

The Pebble Group

The Pebble Group plc

ESG Report 2021





Environmental, social and governance (ESG) is being prioritised within The Pebble Group.

Informed by listening to our people, clients, Partners, suppliers and investors, we are focused on issues that matter. The world faces environmental and social challenges and we believe that businesses have a duty to become part of the solution, holding ourselves accountable and making positive steps and commitments to ESG.

We aim to act responsibly through effective governance, managing our social and environmental impacts and risks throughout our operations and across our supply chains. We use our influence to drive positive change by adopting sustainable materials and working with suppliers to ensure our responsibility extends across our supply chain.

We are pleased to introduce our four ESG cornerstones, which underpin our bespoke ESG framework, linked to topics that most impact our business and are of the greatest importance to our stakeholders. Our intention is to be transparent in our approach, in our commitments and how we measure and deliver against those commitments in terms of clear targets and aspirations.

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CEO introduction



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I am pleased to introduce the first ESG report from The Pebble Group, where we set out our strategy and the framework which underpins our approach.

Across our Group we are committed to being good corporate citizens and reflecting this through our actions. In developing our framework, we have aligned our ambitions and targets to the UN Sustainable Development Goals supporting the efforts to tackle climate change, poverty and inequality. Setting out our own framework has allowed us to consider the material issues that have the largest significance and the greatest impact across our Group so that we can identify and prioritise actions to ensure that each of these areas are given the correct level of focus.

At The Pebble Group we supply technology, products and services to a diverse range of businesses, including many of the best-known brands in the world. In our report we include a number of case studies outlining where we have provided solutions to reduce our environmental impact and that of our clients.

In 2021 we have aimed to make a significant step forward with our ESG strategy. We will continue to develop and evolve our framework, ambitions and targets to meet the needs of our Group and our stakeholders with the aspiration of creating a culture where ESG activities are embedded into our day-to-day work, reflecting the responsibilities we have to our stakeholders and the world in which we live.

Thank you for taking the time to review this report.

Christopher Lee
Chief Executive Officer

7 October 2021



Our businesses

Two focused and differentiated businesses

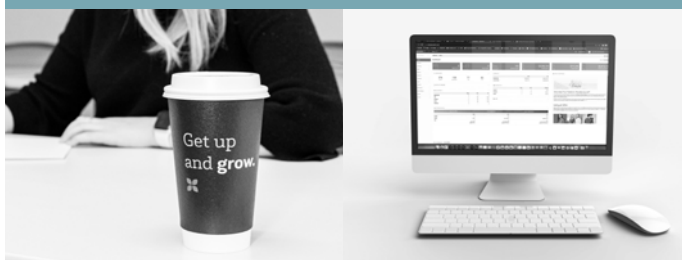
The Pebble Group



Facilisgroup is focused on transforming the promotional products industry with technology that enables customers to benefit from significant business efficiencies and supply chain advantages.

brand addition.

Brand Addition provides full-scale promotional products services that help global brands build culture, awareness and meaningful connections. We extend our clients' values in thoughtful, sustainable, globally conscious ways to create branded moments that people love.



About us

Our vision

is to become the partner of choice for both global brands that use promotional products as a key stakeholder engagement tool and small and medium-sized enterprise (SME) distributors that seek to professionalise and grow their promotional products businesses in North America.

Our values

shape our culture, define who we are, what we stand for and how we act.

We are one team	using our diverse skills and experience to support each other's successes and challenges, respecting our differences.
Enjoying the journey	in a culture of integrity, transparency and fairness, where we are proud of our past and excited by our future.
Ambitious	in our commitment to achieving positive results with sustainable impact.
Learning and growing	knowing there is always progress to be made.
Connected to all our stakeholders	developing long-term relationships by engaging to understand needs and aspirations.



Where we operate

The Pebble Group is headquartered in Manchester, UK in a facility that also houses the headquarters of Brand Addition.

The Group has business offices in the UK, the Republic of Ireland, Germany, China, Canada and the United States.



Europe

Manchester
Dublin
London
Hagen



North America

Ottawa
St. Louis





China

Guangzhou
Hong Kong
Shanghai



ESG roadmap

Our ESG roadmap

Action	Status
1. Define ESG for The Pebble Group <ul style="list-style-type: none"> • Four ESG cornerstones developed. 	 <p>Defining and sharing our approach</p>
2. Create a reporting framework based on a materiality assessment <ul style="list-style-type: none"> • A framework based around 13 material issues, subdivided into a further 74 topics and aligned to relevant UN Sustainable Development Goals. 	
3. Identify initiatives to facilitate the achievement of targets over the next five years <ul style="list-style-type: none"> • Initiatives to reduce energy consumption, carbon emissions, waste and plastic usage and to enhance social responsibility and ethical business practices identified. 	
4. Produce first ESG report <ul style="list-style-type: none"> • Report launched in October 2021. 	
5. Report regularly on ESG achievements against framework and initiatives using RNS Reach or our website	 <p>The journey ahead</p>
6. Develop a framework to facilitate the collection and reporting of environmental performance data across the Group	
7. Regular assessment of framework, initiatives and targets based on stakeholder feedback and changes in the macro environment	

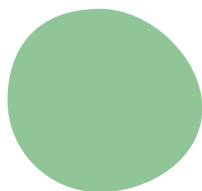
1. Define ESG for The Pebble Group

Shaping the foundations of our ESG approach

Our four ESG cornerstones are relevant to our business and stakeholders. We have engaged with our people, clients, Partners, suppliers, communities and investors across the globe, to develop a bespoke framework that we can meaningfully report against. (See our materiality assessment on pages 7 to 10.)

To ensure that ESG is always at the centre of what we do, it is reviewed at the Group Executive Committee, which meets monthly. It consists of the CEO, the CFO and the Senior Team (Senior ESG Officer, Group General Counsel and Company Secretary, Group Financial Controller and the Managing Directors of the Group's divisions, Facilisgroup and Brand Addition). In addition, ESG considerations are prioritised in the Board's decision-making process.

Our four ESG cornerstones



Impact of our business on the environment and our communities

Environmental Social Governance

Our aim is to make a positive long-term difference to our people and the communities in which we work, while minimising our impact on the environment.

→ Read more on p11 to 23

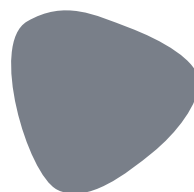


Diversity, health, well-being and engagement

Environmental Social Governance

Our aim is to expand, celebrate and embrace individuality and diversity, providing a safe environment where we promote well-being and a healthy work-life balance.

→ Read more on p24 to 31

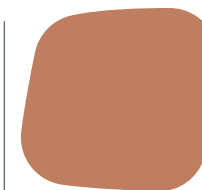


Board independence, ethics and leadership

Environmental Social Governance

Our aim is to promote a culture based upon values and behaviours which stakeholders are comfortable to associate themselves with, developing long-term relationships between the Group and its stakeholders.

→ Read more on p32 to 34



Responsible business practices

Environmental Social Governance

Our aim is to protect the interests of our stakeholders by adhering to responsible business practices and embedding robust processes, procedures and safeguards which are effectively managed in our organisation, reducing or mitigating risks that the business faces.

→ Read more on p35 to 40



2. Create a reporting framework based on a **materiality assessment**



Materiality assessment

We undertook a materiality assessment to develop a framework that we could objectively report against, representing topics that are relevant and important to our stakeholders, and which have the largest potential to impact our business over the next five years. The assessment was internal, drawing from our teams at different levels of the business, and incorporating feedback from past and current dialogue with our stakeholders (clients, Partners, suppliers, communities and investors).

The process

- Brainstorming sessions with our Group senior leadership teams to identify all areas where our businesses impacted or could positively impact ESG.
- The assessment and process identified 74 relevant ESG-related topics.
- These topics were then grouped into 13 different material issues and aligned within one or more of our four ESG cornerstones.
- A scoring matrix was developed and a cross-functional management team scored the topics to categorise the material issues in terms of importance and impact.



2. Create a reporting framework based on a materiality assessment continued

Aligning our framework to each of the United Nations Sustainable Development Goals

Following the materiality assessment, a framework was developed, aligning the relevant UN Sustainable Development Goals to our 13 material issues.

In 2015 the United Nations launched the Sustainable Development Goals (UNSDGs) which are aimed at ending poverty, fighting inequality and stopping climate change. These goals are a call to action for all countries and businesses to join forces and address some of the world's most pressing social and environmental issues.

Whilst across our Group we support all of the UNSDGs, our materiality analysis has allowed us to identify the goals most relevant to our business and we have chosen to prioritise nine of the goals where we feel we can make the largest contribution. It is these goals that we have embedded into our ESG framework.












Impact of our business on the environment and our communities									
1.1	Energy and climate change								
1.2	Packaging and waste								
1.3	Responsible sourcing								
Diversity, health, well-being and engagement									
2.1	Diversity, equity and inclusion								
2.2	Employee health, safety and well-being								
2.3	Employee recruitment, retention and development								
Board independence, ethics and leadership									
3.1	Governance, accountability and business culture								
3.2	Economic performance								
Responsible business practices									
4.1	Business ethics and integrity								
4.2	Human rights								
4.3	Product integrity and transparency								
4.4	Data security and privacy								
4.5	Risk management								



2. Create a reporting framework based on a materiality assessment continued

Our commitment to each of the United Nations SDGs

Goal	Details	Our commitment
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Good Health and Well-being. Ensure healthy lives and promote well-being for all at all ages.</p>	To promote a positive work–life balance and support the health and well-being of all employees.
 <p>5 GENDER EQUALITY</p>	<p>Gender Equality. Achieve gender equality and empower all women and girls.</p>	To actively work to ensure that we have an inclusive culture across the Group providing equal opportunities regardless of gender.
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Decent Work and Economic Growth. Promote inclusive and sustainable economic growth, employment and decent work for all.</p>	To ensure all our employees feel safe, valued and engaged, and are paid at least a living wage. Ensure the same responsible business practices are upheld across our supply chains.
 <p>10 REDUCED INEQUALITIES</p>	<p>Reduced Inequalities. Reduce inequality within and among countries.</p>	To ensure all employees feel respected and are treated fairly and equally regardless of ethnicity, religious beliefs, gender, age, disability, sexual orientation, education and socio-economic background. We will also work to uphold these values throughout our supply chains, operating a zero tolerance approach to any form of intimidation, bullying, harassment, discrimination or victimisation.
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Responsible Consumption and Production. Ensure sustainable consumption and production patterns.</p>	Aim to ensure all the products we source, or the vendors we employ to source, prioritise the use of sustainable materials and processes.
 <p>13 CLIMATE ACTION</p>	<p>Climate Action. Take urgent action to combat climate change and its impacts.</p>	To reduce our impact on the environment through carbon reduction initiatives and the employment of sustainable materials and optimised logistics.
 <p>14 LIFE BELOW WATER</p>	<p>Life Below Water. Conserve and sustainably use the oceans, sea and marine resources for sustainable development.</p>	To reduce and minimise plastic and marine pollution by aiming to remove single use plastic packaging from our bespoke manufactured products.
 <p>15 LIFE ON LAND</p>	<p>Life on Land. Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss.</p>	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.
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>Peace, Justice and Strong Institutions. Promote just, peaceful and inclusive societies.</p>	To have in place robust policies and procedures to ensure responsible business practices and respect for fundamental human rights.



3. Identify **initiatives** to facilitate the achievement of targets over the next five years

A summary of our initiatives over the next five years

In the table below, we have identified four key areas from our materiality assessment where we feel we can make the largest impact, setting out our initiatives and targets predominantly aimed at the next five years but with some extending to 2030. Each point is linked back to the ESG framework providing the foundation for our ESG reporting.

To detail our progress and actions against our commitments and initiatives we have included both strategic and tactical examples in this report to demonstrate that our scope has not been limited in any way.

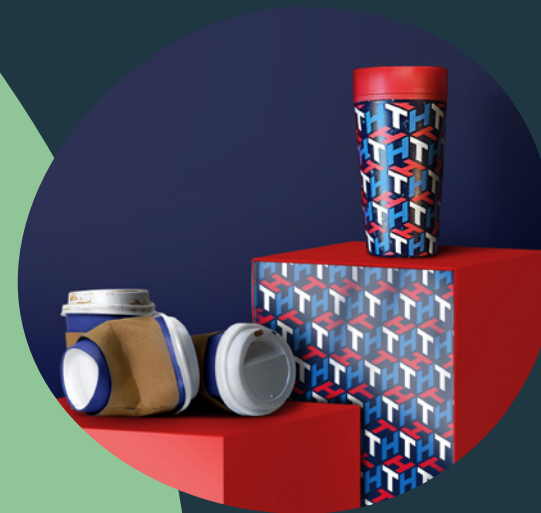
Energy and climate change	Packaging and waste	Diversity, health, well-being and engagement	Responsible business practices
<p>Implement a framework for reporting our Group Scope 1 and Scope 2 carbon emissions.</p> <p>1.1</p>	<p>Establish a waste reporting framework across the Group to facilitate the reduction of waste sent to landfill, with a target of zero waste to landfill by 2030.</p> <p>1.2</p>	<p>By 2025, target 10% of our Facilisgroup suppliers to be from ethnic minority and female-owned businesses.</p> <p>2.1</p>	<p>Implement a common Group code of ethics for adoption by all Group suppliers.</p> <p>4.1 4.2</p>
<p>Map our Group Scope 3 emissions and implement a reduction plan.</p> <p>1.1</p>	<p>Eliminate the use of single use plastic packaging from our bespoke manufactured products.</p> <p>1.2 1.3</p>	<p>Implement a well-being programme for staff across the Group.</p> <p>2.2</p>	<p>Introduce a sustainable and ethical business practices evaluation and rating system to the existing vendor assessment programme.</p> <p>1.3 4.1 4.2 4.3</p>
<p>Implement a carbon offset programme.</p> <p>1.1</p>	<p>Our directly controlled warehouses and logistics centres to use all recycled transit packaging materials for onward transportation of goods.</p> <p>1.2 1.3</p>	<p>Implement diversity, equity and inclusion (DEI) training for all staff across the Group.</p> <p>2.1</p>	<p>Establish and implement an internal product sustainability standard.</p> <p>1.1</p>
<p>Directly source energy from renewable sources.</p> <p>1.1</p>	<p>Implement green logistics options for outbound shipments.</p> <p>1.1</p>	<p>Enhance and refine our succession planning process to support the Group becoming more ethnically diverse as we grow.</p> <p>3.1</p>	<p>Establish ISO 27001 certification across Brand Addition and SOC 2 certification for Facilisgroup.</p> <p>4.4</p>
<p>Target a 50% reduction in our Group Scope 1 and Scope 2 emissions by 2030.</p> <p>1.1</p>	<p>Undertake a gender pay gap analysis and implement actions to address any significant variations.</p> <p>2.1</p>	<p>Develop and implement a central learning hub for our employees.</p> <p>2.3</p>	

Impact of our business on the environment and our communities

Our aim is to make a positive long term-difference to our people and the communities in which we work, while minimising our impact on the environment.

Material issues detailed in this section

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- 16 1.2 Packaging and waste
- 19 1.3 Responsible sourcing
- 20 Case studies





Impact of our business on the environment and our communities continued

1.1 Energy and climate change

Priority level



Progress against our commitments



UN Sustainable Development Goals



Relevant topics to The Pebble Group

- Sourcing affordable, reliable and sustainable energy
- Carbon emissions and carbon footprint
- Deforestation
- Direct energy consumption from our buildings and services
- Warehousing, distribution and transportation
- GHG emissions from our suppliers and supply chain
- Low carbon products
- Operational efficiency
- Access to renewable energy

Commitments/actions

- 100% renewable energy in our direct operations by 2025.
- 50% reduction in our Scope 1 and Scope 2 Group emissions by 2030.

Our achievements to date

- Scope 1 and Scope 2 emissions data established across our European sites.
- 29% reduction in our European energy usage compared to our 2018 baseline.
- Started the switch of sites over to green energy.

Our current actions

- Implementing a framework for reporting our Group Scope 1 and Scope 2 emissions.
- Converting our Brand Addition UK warehouse and logistics centre outdoor lighting over to LED lighting.

Future planned actions 2022–2025

- Implement a carbon offset programme.
- Map our Group Scope 3 emissions and implement a reduction plan.
- Implement green logistics options for Brand Addition outbound shipments.
- Convert the remaining non-LED lighting at our Brand Addition UK warehouse and logistics centre over to LED lighting.

We recognise the role that we have to play in reducing the impacts of climate change, through reducing the energy we use, the waste generated from each of our operations and minimising the impact of packaging and distribution.

Our direct carbon emissions relate to our global offices, warehousing and distribution as we outsource our manufacturing but we are working with our supply chains to reduce our indirect impact and influence positive and sustainable behaviours.

Since 2004, our Brand Addition Head Office in Manchester has held a ISO 14001 certification, an environmental management standard that provides a framework to help organisations minimise their impact on the environment and ensure they fully comply with all applicable laws, regulations and other environmental requirements. In 2016, our Brand Addition Manchester, London and Hagen sites obtained ISO 50001 certification, which focuses on effective energy management for businesses looking to reduce the amount of energy they consume.

Impact of our business on the environment and our communities continued

1.1 Energy and climate change continued

Energy management in action

All Group premises are either leased or shared occupancy buildings, which restricts the possible savings we are able to make. However, we are committed to making every change available to us. At present 20% of our direct sourced electricity is from renewable sources and we aim to increase this to 100% by the end of 2025. Where we are restricted from switching as a result of our leases or shared occupancy, we will look to carbon offsetting schemes as an alternative.

Our direct energy consumption is from office-based activities and warehousing, lighting and power, IT equipment, heating and air conditioning.

Over the last few years, the Group has invested in LED lighting across some larger sites, such as our UK warehouse and logistics centre and as part of our Hagen office refurbishment. In 2021 we will continue to invest in lighting, replacing outside lighting with LED lamps at our UK warehouse and logistics centre.

All employees are encouraged to be energy smart, ensuring that lights and IT equipment are turned off when not in use.

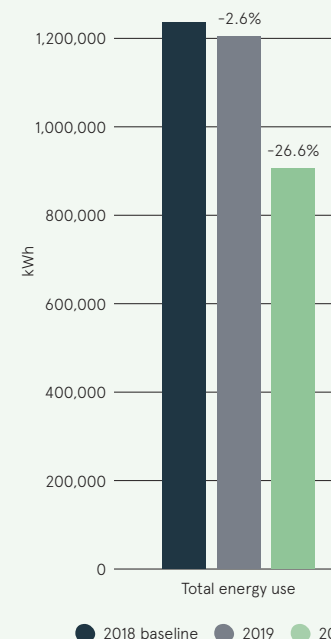
As part of ISO 50001, Brand Addition has been monitoring and reporting energy usage across its Manchester, London and Hagen sites since 2012 and internal targets are set to ensure annual reductions are achieved.

In 2018 a new exercise was undertaken to baseline the 2018 energy usage with a target set to achieve 1% year-on-year savings. COVID-19 had a significant impact on the 2020 figures as a result of homeworking. It is expected that in 2021 we will see an increase before normalised savings return.

During 2021, we have been expanding the data we collect for Scope 1 and Scope 2 emissions to our other global locations. The aim is to have the infrastructure to capture and report on energy-related data for each of our ten sites by the end of the year so we can begin to track and report on the whole Group as we enter into 2022.

Our aim is to have the infrastructure to capture and report on energy-related data for each of our ten sites by the end of the year.

Baseline vs actual



* Data reported from Brand Addition Manchester, London and Hagen sites.



Impact of our business on the environment and our communities continued

1.1 Energy and climate change continued

Emissions and carbon footprint

While our direct environmental impact is relatively low for the Group, we recognise that indirectly we are responsible for a significant amount of greenhouse gas through the goods and services provided by Brand Addition.

Across the Group we have made steps towards calculating these indirect emissions (Scope 3) but this is an area where further focus is still needed. In 2022 we will develop a framework to collect Scope 3 emissions data, which will provide visibility and enable us to set achievable targets to further reduce our carbon emissions and environmental impact.

In addition to reporting our emissions in line with Streamlined Energy and Carbon Reporting (SECR) requirements, Brand Addition makes an annual submission to the Carbon Disclosure Project (CDP) declaring its annual carbon emissions progress against its reduction targets. Its declaration also supports the Scope 3 emission tracking for clients linked to CDP.

Transportation and distribution

Brand Addition imports and distributes a diverse range of bespoke products all over the world for its clients, working with third party internationally recognised carriers.

In order to reduce the impact from distribution we intend to use our Scope 3 emissions framework for measuring carbon and enabling the setting of clear and achievable targets, whilst also building infrastructure into our day-to-day business process that will make it easier to choose low carbon options.

2020 emissions

Emissions data	Unit of measure	UK	Europe	Total
Direct (Scope 1) CO ₂ emissions – Natural gas	kg CO ₂ e	50,645	36,536	87,181
– Company owned or leased vehicles	kg CO ₂ e	–	28,317	28,317
Total Scope 1 direct emissions	kg CO ₂ e	50,645	64,853	115,498
Indirect (Scope 2) CO ₂ emissions – Purchased electricity	kg CO ₂ e	60,297	15,960	76,257
Other (Scope 3) CO ₂ emissions				
– Business travel in employee-owned vehicles	kg CO ₂ e	15,875	1	15,876
Total energy consumption	kWh	571,235	364,187	935,421
Total emissions	kg CO ₂ e	126,817	80,814	207,631
Intensity ratio kg CO₂e per £m of revenue		2,714	11,556	14,297

* Our calculation methods have used the 2020 Department for Environment, Food and Rural Affairs (DEFRA)/Department for Business, Energy and Industrial Strategy (BEIS) conversion factors for company reporting.

* UK – Brand Addition Manchester and London.

* Europe – Brand Addition Hagen and Ireland.

We intend to use our Scope 3 emissions framework for measuring carbon and enabling the setting of clear and achievable targets.

Impact of our business on the environment and our communities continued

Carbon neutral distribution

In Europe we have enabled our sales teams to select alternative carbon neutral distribution options for outbound orders by building this choice into our proprietary ERP system. This will also be rolled out to our other global locations as these services become available. In addition, we intend to build similar functionality into our web-based platforms which will allow customers to opt for carbon neutral deliveries.

For inbound transportation of Brand Addition bespoke manufactured products and outbound transportation of the corporate programmes business, our teams are actively engaging with freight forwarders to identify carbon neutral delivery schemes. We see this as an important step in reducing our indirect emissions and will continue to evolve the services we use as more options become available.

Carbon neutral distribution options built into our ERP system.



Impact of our business on the environment and our communities continued

1.2 Packaging and waste

Priority level



Progress against our commitments



UN Sustainable Development Goals



Relevant topics to The Pebble Group

- Biodegradable and recyclable packaging
- Circular economy (recycled and reusable materials)
- Plastic pollution and damage to marine life
- General waste from our operations (offices, warehousing and logistics)
- Packaging waste from our supply chain partners (direct deliveries)
- Packaging collection and recycling
- End of life disposal
- Single use packaging

Commitments/actions

- Zero waste to landfill by 2030.
- Remove single use plastic packaging from all our bespoke manufactured products by 2025.
- All transit materials used in our logistics hubs are made from recycled materials or can be widely recycled.

Our achievements to date

- 100% waste generated from Brand Addition Manchester is now recycled or diverted from landfill.
- An 80% reduction in the amount of plastic transit packaging used in our UK warehouse and logistics centre compared to 2018 levels.

Our current actions

- Establishing a waste reporting framework across the Group.
- Working with our core suppliers to reduce the amount of packaging used in shipments and ensure that all of the packaging materials used can be widely recycled.
- Working with our core suppliers to reduce the amount of plastic packaging from the products we source.

Future planned actions 2022–2025

- Eliminate the use of single use plastic packaging from inbound bespoke manufactured products.
- Continue to work with our suppliers and supply chain to remove single use and non-recyclable packaging materials from our products.
- Reduce and remove non-recyclable materials from our transit packaging.
- Continue to reduce the amount of waste sent to landfill.

Impact of our business on the environment and our communities continued

1.2 Packaging and waste continued

Packaging used in transport

Brand Addition makes over 190,000 deliveries from its logistics centres to its clients annually. Each order is packaged to ensure the safe transportation of the goods to the end customer and we recognise the impact packaging can have on the environment.

In 2018 a full review of transit packaging and associated materials was undertaken for Brand Addition with a view to reduce plastic packaging and replace it with more sustainable materials, and minimising waste by reducing the quantity of packaging used. The exercise resulted in significant changes in transit packaging:

- 100% of all shipping cartons made from recyclable or FSC certified materials.
- Where internal packaging material was unavoidable, it was replaced with 100% recycled paper.
- All packing tape is in the process of being replaced with paper-based tape or a recycled alternative.
- All packaging materials used can be kerbside recycled.

Since the implementation of these changes, we have seen an 80% reduction in the amount of plastic packaging used by our UK warehouse and logistics centre. Across the Group we continue to evaluate our packaging on an ongoing basis looking for solutions to make further improvements.



Impact of our business on the environment and our communities continued

1.2 Packaging and waste continued

Product packaging

Facilisgroup has c.100 preferred suppliers used by its c.190 Partners and processes approximately \$1 billion sales per annum through its Syncore platform. It aims to use its influence across the industry in North America to encourage its preferred suppliers to reduce the amount of single use plastic packaging and minimise transit packaging used for deliveries made throughout its Partner network.

In addition, Facilisgroup also intends to improve and expand the information captured during the supplier onboarding process related to sustainability. The intention will be to use this additional information with the Syncore platform to help its partners make better informed decisions about the suppliers which are actively taking steps to be more sustainable. By encouraging transparency, the aim is to promote healthy competition and drive the supplier base to make more environmentally conscious decisions, helping them to provide a competitive edge to their business. This has the potential to benefit the Group, our customers and the industry at large.

Brand Addition has been working with its core direct suppliers to reduce single use plastic packaging from its supply chain with the long-term aim of eliminating single use plastic from its bespoke manufactured products packaging.

Over the last 12 months the team has been working closely with its clients and suppliers to move to more sustainable packaging materials. These changes have involved the introduction of vegetable starch (PLA) bags to replace single use plastic bags, which when disposed of correctly are fully biodegradable and compostable. Other projects have involved the removal of packaging material from the inner shipping cartons and negating the need for some packaging by changing the carton design to better protect products in transit.

Brand Addition continues to actively engage with its domestic and overseas supply chain to improve packaging solutions that minimise excessive packaging, remove the need for single use plastic packaging and aim to ensure that all packaging materials are from sustainable sources.

Waste

The direct waste generated across the Group is predominantly from office-based activities and the disposal of transit packaging from incoming goods received into our logistics centres.

All waste generated at each site is segregated to encourage recycling. Office printers are controlled with passcodes, which must be entered before documents are printed to encourage reduced paper use. Cardboard and packaging materials from our Brand Addition logistics centres represent the largest amount of direct waste generated across the Group. Where possible packaging is reused for onward transportation and where this is not an option it is recycled.

Whilst waste data is already being collected across many of our sites, we do not yet have full visibility across the Group. We are addressing this currently, working with all our sites globally to collect reliable data that can be used to set targets and implement more recycling, diverting as much waste as possible from landfill.

We want to ensure that the large variety of different promotional products we supply to our clients through Brand Addition are products that can be reused time and time again. Our teams actively seek to produce products from materials that can be easily recycled while working with suppliers to use more and more sustainable materials. During client product selection our aim is to promote sustainable product choices or products that are "long life" encouraging reuse of the items purchased. In order to extend the life of slow-moving inventory our teams work closely with clients to help support their promotions and donate products to local charities.



Introduction of vegetable starch (PLA) bags to replace single use plastic bags.



Impact of our business on the environment and our communities continued

1.3 Responsible sourcing

Priority level



Progress against our commitments



UN Sustainable Development Goals



Relevant topics to The Pebble Group

- Conflict minerals
- Environmental damage from production processes (waste, pollution)
- Sustainable, Fairtrade or environmentally friendly products
- Traceability and transparency
- Materials used by our suppliers in production (responsible consumption)

Commitments/actions

- Ensuring that we are sourcing products and services from a responsible supply chain, with each supplier acting in a fair and transparent manner mirroring our own efforts.

Our achievements to date

- 224 vendor assessments undertaken in 2020.
- No breaches to our supplier code of conduct.

Our current actions

- Continuing to monitor the quality and the social, ethical and environmental compliance of our supply chain.
- Working with our supply base to develop and manufacture more sustainable products for our client base.

Future planned actions 2022–2025

- Development and implementation of a Group framework on conduct, ethics and compliance to align our approach.
- Introduce a sustainable and ethical business practices evaluation and rating system to the existing vendor assessment programme.
- Establish and implement an internal product sustainability standard.

Our preferred suppliers at Facilisgroup subscribed to the Syncore platform are reviewed prior to being approved. Each supplier undergoes a desktop assessment based upon an extensive list of environmental and social standards which have to be met to ensure a minimum standard is upheld throughout its supply chain. The standards reviewed cover human rights, labour laws, workplace conditions, compliance with relevant product standards and other social conduct topics aligned with our Group’s responsible business commitments.

Brand Addition works with a number of different suppliers across multiple product categories to provide the goods and services demanded by our clients. It is therefore vital that robust processes and procedures are in place to ensure our suppliers adhere to the same core ethical values as we and our clients do.

Where products are directly sourced from manufacturers, suppliers undergo a series of vendor assessments to evaluate their approach to responsible sourcing, environmental and sustainability management and how they validate material being used during production. The assessments usually consist of two audits, the first being desk based and, if successful, a second onsite assessment, typically carried out by trained Brand Addition auditors. The quality and compliance processes undertaken by the supplier are equally important and are also validated during the assessment. The quality team will only grant supplier approval if no critical non-conformances have been identified during the assessment. Any less serious issues identified are documented in a Corrective Action Report (CAR), and followed up to ensure they are corrected and addressed. Only approved suppliers are available to the purchasing and buying teams through the ERP system, and are re-evaluated periodically to assess their performance against our core values and the quality of the goods and services being supplied. Copies of these audits can be directly shared with customers as a part of our commitment to transparency throughout the supply chain.

Impact of our business on the environment and our communities continued

Case studies

Products made from upcycled car tyres

1.1 1.2

Brand Addition worked closely with one of its clients to develop a keyring, tyre tray and travel pouch from upcycled car tyres. The process involves collecting compounds from some of the biggest tyre production companies around the world and turning it into special sheet material the size of a poster which can then be cut, stitched and used to make products such as keyrings, backpacks or holdalls. All the products produced were made from 65% rubber recycled from the tyre industry.



Impact of our business on the environment and our communities continued

Case studies continued

Shower puffs made from recycled polyethylene (RPE) material

1.1 1.3

2.5 million shower puffs were developed by our Brand Addition business for one of its client's 2021 promotional campaigns using RPE (recycled PE bags and consumed PET bottles), saving over 165 tonnes of virgin plastic. Bulk packing ensured no excessive packaging material was used for transportation.



Impact of our business on the environment and our communities continued

Case studies continued

Sustainable towels manufactured from upcycled marine litter and post-consumer PET

1.1 1.2 1.3

Brand Addition developed a fully sustainable towel as part of a consumer promotion. A total of 400,000 towels were produced from recycled yarn, not only eliminating the need to use virgin materials but supporting the recovery of ocean waste.

The recycled yarn was made from a combination of upcycled marine plastic, recovered from ocean clean-ups, post-consumer PET from land sources and Global Recycling Standard (GRS) certified recycled cotton.

The towels were produced in Europe to minimise the distance the goods needed to travel and were distributed by road freight, and bulk packaged using FSC certified cardboard to minimise the carbon impact of transportation of the final delivery.

It is estimated that for each towel produced between 90g-150g of litter was removed from our oceans. It is estimated that this project has supported the removal of 40-60 tonnes of waste from our oceans.



Impact of our business on the environment and our communities continued

Case studies continued

Product packaging projects

1.2

Brand Addition has been working closely with its clients and core suppliers since 2019 to ensure that where packaging is unavoidable the materials used are either from recycled sources, can easily be recycled at the end of their life or are biodegradable.

One particular project, implemented at the end of 2019, replaced single use plastic with corn starch bioplastic bags, which biodegrade in 12–24 months. As a result of that single initiative, over 3,700kg of single use plastic packaging was removed.

At present Brand Addition is assessing the viability of removing single use plastic packaging from all of its bespoke production across its entire offshore supply chain with the aim of eliminating the use of single use plastic packaging in all offshore production by the end of 2025.



Diversity, health, well-being and engagement

Our aim is to expand, celebrate and embrace individuality and diversity, providing a safe environment where we promote well-being and a healthy work-life balance.

Material issues detailed in this section

- 25 2.1 Diversity, equity and inclusion
- 28 2.2 Health, safety and well-being
- 30 2.3 Employee recruitment, retention and development





Diversity, health, well-being and engagement continued

2.1 Diversity, equity and inclusion (DEI)

Priority level



Progress against our commitments



UN Sustainable Development Goals



Relevant topics to The Pebble Group

- Equal remuneration
- Executive pay
- Gender diversity and inclusion
- Gender equality in the workplace
- Gender pay gap
- Living wage
- Equal opportunities

Commitments/actions

- To ensure fair treatment, equal opportunities and fair compensation for all of our team members.
- Aim for 10% of our Facilisgroup supply base to be minority or female-owned businesses by 2025.

Our achievements to date

- Conducted our first Group-wide diversity study.
- Gender pay gap assessment undertaken across our Group.
- DEI training rolled out across Brand Addition (1,800 total training hours in 2021).
- Team champions created to support a diversity and inclusion taskforce within Brand Addition.

Our current actions

- Expanding the number of suppliers from ethnic minority or female-owned businesses.
- Developing a central learning hub with DEI training material available across our teams.

Future planned actions 2022–2025

- Continue the rollout of DEI training and education sessions across the Group.
- Annual gender pay gap review assessments.
- Group-wide diversity studies undertaken biennially as a minimum.

At The Pebble Group, we believe that creating an inclusive and supportive culture is not only the right thing to do but also what is best for our business. Our aim is to expand, celebrate and embrace individuality and diversity throughout the Group.

We want to be inclusive of people of every race, ethnicity, religious belief, gender, age, disability, sexual orientation, education and socio-economic background across our workforce. Having people with a mix of backgrounds and life experiences makes us better at supporting our team members, clients, Partners, suppliers and investors. Building and maintaining a diverse workforce requires a culture that makes our team members feel included and always respected.

To track our efforts, in 2021 we conducted our first Group-wide diversity survey. The results have been used to help shape our approach, develop action plans and address any shortcomings from the study.



Diversity, health, well-being and engagement continued

2.1 Diversity, equity and inclusion (DEI) continued

Group diversity study results

Our diversity study allowed us to provide a transparent view of our entire workforce. The results of the study have been used to develop action plans and address any shortcomings that were highlighted in the study.

Our Group currently employs a total of 442 employees split across our ten sites, with the largest concentration of employees based in the UK.

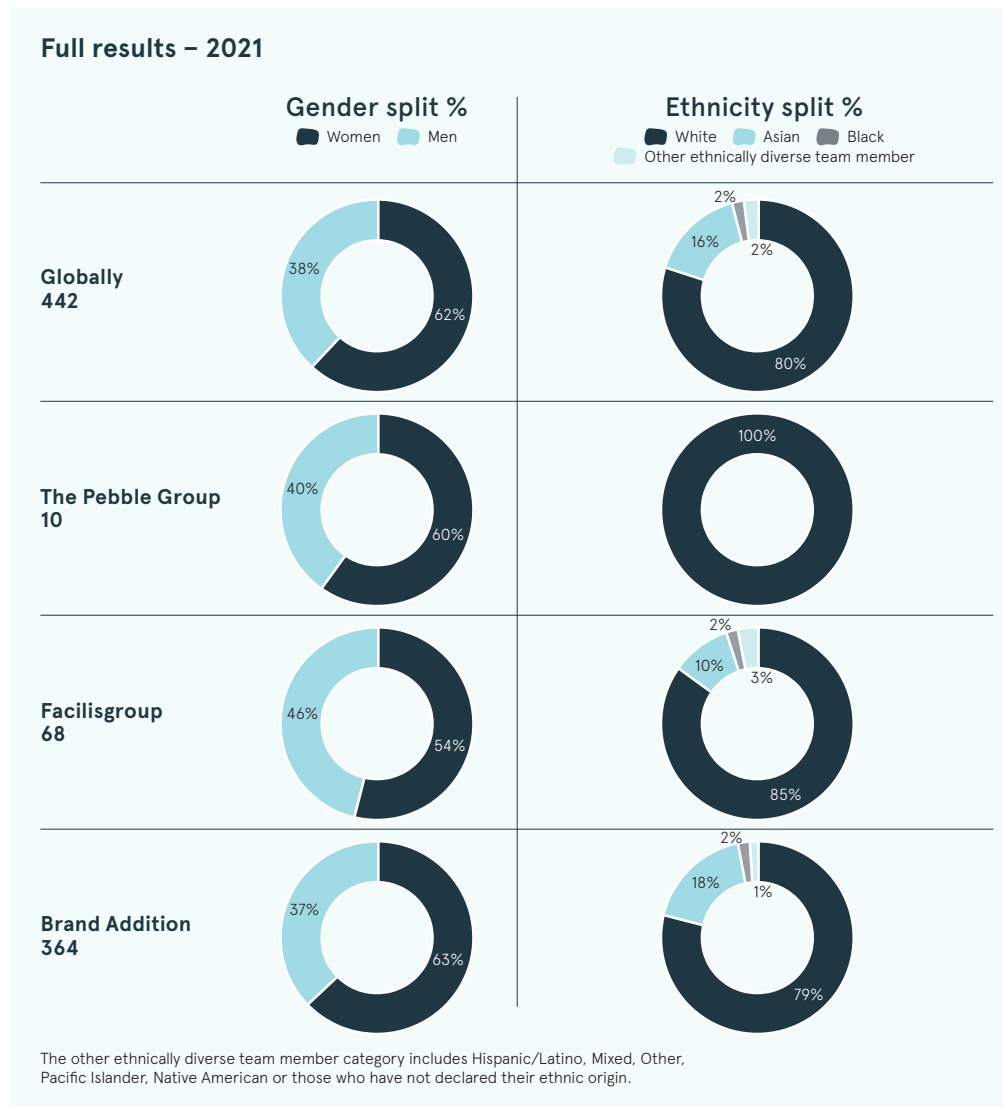
Our teams speak over 36 different languages from over 23 different nationalities all supporting our large client base.

From our initial assessment we have acknowledged that there are some areas where we need to improve. The initial findings have generated a number of actions:

- support and encourage a greater understanding of diversity and inclusion across the Group;
- implement steps to support greater engagement; and
- refine our succession planning process to support us becoming more ethnically diverse as we grow.

We have committed to making it easier for our Facilisgroup Partners to identify suppliers which are minority and female-owned businesses by adding a new search feature to the Syncore system. Steps are being taken to expand this initiative with the aim of 10% of the Facilisgroup preferred suppliers to be minority or female-owned businesses by 2025.

In February 2021, the Brand Addition operating board along with The Pebble Group underwent a training programme to raise awareness around diversity, equity and inclusion (DEI) which has subsequently led to changes to the recruitment process to encourage applications from a wider range of individuals from all ethnic backgrounds. The business has also committed to a three-step training programme for all employees to raise awareness of DEI and encourage team members to embrace diversity throughout the business. Further training material will be available for all team members and will be regularly updated as part of a central learning hub.





Diversity, health, well-being and engagement continued

2.1 Diversity, equity and inclusion (DEI) continued

Gender pay gap

At The Pebble Group we are committed to attracting, retaining and developing the best talent for our business. Our aim is to create a sense of belonging for all our employees, that supports equity and inclusion, allowing individuals to be the very best version of themselves.

Although our UK operations do not meet the number of employees required for mandatory reporting on gender pay, as a responsible employer, employing more than 440 staff globally we want to ensure that we provide a workplace that is transparent about gender equality.

In 2021 we conducted our first gender pay gap review which covered our Group operations across our ten sites globally (UK, Europe, North America and Asia).

What is the gender pay gap?

The gender pay gap is a measure of the difference between the earnings of men and women (irrespective of roles or seniority). Any gender pay gaps that are identified as part of our assessment are not as a result of equal pay issues which are regularly monitored to ensure that we meet our legal and moral obligations to give men and women equal pay for equal work.

How was the assessment undertaken?

The Group’s calculations are based on the UK guidance for reporting on gender pay gap (<https://www.gov.uk/government/collections/gender-pay-gap-reporting>).

Our results

As The Pebble Group is made up of a number of businesses, we have chosen to break down the results by business division and location and also report separately on our UK business to provide full transparency of the gender pay gap results across the Group as a comparison against the UK median gender pay gap.

	Gender pay gap
The Pebble Group (entire Group)	5.5%
Facilisgroup (US, Canada)	19.0%
Brand Addition (UK)	-4.6%
Brand Addition Group (UK, EU, Asia, US)	-5.1%
UK gender pay gap	15.5%

- * A negative result means that the gender pay gap is in favour of women.
- * The results show the median hourly gender pay gap.
- * UK median gender pay gap. Source: Office for National Statistics – Annual Survey of Hours and Earnings (ASHE) 2020.

Overall, the results are encouraging with our Group having a gender pay gap of just 5.5%, much lower than the UK average of 15.5%. Across the UK and our whole Brand Addition business the gender pay gap was lower than the UK average. Whilst there are site-to-site differences in our Brand Addition business these are down to the location of our operating board and the mix of staff gender on each site.

The results for Facilisgroup show a gender pay gap larger than the UK average of 15.5%; whilst Facilisgroup is a US-based company, as a UK headquartered business we think it is important to benchmark results to the UK gender pay gap. Overall, Facilisgroup has more women across the business in senior positions than their male counterparts, but the gender pay gap figure has been impacted by the mix of software developers in the business who are predominantly male. This gender make-up is not unique to Facilisgroup as overall there are far fewer females who undertake a career in software development. Facilisgroup remains committed to hiring the best possible talent for its roles regardless of gender, and are actively connecting with local non-profit organisations who seek to expand female interest and investment in coding, such as “Launch Code”, in their ongoing search for IT talent within its growing organisation.

Our commitments to closing the gap

We are encouraged by the results of our first gender pay gap analysis, but we need to keep going. The results from Facilisgroup demonstrate the importance of this exercise to highlight issues, understand the reason for any differences and what we can do to address any gaps.

Across our Group we are committed to providing open and transparent pay and reward structures and we will continue to ensure salary differentials are fair and justifiable by developing career path planning across all levels of roles within the business, providing transparency on what is required to reach the next level and the associated pay and bonus structures.

Diversity, health, well-being and engagement continued

2.2 Health, safety and well-being

Priority level



Progress against our commitments



UN Sustainable Development Goals



Relevant topics to The Pebble Group

- Mental health and well-being
- Occupational health and safety
- Physical health

Commitments/actions

- To create a safe, secure and healthy working environment for all employees.

Our achievements to date

- No reportable accidents or incidents.
- Supporting our staff during COVID-19.
- Launch of a wellness programme for our Brand Addition business.

Our current actions

- Ongoing support for our team members.
- Revising and updating flexible working arrangements for our team members.

Future planned actions 2022–2025

- Expand and develop our well-being programme across the Group.

Our Group is focused on providing a safe working environment for all our employees, that promotes a healthy work-life balance and focuses on supporting a positive attitude towards mental health and well-being. We strongly believe that by supporting our employees and helping to ensure they are in good health, enables everyone to perform better.

Across the Group we have an excellent health and safety record with no reportable health and safety-related issues over the last five years. Onsite and employee risk assessments are conducted regularly, and no less than annually, to identify and mitigate potential risks.



Diversity, health, well-being and engagement continued

2.2 Health, safety and well-being continued

In 2021 Brand Addition developed a global employee wellness programme with the aim of promoting good health and well-being. The programme gives employees the opportunity to choose from nine subsidised benefits aimed at improving mental health and well-being. Since launching, the scheme has been very successful with great feedback from our teams. Alongside the wellness programme, Brand Addition has also launched “ba.support” which comprises of a small group of people from Brand Addition who offer a helping hand and support to those who may find themselves struggling in some way, whether at home or at work.

As all businesses have learned to adapt and become more flexible during COVID-19, we want to continue to give our teams flexibility, providing a positive work life balance and have put significant investment into IT systems and infrastructure to make homeworking more accessible. Office-based people now have the option of hybrid working, between home and office, along with further flexibility around start and finish times.

Support for working parents

We have always supported our working parents by providing the flexibility they need for childcare responsibilities. The move to hybrid working will further strengthen this offer.





Diversity, health, well-being and engagement continued

2.3 Employee recruitment, retention and development

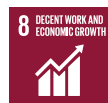
Priority level



Progress against our commitments



UN Sustainable Development Goals



Relevant topics to The Pebble Group

- Attracting new talent into the business
- Employment practices
- Employee engagement
- Employee attraction and retention
- Training and development (personal development/mentoring)

Commitments/actions

- To attract new people and develop and retain talented people within the business.

Our achievements to date

- Supported our people through COVID-19 with togetherness sessions and wellness support.
- Updated Brand Addition appraisal process.

Our current actions

- Developing a central learning hub to support training and development.
- Reviewing and enhancing our recruitment process to be competency based.

Future planned actions 2022–2025

- Expand and develop the learning hub.
- Review and revise our employee engagement survey, acting on feedback.
- Evolve the employee career planning process.

We want to attract the best talent to our business, and ensure our existing teams are engaged, motivated by their work and feel valued for their contribution. We want to develop every one of our people to achieve their potential, and their ambitions, by helping them to make the best of their capabilities. Our Group culture is to promote people from within, with most managerial positions filled by internal candidates.

To support this our UK team are developing a central learning hub, due to be launched in 2022, where people will be able to access relevant training material to support their development goals. The twice-yearly appraisal process has also been updated to include aspirations and training.

Employee engagement surveys are an important tool and are undertaken at least biennially. The feedback informs decisions and helps to identify where further improvements can be made.

The most recent Group survey had a strong response rate of 75%, with 81% of our people recommending that Brand Addition and Facilisgroup are great places to work. Facilisgroup's employee engagement score earned them the accolade of being ranked in the tenth percentile against its peers. Facilisgroup was also listed in the most recent list of the best places to work for the promotional products industry by both the Promotional Products Association International (PPAI) and the Advertising Specialty Institute (ASI).



Diversity, health, well-being and engagement continued

Community support projects

Our Facilis Cares scheme actively encourages both Partners and suppliers to support their local communities by hosting events or giving back to the community. Across the Group we also have employee supported volunteering schemes in place to actively encourage team members individually or as a group to support community projects. These can range from national support such as Children in Need to more local projects.

facilis ❤️ cares



Board independence, ethics and leadership

Our aim is to promote a culture based upon values and behaviours which stakeholders are comfortable to associate themselves with, developing long-term relationships between the Group and its stakeholders.

Material issues detailed in this section

- 33 3.1 Governance, accountability and business culture
- 34 3.2 Economic performance





Board independence, ethics and leadership continued

3.1 Governance, accountability and business culture

Priority level



Progress against our commitments



UN Sustainable Development Goals



Relevant topics to The Pebble Group

- Accountability to stakeholders
- Board composition and effectiveness
- Employment culture
- Transparency and reporting
- Values
- Whistleblowing
- Section 172 obligations
- Business policies and compliance

Commitments/actions

- To manage and lead our Group in a responsible, transparent and inclusive manner, ensuring the needs and expectations of our stakeholders are met.

Our achievements to date

- Implementation of a common whistleblowing portal across the Group.
- Maintenance of sound risk management and internal controls supported by the Audit, Remuneration and Nomination Committees.
- Evolved Board reporting process to facilitate section 172 factors being central to all Board key decision making.
- Annual assessment of Board, Committee and individual Director effectiveness, considering the balance of Independent Non-executive Directors.
- Established the Group Executive Committee which has risk management and compliance as a standing agenda item.
- Board-approved delegation of authority in place.

Our current actions

- A full review and a refresh of our Group policies to ensure continued suitability.
- Reviewing and identifying areas for development and improvement of Board delegation of authority to make it more granular.

Future planned actions 2022–2025

- Refine our succession planning process to support us becoming more ethnically diverse as we grow.

Governance and accountability

We are committed to effective corporate governance, not just as a set of guidelines, but as a real basis for providing 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 and that our operations are conducted against a backdrop of sustainability and a strong moral compass. The Pebble Group Board aims to lead an ethical culture and perpetuate an open and honest environment, because we believe this establishes and evolves effective risk management and effective decision making at all levels of our organisation.

To support the implementation of these principles we have applied the Corporate Governance Code for Small and Mid-Size Quoted Companies 2018, published by the Quoted Companies Alliance (the “QCA Code”), which serves to mitigate and minimise risk and add value to our business.

In addition to our Board meetings, we hold three separate Committees, the Audit Committee, the Remuneration Committee and the Nomination Committee with the aim of monitoring the quality and robustness of the internal controls undertaken across the Group, the performance of the Board and the recommendations related to remuneration, and ensuring that the structure of the Board has the right balance of skills and experience to perform effectively. For more information you can view our QCA Corporate Governance Code Compliance Statement here:



[Read more](#)

Business culture

Our business culture has been shaped by our values and behaviours and is reflected in what we do. We are ambitious and provide support for our people who are central to our success, helping us achieve those ambitions. We work hard to provide an inclusive culture, not just celebrating diversity but recognising its business advantage, and supporting one another in our successes and challenges. We aim to ensure that all our people feel respected and valued for the contributions they make to the success of the business.

We want to achieve our ambitions sustainably to ensure the long-term success of the Group for all our stakeholders.



Board independence, ethics and leadership continued

3.2 Economic performance

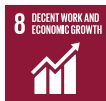
Priority level



Progress against our commitments



UN Sustainable Development Goals



Relevant topics to The Pebble Group

- Achieving budgets
- Market expectations
- Dividends
- LTIP targets and plans

Commitments/actions

- To deliver business growth and meet the expectations of our stakeholders.

Our achievements to date

Our economic performance is given in detail in our annual reports and half year results announcements, presentations and webcasts together with other trading updates throughout the year.

Our current actions

Through our investor communications our goal is to ensure transparency of relevant information that allows all stakeholders to understand the strategic ambitions and financial results of the Group.

We have adapted and evolved our reporting from investor and adviser feedback to present a clear status of the economic performance of the Group since IPO in December 2019.

Our latest investor information can be found at:

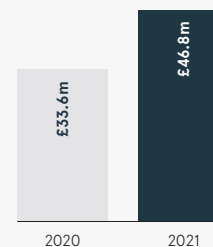


www.thepebblegroup.com/investors/

Half year 2021 highlights

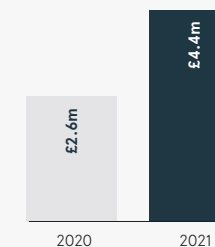
REVENUE

+39.3%



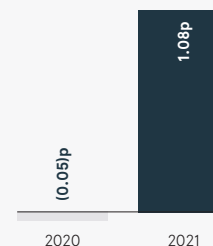
ADJUSTED EBITDA¹

+73.5%



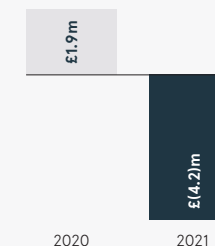
ADJUSTED EPS²

+1.13p



NET CASH/(DEBT)³

-£6.1m



- Adjusted EBITDA is defined as operating profit adjusted to add back depreciation of property, plant and equipment, amortisation, share-based payments charge and exceptional items.
- Adjusted earnings per share is calculated as profit after tax before amortisation of acquired intangibles, share-based payments charge, and exceptional items divided by the weighted average number of shares in issue.
- Net cash/(debt) is defined as cash and cash equivalents less borrowings (excluding lease liabilities).

Responsible business practices

Our aim is to protect the interests of our stakeholders by adhering to responsible business practices and embedding robust processes, procedures and safeguards which are effectively managed in our organisation, reducing or mitigating any risks that the business faces.

Material issues detailed in this section

- 36 4.1 Business ethics and integrity
- 37 4.2 Human rights
- 38 4.3 Product integrity and transparency
- 39 4.4 Data security and privacy
- 40 4.5 Risk management





Responsible business practices continued

4.1 Business ethics and integrity

Priority level



Progress against our commitments



UN Sustainable Development Goals



Relevant topics to The Pebble Group

- Anti-bribery and corruption
- Anti-counterfeiting
- Anti-money laundering
- Competition law
- Conflicts of interest
- Compliance with the law and regulations
- Ethical business practices
- Employee rights
- Misuse of inside information
- Protection and responsible use of data and confidential information

Commitments/actions

- To uphold and implement policies across the Group to ensure that we are acting responsibly at all times.

Our achievements to date

- The maintenance of robust policies, sound risk management and internal controls supported by the Audit, Remuneration and Nomination Committees.
- Defining our Group values which sum up what we stand for, what influences our culture and drives how we operate.

Our current actions

- Continued compliance across our business and our supply chain.
- Developing and implementing a Group framework on conduct, ethics and compliance to align our approach.
- Introducing new mandatory contractual compliance clauses for our third-party Partner relationships on (i) corporate responsibility; (ii) anti-bribery and corruption; (iii) anti-slavery and human trafficking, to bind them to adhere to our expectations and requirements.

We are committed to strong professional ethics and responsible business practices. Trust is essential to our long-term success, and we are committed to upholding the highest standards of conduct and behaviour, always being transparent and open with our stakeholders. All our people are required to abide by their businesses' own code of conduct which addresses each aspect of their business including anti-bribery and corruption, ethical business practices, data protection and human rights. Each code of conduct sets high standards and serves to inform the corporate policies and procedures. To ensure compliance with the code, our people are provided training during their induction and periodic training is undertaken as required.

To align our approach, we are developing a Group framework on conduct, ethics and compliance which will set the tone and ensure alignment across each of our businesses.

If anyone suspects misconduct, there are several ways to report a potential incident including a confidential Group whistleblowing web platform that can be accessed globally to report any concern 24 hours a day. We encourage all our people to report concerns without fear of repercussions.

Responsible business practices continued

4.2 Human rights

Priority level



Progress against our commitments



UN Sustainable Development Goals



Relevant topics to The Pebble Group

- Child labour
- Discrimination
- Equality of opportunity and fair treatment
- Forced labour
- Freedom of association and collective bargaining
- Harassment
- Migrant workers and trafficking
- Modern slavery
- Access to training and education
- Working hours

Commitments/actions

- To respect the human rights of all individuals across our Group and our supply chains.

Our achievements to date

- No breaches of our human rights policy.
- Working in collaboration with our suppliers at supplier review meetings or on their premises during the audit process to advise on best practice.
- Employee training.

Our current actions

- Continuing compliance to each of our businesses' code of conduct.
- Actively engaging with our supply chains through vendor assessments and internal review to verify compliance with the code of conduct.
- Developing and implementing a Group framework on conduct, ethics and compliance to align our approach.
- Introducing new anti-slavery and human trafficking contractual clauses for our third-party Partner relationships to contractually bind them to adhere to our expectations and requirements.

We have a zero tolerance approach to human rights violations across our entire supply chain. Our policy on human rights is guided by the ten principles of the UN Global Compact and the fundamental conventions detailed in the International Labour Organisations (ILO) labour standards which in summary covers:

- prohibition of child and underage employment;
- prohibition of all and any form of abuse, bribery, harassment and discrimination;
- prohibition of trafficking, forced or involuntary labour;
- recognising and respecting the rights of freedom of association and collective bargaining; and
- recognising and respecting fair, legal and equitable work timeframes, working conditions and wages.

All our people and suppliers are required to strictly adhere to our policy and human rights standards with compliance verified through training and assessment. Each of our businesses' senior management teams are responsible for compliance within their respective departments and supply chains.

Responsible business practices continued

4.3 Product integrity and transparency

Priority level



Progress against our commitments



UN Sustainable Development Goals



Relevant topics to The Pebble Group

- Product quality
- Product safety/compliance
- Product transparency

Commitments/actions

- To supply quality products to all clients that meet all safety and regulatory compliance obligations.

Our achievements to date

- Continued to evolve and develop the quality and compliance processes and procedures across the Group.
- UK sites ISO 9001 certified.

Our current actions

- Continuing to improve internal processes, ensuring that products remain compliant with applicable standards and meet the quality expectations of our clients.

Future planned actions 2022–2025

- Expand ISO 9001 certification across other Brand Addition sites.

The quality of the products and services provided by the Group to our clients is of fundamental importance; customer feedback is actively encouraged and monitored. Brand Addition deals with a large variety of different products from a diverse supply base; regular vendor assessments and product compliance reviews are undertaken to validate compliance to legal requirements and our guiding principles.

Brand Addition and Facilisgroup both have robust quality systems in place. In the UK, Brand Addition is certified to ISO 9001, with regular internal audits undertaken. To demonstrate compliance an annual third-party assessment is undertaken by SGS to validate that the standard is being followed.

Manufacturing suppliers are expected to provide transparency, detailing how they source, test goods and comply with the required safety regulations. Regular spot checks or product testing is undertaken to validate product safety and compliance through the review of third-party testing or third-party test reports.



Responsible business practices continued

4.4 Data security and privacy

Priority level



Progress against our commitments



UN Sustainable Development Goals



Relevant topics to The Pebble Group

- Cyber and IT security
- Data privacy

Commitment/actions

- To protect the data and privacy of all our stakeholders from improper use or attack.

Our achievements to date

- Implementation of a large-scale remote desktop working solution for all European sites with improved security.
- Third-party review of cyber security and disaster recovery protocols and procedures.
- Annual penetration testing on the ecommerce environment.
- Migration of the Brand Addition US sites into the single domain for all Brand Addition sites globally.

Our current actions

- Migrating into a more secure and centralised email system for the Asian and European sites across the group.
- Migrating users and workstations onto a single domain across all European sites.
- Implementing a large secure file sending feature for Brand Addition, linked to its email system.
- Standardising perimeter security devices across all European and Asian sites.

Future planned actions 2022–2025

- Implement SOC 2 across Facilisgroup.
- Implement ISO 27001 across Brand Addition.

Data security is a growing concern; IT security and system resilience is an integral part of our Group's IT strategy. We recognise the vital role we have to play and our responsibilities to protect the data we process and to uphold high standards in data ethics and security.

We are committed to collecting, processing and analysing data, in line with data privacy legislation, and we work closely with our suppliers and Partners to ensure that data and its use is compliant with applicable legislation. We ensure that all our teams are fully aware of their responsibilities in relation to data protection and security. Mandatory training is conducted for all our people on an annual basis and updated in line with any legislative changes or changes within our systems.

Annual penetration testing is undertaken on our web platforms. Our development and production platforms are PCI-DSS compliant, automatic scans are performed on our sites as part of an ongoing schedule and our web platform is hosted in an IBM SoftLayer dedicated housing environment.

We have robust processes and procedures in place that detail our approach to IT security and data protection and internal audits are undertaken to confirm the effectiveness of these policies.



Responsible business practices continued

4.5 Risk management

Priority level



Progress against our commitments



UN Sustainable Development Goals



Relevant topics to The Pebble Group

- Risk appetite
- Risk assessment

Commitments/actions

- To protect the interests of the Group and our stakeholders.
- To effectively manage our key risks and uncertainties.

The Board has overall responsibility for ensuring that risk is effectively managed across the Group and, on behalf of the Board, the Audit Committee facilitates the review of the risk management process.

The Group formally reviews and updates its assessment of principal risks and uncertainties and the mitigating actions in place in respect of these risks twice a year. However, risk monitoring and identification is an ongoing iterative process that forms part of the monthly business operating reviews. This ongoing process facilitates the early identification and escalation of risks should this be necessary.

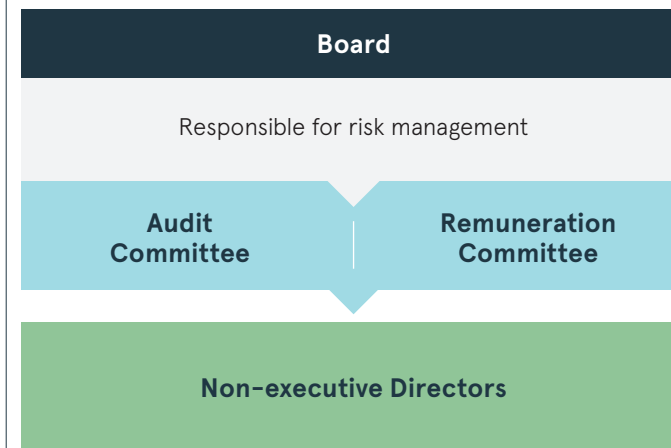
The Group has strong governance and communication structures in place which ensure risks are actively managed and mitigated. The operating boards of Brand Addition and Facilisgroup meet monthly. The standing agendas for both boards include reports from the heads of all key functions, which address potential risks.

A detailed summary of the key risks which have the potential to affect the Group are clearly set out in our annual report. To find out more, please visit our website.



www.thepebblegroup.com/

Risk management framework



Our certifications and disclosures

Certifying our approach to sustainability

Across our Group we have a number of certifications and industry affiliations which are listed below.

In 2020 our Brand Addition business achieved platinum status from its annual EcoVadis assessment which positioned them within the top 1% of similar companies in their approach to sustainability, improving their score by two points from 2019 to 76/100.

Our Facilisgroup and Brand Addition businesses are both proud members of a number of trade associations such as the PPAI based in the US, supporting and delivering knowledge to the promotional products industry.



The Pebble Group

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