

## Environmental and Sustainability Policy

### 1. INTRODUCTION

Concern for the environment is an integral and fundamental part of our operations. Design Group UK recognises that is a moral and commercial imperative that we innovate and improve to reduce the environmental impact of our operations, working collaboratively with our supply chain and customers. Thinking and acting with the environment in mind underpins everything that we do and we aim to minimise our impact on the environment by constantly challenging ourselves to find ways in which we can use our scale and people to influence and drive positive and proactive change. This may be achieved by changing the design and architecture of our finished goods, by purchasing materials from sustainable supply chains, improving compliance through supplier audits, eliminating / reducing our highest scoring environmental aspects, reducing waste from our transformation processes, increasing the use of recycled materials and ensuring the onward recyclability of our merchandise. We are committed to using methods that do not harm the environment so securing natural resources and quality of life for future generations.

### 2. OUR ORGANISATION

Design Group UK is one of the country's largest manufacturers of Christmas crackers, gift wrap, greetings cards, stationery and creative play products. Offering customers both branded and bespoke solutions across a range of product categories, we serve retail customers of all sizes.

Operating from two locations in South Wales and Newport Pagnell, Design Group UK designs, manufactures, sources and distributes products to customers throughout the UK, mainland Europe and beyond.

Design Group UK is a part of IG Design Group Plc – a diverse group of companies operating across multiple regions, categories, seasons and brands.

### 3. OUR POLICIES, CURRENT PRACTICES AND PLAN

Our Environmental & Sustainability Policy aims to integrate a philosophy of sustainable development into all the organisation's activities and to establish and promote sound environmental practice in our operations.

## **OUR COMMITMENTS:**

### **Be environmental leaders**

Our dedicated sustainability teams, supported by the Directors and Leadership team, will ensure environmental issues are identified and managed effectively, providing the support and resources to deliver on our objectives. To sustain our longer term commitment to our environmental responsibilities, we will build and nurture an organisation capability of like-minded colleagues who want to engage and contribute to a future environment we are all proud and safe to live in.

### **Protect the environment and prevent pollution**

We will design, manufacture and source responsibly, from ESG compliant vendors who responsibly use materials derived from sustainable sources. We will work to protect the environment and avoid pollution and waste across the lifecycle of our products, services and operations by continuing to innovate to lower our environmental impact. We will re-engineer our products and supply chain and, where possible, remove the use of potentially harmful materials and replace with recycled alternatives that can be recycled after use, so reducing the impact of pollution.

### **Reduce our carbon footprint**

We will target the removal of carbon from our supply chain starting with our in-house carbon-generating footprint, such as already powering our manufacturing facilities with electricity entirely from renewable sources. Where possible, we will re-shore manufacturing to help decarbonise the distribution chain and promote UK provenance and job creation & security for our employees.

### **Value our people & communities**

We will ensure an open, comfortable and progressive environment to invest back into the people who give us so much. We will adopt progressive, altruistic policies to give back in all of the communities where our businesses are based, and where many of our team members call home by promoting worthy initiatives to leave a positive impact.

### **Be committed to continually improving our environmental performance**

By setting annual environmental improvement objectives and targets that are regularly monitored and will be reviewed annually to evidence progress. We will demonstrate our commitment to the reduction in our company's environmental impact and reduce year-on-year our use of non-sustainable materials.

### **Use our position and expertise to create positive environmental outcomes.**

In collaboration with our suppliers and customers, we will use our position in the market and apply product expertise to guide our partners and take action to create positive environmental outcomes.

### **Meet our obligations**

The DGUK Directors take responsibility to meet our obligations. We will share our progress to our internal network and externally with all stakeholders and we will certify our work with external experts where applicable.

We have developed a framework to help shape our approach to sustainability to enable us to demonstrate, monitor and improve our performance to drive our business forward sustainably. Our approach is underpinned by the United Nations Sustainable Development Goals (SDGs). The 17 goals, along with the 169 targets that underpin them, were reviewed and 7 were identified as areas where Design Group can maximise our positive contribution.

The areas we have identified fall into three key themes; **people**, **product** and **planet**, with a particular focus on resource depletion and pollution, ensuring responsible use and maintenance of planetary resources.

## PEOPLE

We value the hard work of all our teams and recognise that Design Group wouldn't be who we are without their talent and dedication. We strive to create an inclusive working environment where our employees feel supported and valued with their achievements recognised and rewarded.

Ensuring the health, safety and wellbeing of our staff in and out of work is a key priority for us and we will continue to develop our policies and practices to protect the health of our employees and support work life balance.

We will continue to develop robust mechanisms for communicating and gathering employee input and interact with our employees in a way that builds engagement and supports success.

We will implement and adopt practices that we create an environment that supports diversity and inclusion and our employees understand and display mutual respect.

Identifying and recruiting talent is key to our future success. We will continue to create a culture of professional development through continuous performance discussion and provide opportunities to realise potential for all staff. Our priority is to develop a supportive and inclusive culture with strong leadership. We will continue to provide development opportunities for new and emerging leaders. It is extremely important that the behaviors and actions we want to replicate through the business are embraced and enacted by our Leaders.

We reward our employees fairly and competitively so they feel valued for their contribution. We will also regularly review our rewards and benefits package to ensure they remain relevant and competitive, and continue to support our need to attract the best talent to deliver our organisational aims and objectives.

It is important to us that Design Group UK, and what it stands for, is recognised in the communities and markets we recruit. Being able to demonstrate social responsibility is a key driver of employee engagement and retention. We will continue to develop our employer networks in the communities and encourage our leaders to build networks in educational establishments and local charities. We will continue to strengthen our community ties by "giving back" through donations and volunteering with an aim to contribute to the well-being of the communities we affect and on whom we depend.

## PRODUCT

### **Raw Materials:**

We recognise that the nature of many of our products makes it even more important that we leverage our innovation to create sustainable collections to promote to our customers and beyond.

The integrity of our product starts with responsible sourcing from both an environmental context as well as an ethical and social one and we have a robust supplier risk and compliance management system in place. This includes an independent auditing programme which reflects the Ethical Trading Initiative (ETI).

We also request that all suppliers share detail of their own sustainability strategy and goals to determine and monitor accountability throughout our supply chain.

Further to this, our values extend to the ethical, fair working conditions and human rights at all stages in our supply chain.

We are committed to tracing raw materials used in the products we manufacture & procure back to source:

- Timber and Paper is sustainably sourced and can be certified FSC® (FSC-C125159 / FSC-C004098), PEFC-certified, or recycled; with a focus on conserving natural habitats and local communities.
- Cotton used in our products is sourced responsibly and not from regions with human rights concerns
- Metals and minerals are only sourced from responsible regions combatting 'Conflict Minerals' from politically unstable areas or forced mining labour
- Products we source are free from palm oil or soy derivatives
- Products containing synthetic fur or leather are in accordance with our Animal Welfare policy

We work closely with our suppliers, procurement and compliance teams to ensure that we have a traceable supply chain, allowing us to mitigate operational, reputational and regulatory risks.

### **Packaging:**

We are championing the reduction in unsustainable packaging to reduce the waste and pollution that our business is responsible for.

We have introduced a Packaging Materials Policy in which we use a 'Red, Amber, Green' system to categorise materials and guide our designers on sustainable options. We are committed to reduce the amount of packaging used, increase the recyclability of it and increase the amount of recycled material in it. We educate the consumer through simplicity and clarity of sustainable messaging on pack, in addition to OPRL.

The removal of single-use plastic from our packaging is a priority. We are Associate Members of the UK Plastics Pact to ensure that we work alongside other key stakeholders on consistent goals.

**Product:**

We continuously research and design ways to reduce the single-use plastic content of our products to reduce the waste and pollution that our business is responsible for. We aim to leverage our design and innovation skills to continue to develop new, sustainable ideas.

- We design all of our products with the environment in mind, minimising all 'red' materials from our product
- We drive to find ways to re-shore products manufactured in the Far East to the UK to reduce our carbon footprint and to support local employment.
- We have removed single use plastic from our products
- We have removed the use of glitter from our own brand ranges
- Our ranges are all available from FSC sources
- We create environmentally sustainable collections across key product categories

**PLANET**

We believe we have a responsibility to protect and preserve our planet and its environment. We have the ambition to reduce our impact on our surroundings to promote the well-being of our planet for future generations.

We follow the GHG Protocol standards and guidance in the preparation of our GHG emissions inventory, in order to manage GHG risks and identify reduction opportunities. In order to drive positive change in this area, we have identified 8 core targets, aligned with the GHG scopes, to achieve by 2025. We will communicate our progress against these targets in the Sustainability section of our company website and update them at key milestones to reflect our longer term aim of carbon neutrality by 2035. The 8 targets relate to the following focus areas:

1. Energy from renewable sources
2. Road freight emission reduction
3. Waste to landfill reduction
4. Removal of single-use plastic
5. Sustainable sourcing
6. Recyclability of product and packaging
7. Source of origin
8. Regional manufacture

The above targets complement our environmental management system at our manufacturing site in Wales which satisfies the requirements of BS EN ISO 14001:2015 and our Energy Saving Opportunity Scheme activities, to actively reduce waste, promote recycling and sustainability.

In addition, we will only consider investment in new machinery that will improve our efficiency and capacity to have a positive effect on the environment by lowering wastage, reducing importing from overseas and focusing on local suppliers for raw materials and services.

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We will continue to support our employees to make sustainable choices, including initiatives such as offering segregated recycling points throughout all sites and providing electric car charging points on site.

We are committed to continue to invest in the Woodland Trust 'Woodland Carbon Project' to mitigate the impact of key business activities on the environment as part of our carbon management programme.

#### 4. RESPONSIBILITIES

It shall be the responsibility of the IG Design Group UK Directors and the Health, Safety and Environmental Manager to establish, review and maintain this policy and to bring this policy into effect.

The policy and the obligations and responsibilities required by the environmental management system have been communicated to all employees and persons working on behalf of the organisation. The policy is available to the public on request and via our company website, where further information on our approach and targets can be found:

<https://igdesigngroup.uk/sustainability/>

The policy will be reviewed annually.

Lance Burn  
Managing Director

September 2021