

WORKING WITH OUR CUSTOMERS TOWARDS A MORE SUSTAINABLE FUTURE

Our Sustainability Ambition 2030

OT Group take a lifecycle approach to sustainability, focusing on 3 core areas of Planet, People and Partners and we're developing our strategy in line with what's important to our customers – to support their sustainability objectives; and the UK Government's long term goals for carbon net zero. Our activities are also mapped against the UN Sustainable Development Goals, to demonstrate how we will contribute to solving global sustainability issues.

Our 2030 Ambition is proposed with a two-phase approach Phase 1 2021-2025 Measurement & Validation, Phase 2 2025-2030 Lifecycle Reductions/Improvements

Our Core Focus

- Supporting Net Zero and Circular Economy
- Lifecycle Sustainability Analysis of products and services:
 - Planet
 - People
 - Partners
- Driving down sustainability risk and impacts across supply chains
- Enabling responsible behaviours
- Providing customers with the information to make informed decisions
- Net zero solutions

SUSTAINABLE DEVELOPMENT GOALS

Phase #1 – 2021-2025 Measurement & Validation

Phase #2 – 2025-2030 Lifecycle Reductions/Improvements



Planet Sustainable solutions



People Driving a fairer, more equitable society



Partners Driving responsible behaviours

Working together with



For workers' rights.
For better business.



Planet – Sustainable solutions



Lifecycle Carbon Neutral

- 2021 - 2025** Carbon Net Zero & Social Value options available for core products and services
- 2021 - 2025** Initial reduction of own Scope 1 & 2 emissions
- 2026 - 2030** Further reduction of own Scope 1 & 2 emissions
all key suppliers committed to Carbon Net Zero by 2050
- 2021 - 2025** 100% Gas & electricity for own activities from renewable sources (REGO backed)



Circular Economy

- 2021 - 2025** Zero waste to landfill – own activities
- 2021 - 2025** Key suppliers committed to zero waste to landfill
- 2026 - 2030** All suppliers committed to zero waste to landfill
- 2021 - 2025** Recyclable options for core products
- 2026 - 2030** Recyclable options for all products



Reduce Waste

- 2021 - 2025** Zero avoidable single-use packaging in own operations
- 2026 - 2030** All key suppliers committed to removing all avoidable single-use packaging

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People – Driving a fairer, more equitable society



Social Value

- 2021 - 2025** Implement social value index
Define and set targets to improve
- 2026 - 2030** Key suppliers with social value index and/or ethical audit



Staff Value & Purpose

- 2021 - 2025** Implement staff survey
Define measurement criteria for success



Diversity & Inclusion

- 2021 - 2025** Measure diversity within the workforce compared with local communities
Define and set targets to improve diversity
Measure spend with diverse enterprises
Define and set targets to increase spend with diverse suppliers



Community

- 2021 - 2025** Measure % employment from local community
Define and set targets to improve

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Partners – Driving responsible behaviours



Ethical Procurement

2021 - 2025 Define and introduce Ethical Procurement Charter/Inclusive Procurement Strategy



Supply Chain Risk Assessment

2021 - 2025 100% Due diligence completion with key suppliers
Implement tools to measure sustainability in supply chain and set targets for key suppliers



Supply Chain Engagement

2021 - 2025 Develop support mechanism for supply chain to drive sustainability best practice

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HELPING OUR CUSTOMERS ACHIEVE THEIR SUSTAINABILITY GOALS

WORKING WITH OUR CUSTOMERS TOWARDS A MORE SUSTAINABLE FUTURE

We're committed to doing business in a way that allows our customers, the communities we work in, our staff, and our planet to thrive. Our approach is simple, our sustainability strategy is built around helping our customers achieve their sustainability goals. What's important to our customers, is important to us. We regularly conduct materiality studies to understand our customers' requirements for responsible business – Take a look at some of our key initiatives.

Providing greener product choices

We offer over 3,000 environmental products across our branded and own-label ranges

For businesses with the environment and social responsibility at the forefront of their procurement agendas, our assortment of Fairtrade and social value and 5 Star Eco products means there's a huge choice of sustainable options for our customers.

SmartChoice via SmartPad

With over 90% of our customers ordering online, our SmartChoice product flag empowers end-users to make a more sustainable choice when ordering their products; by clearly identifying products with environmental, social and sustainable accreditations and benefits, across our site.

As a supplier of 100,000s of products across 10,000s of suppliers, we are aware of our responsibilities to reduce our Scope 3 emissions and ensure our customers can make informed choices on the products they purchase. Our data team work closely with our key suppliers to validate the credentials of the products we supply. We regularly review and update our product data to ensure our customers have visibility of these credentials, as well as sourcing sustainable alternative options. As part of our sustainability ambition, we are committed to providing recyclable options for all our core products by 2025 and for all our products by 2030.



WildHearts social value product range

Add social value into your supply chain simply by ordering your business supplies.

OT Group are first in our industry to provide a truly unique range of social value products. In partnership with WildHearts, we provide our customers with the opportunity to help create positive social change.

Profits from these products provide social mobility in the UK, by equipping young people with key development and employability skills – and addressing gender inequality through the StartHer Strategy and microloans, for struggling female entrepreneurs in developing countries.

WildHearts impact to date:

1,250,000
Lives Transformed and
600
Lives Transformed
Every Day



WILDHEARTS
BUSINESS FOR GOOD



Charitable work – Our partnership with WildHearts



LOCAL

Social Mobility

WildHearts is committed to addressing social mobility in the UK. Through Micro-Tyco, our multi award-winning enterprise programme, we educate and raise the aspirations of all young people in the UK by providing free entrepreneurial training and events. As a result, we help young people from poorer backgrounds into employment. To date over 40,000 young people have benefited.



GLOBAL

StartHer Strategy

Gender inequality is a serious global issue. To address it we must invest in women throughout their lives. The WildHearts 'StartHer' Strategy supports women and girls in the developing world through three initiatives: Enterprise, Education and Health. First, we financially empower women by giving them access to finance and enterprise training. Our education project then ensures children have access to essential tools for learning. Finally, our health program provides girls with basic menstrual health products and education – ensuring once they're in school, they stay there.



WILDHEARTS
BUSINESS FOR GOOD



World-class distribution partners

Our strategic partnership with Menzies Distribution not only provides a world-class delivery and distribution network, but also a like-minded sustainable partner. They focus on three main areas to make their business more sustainable and have a clear roadmap to Net Zero:

- Fleet
- Energy consumption
- Reuse & recycling for themselves and their partners.

With innovations that span fleet electrification, vehicle to grid charging, vehicle design, alternative fuels, self-sufficient warehousing, carbon offsetting and revisiting the need for PVC in vehicle livery, they are committed to shaping logistics for the future that directly address the climate change crisis.



A better fleet today makes a brighter tomorrow



300,000 miles are driven by Menzies fleet every day. So making sure it's done in a way that's best for the planet makes a material difference.

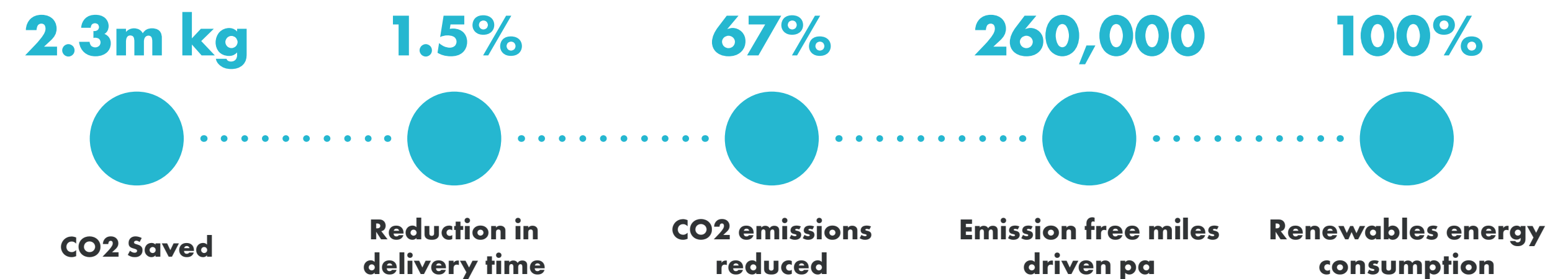
The future's electric

Menzies introduced their dedicated electric fleet because they know that fossil fuels aren't sustainable. It's their priority to expand it at pace – far ahead of regulatory deadlines.

For every electric vehicle introduced, we're improving air quality, cutting particulates and reducing harmful nitric oxide emissions. To enable this fleet to make as many carbon neutral deliveries as possible, Menzies have established a large commercial charging infrastructure in the UK. Through extensive trials, they've found the most energy efficient vehicle-to-grid charging process – meaning they charge at off-peak times and return spare charge to the grid at peak times when energy is in high-demand.

Menzies impact through choosing electric

- Over 260,000 emission free miles driven every year
- 10 million items delivered emissions free in 2019
- 2.5m kg of CO2 saved by replacing diesel with electric
- PVC-free livery – biodegradable and free from toxic chemicals
- Zero-emission rural deliveries including the Scottish Highlands & Islands



World-class distribution partners



Menzies overarching CSR strategy is the Road to Zero – their ambition is to achieve Zero Harm, Zero Waste and Zero Emissions.

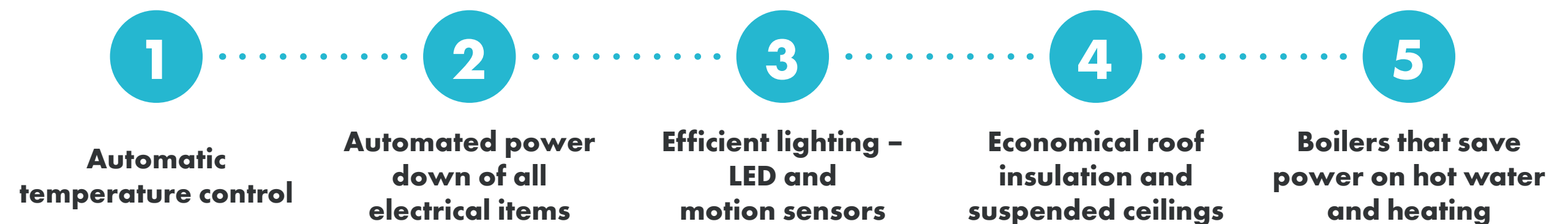
They see ensuring a safe working environment and positive safety culture as fundamental to their business, and strive to ensure business activities do not impact on the communities in which they operate and that their vehicles travel through.

Menzies also work hard to be as efficient as they can, maximising loads on every route, reducing the number of journeys made and ensuring they incorporate the latest technology into our work.

Some of their latest achievements include:

- Reducing CO2 per vehicle kilometre by 12.3%
- Reducing CO2 per square foot of warehouse space by more than 60%
- Increasing liquid loads per tanker by an average 4.2% by using a lightweight chassis
- Using longer semi-trailers, double-deck and triple-deck trailers to reduce road miles
- Installing solar panels at our Wakefield site which will generate around 200,000 kWh of renewable energy per year, helping to avoid more than 50 tonnes of annual CO2 emissions
- Saving 90,000kg of CO2 by installing LED lighting across our Sheffield site

Today, we have a clear focus for the future. We aim to reduce our total energy consumption by around 20% through the following five action points:



Vital Communications **eco product benefits**

As a current supplier of printed products for MotoNovo Finance, we continuously work with our vendor partners to identify environmentally beneficial materials that are sustainable and come from sustainable locations. Some examples of what we have achieved already for MotoNovo are as follows:

Switched outdoor POS from PVC to a unique and patented Enviroflag solution with material made from 100% recycled products. Flags and Banners are the most used product by MotoNovo Dealerships so this switch has had a positive impact on the environment.

Moved the production of Cash Price Visors and quote boards to a recyclable polyprop which means that the dealerships can recycle products no longer needed but also has a positive impact on the production process.

For promotional products we have put forward sustainable options such as biodegradable pens, notebooks made from apple core, water bottles made from recycled products and eco sweet pots.

We also provided "Grow your own plant" pots for a colleague incentive that offered coco seeds with soil in a mini pot that they could plant. All of these grow your own post were delivered collectively so that they could all be placed on colleague desks for their Monday morning arrival into the office.

Eco Warriors

As part of our proactive approach to sustainability and the environment, we offer a range of sustainable and environmental products to our client base such as Enviroflute sustainable envelopes which are 100% biodegradable and are currently the worlds most environmentally friendly padded envelope.

Our packaging is a key focal area as well and we are looking at ways in which to reduce plastic packaging ahead of the introduction of the plastic tax next April. Where possible we are moving to paper wrapping instead of polywrapping on products we deliver, and Vital Communications has transitioned away from plastic boxes for business cards to cardboard. These boxes are made from 90% recycled material and 10% virgin fibre from sustainable softwood sources.



Vital Communications achievements

Working closer with our Vital supply chain. Discussion is moving from “carbon neutral” to “carbon negative”.

- Significant development in sustainable sourcing of materials and production methods.
- All of Vital standard stock papers are FSC & PEFC grades.
- Products supplied in eco-friendly packaging (cardboard dividers instead of plastic bags); Kraft paper tape; bubble wrap and void filler made from shredded office paper waste.
- Recycling all raw materials used in manufacturing – paper; plates; inks, packaging etc.
- Reducing water usage in the lithographic platemaking.
- Removing non-recyclable materials from our manufacturing process.
- Improved production and delivery management to reduce/optimize number and frequency of trucks on road.
- Recycling residual heat energy, where machine processing heat is reused to heat the building.
- Waste ink recycled for newsletter printing.
- 28,236 tonnes of CO2 saved through one vendor alone.
- Implemented a process to convert all waste PVC into windows.



Vital Communications achievements

In 2002 one of our main vendor partners became the first CarbonNeutral® printer in the world and since then have reduced 28,236 tCO2e – the equivalent of 110 MILLION economy flight miles. In 2019 won the Virgin Money Innovation award for innovative sustainable solutions and were shortlisted in 2020.

Working with likeminded vendor partners has enabled us to be at the forefront of environmental initiatives and pass on the benefits to our clients.

In 2018 Vital launched 3 eco catalogues offering eco branded merchandise, wheat technology products and sustainable alternative promotional products where every listed product is biodegradable, recyclable, combustible with no single use plastic. In producing this catalogue in collaboration with one of our long term promotional vendors, Vital is supporting the Sealife Trust.

A number of our vendor partners are members of TWOSIDES which is a not for profit organisation that shares experiences in improving standards and practice with a common goal of promoting the sustainability of the paper and print supply chain.

Seeded card, hessian bags, felt piggy banks, lanyards made from bamboo or hemp, pens made from wheat, coffee and even paper pens are just some of the other sustainable products we offer. In addition to Vital Communications the OTG group has ranges of PPE, Antibac products and even recycled furniture that can accommodate our clients.

Consolidating supply

Now that we are part of the OTG Paragon Group family, our one-stop shop solution allows customers to consolidate supply of office products, IT consumables, furniture, print, janitorial supplies and thousands of other business products. Consolidation leads to fewer deliveries and lower CO2 emissions, whilst having fewer supplier interactions to manage reduces administration costs.



Accreditations

Below are just some of our accreditations held by the group and our vendor partners.

Our Accreditations:

- OHSAS18001 (ISO45001 in 2019)
- ISO14064
- BPMA Charter Status
- SEDEX Membership
- Audible ethical sourcing via SMETA etc
- Achilles UVDB
- Building Confidence

We also partner with vendors who are members of:

- WeForest
- Comply Direct
- Ecovadis
- SME Climate Hub
- Size of Wales
- Sea Life Trust

