areas for improvement. In 2023 we saw a slight increase in our Partner retention rate and a slight decrease in the NPS for Brand Addition.

NPS (BRAND ADDITION)



PARTNER RETENTION RATE (FACILISGROUP)





Information security and data protection

Data privacy and security

Information security and data protection is an essential part of our Group IT strategy.

We recognise that cyber threats are constantly evolving and pose a risk to all businesses. We remain aware and vigilant about these risks and are committed to ensuring that we have robust processes and systems to protect the data that we process and uphold high standards in data ethics and security. Our processes and systems include:

- We adopt a risk-based approach to identify, assess and mitigate the cyber risks that may affect our business;
- We invest in the technology and solutions to protect our network, data, services and hardware from unauthorised access, misuse, or damage. We monitor and test our security controls and systems regularly to minimise the possibility of any potential incidents;
- We educate and train our team on the importance of cybersecurity and privacy and foster a culture of security awareness and responsibility across our organisation;

We aim to follow best practice to ensure compliance with relevant laws and regulations in the countries where we operate. As a Group, we are committed to collecting, processing and analysing data, in line with data privacy legislation and we work closely with our suppliers, customers and Partners to ensure that data and its use is compliant with applicable legislation.

Controls are in place to safeguard data, help prevent, detect and respond to ransomware as well as other cyber threats. During 2023, the Group team developed a new IT security incident response plan for implementation across the Group. Our environment is restricted to authorised personnel, data at rest and in transit is encrypted. Facilisgroup has a dedicated information security team responsible for enhancing and maintaining appropriate security controls across all information systems, both internal and external. Both businesses have security-related policies in place as part of their own information security management systems, such as, information security, incident management, business continuity, supplier management and data protection policies.

Both of our businesses are working toward certification to internationally recognised information security standards, ISO27001 for Brand Addition and SOC2 for Facilisgroup. In August Brand Addition achieved ISO27001 certification a year earlier than planned, covering all of its global offices and warehouses. Achieving certification to ISO27001 not only demonstrates that our processes and systems have been externally audited but it also demonstrates to stakeholders our long-term commitment to information security. Facilisgroup will continue to evolve and update its security governance framework and has already made good progress in internally aligning its documentation with the SOC2 standards and will continue to pursue SOC2 certification in the future.

ISO27001 certification achieved in 2023.





Responsible leadership

Our future plans

RESPONSIBLE SOURCING

- Review and improve supplier assessments to ensure that our suppliers are aligned with our needs and expectations
- Pro-actively engage with suppliers to communicate our future plans and provide support and training to explain and drive ESG improvements across the Group

STAKEHOLDER ENGAGEMENT AND FEEDBACK

- Continue to regularly engage with our stakeholders to seek feedback and implement improvements
- Monitor and aim to improve our Net Promotor Scores, developing action plans based upon areas identified from our customer satisfaction surveys

GOVERNANCE, POLICIES AND PROCEDURES

- Maintain and improve our governance practices and policies to ensure that they are aligned with best practice
- Further embed ESG and non-financial KPIs and metrics across the business to monitor progress and incentivise the workforce

INFORMATION SECURITY AND DATA PROTECTION

- Continue to develop policies, procedures and infrastructure for Facilisgroup to achieve SOC2 certification
- Improvements to existing access controls, internal audits and enhancements to data security training
- On-going penetration and vulnerability testing of our systems





Responsible leadership

ESG achievements and memberships

In 2023 our Brand Addition business improved its CDP score from a 'C' to a 'B' rating. We saw increases in our score based upon the work that the Group had conducted on evaluating the impacts on climate-related risks and opportunities along with the steps taken to start to measure indirect Scope 3 emissions across our value chain.

In Brand Addition's last Ecovadis assessment it maintained its Ecovadis Platinum rating, placing the company in the top 1% of similar organisations in their approach to sustainability.

In 2023, Brand Addition expanded the reach of its ISO9001 (quality management) certification to cover all of its main locations, this has allowed all of the sites to align its key processes and procedures across the business enhancing business efficiencies and continual improvement. ISO14001 (environmental management) was also expanded to cover all of our key warehouse locations.

In addition to ISO9001 and ISO14001, Brand Addition also achieved ISO27001, the international standard for information security management which specifies the requirements and best practices for establishing, implementing, maintaining and improving information security that protects the confidentiality, integrity and availability of information.

Facilisgroup and Brand Addition are both proud members of a number of trade associations such as the PPAI (Promotional Products Association International), based in the U.S. supporting and delivering knowledge to the promotional products industry.



ESG metrics and supporting information

IN THIS SECTION

[GREENHOUSE GAS AND ENERGY BREAKDOWN →](#)

[EMPLOYEE NUMBERS →](#)

[EMPLOYEE DIVERSITY →](#)

[GRI INDEX →](#)

Greenhouse gas and energy breakdown

ENERGY CONSUMPTION (MWh)		GROUP			VARIANCE	
		2023	2022	2021	BASE YEAR VARIANCE	
Natural gas		822	1,048	1,342	-39%	
Renewable gas (Biogas)		313	198	-	-	
Electricity (Standard)		216	1,228	1,270	-83%	
Electricity (Renewable)		1,122	186	137	503%	
Transport fuel		139	160	117	19%	
CARBON EMISSIONS (TONNES CO ₂ e)		GROUP			VARIANCE	
		2023	2022	2021	BASE YEAR VARIANCE	
Scope 1	Stationary combustion (Gas)	227	251	271	-16%	
	Mobile combustion (Company owned vehicles)	29	34	26	12%	
Scope 2	Purchased Electricity (Location-based)	411	434	410	0%	
	Purchased Electricity (Market-based)	79	439	450	-82%	
Scope 3	Purchased goods and services	27,590	40,811	39,102	-29%	
	Fuel-and energy-related activities	165	178	183	-10%	
	Upstream transportation and distribution	6,308	8,990	12,036	-48%	
	Waste generated in operations	1	1	1	0%	
	General business travel	930	302	176	428%	
	Business travel in employees' own vehicles	5	8	4	25%	
	Employee commuting	407	336	265	54%	
Total Scope 1 and Scope 2 emissions (Location-based)		667	719	707	-6%	
Total Scope 1 and Scope 2 emissions (Market-based)		335	724	747	-55%	
Total Scope 3 emissions		35,406	50,626	51,767	-32%	
Offsets		1,220	825	-	-	
Total emissions (Location-based)		34,853	50,520	52,474	-34%	
Total emissions (Market-based)		34,521	50,525	52,514	-34%	
Total energy consumption (MWh)		2,612	2,820	2,866	-9%	
% Renewable electricity		84%	13%	10%	74%	
% Sites using renewable electricity (31 December 2023)		100%	36%	27%	73%	
INTENSITY METRICS (TONNES CO ₂ e PER £1M OF REVENUE)		GROUP			VARIANCE	
		2023	2022	2021	BASE YEAR VARIANCE	
Intensity ratio Location- based		281	377	456	-38%	
Intensity ratio Market - based		278	377	456	-39%	

- GHG emissions have been calculated by each business and then summarised in this table.
- 'Biogas' is purchased UK gas from our energy provider backed by RGGOs / BMCs.
- Emissions have been calculated using the Normative carbon reporting engine unless otherwise stated.
- 2021 and 2022 carbon emissions have been restated to:
 - Remove the stationary combustion market-based calculation to ensure that gas usage is correctly reported to account for the use of biogas; and
 - Reflect the changes to the emission factors used for Facilisgroup Scope 3, purchased goods and services due to the retirement of the Quantis GHG protocol Scope 3 evaluator and the inclusion of additional expenses associated with purchased goods and services due to improvements in data collection.

Brand Addition

Employee commuting has been calculated using the 2023 DEFRA (Department for Environment, Food & Rural Affairs) emissions factors (EFs) for passenger vehicles.

Facilisgroup

Natural gas consumption has been calculated using the 2023 EFs published by Environment and Climate Change Canada.

Employee commuting has been calculated using the 2023 DEFRA EFs for passenger vehicles.

Scope 3 emissions have been calculated using the U.S. EPA Supply Chain Greenhouse Gas Emission Factors v1.2 by NAICS-6.

Employee numbers

GROUP EMPLOYEE NUMBERS (AVERAGE)	2023	2022	2021
Full time equivalent (FTEs)	577	556	461
No. Employees	586	568	-
EMPLOYEES (TOTAL NUMBER OF EMPLOYEES)			
Full time	543	535	-
Part time	36	30	-
Total	579	565	439
EMPLOYEES (BY LOCATION)			
Asia	59	56	44
Europe	60	58	45
North America	184	184	124
UK	276	267	226
EMPLOYEES (BY AGE)			
Total number for employees under 30	127	124	-
Total number for employees 30-50	372	364	-
Total number for employees over 50	80	77	-
LEARNING AND DEVELOPMENT			
Total number of training hours	4,097	7,030	-
VOLUNTEERING			
Total number of volunteering hours	1,165	810	-
Percentage of employees taking part in volunteering activities	27%	27%	-
ENGAGEMENT AND TURNOVER			
Employee Engagement score	71	75	79
Voluntary turnover	14%	23%	16%
HEALTH AND SAFETY			
No. of reportable accidents (RIDDOR or OSHA reportable)	0	1	0

Total number of employees is calculated on 31st December.

Note

- Employee engagement has been restated to account for changes made to the calculation methodology which, when applied to previous years lowered the historic scores
- Historic figures for total number of employees have been restated to remove Non-executive directors, to align with updates to the reporting methodology

Employee diversity and other ESG KPIs

GROUP EMPLOYEE DIVERSITY			
GENDER DIVERSITY – FEMALE REPRESENTATION			
	2023	2022	2021
Gender diversity	58%	59%	62%
Non-Manager	59%	61%	-
Manager	57%	53%	-
Senior Manager	64%	56%	-
Operating Board / Leadership Executive	39%	40%	-
Groupwide leadership team*	56%	51%	55%
Group Executive Committee	57%	63%	57%
Group Board	33%	40%	40%
ETHNIC DIVERSITY			
Asian	13%	13%	16%
Black	5%	5%	2%
White	67%	67%	80%
Other ethnically diverse team member+	4%	4%	2%
Not known or prefer not to say	11%	11%	0%
OTHER ESG KPIS			
GENDER PAY GAP			
UK median gender pay gap	-10.6%	-1.8%	-4.6%
PACKAGING AND WASTE			
Reduction in single use plastic packaging	88%	90%	84%
RESPONSIBLE SOURCING			
No. supplier assessments conducted	209	213	284
Suppliers who have signed ethical code of conduct	68%	67%	-
STAKEHOLDER ENGAGEMENT AND FEEDBACK			
Brand Addition Net Promotor Score	46	47	42
No. Facilisgroup Partners	242	225	206
Partner retention rate	97%	96%	98%

Note

* Operating Boards, their direct reports and the Group Executive Committee.

+ Other ethnically diverse team member incorporates: Hispanic/Latino, Mixed, Other, Pacific Islander, Native American

Employee engagement has been restated to account for changes made to the calculation methodology which, when applied to previous years lowered the historic scores.

The Global Reporting Initiative (GRI) Index

GRI STANDARD	DISCLOSURE SECTIONS	PAGE
GRI 2: GENERAL DISCLOSURES 2021		
2-1 Organisational details	About us, Company overview	02
2-2 Entities included in the organisation's sustainability reporting	About us	02
2-3 Reporting period, frequency and contact point	CEO Introduction, Introducing our 2023 ESG report	05, 10
2-6 Activities, value chain and other business relationships	About us, Delivering stakeholder value through ESG	02, 09
2-7 Employees	Employee numbers	61
2-9 Governance structure and composition	ESG Governance, Board of directors (Annual Report 2023)	48, 80
2-10 Nomination and selection of the highest governance body	ESG Governance	48
2-11 Chair of the highest governance body		48
2-12 Role of the highest governance body in overseeing the management of impacts		48
2-13 Delegation of responsibility for managing impacts		48
2-14 Role of the highest governance body in sustainability reporting		48
2-16 Communication of critical concerns	Whistleblowing	49, 50
2-19 Remuneration policies	Integrating ESG into executive incentive plans, Remuneration report Annual Report 2023	49, 88
2-20 Process to determine remuneration		49, 89
2-23 Policy commitments	Policy and procedures	49, 50
2-24 Embedding policy commitments		49, 50
2-26 Mechanisms for seeking advice and raising concerns	Whistleblowing	48, 49
2-28 Membership associations	ESG achievements and memberships	58
2-29 Approach to stakeholder engagement	ESG Materiality, Stakeholder engagement and feedback	07, 54
GRI 3: MATERIAL TOPICS 2021		
3-1 Process to determine material topics	ESG materiality	07
3-2 List of material topics		07
3-3 Management of material topics		07
GRI 201: ECONOMIC PERFORMANCE 2016		
201-2 Financial implications and other risks and opportunities due to climate change	TCFD (Annual Report 2023)	40
GRI 302: ENERGY 2016		
302-1 Energy consumption within the organisation	Greenhouse gas and energy breakdown	60
302-4 Reduction of energy consumption		16, 60

Page numbers shown in ■ refer to pages in the Annual Report 2023.

Statement of use;

The Pebble Group has reported the information cited in this GRI content index for the period 1 January - 31 December 2023 with reference to the GRI Standards.

GRI 1: used

GRI 1: Foundation 2021.

The Global Reporting Initiative (GRI) Index continued

GRI STANDARD	DISCLOSURE SECTIONS	PAGE
GRI 305: EMISSIONS 2016		
305-1 Direct (Scope 1) GHG emissions	Greenhouse gas and energy breakdown	14, 15, 60
305-2 Energy indirect (Scope 2) GHG emissions		14, 15, 60
305-3 Other indirect (Scope 3) GHG emissions		14, 17, 18, 19, 60
305-4 GHG emission intensity		60
305-5 Reduction of GHG emissions		14, 60
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016		
308-1 New suppliers that were screened using environmental criteria	Supplier assessments	51, 52
308-2 Negative environmental impacts in the supply chain and actions taken		51, 52
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018		
403-2 Hazard identification, risk assessment and incident investigation	Health, safety and well-being	38
403-4 Worker participation, consultation and communication on occupational health and safety		38
403-6 Promotion of worker health		38
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016		
405-1 Diversity of governance bodies and employees	Employee diversity	33, 62
405-2 Ratio of basic salary and remuneration of women to men	Gender pay gap	34, 62

Page numbers shown in refer to pages in the Annual Report 2023.

Statement of use;

The Pebble Group has reported the information cited in this GRI content index for the period 1 January - 31 December 2023 with reference to the GRI Standards.

GRI 1: used

GRI 1: Foundation 2021.



The Pebble Group

Head Office
Suite 1, Didsbury House
748-754 Wilmslow Road
Didsbury
Manchester
M20 2DW