



## How to use this document

To help you get to the information you require, we have added some quick links throughout this document.

Clicking the section title in the menu bar at the top of every page will take you to the start of each section.

In the top right corner, also within the menu bar, a click on the arrows will move you forward ( → ) or ( ← ) backward by a single page. Clicking **Contents** will return you to this page.

The Contents listing here is also hyperlinked allowing you to go directly to the specific pages.

The start page for each section contains links which will take you to the key content pages within that section. Within the sections there are also links to supplementary information like case studies. These links all appear as shown below:

SUPPLEMENTARY SUBJECT TITLE →

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# CEO introduction



Our ESG strategy has continued to advance over the last 12 months and is focussed on addressing the environmental, social and governance challenges impacting our business, our stakeholders and the wider community.

At The Pebble Group we provide digital commerce, products and related services to the global promotional products industry through two focussed, complementary, and differentiated businesses, being Facilisgroup and Brand Addition.

The Group invests behind its environmental, social and governance (ESG) ambitions in the following ways:

- Employing a Senior ESG Officer and a Group General Counsel and Company Secretary to ensure the successful implementation and evolution of our Group ESG strategy and the achievement of our objectives and targets.
- Seeking the support of third-party organisations for specific projects or targeted expertise, such as the calculation of Scope 3 emissions.
- Employing ESG resources at an individual business level with Brand Addition employing its own sustainability team and Facilisgroup evolving its ESG approach through the formation of an ESG committee and the work conducted by its 'Facilis cares' program to give back to the community.

Our ESG strategy has continued to advance over the last 12 months and is focussed on addressing the environmental, social and governance challenges impacting our business, our stakeholders, and the wider community. We have strong governance in place to ensure

we remain focused on driving long-term shareholder value and always maintaining ethical and compliant business practices.

In this report we provide an in-depth review of the steps we are taking across the Group to evolve our ESG strategy and the progress we are making against our existing ESG objectives. We have also included several case studies to bring to life how we are supporting our clients with innovative sustainable solutions and how through our volunteering projects we are supporting our local communities. Plus, for the first time we have included our approach to the Task Force on Climate-related Financial Disclosures (TCFD) to identify the potential climate related risks and opportunities that may impact the Group and the plans we have in place to deal with any risks identified.

It is our intention to publish our next ESG Report in 2024, covering the calendar year of 2023, and therefore aligning the reporting periods of our financial and non-financial disclosures.

I hope that you find this report helpful and informative and look forward to sharing our future progress with you.

**Christopher Lee**  
Chief Executive Officer  
October 2022

# Executive summary

We have made good progress in advancing our ESG objectives and remain focussed on ensuring the actions we take remain relevant and meaningful to our business and our stakeholders.

The following summary provides an overview of our main ESG highlights.

## IN THIS SECTION

- [DELIVERING LONG TERM VALUE THROUGH ESG →](#)
- [ENVIRONMENTAL HIGHLIGHTS →](#)
- [SOCIAL HIGHLIGHTS →](#)
- [GOVERNANCE HIGHLIGHTS →](#)



# Delivering long-term value through ESG

## Welcome to our ESG Report 2022.

In 2021 we introduced our ESG framework which focused our strategy on the topics that matter most to our Group's businesses and stakeholders. In this report we build upon our previous commitments and provide an update on the progress we have made towards our targets, covering 2021 and the first half of 2022. We also introduce the steps we have taken to align our approach to the recommendations made in the Task Force on Climate-related Financial Disclosures (TCFD) framework and how this has been integrated into our risk assessment process.

Stakeholder interests, needs and best practice drive our ESG initiatives but ensuring that they are relevant and meaningful to each of our businesses is extremely important. Our materiality assessment guides our priorities, objectives, and targets to allow us to focus on real and meaningful action to deliver long term sustainable growth for our Group.

To accurately track our ESG performance we have focused on developing the internal infrastructure to facilitate the accurate collection of non-financial data across each of our businesses, Facilisgroup and Brand Addition. The successful implementation of this framework allows us to monitor and disclose the energy usage and carbon emissions across the Group, aligned with the Greenhouse Gas (GHG) protocol and our employee diversity data aligned with the Global Reporting Initiative (GRI) standard. This marks an important step in our ESG journey and provides a baseline for our future performance.

We will continue to develop and evolve our ESG strategy to meet the needs of our Group and our stakeholders, ensuring that our approach remains relevant and meaningful. We aim to deliver long-term value through ESG and recognise the role we have to play in supporting the transition to a low carbon economy and acting as a good corporate citizen.



**Group ESG leads** Kirsten Motyl, Senior ESG Officer (left); Lucy Penfold, Group General Counsel and Company Secretary (right)



Executive summary *continued*

# Environmental highlights



## Group carbon emissions

Completed the implementation of a Group reporting framework.

Full Group carbon footprint assessment complete covering Scope 1, Scope 2 and Scope 3 emissions.

Group baseline established.



## Transition to renewable electricity

33% of Group locations switched to renewable electricity.



## Plastic reduction

Continued annual reductions in plastic transit packaging from our UK distribution centre, resulting in an overall reduction of 84% in the last four years (4% reduction in 2021).



## Carbon neutral distribution

Implementation of carbon neutral product distribution as standard for all European deliveries.

Executive summary *continued*

# Social highlights



## Diversity, Equity and Inclusion (DEI)

40% female representation on our Group board.

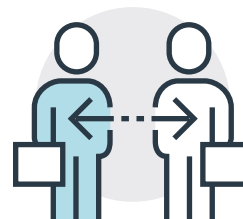
55% female representation across our Group senior management.

DEI prioritised through oversight by Nomination Committee, adoption of Group DEI Policy, appointment of DEI Executive Sponsors, changes in approach to recruitment and DEI training.



## Employee well-being

Group employee wellness programme implemented.



## Supplier and Partner engagement

Facilisgroup Partner Summit and Supplier Showcase brought together 670 people from 120 distributors and 63 suppliers.

Launch of an ESG Steering Committee made up of Partners and preferred suppliers.



## Volunteering

All employee's are granted volunteering hours to support local community projects, with 240 hours donated so far in 2022.

Executive summary *continued*

# Governance highlights



## Taskforce on Climate-Related Financial Disclosures (TCFD)

Completed our first climate related risks and opportunities assessment.

TCFD integrated into our ESG strategy and risk management framework.

No immediate material financial risks associated with climate change identified.



## Business ethics and integrity

Evolution and alignment of our Policies across the Group and with best practice.

Effective arrangements for employee whistleblowing and prevention of bribery and corruption.

Continued compliance with Group policies across our businesses and our supply chain.

No disclosures or reports made via the Group whistleblowing portal.



## Evolution of risk management

External validation of our risk register and improvements implemented.

Risk controls testing introduced.



# Business overview

The Pebble Group is a leading provider of digital commerce, products and related services to the global promotional products industry, operating through two focused and differentiated businesses.

## IN THIS SECTION

- [OUR BUSINESSES →](#)
- [OUR VISION →](#)
- [OUR VALUES →](#)
- [WHERE WE OPERATE →](#)



## Our businesses

# Two focused, complementary and differentiated businesses

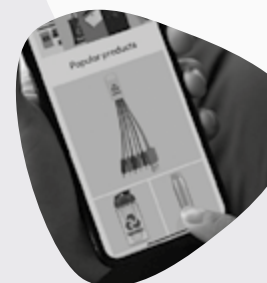
**Facilisgroup** provides a digital commerce platform to SME promotional product distributors in the United States and Canada, enabling them to benefit from significant business efficiencies and supply chain advantages.

**Brand Addition** provides promotional products and related services that help many of 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.

## The Pebble Group



**brand addition.**



## Our vision

# To become the partner of choice

Digital commerce, products and related services to the global promotional products industry.

**Building brands**  
**Growing relationships**  
**Strengthening businesses**

## The Pebble Group

**Our vision** is to become the partner of choice for both global brands that use promotional products as a key stakeholder engagement tool, and SME distributors that seek to professionalise and grow their promotional products businesses through the application of technology.



 **facilisgroup**

**Our vision** is to be the industry leader in digital commerce providing a combination of integrated products that offer the full suite of technology required for entrepreneurial businesses to grow and professionalise.



**brand addition.**

**Our vision** is to be the industry leader in providing products and related services, under contract, to the best-known brands in the world that use promotional products as a key engagement tool.

## Our values

# Defining our approach

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

Throughout this report we identify where our values have been demonstrated in our actions.



We are ambitious in our commitment to achieving positive results with sustainable impact.



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



Proud of our past and excited by our future, we enjoy our journey in a culture of integrity, transparency and fairness.



Collectively we learn and grow knowing there is always progress to be made.



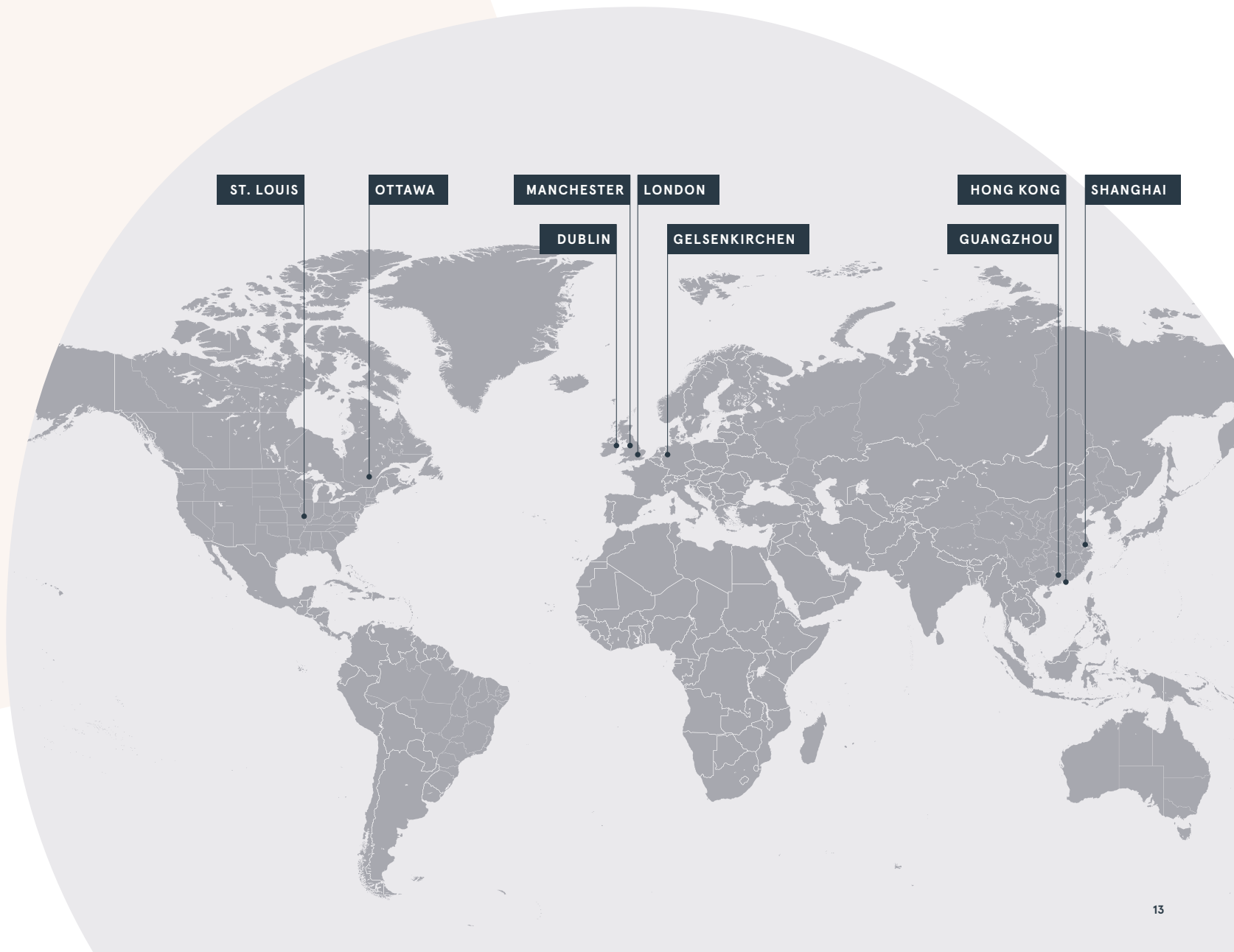
By remaining connected to all our stakeholders we develop long-term relationships by engaging to understand needs and aspirations.

## Where we operate

# Our locations

**The Pebble Group  
is headquartered  
in Manchester, UK.**

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



# Our approach to ESG



By listening to our stakeholders, we focus on the ESG issues that matter to us and to the sustainability of our businesses in the long-term.

## IN THIS SECTION

SHAPING OUR APPROACH TO ESG →

DEVELOPING A MEANINGFUL ESG FRAMEWORK →

## Shaping our approach to ESG

# Acting responsibly through effective governance

Informed by listening to our people, clients, Partners, suppliers and investors, as well as best practice disclosure standards relevant to our operations, we are focussed on the ESG issues that matter most to our stakeholders and where we can make the biggest difference. The world faces increasing environmental and social challenges and our Group has a role to play in the solution.

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

We aim to act responsibly through effective governance, managing our direct social and environmental impacts and risks throughout our operations and striving to drive positive change throughout our value chain. Our intention is to be transparent in our approach, in our commitments and how we measure and deliver against them in terms of clear targets and aspirations.

ESG encompasses wide ranging and complex subjects and it is constantly evolving. Our ESG priorities continue to be informed by our materiality assessment representing the topics that are likely to have the greatest impact on our business and are the most important to our stakeholders.



BY REMAINING CONNECTED TO ALL OUR STAKEHOLDERS WE DEVELOP LONG-TERM RELATIONSHIPS BY ENGAGING TO UNDERSTAND NEEDS AND ASPIRATIONS



WE ARE ONE TEAM USING OUR DIVERSE SKILLS AND EXPERIENCE TO SUPPORT EACH OTHER'S SUCCESSES AND CHALLENGES, RESPECTING OUR DIFFERENCES



*Making positive steps and commitments to ESG in a way that is meaningful.*

## Developing a meaningful ESG framework

# A framework focussed on our key ESG issues

The Pebble Group is built on firm foundations of integrity, transparency and fairness. In support of this aim, following stakeholder engagement, we have developed a bespoke framework based upon four cornerstones that identify the areas of priority and ESG factors that are most important and relevant to us and our businesses.

Our framework allows us to focus on the key ESG issues that matter to our stakeholders and have the most relevance to our businesses. It facilitates our support for our clients in their own sustainability journeys and transition to a low carbon economy, ensuring that the products they purchase have been sourced from an ethical supply chain. In addition, at Facilisgroup we help connect our Partners (customers) to preferred suppliers to identify suppliers that meet their business sustainability needs. A full list of the key ESG related topics identified from our materiality assessment can be found on page 18 of this report.

PROUD OF OUR PAST AND EXCITED BY OUR FUTURE, WE ENJOY OUR JOURNEY IN A CULTURE OF INTEGRITY, TRANSPARENCY AND FAIRNESS



*We have developed a bespoke framework based upon four cornerstones that identify the areas of priority and ESG factors that are most important and relevant to us and our businesses.*





# Identifying our key material ESG issues

The materiality assessment that was undertaken in 2021 enabled us to identify and prioritise the ESG related topics that were important and relevant to our business and our stakeholders. The assessment was internal, drawing from the experience and insight of our teams at different levels in the business and incorporating feedback from past and current dialogue with our stakeholders. To ensure that the ESG topics remain relevant the assessment is reviewed annually for continued suitability.

## IN THIS SECTION

- [OUR APPROACH TO CONDUCTING THE MATERIALITY ASSESSMENT →](#)
- [ALIGNING OUR KEY ESG TOPICS WITH EACH OF THE UNSDGS →](#)
- [OUR COMMITMENTS AND PROGRESS MADE TO EACH OF THE UNSDGS →](#)



## Our approach to conducting the materiality assessment

Our Senior ESG Officer conducted brainstorming sessions and interviews with our senior management team and other managers and team members throughout the Group to identify the areas where our businesses were impacted by, or could positively impact, ESG.

These brainstorming sessions and interviews identified 74 relevant ESG related topics which were then grouped into 13 categories to best represent the ESG topics identified and aligned to one or more of the ESG cornerstones.

Each of the categories were scored in terms of importance and impact to ensure that they were suitably prioritised across the Group.



## Aligning our key ESG topics with each of the UN Sustainable Development Goals (SDGs)

The matrix below provides an overview of how the ESG topics identified through our materiality assessment align with relevant SDGs. We have embedded icons throughout this report to indicate where our ESG efforts align with the SDGs.



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	Health, safety, well-being and engagement								
2.3	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								

## Our commitments and progress made to each of the UNSDGs

GOAL	3 GOOD HEALTH AND WELL-BEING	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
DETAILS	<p><b>Good Health and Well-being</b> Ensure healthy lives and promote well-being for all at all ages.</p>	<p><b>Gender Equality</b> Achieve gender equality and empower all women and girls.</p>	<p><b>Decent Work and Economic Growth</b> Promote inclusive and sustainable economic growth, employment and decent work for all.</p>	<p><b>Reduced Inequalities</b> Reduce inequality within and among countries.</p>	<p><b>Responsible Consumption and Production</b> Ensure sustainable consumption and production patterns.</p>	<p><b>Climate Action</b> Take urgent action to combat climate change and its impacts.</p>	<p><b>Life Below Water</b> Conserve and sustainably use the oceans, sea and marine resources for sustainable development.</p>	<p><b>Life on Land</b> Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss.</p>	<p><b>Peace, Justice and Strong Institutions</b> Promote just, peaceful and inclusive societies</p>
OUR COMMITMENT	To promote a positive work-life balance and support the health and well-being of all employees.	To actively work to ensure that we have an inclusive culture 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. Ensure the same responsible business practices are upheld across our supply chains.	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.	Aim to ensure all the products we source, or the vendors we employ to source, 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.	To reduce and minimise plastic and marine pollution by aiming to remove single use plastic packaging from our 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.	To have in place robust policies and procedures to ensure responsible business practices and respect for fundamental human rights.
PROGRESS TO DATE	Further development of the employee wellness program, Mental health awareness month.  Employee emails and newsletters promoting well-being techniques.	Annual gender pay study and review.  Review and improvements to the recruitment process with the aim of removing unconscious bias.	Updates to talent identification and succession planning processes.  Review and updates to the appraisal processes used in each business.  Engagement with suppliers and partners to set and monitor responsible business practice expectations.  Continued sustainable business growth.	DEI training for Facilisgroup employees and refresher DEI training for Brand Addition.  Updated DEI policy to align DEI practices across the Group.  Establishing DEI sponsors across each Group business.	Continued engagement with suppliers to source and develop bespoke sustainable solutions for clients.  On-going vendor assessments.  Reductions in plastic packaging materials.	Started transition to renewable electricity.  Completed full Group emissions assessment.  Development of bespoke sustainable products and product ranges for clients.  Internal initiatives to encourage action on climate change.	Partnered with suppliers who offer products that support the reduction of single use plastics and the reduction of ocean plastic waste.  Reduction in the amount of single use plastic packaging used in our UK warehouse.	Development of the Brand Addition product sustainability standard to assist buying teams with the selection of sustainable products.  Development and identification of sustainable products to be included in client product ranges.	Updates to several Group policies such as anti-bribery and corruption, anti-slavery and human trafficking.  Supplier code of conduct updated and re-issued to all Brand Addition suppliers.
SECTION	2.2	SECTION 2.1	SECTIONS 2.3, 3.1, 1.3	SECTION 2.1	SECTIONS 1.1, 1.2 & 1.3	SECTION 1.1	SECTIONS 1.1, 1.2	SECTION 1.1	SECTIONS 4.1, 4.2



# Our ESG cornerstones

Our ESG cornerstones represent the four categories from our materiality assessment that are the most relevant to our Group and are of the greatest importance to our stakeholders. Last year we defined our key ESG objectives and targets over the short to medium term, up to 2030, aligned with our four ESG cornerstones.

The following pages introduce our cornerstones, provide details of the progress we have made against our objectives and our future plans and actions.

## IN THIS SECTION

- OUR FOUR ESG CORNERSTONES →**
- DELIVERING STAKEHOLDER VALUE THROUGH ESG →**
- IMPACT OF OUR BUSINESS ON THE ENVIRONMENT AND OUR COMMUNITIES →**
- DIVERSITY, HEALTH, WELL-BEING AND ENGAGEMENT →**
- BOARD INDEPENDANCE, ETHICS AND LEADERSHIP →**
- RESPONSIBLE BUSINESS PRACTICES →**

## Our four ESG cornerstones

Our four ESG cornerstones are relevant to our business and stakeholders. We have engaged with our people, clients, Partners, suppliers and investors across the globe, to develop a bespoke framework that we can meaningfully report against.



ENVIRONMENTAL SOCIAL GOVERNANCE

### 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.

[READ MORE ON P24 TO 49 →](#)



ENVIRONMENTAL SOCIAL GOVERNANCE

### 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.

[READ MORE ON P50 TO 64 →](#)



ENVIRONMENTAL SOCIAL GOVERNANCE

### 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.

[READ MORE ON P65 TO 71 →](#)



ENVIRONMENTAL SOCIAL GOVERNANCE

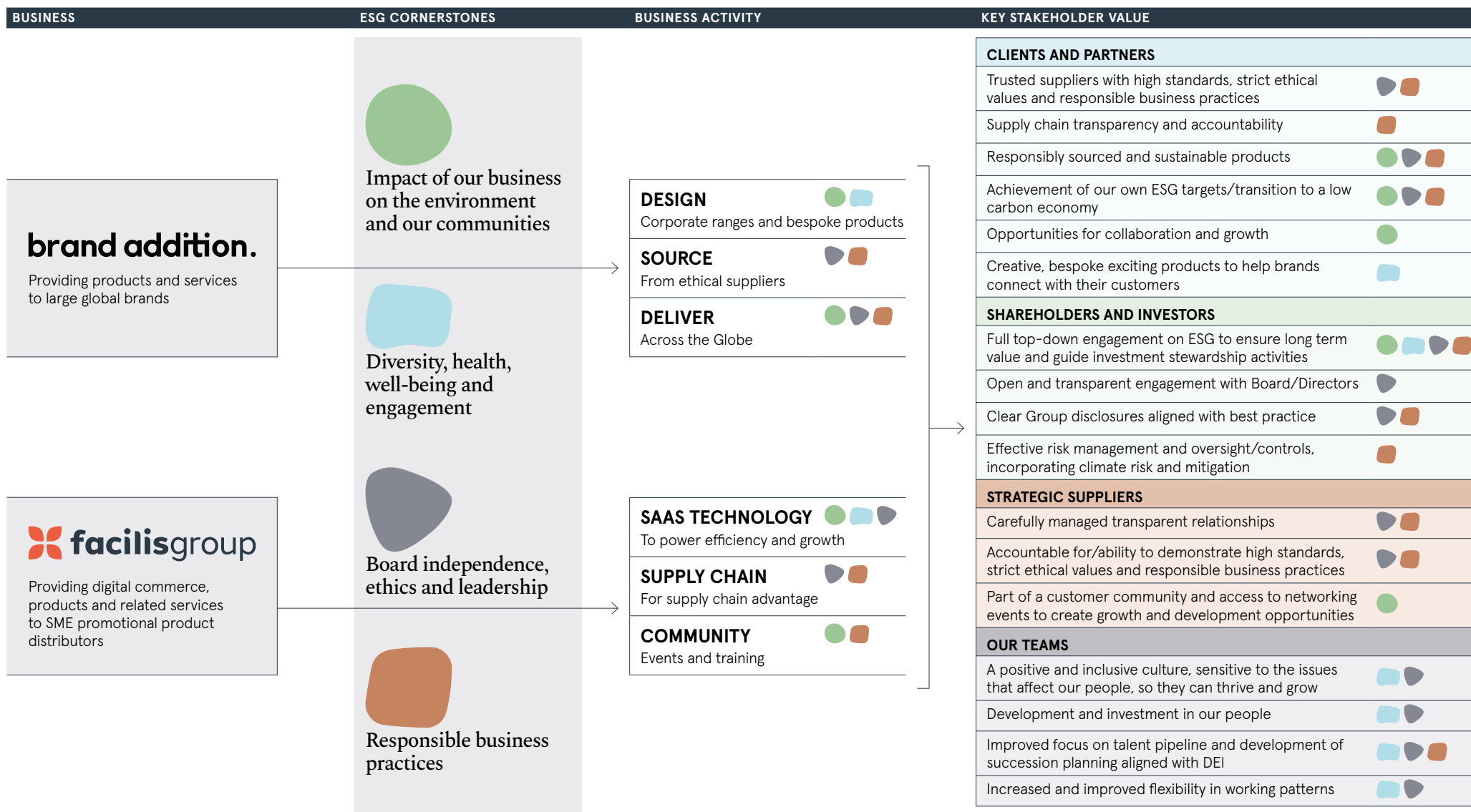
### Responsible business practices

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 risks that the business faces.

[READ MORE ON P72 TO 83 →](#)

## Delivering stakeholder value through ESG

ESG is fundamental to our business, integrated into the products and services we provide, with the aim of delivering long term value for our stakeholders.



# 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










- 1.1 ENERGY AND CLIMATE CHANGE →
- 1.2 PACKAGING AND WASTE →
- 1.3 RESPONSIBLE SOURCING →





Impact of our business on the environment and our communities continued

# Progress dashboard

OUR COMMITMENTS AND GOALS	STATUS
50% reduction in Scope 1 and Scope 2 carbon emissions by 2030.	 IN PROGRESS
Implement a framework for reporting our Group Scope 1 and Scope 2 emissions.	 COMPLETE
Map our Scope 3 emissions and implement a reduction plan.	 IN PROGRESS
Brand Addition to implement a carbon offset programme.	 COMPLETE
Source all Group electricity from renewable alternatives by the end of 2025.	 IN PROGRESS
Utilise carbon neutral logistics services and providers where these exist, for inbound and outbound transportation.	 IN PROGRESS
Aim to achieve zero waste to landfill by 2030 in our direct operations.	 IN PROGRESS
Aim to reduce the use of single use plastic packaging from our bespoke manufactured products.	 IN PROGRESS
Our directly controlled warehouses and logistics centres to use all recycled transit packaging materials for onward transportation of goods.	 IN PROGRESS

Impact of our business on the environment and our communities continued

# 1.1 Energy and climate change



COMMITMENTS/ACTIONS

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

<b>PRIORITY LEVEL</b>
○○○
<b>PROGRESS AGAINST OUR COMMITMENTS</b>
○○○○○
<b>U.N. SUSTAINABLE DEVELOPMENT GOALS</b>
<b>13 CLIMATE ACTION</b>
<b>TOPICS RELEVANT TO THE PEBBLE GROUP</b>
Sourcing affordable, reliable and sustainable energy
Carbon emissions and carbon footprint (air pollution)
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

OUR ACHIEVEMENTS OVER THE LAST 12 MONTHS
Framework implemented for the collection of Group energy usage and carbon emissions.
Completed Scope 3 emissions evaluation.
Mapped Group emissions for Scope 1, Scope 2 and Scope 3 emissions.
Four European sites now switched to renewable electricity.
Implementation of a carbon offset programme.
Implementation of European carbon neutral transportation for small packet deliveries.

OUR CURRENT ACTIVITY
Evaluation of Scope 3 emissions assessment.
Development of low carbon transition plan and reviewing carbon reduction targets.

FUTURE PLANNED ACTIONS
Investigating renewable electricity options outside of Europe.
Transition of remaining European sites to renewable electricity.
Review and align our carbon reduction targets with a science based approach.
Develop a plan to tackle our Scope 3 emissions.

## Impact of our business on the environment and our communities continued

### 1.1 Energy and climate change continued

#### Measuring our impact

Monitoring and reducing our GHG emissions remain key focus areas. Brand Addition has been monitoring its Scope 1 and Scope 2 energy usage and GHG emissions in the UK and Europe for several years in line with our ISO50001 energy management certification. This has provided a good foundation for the development of a global reporting framework to cover each of our businesses and locations.

Last year we set a goal to implement a global reporting framework that would ensure that data could be accessed and consistently collected across each of our Group sites to provide visibility and reporting on the energy usage and carbon emissions at a business, site, and entire Group level. That goal was achieved, and we now have that robust infrastructure in place which not only provides transparency across the Group and to our stakeholders, but allows each of our businesses to monitor and control its own energy usage and emissions and adopt plans for reduction.

We have 12 different leased offices and warehouse locations globally, which are a mix of sole and shared occupancy. Size ranges from 310m<sup>2</sup> up to 15,200m<sup>2</sup> and we have the ability to select our energy supplier at 50% of those sites. The other 50% are controlled of the building owner.

As a Group our energy usage and carbon footprint from our Scope 1 and Scope 2 inventory is relatively low. This is because neither of our businesses carry out any on-site manufacturing or have any large plant equipment that consumes a significant amount of energy. However, to service the needs of our clients and deliver innovative promotional products, Brand Addition works with a large and complex supply chain of manufacturers, importers, wholesalers, distributors and logistics providers across the world, and we recognise that the indirect energy consumption and carbon impact of these activities is large.

Brand Addition has been working with its supply chain for several years to gain visibility of indirect emissions, and they continue to do so tackling the challenges posed by the number of suppliers that they work with, the order profile and the variety of different products delivered.

In January 2022, Brand Addition engaged a third-party named 'Normative' to support the calculation of its GHG emissions using a carbon reporting engine aligned with the GHG protocol methodologies. Normative also provided access to a software tool to act as a 'central management hub' for reporting and this is being utilised to ensure the correct data is collected to provide an accurate account of the entire direct and indirect emissions representing Scope 1, Scope 2 and Scope 3.

Facilisgroup does not have any significant Scope 3 emissions. Any emissions identified as significant have been included in the Group footprint and have been calculated using standard emission factors or with the help of the GHG protocol Scope 3 evaluator tool.

*Monitoring and reducing our GHG emissions remain key focus areas.*

## Impact of our business on the environment and our communities continued

### 1.1 Energy and climate change continued

#### Establishing a new base year for performance assessment

Despite the challenges presented during the pandemic and having limited or no access to energy usage data for some of our sites, each business has worked tirelessly with its landlords and utilities providers to establish the energy profile on each site. The 2021 data has been collated from a combination of direct meter readings, utilities bills and usage estimates based upon the floorspace occupied in shared occupancy buildings. On the sites where historic data exists, the 2021 usage has been compared to pre-pandemic levels and whilst some minor reductions are seen, these differences have not been significant. We have therefore decided to use 2021 as our base year across both businesses and all future energy and carbon emissions measurements and disclosures will be compared to this base year figure.

#### GHG emissions

Last year we provided a summary of our Scope 1 and Scope 2 emissions for our UK and European sites with some limited Scope 3 emission figures. With the development of our energy and reporting framework, we have now been able to expand our reporting to include the Scope 1 and Scope 2 GHG emissions across the entire Group.

We are committed to reducing the environmental impact of our Group and our GHG emissions. We have already started our journey in a real and meaningful way, with Group targets in place to have 100% renewable electricity across each of our sites by end of 2025 and a 50% reduction in our Scope 1 and Scope 2 emissions by 2030, which will be measured against the Group 2021 base year figure. Over the next 12 months we plan to re-evaluate our targets to ensure that they are consistent with a science-based approach, limiting global warming to well below 2°C with the aim of limiting warming to 1.5°C.

*Over the next 12 months we plan to re-evaluate our carbon reduction targets to ensure that they are consistent with a science based approach*



## Impact of our business on the environment and our communities continued

### 1.1 Energy and climate change continued

#### Scope 3 evaluation

At the beginning of 2022 each of our businesses conducted an evaluation to calculate their Scope 3 emissions. Brand Addition enlisted the help of a third party named 'Normative' to support the calculation of their Scope 3 emissions due to the complexities of having a large supply chain and the number of products that they supply globally. Facilisgroup utilised publicly available on-line resources and tools such as the GHG protocol Scope 3 online evaluator as they face much less complexity in calculating their Scope 3 emissions

The Scope 3 evaluation was undertaken following the GHG Protocol Scope 3 guidance, with the largest proportion of the Scope 3 emissions being calculated based upon supplier spend data for FY2021 related to purchased goods and services and transportation and distribution. Using these results and combining them with available activity based data we were able to complete our first Scope 3 evaluation.

We do recognise that the spend-based method does not provide entirely accurate emissions figures, and that further complications arise from challenges in correctly categorising suppliers, but we feel that it does provide a solid and useful starting point to build upon and develop our emissions reduction roadmap.

We want to remain transparent in our efforts, and as our Scope 3 emissions represent the largest proportion of our overall carbon footprint, we have included this in our disclosure. However, we recognise that we are on a journey and we will explain any changes to our approach and/or methodology in future years, as we increase our level of understanding and refine our data accuracy.



*We are committed to reducing the environmental impact of our Group, with the long-term aspiration of becoming a net-zero business.*



Impact of our business on the environment and our communities continued

1.1 Energy and climate change continued

# Implementing our plan

2021	2022	2023 - 2025	2026 - 2030	2040	2050
<p><b>PLANNING AND MEASURING</b></p>		<p><b>SHORT- TO MID-TERM ACTIONS FURTHER DEVELOPMENT OF TARGETS</b></p>		<p><b>LONG-TERM ACTIONS</b></p>	
<p>Developing a strategy and establishing our framework.</p> <p>Disclosing initial targets.</p> <p>Begin transition to renewable electricity in Europe.</p>	<p>Established energy and GHG emissions reporting framework for all Group sites.</p> <p>Collected energy and GHG emissions data for 2021 across all Group sites.</p> <p>Calculated Group emissions and conducted a Scope 3 assessment using spend based data for all sites.</p> <p>Established Group GHG emissions base year (2021) figure and disclosure of Group emissions.</p> <p>33% (four) sites switched to renewable electricity.</p> <p>European outbound logistics now using DHL 'Go Green' service for all small packet deliveries (carbon neutral service).</p> <p>Established carbon offset programme.</p>	<p>Completion of Scope 3 emissions evaluation.</p> <p>Review of existing GHG emissions reduction targets and development of a reduction plan in line with SBTs (Science Based Targets).</p> <p>Accelerate transition to renewable electricity, aim for 100% renewable by end of 2025.</p> <p>Review of inbound and outbound carbon neutral logistics options.</p> <p>Prioritise the use of sustainable materials in bespoke product manufacture.</p> <p>Improve the accuracy of Scope 3 data reporting.</p> <p>Disclose Group updated GHG reduction timeline and targets.</p> <p>External assurance of our GHG emissions.</p>	<p>50% reduction in Scope 1 and Scope 2 emissions by end of 2030.</p> <p>Accelerate transition of building heating away from natural gas or utilise Renewable Gas (RNG) certificates until alternatives become available.</p> <p>Supplier engagement, prioritising suppliers who have set net-zero targets or carbon reduction plans.</p> <p>Transitioning logistics to carbon neutral options, where available.</p> <p>Replace any company leased vehicles with hybrid or electric equivalents.</p> <p>Use Faciligroup to engage with wider industry to support and influence change.</p>	<p>Scale reductions in supply chain emissions as governments implement more mandatory legislation.</p> <p>Re-evaluate sourcing strategy and the location of purchased goods and services.</p> <p>Prioritise sustainable materials and sustainable products for all clients.</p> <p>Continue to utilise carefully selected offset projects.</p>	<p>Aspiration to achieve net-zero.</p>

## Impact of our business on the environment and our communities continued

### 1.1 Energy and climate change continued

#### Renewable Energy

Our aim is to transition all of our business premises to renewable energy. As mentioned previously, these are all leasehold so changes to infrastructure, such as the installation of solar panels or replacement of gas boilers with heat pumps are outside of our control. However, over the last 12 months, each of our businesses has engaged with its landlords to explore what steps we can take to transition to renewable energy across the Group and, where possible, maximise our access to renewable energy options through our utility providers.

Where our businesses have control over their choice of energy provider, they have made the switch to renewable electricity which represents 80% of our European electricity supply or 33% of the supply across the whole Group. One UK site is the exception and will convert at the end of 2023 when its current electricity contract ends.

North America represents our largest Group energy footprint for electricity and gas, but at present, the utility providers to our premises offer no renewable electricity options. As an interim measure to address this, we are investigating the purchase of unbundled Renewable Energy Certificates (RECs) to ensure that the equivalent amount of energy used is fed into the grid from a renewable energy resource. Nevertheless, our aim is move away from RECs as soon as an alternative becomes available.

We have two offices in Asia; one in Hong Kong and one in Shanghai, where we face similar renewable energy challenges. We are working to understand what options exist.

Each of our businesses will continue to look for innovative solutions and products to reduce our Group emissions and support our aim to move to renewable and sustainable energy alternatives at all sites in the future. As an example, in March 2022, Brand Addition signed a renewable gas contract for its Manchester site 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 also independently verified by Eco Art.



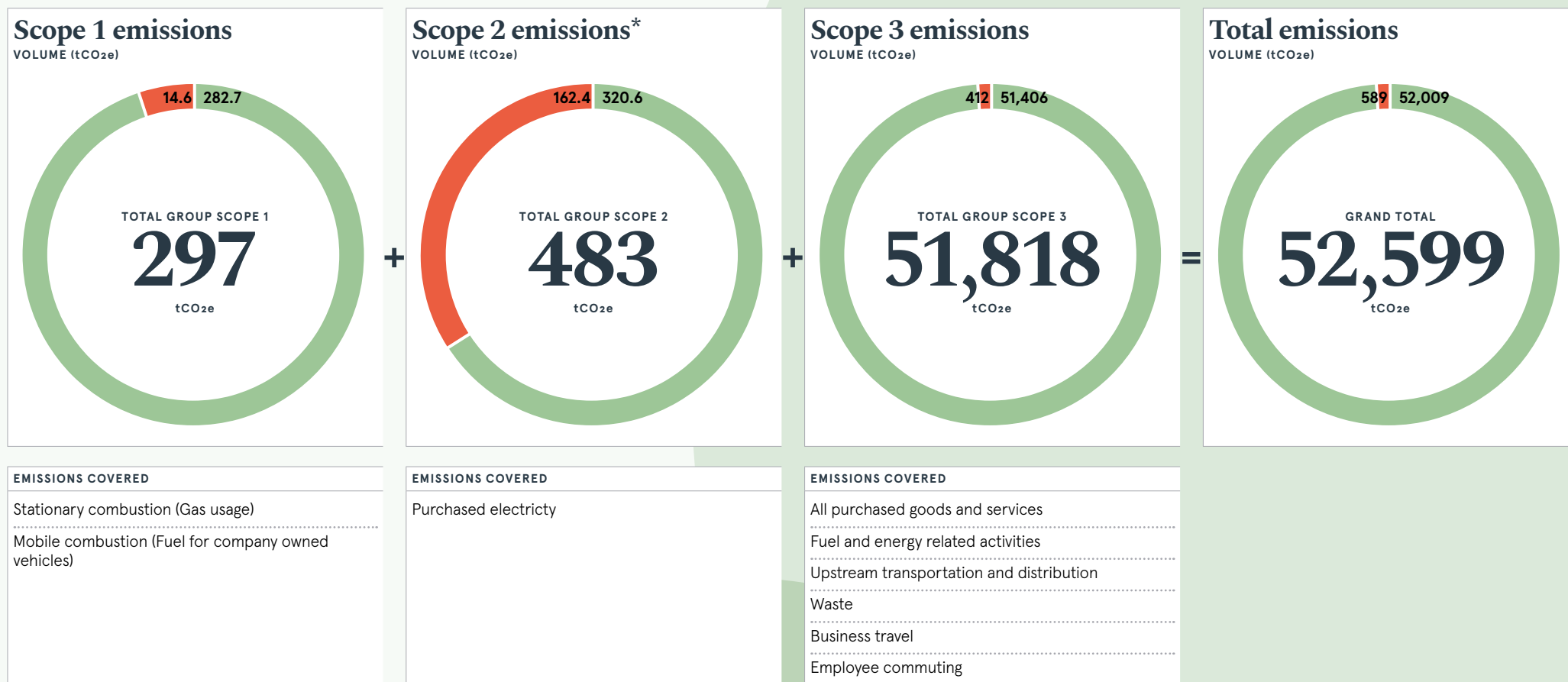
**33%**  
*of our Group sites  
now use renewable  
electricity*

Impact of our business on the environment and our communities continued

1.1 Energy and climate change continued

# Greenhouse gas emissions 2021

Brand Addition    Facilisgroup



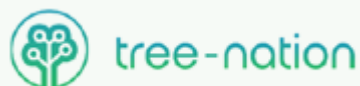
\*Market based



Impact of our business on the environment and our communities continued

CASE STUDY

# Compensating for our impact



**Whilst our key strategy is to reduce carbon emissions through direct action such as investing in renewable electricity, sustainable product selection and working with our suppliers to reduce our emissions, we also recognise that carbon offsets can provide a useful way of compensating our impact where absolute reduction efforts remain challenging.**

In January 2022, Brand Addition partnered with tree-nation to help support the reduction of carbon emissions through carefully selected tree planting carbon offset projects around the world. tree-nation was selected as their projects support reforestation, engaging local communities and they offer projects that are CO<sub>2</sub> certified following VCS, Gold Standard and Plan Vivo.

This year Brand Addition has committed to planting a minimum of 4,480 trees supporting the reforestation CommuniTree carbon project in Nicaragua. CommuniTree is a community-based reforestation initiative that regroups participating small-scale farming families to reforest and maintain under-utilized portions of their land. Through better land-use management and more sustainable use of forest resources, the project increases the forest cover of the nearby watershed and improves the quality of life of Nicaraguan farmers.





## Impact of our business on the environment and our communities continued

### TCFD

### Taskforce on Climate-related Financial Disclosures (TCFD)

Across our Group we recognise the need to improve transparency around the climate-related risks that our organisation faces to help stakeholders and investors make informed decisions about our business. Last year in our 2021 ESG report we outlined a number of objectives and initiatives aimed at reducing our impact on the environment.

TCFD has introduced the concept of 'double materiality' which not only considers the impacts the business may have on the environment but also how climate change may affect the financial performance of the business. TCFD encourages businesses to consider any material risks and opportunities that may be created as a result of climate change and how these may positively or negatively affect the financial performance of the business.

In October 2021 we conducted a readiness review, evaluating our current practices against the 11 TCFD recommendations to ensure that any gaps were understood. In November 2021 we conducted our first climate related risks and opportunities assessment utilising our current risk assessment framework to determine our resilience, considering different climate related scenarios.

At present we have not identified any material risks from our assessment that are likely to have a significant impact to the financial performance of the business. Of the risks identified, the impacts remain low, with the highest potential for impact being experienced following Scenario 'A' (early and orderly policy action – smooth transition) but only over the long term, mainly affecting our Brand Addition business. A full list of the climate related risks and opportunities that scored the highest from our assessment, can be found in the ESG supporting information section of this report on page 91.

We remain focused on reducing our environmental impact and responsibly sourcing products. We have objectives and targets in place to identify and reduce our own impacts and these are outlined in our ESG dashboards. We recognise the importance of ensuring that we continue to develop and evolve our risk management framework. We will ensure that the scenarios we use to quantify risk factors remain current and continue to evolve to represent the changing landscape.

We have integrated the recommendations of the TCFD framework into our ESG reporting disclosure and the following table provides a useful guide to direct you to the relevant section of this report.

Impact of our business on the environment and our communities continued

TCFD

TCFD disclosure table

TCFD PILLAR	TCFD DISCLOSURE	DETAILS	PAGES
<b>Governance</b>	Board oversight of climate related risks and opportunities	<p>The Board approves and oversees the Group ESG strategy along with ensuring that risk (including climate and environmental related risk) is effectively managed across the Group.</p> <p>ESG is a standing agenda item at each Group Executive Committee meeting.</p> <p>ESG is a key part of the Board's annual strategy setting session and the Board receives a full ESG update at its half year strategy review, so that progress is assessed every six months.</p>	<b>69, 82-83</b>
	Management's role in assessing and managing climate related risks and opportunities	<p>The Senior ESG Officer is responsible for developing and executing the Group ESG strategy.</p> <p>Regular meetings (every two months, as a minimum) are held with the Divisional Leads of Facilisgroup and Brand Addition who are responsible to ensure that progress is being made against agreed objectives and targets.</p>	<b>69</b>

TCFD PILLAR	TCFD DISCLOSURE	DETAILS	PAGES
<b>Strategy</b>	Identification of climate related risks and opportunities	<p>Climate related risks and opportunities are periodically monitored as part of our ESG strategy, as included in our 'Impact of our business on the environment and our community' cornerstone.</p> <p>No significant climate related risks have been identified from our assessment</p> <p>Opportunities relate to providing customers with credible sustainable solutions to support their transition to a low carbon economy.</p>	<b>24-49 91-95</b>
	Impact of climate related risks and opportunities on the Group strategy and financial planning	<p>Any impacts experienced are likely to be low, any impacts seen are most likely to occur under 'scenario A' (early and orderly policy action – smooth transition) over the long term (6-10 years).</p>	<b>91-95</b>
	Resilience of the organisations strategy to different climate related scenarios including a 2°C or lower scenario	<p>Three scenarios were developed in line with data from publicly available data and reports*.</p> <p>The climate related risks identified do not pose a significant risk to the business over the developed scenarios.</p> <p>For all identified risks, mitigating actions are in place to ensure the impact remains as low as possible.</p>	<b>91-95</b>

\* The Intergovernmental Panel on Climate Change (IPCC) SR15 report and the Bank of England, Key elements of the 2021 Biennial Exploratory Scenario: Financial risks from climate change.

**Impact of our business on the environment and our communities** continued

**CASE STUDY**

**TCFD disclosure table** continued

TCFD PILLAR	TCFD DISCLOSURE	DETAILS	PAGES
<b>Risk management</b>	Process for identifying climate related risks	Climate related risks can be raised through internal discussions, individual business risk registers, the Group risk register or the Group Executive Committee.	<b>82-83</b>
	Process for managing climate related risks	Group and individual risk management process as outlined in our risk management section. Emerging and identified risks are regularly monitored and scored to represent the risk posed to the business. All risks are assigned an owner who is responsible for the management and implementation of any actions. The Audit Committee formally reviews and approves the risk register twice yearly.	<b>82-83</b>
	How the processes for identifying climate related risks is integrated into the Group's risk management framework	All risks, including climate related risks are considered as part of the risk management process. A detailed review of the climate related risks was undertaken and is integrated into the Group risk register.	<b>82-83</b>

TCFD PILLAR	TCFD DISCLOSURE	DETAILS	PAGES
<b>Metrics and targets</b>	Metrics used by the business to assess the climate related risks	Objectives and targets have been developed in line with our first ESG cornerstone 'Impact of our business on the environment and our communities'. The measurement of Scope 1, Scope 2 and Scope 3 GHG emissions. 100% renewable electricity by end 2025. GHG emissions table.	<b>25, 30</b> <b>32</b> <b>88</b>
	Disclose Scope 1, Scope 2 and Scope 3 emissions and their related risks	GHG emissions table covers GHG emission inventory of all relevant Scope 1, Scope 2 and Scope 3 emissions.	<b>32, 88</b>
	Targets used, and performance against the target's climate risks and opportunities	Detailed description of targets and progress against targets can be found in the 'Impact of our business on the environment and our communities' section of this report.	<b>25-33</b> <b>37-49</b>

Impact of our business on the environment and our communities continued

# 1.2 Packaging and waste



**PRIORITY LEVEL**



**PROGRESS AGAINST OUR COMMITMENTS**



**U.N. SUSTAINABLE DEVELOPMENT GOALS**



**TOPICS RELEVANT 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
- Singe use packaging

**COMMITMENTS/ACTIONS**

- Zero waste to landfill by 2030.
- Aim to reduce the amount of single use plastics from all our bespoke manufactured products.
- All transit materials used in our logistics hubs are made from recycled materials or can be widely recycled.

**OUR ACHIEVEMENTS OVER THE LAST 12 MONTHS**

A further 4% reduction in plastic transport packaging used in the Brand Addition Manchester Warehouse (84% reduction compared to 2017 figures).

Progress made in developing a waste reporting framework for all warehouse locations.

**OUR CURRENT ACTIVITY**

Brand Addition German and North American warehouses to establish a robust reporting framework for on-site waste.

Plan in progress to conduct a waste audit to identify waste streams and any opportunities for reducing waste to landfill.

On-going actions with our core suppliers to reduce the amount of packaging and plastic packaging used in the transportation of products.

**FUTURE PLANNED ACTIONS**

Continued action to minimise the amount of single use plastic packaging used in transit packaging.

Develop and implement waste reduction targets across the Group to align with the zero waste to landfill objective.

Continue to work with our suppliers and supply chain to reduce and aim to remove single use and non-recyclable materials from our product packaging.

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

#### Responsible packaging

In 2021 Brand Addition distributed over 60 million products to 160 countries, representing 250,000 individual dispatches. Ensuring that products are appropriately packaged is therefore a priority to ensure that the goods are not damaged in transit, but equally, that packaging used is not excessive and can be easily reused or recycled.

Across the Group we are committed to minimising the environmental impact of the packaging we use.

All the packaging used across each of our Brand Addition warehouse locations is standardised to ensure that only sustainable packaging is used.

- 70% of all shipping cartons are made from recycled materials
- Where internal packaging material is required, 100% recycled paper is used
- 100% of our transit packaging can be curbside recycled
- All of the packaging tape used is made from paper or a recyclable alternative

Standardising the packaging across each location ensures consistent customer experience and also ensures that each site sources its materials to the same sustainable specification.

With such a large number of products distributed we are committed to minimising the environmental impact of the packaging used across the Group. In addition to all of our packaging being fully curbside recycled we are also focussed on reducing the amount of single use plastic used in the transit packaging of products. Since our Brand Addition business started to monitor purchased plastic packaging in 2017, the Manchester warehouse has made year on year reductions resulting in an 84% reduction by the end of 2021 compared to our 2017 figure, a further 4% reduction from 2020. Packaging is evaluated on an ongoing basis and Brand Addition will continue to implement changes that will allow them to make further reductions of any remaining single use plastic items used in the packaging process.

The packaging used by Brand Addition's suppliers to individually package products represents the largest source of single use plastic packaging across the Group. This packaging is intended to protect the product from damage prior to first use, and could range from keeping clothing clean to ensuring that products are not scratched or damaged during transit. Where products are being sent directly from the manufacturer to the end customer, the preference is to bulk package products to reduce the amount of single use plastic packaging required. Unfortunately, customer requirements mean that bulk packaging can only be used for a small proportion of our orders.

Where products are individually packaged, the preference is to use paper-based materials. If this is not feasible, Brand Addition will request the use of bags made from recycled plastic or bio-based plastics that bio-degrade. However, due to the number of suppliers that Brand Addition work with and the range of different products sourced, a single suitable solution is not possible. Brand Addition therefore continues to identify the best solution available and prioritising its largest suppliers with the aim of reducing the amount of single use plastic used.

#### SEE OUR PACKAGING CASE STUDIES

GOING PLASTIC FREE →

RECYCLABILITY →

**100%**  
of our transit packaging  
can be curbside recycled



## Impact of our business on the environment and our communities continued

### 1.2 Packaging and waste continued

#### Reducing our waste

It is our Group goal to reduce the amount of waste sent to landfill, with the long-term aim of achieving zero waste to landfill by 2030.

95% of the waste generated across the Group is from our Brand Addition warehouse locations. It consists of cardboard and plastic pallet wrap from the transit packaging on incoming deliveries. No hazardous goods are handled by any of our businesses and we aim to recycle as much waste as possible.

To minimise waste to landfill and maximise recycling, Brand Addition regularly educates staff on correct waste segregation of all waste (including general office-based activities) by the use of labelled containers to identify the relevant waste stream. Office printers are controlled with passcodes to release documents to eliminate unnecessary printing and reduce paper use. Where possible, warehouse packaging is re-used for onward transportation of goods, where not it is recycled.

FacilisGroup and Brand Addition actively promote recycling and reducing waste, for example, in May 2022, Facilisgroup ran 'litter-less lunches' to encourage team members to bring their lunch into work with little or no packaging. It also provided advice on how to undertake a 'litter-less' grocery shop and shared tips on reducing litter and encouraging recycling.

Across each business we plan to implement more accurate waste recording to allow us to better understand progress against our zero waste to landfill target, and we will look to work with waste contractors who provide options and services to support us achieve our goal.

*Since our Brand Addition business started to monitor purchased plastic packaging in 2017, the Manchester warehouse has made year-on-year reductions resulting in an 84% reduction by the end of 2021.*

#### Waste generated from the products we supply

Brand Addition is skilled at working closely with its clients to promote the right, sustainable product choices to meet its clients' needs. It is well placed to offer creative, well-designed, engaging products that are made with high-quality materials, built to last and serve a useful purpose. The aim is that they are valued and used time and time again, and then recycled at the end of the product life.

Brand Addition also uses its trusted supplier network to actively seek to produce products from more sustainable materials that can be easily recycled, and to minimise waste. In addition, to extend the life of slow moving or end of line inventory, Brand Addition works closely with clients to find alternative uses, such as donating old inventory to local charities rather than disposing of goods.

Impact of our business on the environment and our communities continued

CASE STUDY

# Packaging Going plastic free

**Brand Addition worked closely with one of its clients to develop bespoke packaging to eliminate the use of single use plastic packaging.**

All product packaging in the range is now made with Forest Stewardship Council (FSC) cardboard or FSC kraft paper. Now we aim to take it a step further with a transition towards 100% recycled FSC paper packaging by 2023. This will result in all bespoke product packaging for this client being fully recycled and recyclable.

**10+ million units**

WITH PLASTIC FREE AND RECYCLABLE PACKAGING SINCE 2020





Impact of our business on the environment and our communities continued

CASE STUDY

# Packaging Recyclability

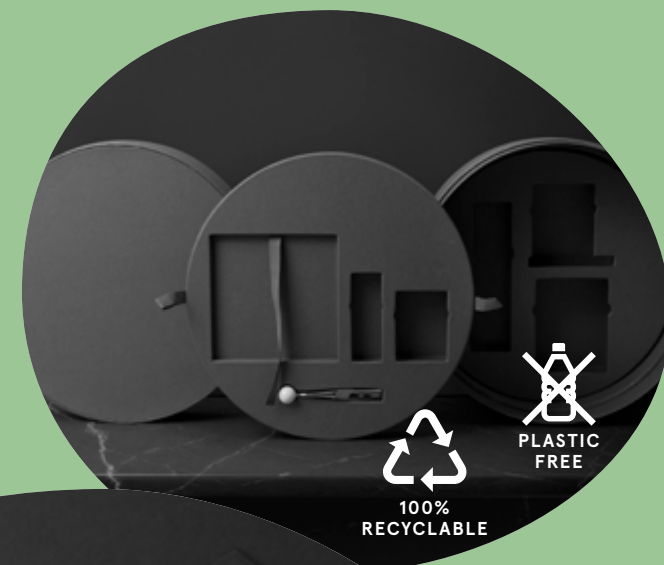
**Brand Addition works with clients to develop sustainable solutions to reduce waste and promote the use of recycled materials in product packaging.**

Brand Addition was approached by a client to develop a new sustainable packaging solution. Their previous product packaging consisted of a number of different materials containing chemical processes, painted/lacquered and Polyurethane(PU) layers with suedette trims.

The new solution is manufactured in a mono material, is fully recyclable, uses responsibly sourced FSC certificated papers, providing a fully recyclable solution that continues to meet the clients brand image.

Brand Addition sourced an inlay fitment made from corn-starch which can decompose in water leaving no waste. A first for Brand Addition.

By developing the corn starch insert we have prevented the use of 3.5m<sup>3</sup> of EVA foam from the packaging, which is not currently recyclable, providing an innovative solution and minimising the environmental impact by reducing waste and ensuring that any packaging used is fully recyclable.



Impact of our business on the environment and our communities continued

# 1.3 Responsible sourcing



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.

PRIORITY LEVEL



PROGRESS AGAINST OUR COMMITMENTS



U.N. SUSTAINABLE DEVELOPMENT GOALS



TOPICS RELEVANT 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)

OUR ACHIEVEMENTS OVER THE LAST 12 MONTHS

284 vendor assessments undertaken by Brand Addition in 2021.

Web based supplier code of conduct approval process launched.

Development of an internal sustainability standard for Brand Addition.

Updates to vendor assessments to include sustainability criteria as part of evaluation process.

OUR CURRENT ACTIVITY

Ongoing vendor assessment programme to continually monitor the quality and the social, ethical and environmental compliance of our supply chain.

Continued development of bespoke sustainable products for our client base.

Working with our supply base to develop and manufacture more sustainable products.

FUTURE PLANNED ACTIONS

Implementation of a Group framework on conduct, ethics and compliance to align our approach.

Further integration of sustainability into our supplier evaluation process.

Updates to 'Syncore' for the easy identification of sustainable product or suppliers with specific sustainability credentials.

## Impact of our business on the environment and our communities continued

### 1.3 Responsible sourcing continued

#### Evaluating our suppliers

##### Facilisgroup

Facilisgroup aims to use its influence in the industry to help drive ESG focussed initiatives, raise standards and influence positive change on a large scale.

Syncore, our core software product developed by Facilisgroup, managed over \$1.15bn sales (in 2021) through its order workflow platform which links Partners (SME distributors) to preferred suppliers. Each preferred supplier is required to complete an agreement which also serves as a desktop assessment of their social and ethical credentials.

The assessment consists of an extensive list of corporate responsibility, environmental and social standard questions to ensure that minimum standards are upheld. Re-assessment is carried out every two years as part of the contract renewal process. In 2022 we are improving the assessment process to allow easier collection of data and future integration of certain information within the Syncore platform.

By providing transparency of preferred suppliers' social and ethical credentials, Facilisgroup helps Partners align with those suppliers who meet their own social and ethical standards and requirements.

To build upon this, this year, Facilisgroup has established an ESG Steering Committee made up of Partners and preferred suppliers from eight different businesses and product categories, with the aim of establishing a minimum set of standards to represent the most important ESG related factors across our industry.

##### Brand Addition

Brand Addition has a large and diverse range of suppliers, and this allows the business to meet the demand for the wide variety of different products and solutions expected by its clients. The suppliers we work with range from direct manufacturers, when dealing with large scale orders, to small importers and distributors, who print or decorate blank products on demand. Their direct tier one suppliers are primarily based in the UK, Europe and China and they also work with suppliers globally depending upon clients' needs and the type of products being developed.

All suppliers undergo a rigorous evaluation process that starts with the acceptance of an ethical code of practice to demonstrate their commitment and alignment to a minimum set of ethical values.

Brand Addition relies upon its suppliers to act responsibly, and has robust processes and procedures in place, that have been developed and improved over 30 years, to ensure that we have a strong network of trusted suppliers that adhere to core social and ethical values that reflect our own, and those of our clients.

*Facilisgroup aims to use its influence in the industry to help drive ESG focussed initiatives*

Impact of our business on the environment and our communities continued

**1.3 Responsible sourcing** continued

**Assessing our suppliers using a robust framework**

Where products are directly sourced from manufacturers, all products are assessed for safety and each supplier is assessed prior to order placement to evaluate their controls and procedures, ensuring alignment with our core requirements relating to responsible sourcing, environmental, sustainability management, how suppliers ensure that the materials supplied from their supply chain partners meet the required standards. Products supplied from importers or distributors are also evaluated but the process for approval varies depending on the level of risk associated with the product being purchased and/or the location where it was produced.

**The assessment**

The assessment usually consists of two audits, the first being a supplier self-assessment along with supporting evidence which is reviewed and validated by the Brand Addition audit team covering a set of minimum legal and ethical requirements and any certifications that the supplier may hold. If successful, an on-site assessment is undertaken, typically carried out by a trained Brand Addition auditor. The on-site assessment is an in-depth assessment of the supplier to assess their manufacturing capabilities, environmental credentials, their health and safety provision, the controls they have in place for the welfare of their employees and any dormitory or living quarters they may have on-site. A typical on-site assessment lasts for one day but may extend depending on the size and complexity of the supplier.

At the end of each assessment, a report will be produced and shared with the supplier and the Brand Addition purchasing team with recommendations from the auditor on any issues identified and the severity. Assessments are reviewed by the central quality team to determine whether supplier approval can be granted. Suppliers who meet the required standard are approved in our order management system so that orders can be placed. Copies of these audits can be directly shared with customers as a part of our commitment to transparency throughout the supply chain.

**Action and improvement**

Approval of a supplier will only be granted if no critical non-conformances are identified during the assessment. Suppliers will be given the opportunity to rectify issues raised after the audit, but an on-site review of the actions taken must be completed before any critical findings can be signed off. Any other non-conformances raised during the audit are discussed and documented in the audit report findings and suppliers are strongly encouraged to act on any recommendations made.

**Re-evaluation**

Suppliers who are frequently used are periodically assessed, usually every two years, with the re-assessments reviewing any previous recommendations raised and conducting a new assessment to ensure that the supplier continues to meet the required standard.

In 2021, a total of 284 vendor assessments were undertaken, 43 in UK and Europe and 241 in Asia. Of the audits conducted there were no suppliers that were found to have any critical non-conformances who were actively manufacturing goods on our behalf. Historically where suppliers have not met our standards we have taken action to de-list them from our approved suppliers list.



## Impact of our business on the environment and our communities continued

### 1.3 Responsible sourcing continued

#### Developing sustainable products

Through the technology and services, we provide across the Group we are supporting our clients with their changing focus for more sustainable products and solutions. We have clients at different stages of their sustainability journey and are sensitive to the fact that one solution does not match the needs of all our clients.

#### 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 2022 we committed to make searching for sustainable products easier in the Syncore platform and have started a project to catalogue products from preferred suppliers that are made from sustainable materials, can easily be recycled, or support charitable causes. This allows preferred Partners to easily identify products that are aligned with their business goals or to meet the needs of their customers. We are also looking to develop additional search tools that will enable Partners to identify suppliers with certain sustainability credentials to support activities such as emission reduction targets.



THESE HAIR CLAWS ARE MADE WITH WHEAT STRAW, A BY-PRODUCT OF FARMING. THIS REDUCES THE AMOUNT OF PLASTIC USED IN MANUFACTURE AS WELL AS RECYCLING WASTE MATERIALS.

#### Brand Addition

Brand Addition provides promotional products and related services that help the world's most recognised brands to build culture, awareness and meaningful connections through customer engagement and employee incentives. Some of their clients have a very clear idea of what they are looking for and others need support and advice to select the right products to support campaigns or events. The range of products supplied is vast and the volume of product can vary from very small orders (1-10 units) to very large orders (1-2 million units) supporting large campaigns. The sales and buying teams are experts in working with clients to understand their needs and then developing products to support their promotional campaign.

We have several examples of specific projects that we have worked on with our clients to develop sustainable products, all of which are bespoke to meet their specific demand.

#### SEE OUR PRODUCT CASE STUDIES

[SHOPPER BASKET →](#)

[CLOTHING →](#)

[UPCYCLED BLANKET →](#)

During the product development process, great care is taken in validating any sustainability claims made in relation to the materials used or the way in which the product is manufactured. The level of validation can vary depending on the product type, but it is common practice to validate any sustainability materials used by reviewing documentation related to the type of material used or any test reports or sustainability certificates. Factory assessments as described in our responsible sourcing section are used to validate any manufacturing processes.

For more general products which are usually sourced through importers, distributors and wholesalers Brand Addition has developed its own internal product sustainability standard. The purpose of the standard allows buying teams to assess and validate whether a product meets a minimum set of criteria before it can be classified as sustainable. This additional process provides confidence both internally and to clients that products have been assessed against any sustainability claims made to reduce the risk of greenwashing.

#### SEE OUR PRODUCT CASE STUDIES

[BACKPACK →](#)

Impact of our business on the environment and our communities continued

CASE STUDY

# Shopper basket from recycled PP

A client known for sustainability in the health and beauty sector requested a solution for their in-store shopping baskets. Brand Addition was able to create a highly durable basket that also utilized recycled materials in its manufacture.



CONTAINS AT LEAST 60% OF RECYCLED CONTENT



VIRGIN PP

 **9,940**  
BAGS PRODUCED

 **1,193KG**  
RECYCLED PLASTIC



Impact of our business on the environment and our communities continued

CASE STUDY

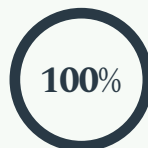
# Making clothing more sustainable

**Brand Addition worked with one of its automotive clients to elevate the sustainable credentials of its jackets without impacting on quality.**

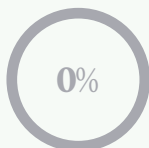
The new 2022 Jacket features fully recycled polyester outer shell, fully recycled padding and virgin nylon lining. Using recycled polyester in this way reduced greenhouse emissions by 76% when compared to virgin polyester (according to the Higg Index).



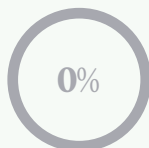
2018 JACKET



RECYCLED SHELL FABRIC

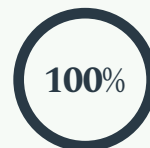


RECYCLED CONTENT IN PADDING



RECYCLED CONTENT IN LINING

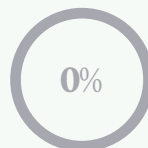
2022 JACKET



RECYCLED SHELL FABRIC



RECYCLED CONTENT IN PADDING



RECYCLED CONTENT IN LINING

Impact of our business on the environment and our communities continued

CASE STUDY

# Upcycled blanket

Designed as a gift for coffee drinkers that like to relax and unwind at home with a cosy blanket and hot drink.

The upcycled blanket also has its own positive story to tell where waste coffee (coffee carbon) as well as recycled plastics are used in its creation.





Impact of our business on the environment and our communities continued

CASE STUDY

# Backpack from fabric offcuts

**For the 2021 holiday season Brand Addition supported a client in the on-line recruitment sector to identify and source a holiday gift for their staff that would align with their sustainability values.**

The team worked with a company who manufactures sustainably designed outdoor products to supply a backpack which was made from high quality remnant fabric or offcuts and re-purposed to create a backpack which prevented the fabric being disposed of in landfill and provides a useful life for the leftover materials.

In addition, the manufacturer allocates 1% of annual revenues to its foundation, which then provides targeted grants to non-profit organisations dedicated to eradicating extreme poverty.



# 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

- 2.1 DIVERSITY, EQUITY AND INCLUSION →
- 2.2 HEALTH, SAFETY, WELL-BEING AND ENGAGEMENT →
- 2.3 EMPLOYEE RECRUITMENT, RETENTION AND DEVELOPMENT →



Diversity, health, well-being and engagement continued

# Progress dashboard

## OUR COMMITMENTS AND GOALS

By 2025, target 10% of our Facilisgroup suppliers to be from ethnic minority and female-owned businesses

Implement a well-being programme for staff across the Group.

Implement DEI training for all staff across the Group.

Design and develop a succession planning and recruitment process to support the Group becoming more ethnically diverse as we grow.

Undertake a gender pay gap analysis and implement actions to address any significant variations.

## STATUS

IN PROGRESS

COMPLETE

IN PROGRESS

IN PROGRESS

COMPLETE

Diversity, health, well-being and engagement continued

# 2.1 Diversity, equity and inclusion (DEI)



<b>PRIORITY LEVEL</b>
○○○
<b>PROGRESS AGAINST OUR COMMITMENTS</b>
○○○○○
<b>U.N. SUSTAINABLE DEVELOPMENT GOALS</b>
 
<b>TOPICS RELEVANT TO THE PEBBLE GROUP</b>
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.
- 10% of our Facilisgroup supply base to be minority or female owned businesses by end 2025.

<b>OUR ACHIEVEMENTS OVER THE LAST 12 MONTHS</b>
DEI and gender pay reporting aligned with GRI standards.
New Group DEI policy developed and implemented.
Increased staff ethnic diversity mix from 20% to 24% across the Group.
UK median gender pay gap remains very small -2.2%.

<b>OUR CURRENT ACTIVITY</b>
Facilisgroup DEI training planned during Q3/Q4.
Additional DEI and gender pay data reviews throughout the year to provide better visibility.
Engagement with agencies and jobs boards to ensure we attract the widest pool of candidates for roles.
Expanding the number suppliers from ethnic minority or female owned businesses.

<b>FUTURE PLANNED ACTIONS</b>
Ongoing evaluation of the level of gender pay and diversity within the Group, with the aim of growing employee diversity within the Group.
Ongoing DEI training across the Group.
Enhancements to our succession planning process and talent identification and management approach to help the Group to become more ethnically diverse as we grow.

## Diversity, health, well-being and engagement continued

### 2.1 Diversity, equity and inclusion continued

#### Promoting a culture of inclusion and belonging

The Pebble Group is aware of the broad diversity of our current and potential customers, Partners, suppliers, and employees and how crucial it is to be open, relevant, and connected. DEI is therefore a key part of our ESG framework and is linked to our values and culture of respect for employees, clients and the communities around us.

DEI is part of our long-term focus on shareholder value. We recognise how important our people are to our long-term success and our aim is to expand, celebrate and embrace individuality and diversity across our teams. We know that building a diverse and inclusive culture and having a business that is representative of our customers and the environments in which we operate, will lead to a better business, a better place to work for our entire team and, ultimately, will make the Group more valuable and effective overall. We are therefore committed to enhancing DEI throughout our Group.

Our Group DEI policy sets out our approach to DEI and shows how we aim to embed and enhance our commitment to diversity further into our businesses. We see ourselves on a journey to continuously improve on these matters.

We are focussed on promoting diversity in:

- 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 having equal importance. We are seeking to build a team that consists of individuals who have a range of skills and attributes and we are therefore also focussed on diversity in cognitive and personal strengths.

The Group will remain focussed on meritocracy which remains important, but we see this as something which goes hand-in-hand with our DEI priorities.

In 2021 we conducted our first Group-wide diversity study that gave us an insight to help shape our approach and develop action plans to address any area's where we need to improve.

Actions from the study included:

- Adoption of Group DEI policy, establishing an Executive Sponsor across each business to provide visible leadership on DEI, to support and encourage DEI related initiatives, and to ensure that DEI remains a firm priority on the agenda and taken account of in all appropriate situations and decision making. The Executive DEI sponsor of each business meets at least annually with the Chair of the Pebble Group Nomination Committee to discuss DEI progress.
- Improvements to the recruitment process, using new agencies and specific job boards to ensure that we have the broadest mix of candidates from different ethnic backgrounds.
- Improvements to interview process and scoring methodologies used for candidate selection to help remove unconscious bias from the decision-making process.

In 2022, to provide a greater insight of diversity across the Group we have chosen to align our approach with the Global Reporting Initiative (GRI) standards 2-7 (employees) and 405.1 (diversity). Expanding the knowledge of our workforce helps shape our improvement actions and indicates where we should focus our efforts. The full set of results can be found on pages 89-90 of this report.

Our Group employs a total of 527 talented individuals across 12 sites\*, with our largest concentration of employees based across our Brand Addition business, representing 81% of our workforce. Our employees represent 23 different nationalities and can speak over 36 different languages. The data we collect allows us to monitor diversity throughout the Group and provides an internal benchmark to be used to understand how we are developing and gauge the impact of our actions and DEI initiatives.

WE ARE ONE TEAM USING OUR DIVERSE SKILLS AND EXPERIENCE TO SUPPORT EACH OTHER'S SUCCESSES AND CHALLENGES, RESPECTING OUR DIFFERENCES



Diversity, health, well-being and engagement continued

2.1 Diversity, equity and inclusion continued

Group diversity

The results of our 2022 DEI study have shown that as we have grown, we have been able to make small steps in increasing representation of people from ethnic minority backgrounds. We continue to monitor and aim to maintain our gender split across the Group, where we generally have a healthy mix of male and female representation within our businesses. Our full results can be seen on page 90 of this report.

TOTAL WORKFORCE

527

FACILISGROUP

87

BRAND ADDITION

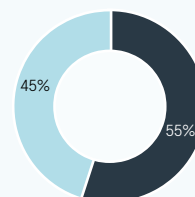
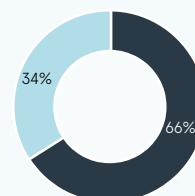
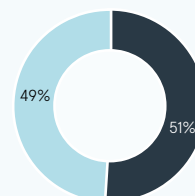
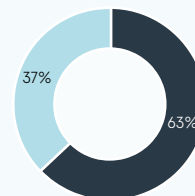
429

THE PEBBLE GROUP

11

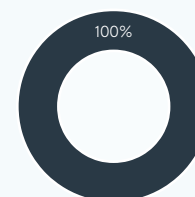
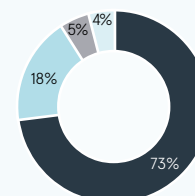
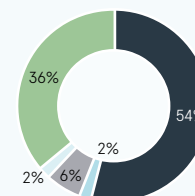
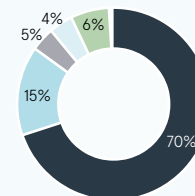
Gender split

Female Male



Ethnicity split

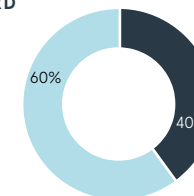
White Asian Black  
Other ethnically diverse team member\*  
Not known or prefer not to say



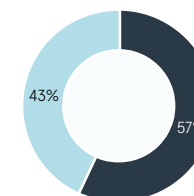
Group Board and senior team

Female Male

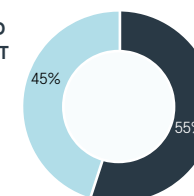
GROUP BOARD MEMBERS



GROUP EXECUTIVE COMMITTEE MEMBERS



OPERATING BOARDS (AND THEIR DIRECT REPORTS) AND GROUP EXECUTIVE COMMITTEE



\* 'Other ethnically diverse team member' includes Hispanic/Latino, Mixed, Other, Pacific Islander, Native American.

## Diversity, health, well-being and engagement continued

### 2.1 Diversity, equity and inclusion continued

#### Bringing our teams together

We encourage the celebration of international holidays across the Group to bring our teams together and learn about each other's history and culture. This year we have celebrated U.S Independence Day, the China dragon boat festival and have further events planned throughout the rest of the year.

It is our aim to continue to expand the number of employees from minority backgrounds and maintain a minimum of 40% female representation in each level across the Group, including our boards and executive committees. We will monitor our progress through our DEI studies and employee engagement surveys, conducting more regular reviews to provide snapshots throughout the year of our progress.

Over the next 12 months we will:

- Continue to utilise specific job boards and work with recruitment agencies whose DEI approach and strategy aligns to ours, to ensure that openings are advertised to the largest possible audience and we receive a good mix of applicants from diverse backgrounds.
- Aim to expand the diversity of candidates applying for roles.
- Ensure that all team members undergo updated periodic diversity training, utilising online training material and bespoke content internally developed.
- Ensure that training, personal development and progression opportunities are transparent, understood by and available to all.
- Focus on actions to further develop our approach to internal talent spotting and talent pipeline development, using objective criteria, and build upon our succession planning approach to work hand-in-hand with our DEI objectives.



## Diversity, health, well-being and engagement continued

### 2.1 Diversity, equity and inclusion continued

#### 2022 Gender pay gap

Gender pay remains an important part of our DEI strategy and although in April 2022 our UK operations did not meet the threshold of having 250 employees for mandatory reporting, we believe that it's important that we monitor gender pay not only in the UK but across our entire Group. Each of our businesses monitor Gender pay at a site level to understand where gaps exist and use the data to consider what actions can be taken to close gender pay gaps identified from the assessment.

##### What is the gender pay gap?

The gender pay gap is a measure of the difference between the earnings of all men and women, irrespective of their roles or seniority, across our workforce. It shows where one gender does more of the less well paid roles within an organisation and is different to equal pay i.e. ensuring that men and women receiving equal pay for equal work, which of course, is also an area that we regularly monitor to ensure that we meet our legal and moral obligations.

##### How was the assessment undertaken?

The Group's calculations are based on the UK guidance for reporting on gender pay gap. Find out more [here](#).

##### Our results

We have reported our results by business along with our Group gender pay gap and specifically called out the data collected across our Brand Addition UK business. 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.

There are many positives to take away from our gender pay gap data. We are pleased to see that our median pay gap across the Group of 7.8% is better than the UK median as published by the ONS, this is also true of Brand Addition. We continue to see challenges with our Facilisgroup business with a median gender pay gap of 21.4%. Being a software-based business with a much smaller workforce, managing the gender pay gap is much more challenging. This is predominantly driven by a reduced number of women choosing software development as a career choice reducing the pool of available candidates when trying to fill software development roles and the majority of our software roles falling into the higher quartile pay categories. We are cognisant of the gap and whilst we are committed to hiring the most suitable person for the role we actively seek to engage with local non-profit organisations and our local communities to expand female interest in coding, such as the 'launch-code

Women+ project' that offers free training and career development IT courses for marginalised genders. We also seek to ensure that we work with recruitment agencies who also aim to ensure that we receive a good gender mix of candidates when advertising new roles.

When comparing our gender pay gap results to last year, we have seen some small increases in the median gender pay gap (Full Group and Facilisgroup) and some small reductions (Brand Addition). It must be noted that due to COVID-19 and staff being on furlough very few bonuses were paid in FY2020, and these differences do have an impact on comparing the figures.

We remain encouraged by our results and are committed to continue working to close the gap, our main challenge is to break down the barriers for women in the software industry to encourage more gender diversity in our software development-based roles. We will continue to work to promote software development roles through the female community and look to seek out the widest range of talent for recruiting into new software-based roles.

#### MEDIAN GENDER PAY GAP (APRIL 2022)

##### THE PEBBLE GROUP (FULL GROUP)

7.8%

##### BRAND ADDITION (UK)

-2.2%

##### BRAND ADDITION (GROUP)

-3.1%

##### FACILISGROUP

21.4%

##### UK NATIONAL MEDIAN PAY GAP

15.4%

A NEGATIVE PAY GAP SHOWS THAT WOMEN ARE PAID MORE THAN MEN



Diversity, health, well-being and engagement continued

# 2.2 Health, safety, well-being and engagement

<b>PRIORITY LEVEL</b>
○○○
<b>PROGRESS AGAINST OUR COMMITMENTS</b>
○○○○○
<b>U.N. SUSTAINABLE DEVELOPMENT GOALS</b>

<b>TOPICS RELEVANT TO THE PEBBLE GROUP</b>
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 OVER THE LAST 12 MONTHS
No reportable accidents or incidents.
Continued wellness programme for all Brand Addition staff.
Launch of wellness programme for all Facilisgroup staff.

OUR CURRENT ACTIVITY
Ongoing support for our team members and targeted well-being projects.
Ongoing operational risk assessments.
Regular health and safety and employee forums (minimum once per year).

FUTURE PLANNED ACTIONS
Focused well-being projects and communications.
Review and where required develop additional health, safety and wellness measures.

## Diversity, health, well-being and engagement continued

### 2.2 Health, safety, well-being and engagement continued

#### Effectively managing the health, safety and well-being of our employees

One of the Pebble Group's foremost concerns is the protection of the health, safety and well-being of all of its personnel across the Group, in all aspects of their work. We are focussed on providing a safe working environment for all our employees that promotes a healthy work-life balance and supports 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.

Each Group business is required to nominate a member of their senior leadership team to take responsibility for health, safety and well-being. Their role is to ensure that the health, safety and wellbeing of all employees is effectively managed.

Health and Safety Committee meetings take place annually as a minimum across each Group business and are an opportunity to discuss any findings from workplace risk assessments or health and safety walkarounds. Regular reports are produced for each business and noted at each Group Board meeting as a standing agenda item. In FY2021 and for H1 2022 we have had no reportable accidents or incidents across the Group.

#### Investing to support employee physical health and mental well-being

We continue to invest significant time and resource to support the physical, mental and emotional well-being of our employees. During the pandemic we delivered care packages to employees so that team members continued to feel connected and last year launched an employee wellness program which gave Brand Addition employees the opportunity to choose from nine subsidised benefit aimed at promoting physical and mental well-being. The programme was aimed to be flexible to support a wide range of different benefits allowing team members to find an activity that suited them and could be slotted into their daily routine.

The opportunities on offer range from subsidised gym memberships or online fitness classes to supporting mental health and mindfulness by providing subsidies to team members preferred mindfulness app or expanding knowledge through training.

In May, Facilisgroup celebrated mental health month to raise awareness of the importance of positive mental health. All employees were given a year-long free subscription to 'Calm', which is a meditation and mindfulness app. Facilisgroup also gave everyone four hours of paid leave to be used as "wellness time" that month, together with four more hours of "wellness time" to be used in the remainder of the year.

For the May initiative, employees were asked to share pictures of how they used their "wellness time" for Facilisgroup's "wellness channel". Activities ranged from spending time with friends and family, to relaxing at home or engaging in physical activities such as running, bike riding or going to the gym.



*Used my wellness afternoon to transplant flowers, plant my vegetable garden, and mulch our flower beds!*

ALEXIS AUBRY



*I used mine this past Friday to finish painting a mural in my nursery-to-be for my expected baby girl and to get organised for a Seemantham ceremony.*

DEVER JYLHA

## Diversity, health, well-being and engagement continued

### 2.2 Health, safety, well-being and engagement continued

#### Engagement

##### Regular company updates

Each Divisional Leader and their Senior Management team delivers regular business-wide updates to their entire workforce, with opportunity for Q&As.

##### Newsletters and Intranet

Facilisgroup actively encourage all staff to interact with their intranet to keep up with the latest news and updates.

Brand Addition launched a ba.ONE newsletter to provide regular updates to staff on strategy, focussing on people, sustainability, new business updates and new projects. The newsletter connects people across all Brand Addition sites and encourages involvement in worldwide activities.

##### Innovation through engagement

Encouraging the use of an innovation board for team members to post new ideas or improvement suggestions. These are regularly reviewed and the best suggestions are turned into projects.

Hackathon 2022 is a three-day offsite event for Facilisgroup members where new ideas are discussed and presented to drive innovation and business growth.

##### Team champions

Brand Addition, as part of their ba.ONE strategy has recruited internal team members to become 'champions' to take an active role in suggesting and supporting new projects in specific areas such as well-being and sustainability.

##### Engagement surveys

Our businesses regularly conduct employee engagement surveys which provide valuable feedback on a number of different topics which helps identify where improvements can be made. They also allow us to compare results across years to gauge whether implemented improvements have been successful.

In 2021 both Facilisgroup and Brand Addition conducted employee engagement surveys, the frequency varies between each business, but a minimum of one survey is conducted annually. The 2021 response rates were above 85%, and we were extremely pleased that over 80% of all employees across the Group recommended Facilisgroup or Brand Addition as a great place to work. Our 2022 engagement surveys are currently underway and we will share the results in our future reporting.



## Diversity, health, well-being and engagement continued

### 2.2 Health, safety, well-being and engagement continued

#### Engagement continued

##### Celebrating our team members

Employee recognition is an important way to value employee and team achievements. Every year both businesses have their own celebrations to recognise the efforts of their team members and celebrate their successes.

##### Volunteering

Each business has its own initiative to support local projects and give back to the community: 'Facilis cares' and 'BA.One' volunteering'. Both businesses have given every employee paid volunteering hours to support charitable projects in their local community and each business has pledged to donate 500 community hours by the end of 2022.

##### Park Clean-up

In May, Facilisgroup had a special 'Facilis Cares Day' where 40 volunteers between our U.S. and Canada offices, including some Brand Addition staff dedicated 120 volunteering hours to clean up local parks. Water Tower Park in St. Louis and Shefford Sports Park in Ottawa.

##### Earth Day Festival

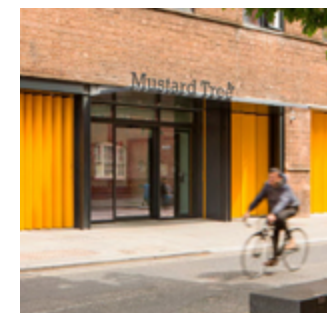
For Earth Day, Brand Addition supported a local not for profit organisation, 'Earthday 365' by assisting in the set up of their St. Louis Earth Day Festival. Our staff volunteered for everything from setting up tables, chairs, tents and signage, to directing traffic and setting up mobile compost stations.

##### Volunteering at Mustard Tree

Our Manchester team has partnered with Mustard Tree, a local charity which aims to combat poverty and prevent homelessness by helping people change their lives, secure better accommodation and improve their economic wellbeing.

Each Friday a member of our team spends the day at Mustard Tree, supporting either their food club or community furniture shop. So far this year, we have committed 120 hours of time, with a further 200 hours to follow. We also plan to support Mustard Tree's Freedom Project by offering its participants work placements, along with guidance and support on CV preparation and interviewing skills, to help support them with their transition into the workplace.

## facilis ❤️ cares



## Diversity, health, well-being and engagement continued

### 2.2 Health, safety, well-being and engagement continued

#### Bringing together the Facilisgroup community

##### Annual Partner Summit and Supplier Showcase

In June 2022, Facilisgroup hosted its Annual Partner Summit in Orlando, Florida, which brings together the Facilisgroup Partner community and is dedicated to industry education, innovation, collaboration, engagement and encouraging growth.

It also gives an opportunity for interaction with Facilisgroup’s preferred suppliers and is a means for them to showcase their businesses and new product lines. By hosting these events, Facilisgroup brings together the promotional product community, a combination of distributors, clients, Partners and suppliers to share insights, success stories with the aim of building a better and stronger industry for everyone. Facilisgroup has started to use the opportunity of these summits to raise awareness of the impacts of the promotional products industry on the environment and, at the summit in June 2022, it facilitated an ESG panel discussion, in which Brand Addition participated.

The entire Group Board and certain Group senior managers attended the most recent Annual Partner Summit and had the opportunity for direct face-to-face engagement and interaction with Facilisgroup’s key stakeholders, to gain valuable first-hand insight and feedback.

##### Orlando by numbers

Distributor partners in attendance	120
Supplier partners in attendance	63
<b>Total number of attendees</b>	<b>670</b>


BY REMAINING CONNECTED TO ALL OUR STAKEHOLDERS WE DEVELOP LONG-TERM RELATIONSHIPS BY ENGAGING TO UNDERSTAND NEEDS AND ASPIRATIONS



Diversity, health, well-being and engagement continued

## 2.3 Recruitment, retention and development



<b>PRIORITY LEVEL</b>
○○○
<b>PROGRESS AGAINST OUR COMMITMENTS</b>
○○○○○
<b>U.N. SUSTAINABLE DEVELOPMENT GOALS</b>

<b>TOPICS RELEVANT TO THE PEBBLE GROUP</b>
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, develop and retain talented people within the business.

OUR ACHIEVEMENTS OVER THE LAST 12 MONTHS
Implementation of a learning management system (LMS) at Brand Addition.
Implementation of an improved succession planning process.
Improved engagement and recruitment processes which include competency-based scoring.

OUR CURRENT ACTIVITY
Development of career path planning process.
Evolution of LMS to include mandatory training modules and updated bespoke training.

FUTURE PLANNED ACTIONS
Implementation of training hours targets and targeted training through LMS.
Integrate succession planning into the employee appraisal process.
Review and revise our employee engagement survey, acting on feedback.

## Diversity, health, well-being and engagement continued

### 2.3 Recruitment, retention and development continued

#### Overview

We recognise how important our people are to the long-term success of our Group.

We want to:

- Retain the best talent within our businesses and ensure that our employees are engaged, motivated by their work and feel valued for their contribution; and
- Encourage and support all of our employees to develop and achieve their potential and ambition; and
- Develop the diversity of our workforce.

In 2022 our aim is to create an active link between employee recruitment, talent development and our DEI policy, and each business has been tasked with establishing a methodology on activity to ensure a practical impact. Progress will be reported to the Nomination Committee on an annual basis. The aim is to ensure that succession to senior management positions and the Group Board and is not only based on merit and objective criteria, but also demonstrates our commitment to championing diversity and inclusion.

#### Employee promotion and recruitment

##### The value of promoting from within our Group

We are developing our annual staff appraisals to ensure that they are an effective means of identifying an individual's development and training needs with reference to their existing role, but also, to more formally identify talented individuals across our Group with the potential to progress.

As we grow, we are increasingly focussed on internal talent pipeline development and succession planning, where we have formalised our approach. Our senior management and Group Board succession planning process is overseen by the Group Nomination Committee, which includes:

- The completion of succession matrices and Non-Executive Director skills matrix;
- Assessing the risk of immediate loss of key personnel;
- Proposals around internal talent identification processes;
- Supporting and encouraging training and development to actively manage a pipeline of diverse internal talent, when identified.

##### The importance of external recruitment to broaden the range of ethnicity, backgrounds, experience and approach within our workforce

Although promotion from within is very important to us, we are also looking at ways of supporting and encouraging:

- Active networking by all senior managers with the aim of each building a broad pool of diverse future potential candidates; and
- Active building of relationships with external recruitment agencies by our HR Teams and others in each business, with the aim of establishing relationships of trust with skilled specialists that understand and are familiar with the Group's DEI policy, its businesses, values and key personnel.



COLLECTIVELY WE LEARN AND GROW  
KNOWING THERE IS ALWAYS PROGRESS  
TO BE MADE



## Diversity, health, well-being and engagement continued

### 2.3 Recruitment, retention and development continued

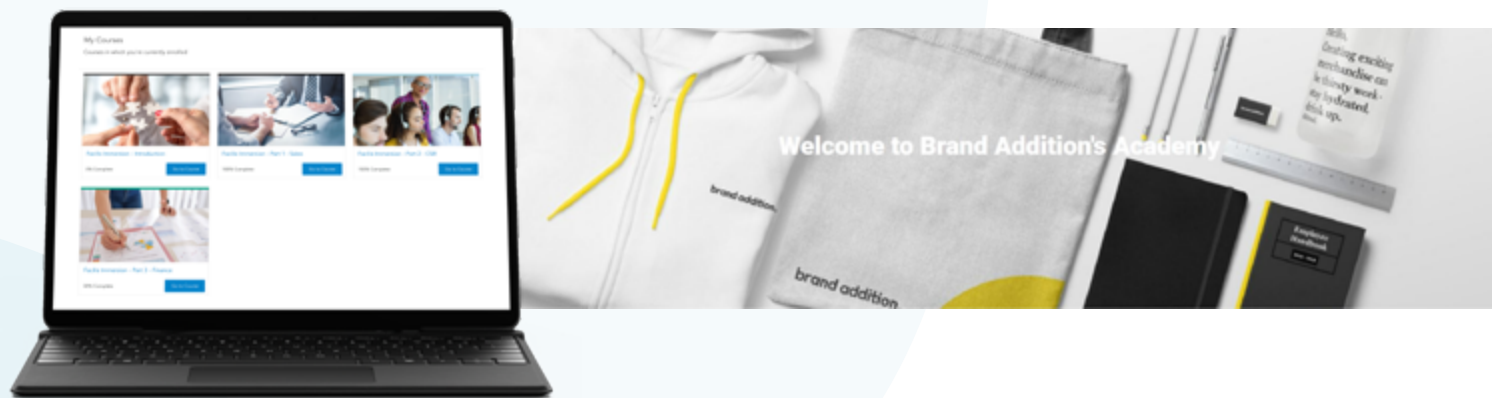
#### Employee retention

We value the contribution made by every one of our employees and we aim and provide the right environment for each individual to flourish and grow. It's important for our employees to feel valued and we regularly engage with them through engagement surveys and forums to recognise any frustrations and concerns so we can work together to find solutions. Across the Group we promote a culture of belonging, trust and respect and ensure that we celebrate our business successes and the successes of our employees. Across each of our businesses we monitor staff turnover levels to track employee retention rates and look at what steps we can take to reduce turnover levels. Our staff turnover figures can be found on page 90 of this report.

#### Development of an online training academy

Ensuring each employee receives the correct training is important to our long-term success. We must ensure that all employees have the required skills to perform their roles to the best of their abilities and also support them in their personal development. All new team members undergo an intensive induction process introducing them to the promotional products industry to ensure they have a sound understanding of how the business operates. The induction process not only serves as training for the role but to engage new team members in our culture so they can quickly feel part of the wider team. Ongoing training and development needs are highlighted through the appraisal process to support employee growth and development.

Each Group business conducts training through their own bespoke training portal. Facilisgroup has developed 'Facilis University' which provides internally developed training courses to all of its team members. Brand Addition launched the 'Brand Addition Academy' in Q2 2022 to deliver on-going training for DEI, Harassment, IT Security, and other important social and HR policy training. In addition to recorded training, each business supports the development and use of its systems and processes with live virtual and in-person training to help ensure that the content was helpful and to ensure that our teams have the tools necessary to complete their jobs.







# 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




3.1 GOVERNANCE, ACCOUNTABILITY AND BUSINESS CULTURE →

3.2 ECONOMIC PERFORMANCE →



Board independence ethics and leadership continued

# Progress dashboard

OUR COMMITMENTS AND GOALS	STATUS
Demonstrate top level commitment.	 COMPLETE
Review, improve and formalise governance practices.	 ON GOING
Align across the Group and with best practice.	 ON GOING

Board independence ethics and leadership continued

# 3.1 Governance, accountability and business culture



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.

<b>PRIORITY LEVEL</b>
●●●
<b>PROGRESS AGAINST OUR COMMITMENTS</b>
●●●●●
<b>U.N. SUSTAINABLE DEVELOPMENT GOALS</b>
 
<b>TOPICS RELEVANT TO THE PEBBLE GROUP</b>
Accountability to stakeholders
Board composition and effectiveness
Employment culture
Transparency and reporting
Values
Whistleblowing
Section 172 obligations
Business policies and compliance

OUR ACHIEVEMENTS OVER THE LAST 12 MONTHS
Development and implementation of Group values, clearly defining who we are.
Leadership and oversight processes formalised to ensure the flow of high quality, timely information across the Group.
Review and formalisation of ESG throughout our Group governance structure.
Board engagement with employees, preferred Partners and suppliers through attendance at the Facilisgroup Annual Partner Summit.

OUR CURRENT AND FUTURE ACTIVITY
New Group framework on conduct, ethics and compliance in progress.
Continued review and development of governance documents and processes, the flow of information and accountability.
Evolution and further development of succession planning process, to improve bench strength and also with the aim of working hand-in-hand with our DEI policy.
Further demonstration of top level commitment on key compliance matters.



## Board independence ethics and leadership continued

### 3.1 Governance, accountability and business culture continued

#### Overview

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 centered around ensuring that our operations are conducted with integrity, fairness, and transparency.

Corporate governance is the responsibility of the Group Chair supported by the Group General Counsel and Company Secretary and involves reviewing the continued effective operation of the Group Board and its Committees, and their oversight of the Groups' businesses, updating our governance frameworks and our approach where necessary or desirable in response to:

- Changes to our business as we grow;
- Changes in official standards;
- Developments in best practice guidance; and
- Stakeholder's expectations.

In doing this, we are focussed on ensuring that new policies and processes we introduce are not only aligned with best practice, but are designed in a meaningful way to fit with our culture and way of working.

In adhering to 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') and we believe that we are in full compliance with this, which serves to mitigate and minimise risk and add value to our businesses.

For further information read our Corporate Governance Statement [here](#).

Over the last 12 months we have taken several actions, which have included:

- Board time dedicated to developing or formalising Group policies and Board processes.
- Reviewing the quality of contribution, debate and decision-making at Board and Committee meetings.
- Developing or formalising the Company's approach to, and processes around, specific governance initiatives (for example DEI, succession planning and talent pipeline development).
- Reviewing Board and Committee terms of reference.
- Enhancing the reporting and flow of information from Facilisgroup and Brand Addition up to the Group Board through the appropriate forums.

#### Board skills, experience and ethics

Our Group Board members have extensive experience and are professionally active in roles other than at The Pebble Group. They are provided with a monthly 'Boardroom Briefing' covering a range of corporate governance issues. The Group Board is also given the opportunity to keep in touch with relevant developments through appropriate seminars and formal external training courses to ensure the continued development of knowledge, skill, and capability.

Our Board aims to lead by example, be authentic and create 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. The Group Board sees this as a key differentiator and has observed how this serves to build trust with our clients and suppliers and allows us to retain high-performing staff.

## Board independence ethics and leadership continued

### 3.1 Governance, accountability and business culture continued

#### Our governance structure

In addition to our Group Board, we have three separate board committees, each chaired by one of our Non-Executive Directors:

##### Audit Committee

Monitors the integrity of Group financial statements and the scope, adequacy and effectiveness of the Group's internal financial controls and internal control and risk management systems.

##### Remuneration Committee

Reviews the performance of the Executive Directors and senior executives and ensures remuneration packages are responsible and reward individuals fairly for their contribution.

##### Nomination Committee

Evaluates the structure, size, diversity and composition of the Board and also the balance of skills, experience and independence of the Directors and identify and nominate candidates to fill board positions as they arise. Oversees the Group DEI policy.

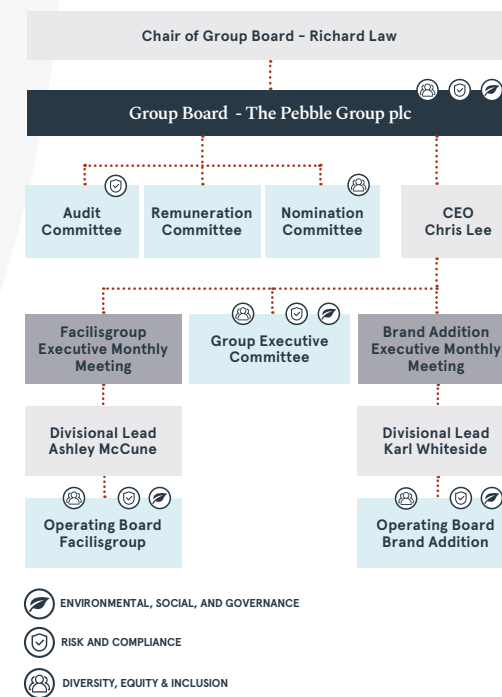
Each Group business has an established Operating Board which meets monthly with its own standing agenda and includes business updates from heads of all key functions. Each Operating Board has a Divisional Lead and together with other key members of their operating boards, report to the CEO on trading and performance through Executive Monthly Meetings and through the membership of each Divisional Lead on the Group Executive Committee.

The Group Executive Committee is made up of the Group Executive Directors of the Company, the Divisional Lead for each of Facilisgroup and Brand Addition, the Group Financial Controller, the Senior ESG Officer and the Group General Counsel and Company Secretary. It meets a minimum of every two months, has its own terms of reference in place and facilitates business updates, reporting, ESG, risk and compliance matters, and the flow of information throughout the Group to ensure the alignment of culture, business ethics and standards and consistent good governance across divisions.

#### ESG Governance

The CEO is ultimately responsible for ESG, and the Group Board approves ESG strategy, oversees and monitors its implementation and progress. ESG is a key part of the Board's annual strategy setting session and the Board then receives a full ESG update at its half year strategy review.

The Operating Board of both Brand Addition and Facilisgroup, led by their divisional leads, are responsible for the implementation of the ESG strategy. Each business has flexibility to develop its own ESG focus, policies and initiatives, defining their own objectives. The Senior ESG Officer then holds meetings with each business every two months as a minimum to discuss their results and progress ensuring alignment with the Group strategy and agreed objectives.



Board independence ethics and leadership continued

## 3.2 Economic performance

<b>PRIORITY LEVEL</b>
●●●
<b>PROGRESS AGAINST OUR COMMITMENTS</b>
●●●○
<b>U.N. SUSTAINABLE DEVELOPMENT GOALS</b>

<b>TOPICS RELEVANT TO THE PEBBLE GROUP</b>
Achieving budgets
Dividends
Market expectations
LTIP targets and plans



### COMMITMENTS/ACTIONS

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

### OUR ACHIEVEMENTS OVER THE LAST 12 MONTHS

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 ACTIVITY

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.

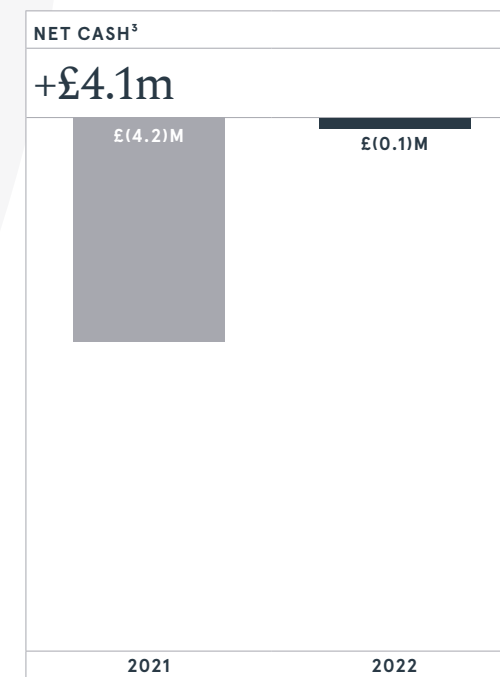
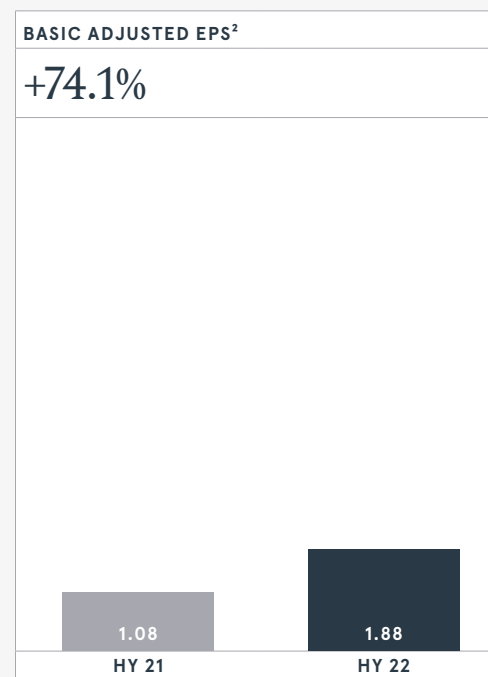
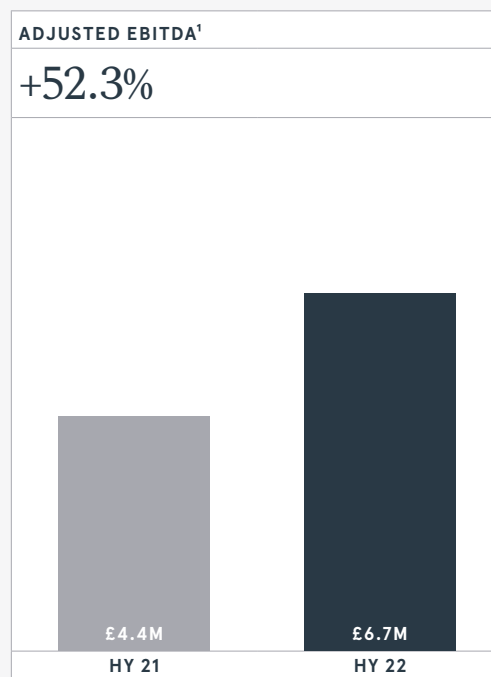
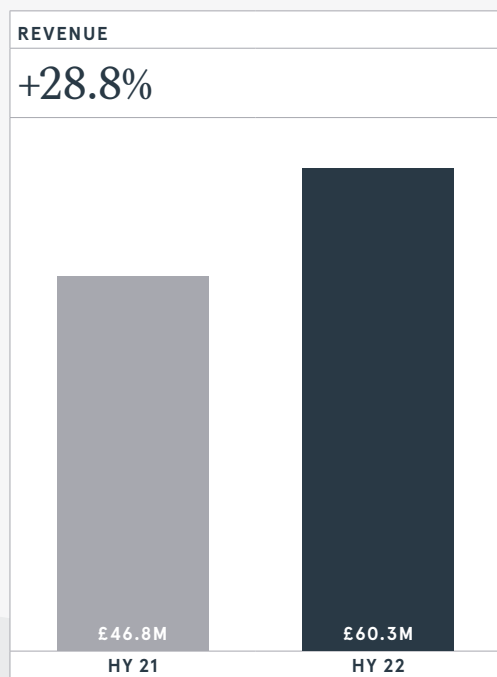
OUR LATEST INFORMATION FOR INVESTORS CAN BE FOUND [HERE](#)



Board independence ethics and leadership continued

**3.1 Economic performance** continued

**Financial highlights HY 2022, KPIs**



<sup>1</sup> 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.

<sup>2</sup> Basic adjusted EPS 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.

<sup>3</sup> Net cash 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







- 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 →





Responsible business practices continued

# Progress dashboard

OUR COMMITMENTS AND GOALS	STATUS
<b>Business ethics and integrity</b>	
Implement a common Group code of ethics for adoption by all suppliers.	 COMPLETE
Review, improve and formalise policies, processes and risk management. Align across the Group and with best practice.	 ON GOING
Establish and implement an internal product sustainability standard.	 COMPLETE
<b>Human rights</b>	
Introduce a sustainable and ethical business practices evaluation and rating system to the existing vendor assessment programme.	 IN PROGRESS
<b>Data privacy and security</b>	
Establish ISO 27001 certification for Brand Addition and SOC2 certification for Facilisgroup.	 PLANNING STAGES
<b>Risk management</b>	
Review, improve and evaluate business risk and ensure that robust processes are in place.	 ON GOING

Responsible business practices continued

# 4.1 Business ethics and integrity

<b>PRIORITY LEVEL</b>
○○○
<b>PROGRESS AGAINST OUR COMMITMENTS</b>
○○○○○
<b>U.N. SUSTAINABLE DEVELOPMENT GOALS</b>
 
<b>TOPICS RELEVANT TO THE PEBBLE GROUP</b>
Anti-bribery and corruption
Anti-money laundering
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 OVER THE LAST 12 MONTHS
Implementation and updates to a number of key Group level policies.
Continued compliance with Group policies across our businesses and our supply chain.
No disclosures or reports made via the Group Whistleblowing Portal in 2021 or up to H1 2022.
Scope, adequacy and effectiveness of Group arrangements for employee whistleblowing, code of ethics compliance and prevention of bribery and corruption reviewed and confirmed as appropriate and effective by Group Audit Committee on a biannual basis.

OUR CURRENT AND FUTURE ACTIVITY
Continued review and development of Group compliance policies and practices to ensure alignment across the Group and with best practice – this will be an ongoing activity.

Responsible business practices continued

4.1 Business ethics and integrity continued

Overview

The Group is 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. Over the last 12 months we have developed or refined a number of Group-wide policies related to responsible business practices. These policies outline the minimum level of internal controls that each business is expected to implement. Each business is responsible for developing and documenting policies and procedures to comply with the minimum control standards established, including procedures for monitoring compliance and taking effective corrective action as appropriate.

Our key Group level responsible business policies are listed below:

- Anti-bribery and corruption
- Anti-slavery and human trafficking
- Diversity equity and inclusion
- Environmental, social and governance
- Data protection
- Whistleblowing

We take an active role in ensuring that our suppliers are aligned with the actions we take and our policies through our vendor assessment process. How we achieve this is outlined in our responsible sourcing section on page 42 of this report.

Whistleblowing

We promote a culture of openness by operating a confidential whistleblowing web-based platform that can be accessed globally 24 hours-a-day. This enables employees to raise any issues or concerns at work, and not hesitate to speak up should they believe that they have seen something improper, illegal or if there is any suspicion of misconduct within our Group, without having to worry about being victimised or disadvantaged in any way.

During the year, we have actively publicised our whistleblowing policy internally to ensure that staff are aware of it.



Responsible business practices continued

# 4.2 Human rights



<b>PRIORITY LEVEL</b>
○○○
<b>PROGRESS AGAINST OUR COMMITMENTS</b>
○○○○○
<b>U.N. SUSTAINABLE DEVELOPMENT GOALS</b>
 
<b>TOPICS RELEVANT TO THE PEBBLE GROUP</b>
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 uphold and implement policies across the Group to ensure that we are acting responsibly at all times.

OUR ACHIEVEMENTS OVER THE LAST 12 MONTHS
No breaches of our human rights policy.
Updates to the Brand Addition supplier code of conduct and web-based approval introduced.
No identified cases of human rights violations from our vendor assessment process.

OUR CURRENT ACTIVITY
Finalisation of our Group framework on conduct, ethics and compliance to align our approach.
On-going vendor assessments of new and existing suppliers to ensure and monitor that no human rights violations are occurring.
Engagement with our supply chain to review and verify compliance with our policies on responsible sourcing and human rights.
New anti-slavery and human trafficking contractual clauses for our third-party Partner template agreements to contractually bind them to adhere to our expectations and requirements.

FUTURE PLANNED ACTIONS
Updates to supplier template agreements to contractually enforce adherence to our expectations and requirements around ethical business practices.
On-going monitoring of new and existing suppliers to ensure that individuals human rights are respected.

## Responsible business practices continued

### 4.2 Human rights continued

#### Overview

We are committed to ensure that all of our employees are treated with dignity and respect, and it is our aim to ensure that all of the people and communities that support our supply chain are treated fairly and the products and services we provide are produced in a way that respects fundamental human rights. We have a zero-tolerance approach to any human rights and modern slavery violations, our approach, policies and procedures are 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.

Both Facilisgroup and Brand Addition have their own modern slavery policies. In 2022 these policies were aligned to ensure that a common approach was adopted. Team members are expected to adhere to these policies with compliance verified through training and assessment. The senior management team within each of our businesses is responsible to ensure compliance within their own respective departments.

In addition to complying with applicable modern slavery laws, suppliers must assess the risk of these practices within their business and take action to ensure they do not exist in their supply chains. Before we enter into a business relationship, suppliers are expected to read and commit to our code of conduct.

Despite human rights and modern slavery violations being one of our highest potential ESG risks across the Group, our businesses have in place robust processes and procedures relating to supplier selection and product sourcing. The majority of this risk predominantly sits with our Brand Addition business and it is minimised by undertaking extensive on-site audits of the manufacturers, distributors, importers and decorators used. A detailed description of the processes we follow to manage and mitigate this risk can be found on pages 43-44 of this report, in the responsible sourcing section.

We have wide ranging skills and experience in this area and our audit teams, based in Asia and Europe undertake vendor assessments of new suppliers or re-assessments of existing suppliers to validate compliance with the Brand Addition business ethics policy and supplier code of conduct. They also inspect the health and safety and working conditions along with assessing the quality and capabilities of their suppliers.

#### Taking personal responsibility

To validate compliance with our policies and ensure that minimum standards are achieved we feel that it essential that we have first-hand experience of the supplier. We aim to conduct our own on-site assessments of the suppliers we use for bespoke production or are located in high-risk countries, rather than relying on third party audit reports. Whilst these reports are useful, they are generally used during the initial evaluation stage. On-site assessments provide us and our stakeholders with the confidence that the suppliers we use are aligned with our core business practices.

*Conducting on-site assessments to gain first hand experience of our suppliers.*

Responsible business practices continued

# 4.3 Product integrity and transparency

<b>PRIORITY LEVEL</b>
●●●
<b>PROGRESS AGAINST OUR COMMITMENTS</b>
●●●●●
<b>U.N. SUSTAINABLE DEVELOPMENT GOALS</b>

<b>TOPICS RELEVANT TO THE PEBBLE GROUP</b>
Product quality
Product safety/compliance
Product transparency



**COMMITMENTS/ACTIONS**

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

<b>OUR ACHIEVEMENTS OVER THE LAST 12 MONTHS</b>
Continued to evolve and develop our quality and compliance processes and procedures.
UK sites ISO9001 certified.

<b>OUR CURRENT ACTIVITY</b>
On-going product quality inspections and product compliance reviews.
Continuing to improve internal processes ensuring that products remain compliant with applicable standards.

<b>FUTURE PLANNED ACTIONS</b>
Aim to extend ISO9001 certification to other Brand Addition locations.

## Responsible business practices continued

### 4.3 Product integrity and transparency continued

#### Overview

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 sources a wide range 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 has its own product compliance team who participate in reviewing and validating product test reports to ensure that products are fit for purpose. Extensive product testing is undertaken on bespoke manufactured products with certified third-party laboratories to ensure that products do not contain hazardous substances and have been assessed for typical use cases.

We expect full transparency from our suppliers and access to details of their supply chains and test reports or compliance documentation for the products we are purchasing. Regular spot checks are undertaken to ensure ongoing compliance.

Each business has their own quality systems, processes and controls in place to ensure a consistent approach to product quality. 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.

*Extensive product testing is undertaken to ensure that products are fit for purpose*



Responsible business practices continued

# 4.4 Data privacy and security



<b>PRIORITY LEVEL</b>
○○○
<b>PROGRESS AGAINST OUR COMMITMENTS</b>
○○○○○
<b>U.N. SUSTAINABLE DEVELOPMENT GOALS</b>
<b>TOPICS RELEVANT TO THE PEBBLE GROUP</b>
Cyber and IT security.
Data privacy.

**COMMITMENTS/ACTIONS**

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

OUR ACHIEVEMENTS OVER THE LAST 12 MONTHS	OUR CURRENT ACTIVITY	FUTURE PLANNED ACTIONS
Appointment of new Group data protection officer.	Continued migration of users and workstations into a more secure and centralised system for all Brand Addition sites.	Increasing collaboration between IT Security teams within Facilisgroup and Brand Addition.
Recruitment of Director of Information Security at Facilisgroup and gap analysis undertaken with action plan established to ensure consistent adoption of security best practices according to industry standards.	Implementation of IT specific risk management framework in Facilisgroup.	Alignment and creation of relevant processes and procedure in line with ISO27001 and SOC2 requirements.
Improvements to employee IT security awareness through enhancement of training, the deployment of CyberGraph Mimecast AI flagging software, and the development of quarterly vulnerability risk reporting, in Brand Addition.	Readiness reviews underway for determining actions needed to achieve ISO27001 and SOC2.	Ongoing review and enhancement of IT security practices to ensure effective, fit for purpose and aligned with best practice.
Development of ISO27001 (Brand Addition) and SOC2 (Facilisgroup) roadmap.	On-going penetration and vulnerability testing of our systems.	



Responsible business practices continued4.4 Data privacy and security continued

## Overview

Cyber and IT security is a growing area of focus for our Group where IT security and system resilience is an integral part of our Group's IT strategy. We recognise the important role we have to play and our responsibilities to protect the data we process and to uphold high standards in data ethics and security.

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 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.

In Facilisgroup, our new Director of Information Security has made an immediate impact and has already adopted new services, expanded storage capacity and upgraded hardware. A more comprehensive policy framework has also been established and is pending release, together with a plan to ensure compliance with the new policy framework. In 2022 the areas of focus have been defined to include:

- Implementation of stronger user authentication and validation mechanisms;
- Security assessments (including product penetration testing) to be conducted by independent third parties;
- Enhance IT Security practices (controls to limit shadow IT and enhanced data protection, vendor management and risk management practices).

In Brand Addition, annual penetration testing is undertaken on its web platforms. The development and production platforms are PCI-DSS compliant, automatic scans are performed on its sites as part of an ongoing schedule and their web platform is hosted in an IBM SoftLayer dedicated housing environment. Brand Addition's Chief Technology Officer lead a disaster recovery paper test involving their Operating Board and leadership team in March 2022, has conducted a gap analysis looking at technology resilience, and has created a improvements actions and roadmap plan, to include:

- Introduction of an email phishing tool
- Two-factor authentication for Microsoft Office 365 logins
- ISO27001 groundwork to work towards a 2024 certification

Responsible business practices continued

# 4.5 Risk management

<b>PRIORITY LEVEL</b>
○○○
<b>PROGRESS AGAINST OUR COMMITMENTS</b>
○○○○○
<b>U.N. SUSTAINABLE DEVELOPMENT GOALS</b>
<b>TOPICS RELEVANT TO THE PEBBLE GROUP</b>
Achieving budgets
Dividends
Market expectations
LTIP targets and plans



**COMMITMENTS/ACTIONS**

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

OUR ACHIEVEMENTS OVER THE LAST 12 MONTHS
External validation of our Group risk register.
Evolution of risk management framework to include TCFD risks and opportunities assessment.
Risk management as a standing agenda item at each Operating Board meeting and Group Executive Committee.

OUR CURRENT ACTIVITY
Introduction of new process for testing of controls included in the risk register.
Evolution of our climate-related risks and opportunities assessment in line with TCFD recommendations.

FUTURE PLANNED ACTIONS
On-going improvements to risk management framework and risk register.

## Responsible business practices continued

### 4.5 Risk management continued

#### Managing our key risks and uncertainties

The Group Board is ultimately responsible for setting and approving risk appetite and ensuring that the Group maintains a sound risk management and internal control framework. Authority is delegated to the Audit Committee which reviews and approves the Group Risk Register twice per year (including climate and environmental related risk), together with the mitigating actions and controls in place and ensures the effectiveness and integrity of the Group's internal control and risk management systems.

Risk monitoring and identification is an ongoing iterative process to facilitate the early identification and escalation of risks and the Group has strong governance and communication structures in place which ensure risks are actively managed and mitigated.

The Group Executive Committee includes 'Risk Management and Compliance' as a standing agenda item. This includes escalation by the Divisional Leads of any risks or potential risks that have occurred since the previous meeting and discussion and review of any required amendments to internal controls. Risk and compliance related policies and procedures are also reviewed and discussed in that forum prior to presentation to the Audit Committee and/or Group Board for annual approval.

The Operating Boards of Facilisgroup and Brand Addition meet monthly and maintain their own Risk Registers which are reviewed and reconciled against the Group Risk Register twice per year in advance of review by the Audit Committee, as described above. Risk management has always formed part of Operating Board meetings, however in 2022 'Risk Management' has become a formal standing agenda item at each Operating Board meeting, where the lead for each key function addresses the significant risks relevant to their areas. A detailed summary of the key risks which have the potential to affect the Group are clearly set out in our latest annual report and accounts [here](#).

#### Evolution of the risk management framework

We look to continually evolve our risk management framework to ensure it reflects best practice. In Q1 2022, we sought external support and advice to validate the Group's Risk Register approach and we have taken steps to implement the recommendations made, which include making a clearer distinction between controls and action plans in our risk mitigation reporting and the introduction of formal risk horizon scanning.

We have also evolved our framework to align with the Task Force on Climate-related Financial Disclosure (TCFD) reporting recommendations for evaluating the potential financial related impact of climate change on the Group. Our Senior ESG Officer has led the TCFD program with support from the Group Financial Controller and the Managing Directors of Facilisgroup and Brand Addition to conduct a more in-depth quantitative assessment of our climate-related risks.

This involved defining a set of climate-related scenarios (shown in the tables starting on page 91) and considering the impacts these may have on the Group, our business strategy and the financial performance of the business over the short, medium and long-term.

The risks were divided into:

- Transitional risks
- Physical risks
- Opportunities.

The results of the assessment and any recommendations were reported to the Group Executive Committee and the output from the TCFD climate related risk assessment now forms part of the business risk management framework, with risk being reviewed twice yearly by the Audit Committee.

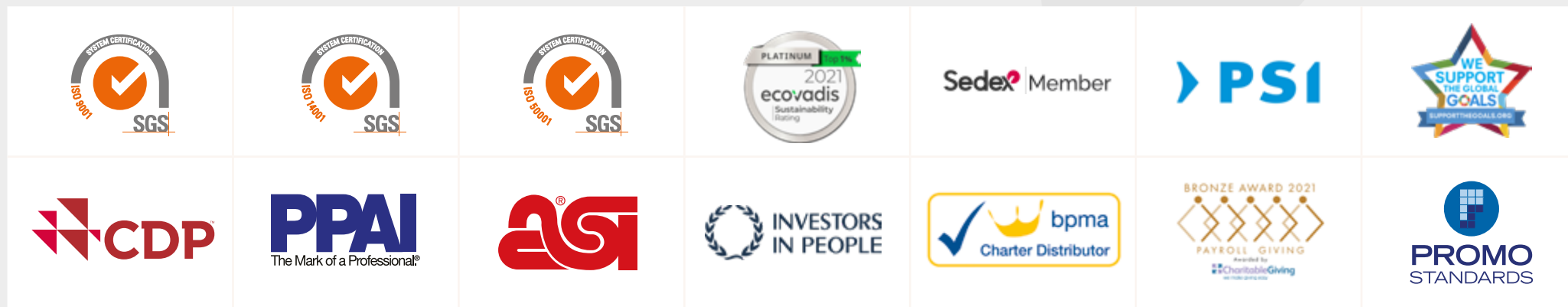
# Certifications and affiliations

# Certifying our approach to sustainability

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

In 2021 our Brand Addition business maintained a platinum rating from its annual Ecovadis assessment which positions them within the top 1% of similar companies in their approach to sustainability, improving their score by four points from 2020 to 80/100.

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



# ESG non-financial data and supporting information

## IN THIS SECTION

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# Energy consumption breakdown

(KwH)

	2020	2021	
	UK	UK	GROUP
Gas (natural gas)	248,576	306,220	1,341,567
Gas (renewable gas)	0	0	0
<b>Gas total</b>	<b>248,576</b>	<b>306,220</b>	<b>1,341,567</b>
Electricity (standard)	258,632	251,762	1,269,973
Electricity (renewable)	0	0	136,658
<b>Electricity total</b>	<b>258,632</b>	<b>251,762</b>	<b>1,406,631</b>
Transport fuel (Company owned vehicles)	0	0	101,852
Transport fuel (Business travel in employee owned vehicles)	64,027	13,707	14,904
<b>Vehicle fuel total</b>	<b>64,027</b>	<b>13,707</b>	<b>116,756</b>
<b>Total energy consumption</b>	<b>571,235</b>	<b>571,689</b>	<b>2,864,954</b>

# Group greenhouse gas emissions breakdown

(Tonnes CO<sub>2</sub>e)

Note that our GHG emissions have been restated as Normative use AIB emission factors to calculate Scope 2 emissions rather than the DEFRA emission factors previously used for reporting.

We have included our full Group carbon emissions and also a breakdown of UK only emissions to allow for a comparison with 2020 results.

		2020	2021	
		UK	UK	GROUP
<b>Scope 1</b>	Stationary combustion (gas used for central heating)	51	62	272
	Mobile combustion (company owned vehicles)	0	0	26
<b>Scope 1 Total</b>		<b>51</b>	<b>62</b>	<b>297</b>
<b>Scope 2</b>	Purchased electricity - location based	36	34	655
	Purchased electricity - market based	63	62	483
<b>Scope 2 Total (location based)</b>		<b>36</b>	<b>34</b>	<b>655</b>
<b>Scope 2 Total (market based)</b>		<b>63</b>	<b>62</b>	<b>483</b>
<b>Scope 3</b>	Purchased goods and services	-	32,801	39,044
	Fuel and energy related activities (not included in Scope 1 or Scope 2)	31	26	183
	Upstream transportation and distribution	-	11,268	12,036
	Waste generated in operations	-	1	1
	Business travel in employees own vehicles	16	3	4
	Business travel (general)	-	36	286
	Employee commuting	-	116	265
	<b>Scope 3 Total</b>		<b>47</b>	<b>44,250</b>
<b>Total emissions (location based)</b>		<b>134</b>	<b>44,347</b>	<b>52,771</b>
<b>Total emissions (market based)</b>		<b>160</b>	<b>44,374</b>	<b>52,599</b>



# Employee numbers

	2021				2022 (APRIL)			
	GROUP	BRAND ADDITION	FACILISGROUP	TPG	GROUP	BRAND ADDITION	FACILISGROUP	TPG
<b>EMPLOYEES (TOTAL NUMBERS)</b>								
Permanent	-	-	-	-	518	420	87	11
Temporary	-	-	-	-	9	9	0	0
<b>Total</b>	<b>442</b>	<b>364</b>	<b>68</b>	<b>10</b>	<b>527</b>	<b>429</b>	<b>87</b>	<b>11</b>
Full time	-	-	-	-	499	402	87	10
Part time	-	-	-	-	28	27	0	1
<b>EMPLOYEES (BY LOCATION)</b>								
Asia	44	44	0	0	57	57	0	0
Europe	45	45	0	0	48	48	0	0
North America	124	56	68	0	162	75	87	0
UK	229	219	0	10	260	249	0	11
<b>EMPLOYEES (BY AGE)</b>								
Under 30 years old	-	-	-	-	118	102	14	2
30-50 years old	-	-	-	-	339	269	64	6
Over 50 years old	-	-	-	-	70	58	9	3

Note: Only limited data was available during 2021.

# Employee diversity

			2021				2022 (APRIL)			
			GROUP	BRAND ADDITION	FACILISGROUP	TPG	GROUP	BRAND ADDITION	FACILISGROUP	TPG
<b>GENDER DIVERSITY</b>										
Gender balance: total work	Female		273 (62%)	230 (63%)	37 (54%)	6 (60%)	333 (63%)	283 (66%)	44 (51%)	6 (55%)
	Male		169 (38%)	134 (37%)	31 (46%)	4 (40%)	194 (37%)	146 (34%)	43 (49%)	5 (45%)
Non-manager	Female		-	-	-	-	63%	66%	51%	100%
Manager	Female		-	-	-	-	71%	73%	60%	50%
Senior Manager	Female		-	-	-	-	49%	50%	33%	67%
Leadership Executive	Female		-	-	-	-	43%	40%	50%	50%
Operating Boards (their direct reports) and Group executive committee	Female		55%	N/A	N/A	N/A	55%	N/A	N/A	N/A
Group executive committee	Female		57%	N/A	N/A	N/A	57%	N/A	N/A	N/A
Group Board	Female		40%	N/A	N/A	N/A	40%	N/A	N/A	N/A
<b>ETHNIC DIVERSITY</b>										
Asian			16%	18%	10%	0%	15%	18%	2%	0%
Black			2%	2%	2%	0%	5%	5%	6%	0%
White			80%	79%	85%	100%	70%	73%	54%	100%
Other ethnically diverse team member			2%	1%	3%	0%	4%	4%	2%	0%
Not known or prefer not to say			0%	0%	0%	0%	6%	0%	36%	0%
<b>RECRUITMENT AND RETENTION</b>										
Employee Engagement Index			80%	83%	77%	-	Survey currently being conducted			
Voluntary turnover (2022 covers to the end of H1)			16%	16%	24%	0%	11%	11%	12%	0%

# Scenario planning for TCFD climate-related risks and opportunities assessment

The table below details the three scenarios that were considered and the impact time horizons used when conducting our climate related risks and opportunities assessment.

**Note:** These scenario's have been developed in line with publicly available data from: The Intergovernmental Panel on Climate Change (IPCC) SR15 report and the Bank of England, Key elements of the 2021 Biennial Exploratory Scenario: Financial risks from climate change.

IMPACT TIME HORIZONS		
SHORT-TERM	MEDIUM-TERM	LONG-TERM
1 Year (2022)	2-5 Years (2023-2027)	6-10 Years (2028-2032)

PHYSICAL RISK		
Risks that arise from environmental changes such as extreme weather events as a result of climate change.		
LIMITED	MEDIUM	HIGH
●○○○	●●○○	●●●○

TRANSITIONAL RISK		
Risks that arise as a result of government or economic shifts transitioning to a low carbon economy.		
LIMITED	MEDIUM	HIGH
●○○○	●●○○	●●●○

## Temperature scenarios

	SCENARIO A SMOOTH TRANSITION	SCENARIO B DISRUPTIVE TRANSITION	SCENARIO C BUSINESS AS USUAL
OVERVIEW	<b>Early and orderly action (No greater than 2°C rise)</b>	<b>Late and disorderly action (No greater than 2°C rise)</b>	<b>No change to current situation (Greater than 3°C rise)</b>
DETAILS	<p>Early committed action by society to reduce global emissions.</p> <p>Co-ordinated policies and legislation immediately implemented towards a low carbon economy intensifying over time.</p> <p>Action taken is sufficient to limit global warming to less than 2°C in line with Paris agreement</p>	<p>Delays in implementing policy needed to reduce global emissions until 2031.</p> <p>Sudden and disorderly policy changes to compensate for a late start to transitioning to a low carbon economy.</p> <p>Global warming is limited to 2°C in line with Paris agreement, but transition starts much later</p>	<p>Governments fail to introduce additional policies to address climate change resulting in ambitions falling behind Paris agreement targets.</p> <p>Global temperatures increase above 3°C.</p>
IMPACT	TRANSITIONAL RISK LEVEL	●●○○	●○○○
	PHYSICAL RISK LEVEL	●○○○	●●●○
	<p>Continued increase in physical impacts but will be more gradual.</p> <p>Significant changes to policy, significant increases in energy and fossil fuel prices, customer preferences shifts towards low carbon products and services. Significant change in energy mix.</p>	<p>Short term physical impacts will continue to escalate.</p> <p>Significant transitional risks due to fast sweeping changes in policies and legislation. Sudden energy and fossil fuel price increases, changes in consumer preferences.</p>	<p>Significant physical risks and disruption caused by a climate patterns and extreme weather events.</p> <p>Limited transition risks, very little or no change to government policies, energy and fossil fuel prices slowly increase.</p>

## Scenario planning for TCFD climate-related risks and opportunities assessment continued

The tables on the following pages list the five highest scoring risks and two highest scoring opportunities from a total of 11 climate-related risks and eight opportunities identified from our assessment. Despite scoring the highest,

they still remain low risk and it is not expected that they will represent a significant financial risk to the Group and if any financial impact is experienced, it will be minimal.

Although the financial related risk to the business remains low, we continue to take action and ensure that the risk does not increase. The results of the assessment are reviewed every six months to ensure that the

mitigating actions remain current and any changes to the risk profile or new risks are identified and added to the risk register.

### Highest scoring risks

RISKS CATEGORY	KEY RISKS	MITIGATING FACTORS	TIME HORIZON	CLASSIFICATION	FINANCIAL RISK
Transitional	<p><b>Changing customer behaviour</b> Changes to customer behaviours may affect the types of products and services required to support promotional activity.</p> <p>Demand may reduce for low-cost promotional goods or move to more online offerings.</p>	<p><b>Customer Engagement</b> Both Facilisgroup and Brand Addition have a close relationship with their client base. This allows them to ensure that they understand the goals and aspirations of their clients, enabling both businesses to evolve and adapt to changing customer demand and behaviour.</p> <p><b>Carbon reduction targets</b> Across the Group we are taking a pro-active approach to monitoring and reducing carbon emissions. We see this as an important step in supporting efforts to reduce worldwide carbon emissions and allows our existing and new clients to work with a business that is aligned with a common goal. Local policies and procedures are in place across the Group to further reduce emissions.</p> <p><b>Responsible sourcing and supply chains</b> Across the Group, our businesses closely monitor their suppliers through vendor assessment and evaluation. Assessments are undertaken to ensure that the suppliers used meet a minimum set of standards to validate their sourcing, manufacturing practices and the health, safety and well-being of their staff.</p>	Scenario A ..... Long-term	Market	Low
	<p><b>Uncertainty in market signals and increased cost of raw materials</b> Uncertainty in the market may make it more difficult to meet varying customer requirements around climate change and will result in more problematic product sourcing to meet customer demand and customer transparency requirements.</p> <p>Increasing costs of certain raw materials may make certain products no longer viable and increases in energy process may further increase the cost of goods and delivery.</p>	<p><b>Supply chain flexibility</b> Brand Addition is most likely to be affected by increased raw materials costs, these however can be mitigated to some extent as Brand Addition maintains a large and varied supply chain to provide a mixture of different product offerings allowing alternative products to be suggested to compensate for increased costs.</p> <p><b>Energy efficiency</b> Although our businesses are not large energy users, steps are taken to minimise energy usage in our offices and warehouses. Three of our sites across Europe hold ISO50001 certification and closely monitor energy with annual objectives set to minimise energy use. Plans to switch electricity to renewable providers and internal improvements such as LED lighting upgrades will further reduce the amount of energy used.</p> <p><b>Transport and logistics</b> By having a large supply chain located across multiple geographies some cost increases can be mitigated by sourcing products closer to their final destination. Investing in carbon neutral logistics options will also support the switch to cleaner transportation.</p>	Scenario A ..... Long-term	Market	Low

## Scenario planning for TCFD climate-related risks and opportunities assessment continued

### Highest scoring risks continued

RISKS CATEGORY	KEY RISKS	MITIGATING FACTORS	TIME HORIZON	CLASSIFICATION	FINANCIAL RISK
Transitional	<p><b>Shifts in customer preferences/ expectations</b> Failure to act quickly to changing customer preference and expectation is likely to result in customers sourcing their goods and services from elsewhere.</p>	<p><b>Circular economy</b> Our Group’s aim is to provide innovative sustainable solutions. Teams do this by developing ideas and suggestions with considerations being made to extend the life of product or utilising sustainable materials. The aim is to provide a product to allow our clients to build a meaningful connection with their customers, minimising the environmental impact.</p> <p><b>External assurance</b> Brand Addition and Facilisgroups engagement with several organisations and partnerships such as Ecovadis and CDP will positively impact the Group’s overall reputation.</p> <p><b>Customer Engagement</b> Both Facilisgroup and Brand Addition have a close relationship with their client base. This allows them to ensure that they understand the goals and aspirations of their clients, enabling both businesses to evolve and adapt to changing customer demand and behaviour.</p>	Scenario A ..... Long-term	Reputation	Low
Transitional	<p><b>Increased stakeholder concern or negative stakeholder feedback</b> Not embracing a low carbon economy is likely to result in customers and stakeholders becoming disinterested in the business and the inability to attract new customers or investors.</p>	<p><b>Robust ESG strategy</b> Our Group has developed an ESG framework with clear climate-related targets and commitments related to any risks identified across the Group. The Group employs a Senior ESG Officer, the Group’s Chairman has Board responsibility for ESG, and the CEO leads on ESG. Progress is communicated to our stakeholders via an annual ESG report. ESG enquires are dealt with in a timely manner and are used to help evolve our approach to ESG.</p> <p><b>External assurance</b> Brand Addition and Facilisgroup’s engagement with several organisations and partnerships such as Ecovadis and CDP will positively impact the Group’s overall reputation.</p>	Scenario A ..... Long-term	Reputation	Low

## Scenario planning for TCFD climate-related risks and opportunities assessment continued

### Highest scoring risks continued

RISKS CATEGORY	KEY RISKS	MITIGATING FACTORS	TIME HORIZON	CLASSIFICATION	FINANCIAL RISK
Physical	<p><b>Increased severity of extreme weather events, such as cyclones, hurricanes, flooding, drought, and wildfires.</b></p> <p>Acute physical risks are likely to have a growing impact across the Group as the severity increases resulting in potential challenges related to:</p> <ul style="list-style-type: none"> <li>● Servicing customer demand</li> <li>● Lack of stock availability or delays to deliveries</li> <li>● Supply chain disruption and decreases in production capacity</li> <li>● System outages and interruptions to services</li> <li>● Damage to buildings, stock and products.</li> </ul>	<p><b>Location planning</b></p> <p>None of our Group locations are in current areas of concern and are located in areas with low physical risks to prevent disruption. When offices or warehouses are relocated, careful consideration is made to ensure that they remain in low-risk areas.</p> <p><b>Remote working</b></p> <p>All offices are equipped to be able to work remotely so should disruption occur or team members are unable to get into offices then they can continue to work remotely without interruption.</p> <p><b>Supply chain disruption</b></p> <p>The risk of supply chain disruption is minimised through the Group's diverse supply chain that it can quickly adapt. The Group maintains alternative supplier relationships for each key product category. Suppliers are carefully selected as part of the supplier evaluation process which considers any heightened risks of disruption to due to natural disasters and/or political or social unrest. If risks are identified and considered too great, then an alternative supplier would be identified.</p> <p><b>Business continuity plans</b></p> <p>The Group has put in place business continuity and disaster recovery plans in the event of failure, disruption or damage to the Group's network, IT systems or buildings where it operates. Backups and offsite data storage is utilised to minimise disruption as a result of system outages or damage to buildings</p>	Scenario B Long-term	Acute	Low

## Scenario planning for TCFD climate-related risks and opportunities assessment continued

### Highest scoring opportunities

CATEGORY	KEY OPPORTUNITIES	CURRENT AND FUTURE ACTIONS	TIME HORIZON	CLASSIFICATION	FINANCIAL RISK
Opportunities	<p><b>Product sustainability</b></p> <p>Across the Group we are working to provide customers access to more sustainable products, whether this is through advising customers on sustainable alternatives or showcasing sustainable products or suppliers. Where sustainable products are offered, we work with our supply chain to validate product sustainability claims to minimise greenwashing. Being dynamic and flexible will allow our Group to ensure that we meet customer needs and are able to back up claims with evidence, building long lasting relationships with customers based upon honesty and trust.</p> <p>Being able to meet the sustainability needs of larger businesses may also lead to additional new business wins and also reduce the demand of non-sustainable materials reducing the environmental impact.</p>	<p>Future developments to Facilisgroup’s Syncore software will allow customers the ability to identify products that are made from sustainable materials so that these options are visible and can be easily ordered.</p> <p>Brand Addition continues to work with its suppliers to develop and supply more environmentally friendly products. The sales and buying teams continue to advise and influence customers to select sustainable products to help reduce environmental impacts. The newly implemented in-house product sustainability standard will ensure consistency when identifying sustainable products.</p>	Scenario A ..... Long-term	Products and services	-
	<p><b>Shifts in customer preference</b></p> <p>As customers and partners become more aware of the impact of climate change and how this affects their brand there will be a shift to ensure that they are partnered with the right business partner. Having a robust ESG strategy and clear climate reduction targets may offer a competitive advantage strengthening existing relationships and attracting new business.</p>	<p>Across the Group we have developed and published our ESG strategy and an ESG report which sets our out commitment towards reducing our impact on the environment. We will continue to engage with stakeholders on our strategy and objectives with the aim of differentiating ourselves through our approach and the improvements we make across the Group in addressing ESG related activities and risks.</p>	Scenario A ..... Long-term	Products and services	-

# The Global Reporting Initiative (GRI) Index

This year we have taken our first steps to align some of our ESG disclosures to the Global Reporting Initiative (GRI) standards. Given the growing demand from stakeholders The GRI standards have served as a useful tool to align the development of our KPIs and data collection with best practice that allows for effective monitoring and external comparison by stakeholders. As we improve our disclosures, we will align additional sections of our report to the GRI standards.

## Statement of use

The Pebble Group has reported the information cited in this GRI content index for the period 1 January – 31 December 2021 and updates covering H1 2022 with reference to the GRI Standards.

## GRI 1 used

GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE
<b>GRI 2: General Disclosures 2021</b>	
2-1 Organisational details	Business overview (Pg. 09-10, 13), <a href="#">2021 annual report</a> (Pg. 06-10)
2-2 Entities included in the organization's sustainability reporting	Business overview (Pg. 10, 13)
2-3 Reporting period, frequency and contact point	CEO Introduction (Pg. 03), Executive summary (Pg. 05)
2-6 Activities, value chain and other business relationships	Our vision (Pg. 11), Delivering stakeholder value through ESG (Pg. 23), <a href="#">2021 annual report</a> (Pg. 06-10)
2-7 Employees	Diversity, health, well-being and engagement (Pg. 50-64, 89-90)
2-9 Governance structure and composition	Governance, accountability and business culture (Pg. 67-69), <a href="#">2021 annual report</a> (Pg. 52-56, 64)
2-10 Nomination and selection of the highest governance body	<a href="#">2021 annual report</a> (Pg. 64)
2-11 Chair of the highest governance body	ESG governance (Pg. 69), <a href="#">2021 annual report</a> (Pg. 50-53)
2-12 Role of the highest governance body in overseeing the management of impacts	ESG governance (Pg. 69), <a href="#">2021 annual report</a> (Pg. 52)
2-13 Delegation of responsibility for managing impacts	ESG governance (Pg. 69), <a href="#">2021 annual report</a> (Pg. 26,52)
2-14 Role of the highest governance body in sustainability reporting	ESG governance (Pg. 69), <a href="#">2021 annual report</a> (Pg. 52)
2-16 Communication of critical concerns	Business ethics and integrity (Pg. 74-75)
2-19 Remuneration policies	<a href="#">2021 annual report</a> (Pg. 72-73)
2-20 Process to determine remuneration	<a href="#">2021 annual report</a> (Pg. 71-76)
2-23 Policy commitments	Business ethics and integrity (Pg. 73-77)
2-24 Embedding policy commitments	Business ethics and integrity (Pg. 73-77), Human rights (Pg. 76-77)
2-26 Mechanisms for seeking advice and raising concerns	Business ethics and integrity (Pg. 75)
2-28 Membership associations	Certifications and affiliations (Pg. 85)
2-29 Approach to stakeholder engagement	<a href="#">2021 annual report</a> (Pg. 18-22)
<b>GRI 3: Material Topics 2021</b>	
3-1 Process to determine material topics	Identifying our key material ESG issues (Pg. 18)
3-2 List of material topics	Identifying our key material ESG issues (Pg. 18-19)
3-3 Management of material topics	Our ESG cornerstones (Pg. 24-81)



## The Global Reporting Initiative (GRI) Index continued

GRI STANDARD	DISCLOSURE
<b>GRI 201: Economic Performance 2016</b>	
201-2 Financial implications and other risks and opportunities due to climate change	TCFD (Pg. 34-36, 91-95)
<b>GRI 302: Energy 2016</b>	
302-1 Energy consumption within the organisation	Energy and climate change (Pg. 31), Energy consumption breakdown (Pg. 87)
302-4 Reduction of energy consumption	Energy and climate change (Pg. 30), Energy consumption breakdown (Pg. 87)
<b>GRI 305: Emissions 2016</b>	
305-1 Direct (Scope 1) GHG emissions	Energy and climate change (Pg. 27-28, 32), Group GHG emissions breakdown (Pg. 88)
305-2 Energy indirect (Scope 2) GHG emissions	Energy and climate change (Pg. 27-28, 32), Group GHG emissions breakdown (Pg. 88)
305-3 Other indirect (Scope 3) GHG emissions	Energy and climate change (Pg. 27-28, 32) Group GHG emissions breakdown (Pg. 88)
<b>GRI 308: Supplier Environmental Assessment 2016</b>	
308-1 New suppliers that were screened using environmental criteria	Responsible sourcing (Pg. 42, 44)
308-2 Negative environmental impacts in the supply chain and actions taken	Responsible sourcing (Pg. 42, 44)
<b>GRI 403: Occupational Health and Safety 2018</b>	
403-2 Hazard identification, risk assessment, and incident investigation	Health, safety, well-being and engagement (Pg. 57-58)
403-4 Worker participation, consultation, and communication on occupational health and safety	Health, safety, well-being and engagement (Pg. 57-58)
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	
405-1 Diversity of governance bodies and employees	Group diversity (Pg. 54, 90)
405-2 Ratio of basic salary and remuneration of women to men	Group diversity (Pg. 54, 90)

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