



Accrol Group Holdings Plc

**Environmental, Social and Governance Report 2022**

# Contents

<b>Opening pages</b>	<b>2</b>
Our ESG Reporting framework	2
Progress chart	3
Message from Kathryn Robinson	4
Five year plan	6
Message from Gareth Jenkins	7
<b>Environmental</b>	<b>9</b>
Introduction to environment (KPIs and link to framework elements)	9
Waste reduction case studies	10
Sustainable products case studies	11
Carbon footprint case studies	12
<b>Social segment</b>	<b>16</b>
Introduction to social (KPIs and link to framework elements)	16
Caring for employees case studies	17
Sustainable careers case studies	21
Supporting local communities case studies	24
<b>Governance segment</b>	<b>27</b>
Introduction to governance (KPIs and link to framework elements)	27
Transparent decision making	27
Update on sustainable supply chain	28
Update on measured risk	29



## Our ESG Reporting Framework

Our vision for ESG is to be a carbon neutral business that improves the lives of its people and communities, while working in partnership with our suppliers to deliver sustainable products to customers and consistent results to our investors.

To achieve our vision, we have created a reporting framework aligned to clear targets and KPIs.

This framework is guided by a key principle in each segment.



# Progress towards achieving our ESG vision

## Environmental

### Accrol today



100% FSC®-certified paper



10.1% waste



8.2% waste



30% of packaging materials from PCR



7.0% waste



100% renewable energy



39.5 kgCO<sub>2</sub>e



0% landfill



32.4 kgCO<sub>2</sub>e



'Energy steering team' formed



30 kgCO<sub>2</sub>e



50% of packaging materials from PCR

50%

50% of packaging plastic free



5.0% waste



Baseline water usage



ISO14001 certified



50% reduction in water usage



<27.6 kgCO<sub>2</sub>e

Carbon neutrality, sustainable products

## Social

### Accrol today



35% on real living wage



66% on real living wage



94% on real living wage



100% on real living wage



77% employee engagement



500

Lives impacted baseline



5,000

Lives impacted



Health age baseline



Health age +/- 2yrs



10,000

Lives impacted

Positively impact the lives of our people & communities



68 Accidents/ annum 6 LTA



5.8% absence



2.4% absence



48 Accidents/ annum 5 LTA



31 Accidents/ annum



1.7% absence



12 Accidents/ annum



0 Accidents/ annum

## Governance

### Accrol today



ISO9001 certified



ISO9001 upgraded to BRC



Board attendance 93%



Supplier engagement in ESG 25%



Supplier engagement in ESG 50%



Supplier engagement in ESG 100%



Risk management RAG rating



Supplier (B) Member



QCA Code compliant



IT Penetration vulnerability score baseline



75% of sites achieved highest 'AA' BRCGS accreditation



Annual Board performance evaluation



IT Penetration vulnerability score Medium



Buyer/Supplier (AB) Member



IT Penetration vulnerability score Low

Delivering long-term success

## A message from Kathryn Robinson



**Our ESG performance and ambition is something our colleagues take great pride in. During a challenging year that has seen the cost of living and of doing business soar beyond what anyone could have predicted, having a clearly defined ESG agenda has allowed us to stay focused on our short and long-term business aspirations.**

I've been proud to see how our employees have engaged with ESG issues and worked towards the aspirations and measures we set out to proactively manage what we do and how we do things, both strategically and on a day-to-day basis.

Without engaged colleagues, we can't deliver all elements laid out in our ESG journey.

With this in mind, I'm so pleased that we've continued to make such good progress in making Accrol a great place to work. We've maintained high levels of engagement, with 89% of colleagues saying they feel proud to work for Accrol. In the year we've also:

- Become an accredited Living Wage employer
- Invested in colleague communications, learning and development
- Taken steps to support colleague mental health and wellbeing

I'm pleased to share these stories (and many more) in this latest report.

On a more personal note, I'd like to thank my colleagues for their support in enabling me to take inspiration and learning from others in our community as I've taken on the responsibility of HR Trustee at Blackburn Youth Zone. Accrol is founding patron of this truly incredible charity, which aims to change the prospects of young people in the area. It's an honour to be able to share my skills and experience with them and strengthen Accrol's partnership with the Youth Zone and the Blackburn community.

To me, Accrol's greatest strength is its people. Their passion, dedication, challenge and support has meant we've delivered great things in the face of adversity.

Whilst there'll always be more to do, and the world continues to evolve and change around us, we have empowered teams committed to deliver.

**Kathryn Robinson**  
**HR Director**  
**November 2022**



### Our Values

**Our values help guide us on our ESG journey. Rooted throughout our operations, they bring every level of our business together.**

# Accrol five year plan

## ESG runs throughout our five year plan.

**Our vision** is to build a diversified Group of size and scale, which is less exposed to input cost fluctuations and is focused on the broader private label household and personal hygiene market.

**Our strategy** to achieve this is simple: take market share from established brands by providing consumers with the best value products and our customers with great service, whilst ensuring we are the lowest cost operator.

### Future perfect

step change innovation and relentless improvement



### World-class basics

Doing every part of the process, especially the basics, consistently well



### Hearts and minds

Getting the most out of our people and our people getting the most out of us



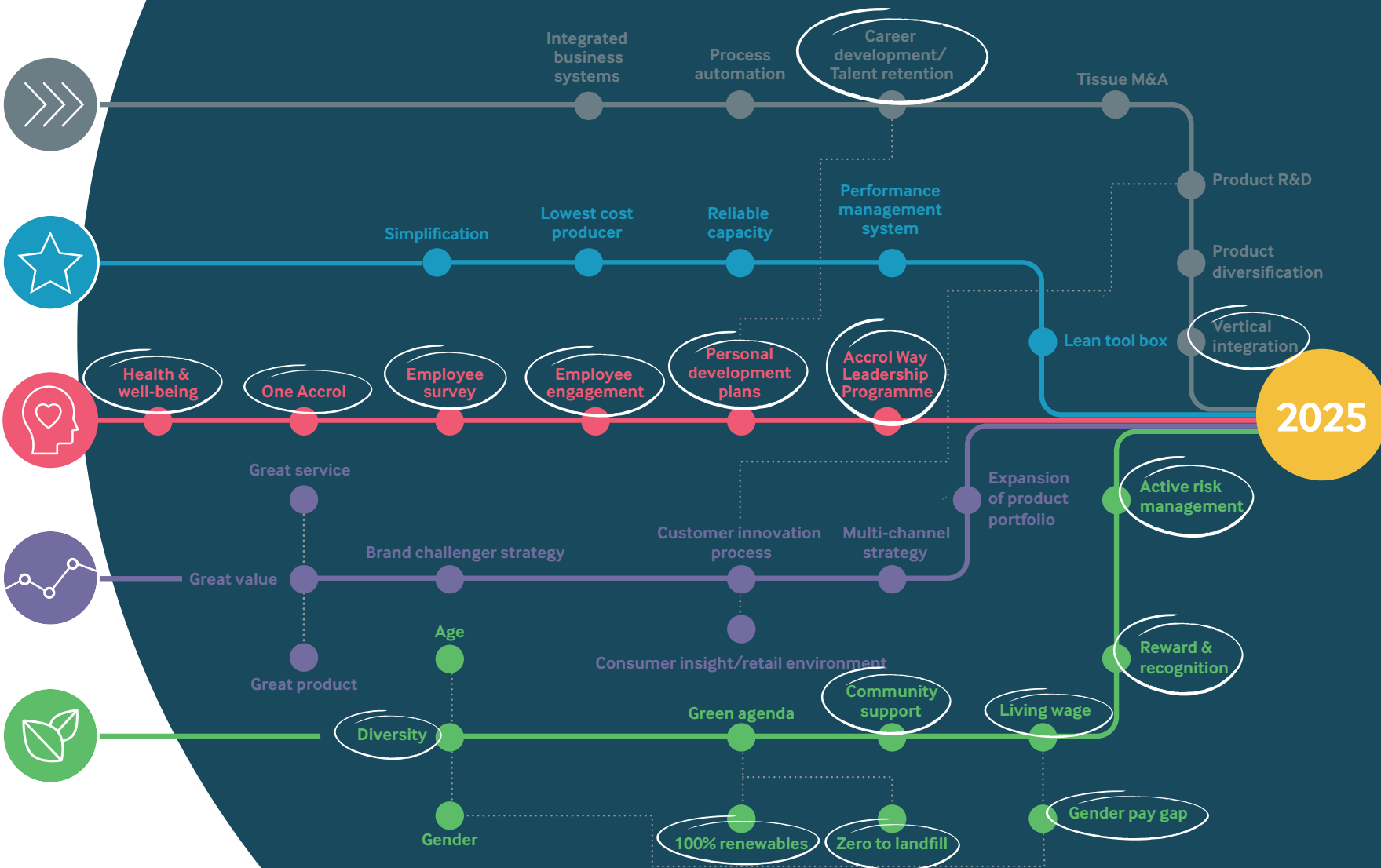
### Markets for growth

Picking winning products for expanding market segments



### Sustainable platform

ensuring long-term growth and security



## A message from Gareth Jenkins



**Since the launch of our maiden ESG report a year ago, Accrol's ESG agenda has become even more integral to how we do business.**

Colleagues across Accrol have embraced our ESG aspirations wholeheartedly. Therefore, the way in which we run our business, support our employees, minimise our impact on the environment, and support the local communities we operate from continues to evolve and build momentum.

Accrol's approach to ESG makes clear the KPIs and measures we've set ourselves, so our stakeholders understand how our ESG framework shapes performance and the standards set. However, we're always listening, learning and adapting – the world never stands still and staying flexible is key in our relentless drive for operational excellence.

In a tumultuous year of rising costs across energy, logistics and raw materials our ESG framework has enabled us to stay focused on long-term, sustainable commercial success not just short-term return.

It's great to be able to share some of these examples with you in this year's report such as the fantastic work our energy reduction programme has achieved in minimising energy use. The work carried out reduced energy bills by thousands of pounds as well as making a significant contribution towards Accrol's journey in becoming a carbon neutral manufacturer.

We've also experienced considerable success in increasing the number of 'rolls per journey' by reducing the size of toilet roll cores from 50mm to 38mm for most of our customers. The work and people involved in making this happen shouldn't be underestimated as teams across Accrol leaned into the challenge. In doing this we've significantly reduced transport costs and emissions with less trucks on the road. Again, a fantastic financial and environmental win for Accrol and our stakeholders.

The value of ESG in Accrol is clear to me. It's inspiring colleagues, protecting the environment, generating financial returns and making us a more attractive business to work with.

**Gareth Jenkins**  
**Chief Executive Officer**  
**November 2022**



“

Our ESG framework has enabled us to stay focused on long-term sustainable success not just short-term return.

**Gareth Jenkins**  
**Chief Executive Officer**

# Our ESG Reporting Framework

## Environmental

Guiding principle:  
**Carbon neutrality, reduce waste, sustainable products.**

### Waste Reduction

- 1 Material utilisation
- 2 Water use reduction
- 3 Zero to landfill

### Sustainable Products

- 4 Sustainable sourcing
- 5 Fibre performance
- 6 Recycled packaging

### Carbon Footprint

- 7 Renewable energy
- 8 Energy reduction
- 9 Optimised logistics

## Social

Guiding principle:  
**Positively impact the lives of our people and communities.**

### Caring for employees

- 10 Safety 1st
- 11 Improving wellbeing
- 12 Employee engagement

### Sustainable Careers

- 13 Increasing inclusivity
- 14 Development & career path
- 15 Employee Experience

### Supporting Local Communities

- 16 Community projects
- 17 Knowledge sharing
- 18 Nurturing local talent

## Governance

Guiding principle:  
**Delivering long-term success.**

### Transparent Decision Making

- 19 Five-year vision
- 20 Stakeholder engagement
- 21 Robust processes

### Sustainable supply chain

- 22 Strategic ESG alignment
- 23 Tactical SEDEX alignment
- 24 Procurement audit process

### Measured Risk

- 25 Risk review process
- 26 Risk mitigation
- 27 Policy and standards





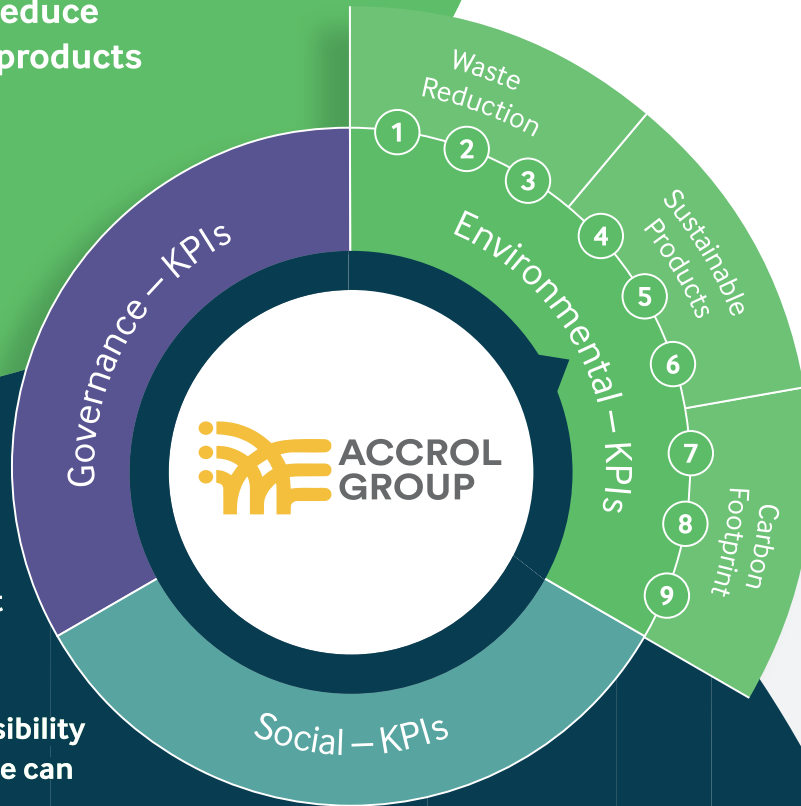
# Environmental

Guiding principle:  
**Carbon neutrality, reduce waste, sustainable products**

## Our Goal

To have a sustainable business that does not negatively impact the environment.

We believe our responsibility starts with the areas we can affect every day.



### Waste Reduction

- 1 Material utilisation
- 2 Water use reduction
- 3 Zero to landfill

### Sustainable Products

- 4 Sustainable sourcing
- 5 Fibre performance
- 6 Recycled packaging

### Carbon Footprint

- 7 Renewable energy
- 8 Energy reduction
- 9 Optimised logistics

## Our environmental impact

Our business impacts the environment in the following ways:

- **Raw material**
  - Paper used to produce tissue products
  - Packaging used to wrap and supply products
- **Waste Production**
  - Energy
  - Electricity used in production
  - Fuel used for transportation of our product around the country

## Our response

- **Waste reduction:**  
Ensure waste material is measured, minimised and recycled efficiently
- **Sustainable products:**  
Supply security and environmental impact
- **Carbon footprint:**  
Move towards carbon neutrality

Measure	Unit	2025 Aspiration	2020	FY22
Waste	%	5%	8.20%	7%
Landfill	Tonnes	Zero	Zero	Zero
Carbon emissions	KgCO2e	<27.5	32.4	30
Renewable Energy	%	100%	100%	100%
Net Trailer Loading	%	15% more rolls per journey	82%	92%

# Environmental continued

## Waste reduction

- 1 Material utilisation
- 2 Water use reduction
- 3 Zero to landfill

### Where we are...

2020 performance

8.2%

FY22 performance

7%

2025 aspiration 5%

### Zero waste to landfill

- Achieved by sending non-material waste to an Energy from Waste facility
- Process waste is currently collated and baled and sent for recycling
- Internal waste reduction project team established, to assist in measurement and management of waste performance

### Future goals and next steps...

100%

#### recycled tissue waste

within our five-year plan our target is to own a tissue production facility

50%

#### less water

maximise water collation, re-use and minimise water usage in process and facilities

50%

#### less waste

increase segregation of waste to improve recycling levels across all facilities

1

## Waste has reduced to 7% across the Group

Through research, test, trial and continual learning we're continuing to make gains in optimising material utilisation, helping us to use less raw material and save money. Waste has improved reducing from 10% to 7% across the Group.

Marc Cragg, Continuous Improvement Manager, is leading Accrol's waste reduction focus ensuring best practice is identified and rolled out across all sites.

He has been instrumental in accurately identifying and understanding where the most 'wasteful' parts of the production process lie as well as the differences that exist across each production site. This has allowed team-based waste measurements to be established and carefully monitored.

Waste activity has been fully reviewed and investigated on a shift-by-shift basis and the underlying reasons for 'wasteful' activity explored. This has led to process improvements, quality controls, asset care procedures plus cleaning and maintenance controls.

Marc explains, "I've spent hours on the production floor observing how the teams work and identifying waste hot spots along each point of the production process. I've engaged with teams to understand why they work in the way that they do, the challenges they have and the opportunities they believe exist."

This has enabled Accrol to trial new ways of working and explore opportunities team members have put forward as well as identifying training needs to drive more consistent levels of performance.

Collecting data has been a critical part of the process, as the saying goes 'what gets measured, gets managed'. We introduced

'reel sheets' to each production line in Leyland which colleagues access and complete on their production line system to capture waste performance during every shift.

The information captured immediately identified an opportunity to amend the production of certain product lines to different sites to maximise the organisations overall planning and production output. As a result, reel sheets have been introduced across all sites."

Other examples of improved processes include:

- Tailored training introduced to improve material utilisation performance when removing a supplier join from the parent reel, dressing a reel and parent reel changes, delivering an estimated **saving of over 90 tonnes of paper**
- Introduction of rework bins so suitable products could be suitably re-introduced back into the production process helping **to save over 27 tonnes of waste at our Leyland site alone**
- Altering machine settings to optimise waste reduction along with sharing best practise on start-up sequences has **saved up to 36 tonnes of waste**

Just by engaging with teams, over 25 ideas on how to reduce waste were identified, all of which were fully reviewed and followed up on.

From all the work carried out, good gains have been made in the year with Accrol's 'test and learn' site, Leyland, already averaging 6% waste. Work has begun implementing what has been learnt at Leyland across other sites, and the business remains optimistic in achieving its 2025 aspiration.

## Environmental continued

### Sustainable products

- 4 Sustainable sourcing
- 5 Fibre performance
- 6 Recycled packaging

#### Where we are...

**100%**  
100% FSC®-certified paper

**7%**  
reduction in plastic packaging used

**100%**  
of plastic packaging used is recyclable

#### Future goals and next steps...

- Deliver ISO14001 accreditation across all facilities
- FSC audit programme for all Tissue and Pulp suppliers
- Minimise packaging and plastic use
- Increase film using Post-Consumer Recycled (PCR) materials



4 5 6

### We continue to engage with suppliers and customers on how we play our part in addressing the world's plastic problem.

In the year we've taken a balanced approach and sensible steps in minimising plastic use, and trialling plastic wrap with a higher percentage of PCR content. We continue to collaborate with customers to ensure we stay aligned to their needs.

#### Reducing plastic

Many more options and technologies are becoming available on the market to help the world rely less on plastic. Accrol continues to explore, consider and test these options.

#### Paper-wrap

A large percentage of our machinery is equipped to run paper-wrap.

We continue to produce a range of paper-wrap products:

- Oceans – our sustainable direct to consumer brand
- Morrisons eco-product range in paper wrap

#### Operational efficiency

Automation significantly reduces plastic material used in pallet wrapping as the state-of-the-art equipment precisely adjusts settings to optimise pallet presentation thus reducing material waste.

#### Recycled plastic

We've successfully trialled plastic wrap using 50-55% PCR content and we'll be launching products in this new material. It's important to note that simply replacing virgin plastic with PCR alternatives is not a straightforward option as higher PCR packaging can require a higher weight of plastic in the production process to ensure smooth production and minimise waste.

Like many other manufacturers and retailers, we recognise that reducing our reliance on plastic is a complicated challenge but it's a challenge we're committed to. We're also supportive of initiatives that make recycling more accessible such as kerbside collections.

## Environmental continued

### Carbon footprint

7 Renewable energy

8 Energy reduction

9 Optimised logistics

### Carbon emissions

#### Where we are...

**100%**  
renewable energy

**3%**  
energy reduction

**Energy steering**  
team established

#### Carbon footprint (KgCO<sub>2</sub>/Tonne)

2020 performance **32.4**

FY22 performance **30**

2025 aspiration **<27.5**

**15%**  
more rolls per journey

**1,500**  
trucks per annum  
off the road

#### Net trailer loading

2020 performance **82%**

FY22 performance **92%**

8

### Energy reduction

The challenge to reduce energy is gaining good ground helping us to achieve our aspiration of becoming carbon neutral by 2025.

An energy steering group, chaired by Operations Director Simon Nelson, is established with all key actions and outcomes continually monitored as well as new opportunities identified to drive continuous improvements.

With the rising cost of energy, this has delivered both environmental benefits and strong cost savings.

The engineering team, led by Andy James, have really taken charge to minimise energy consumption across all sites, launching energy observations to capture input and feedback from all colleagues.

The team discuss, agree and plan energy saving activities at monthly team meetings which has created great momentum in driving continual improvements in energy efficiency.

The team have led the implementation of a range of energy saving projects including:

- Installing LED lighting across sites
- Putting light sensors in place so they automatically switched off when there's sufficient daylight to work safely
- Logic of equipment altered to cut energy use such as programming conveyors to stop when products aren't coming down the line
- Air leak reduction – compressed air uses significant energy consumption to generate, so work to eliminate air leaks as soon as they've been identified is a priority. Plus, the team have identified the latest technology and sought investment to make air leaks within Accrol a thing of the past

Further engineering projects continue to be identified and engagement across teams gains momentum.

Work is also in progress to change Accrol's reliance from 'on-grid' renewable energy sources to 'off-grid', with plans being drawn for large-scale solar panelling across sites. This will mark a significant step towards becoming carbon neutral.

#### Future goals and next steps...

- Remain 100% green energy – moving from green energy sources on the grid to off-grid
- Continue reduction in energy consumption
- To build a tissue mill to a design capable of achieving carbon neutrality
- Promote the use of hydrogen and electric vehicles within our logistic partner's fleet

# Environmental continued

## Carbon footprint

7 Renewable energy

8 Energy reduction

9 Optimised logistics

9

### Optimised logistics

Accrol set itself an ambitious target to increase the number of rolls per journey by 15%, which in turn would remove up to 2,000 trucks off the road every year through improving net trailer loading and subsequently reduce carbon emissions and logistics costs.

Prior to 2021, all of Accrol's toilet rolls had 50mm cores. These were considered important by retail customers as generally consumers saw bigger rolls as better value – a toilet roll typically being assessed by its size and how soft or 'squishy' it is. Air, and a larger roll, can help with the 'squish' factor.

However, looking at the bigger picture, 50mm cores also means more air being transported around the country and more material being used.

To move customer stockholding units (SKUs) from 50mm to 38mm required a range of teams and expertise from commercial to engineering, production, material and technical management.

Accrol's manufacturing capability needed to be developed and tested – could we deliver on our converting lines' different technical capabilities switching between 50mm to 38mm product SKUs to meet customer orders? Through collaboration, plus the support of Leicester teams who had expertise and insights to enable the transition, the capability was developed.

Commercial teams fully engaged with customers who recognised the environmental benefits of the project. And so, all elements of the project got underway – changes to product specifications, product packaging and communication, production capability, distribution and logistics.

The results? Accrol has successfully transitioned 179 product SKUs from 50mm to 38mm cores. The reduction in materials used has **created an estimated £2m saving. Plastic packaging has reduced by approximately 7%** and there's been an **estimated 20% reduction of trucks on the road.**

Operations Director, Simon Nelson, explains, "The scale of this project, the people involved, and the complexities and challenges overcome is of huge credit to Accrol. It's a great example of the organisation's "can do, do do" spirit."

#### Improved carbon emissions on vehicles

Optimising logistics is an ongoing focus. The aim is simple, to ensure every truck leaves on time and in full. To achieve this involves the effort of many from across a wide range of teams, including sales, planning, logistics, warehouse and production; all of whom are clear on what they need to do and the cost of not doing so.

In addition to optimising all journeys and eliminating any unnecessary journeys, Accrol has taken steps to move away from fossil fuels.

Onsite shunt vehicles (vehicles used to move trailers around our sites) will be **transitioned from diesel to HVO (hydro treated vegetable oil) which will reduce onsite emissions by c90%**. The project, which has been delayed in the year due to supply issues caused by wider world events, is an interim step towards moving to electric on-site shunt vehicles.

Accrol is also working closely with its logistics partner to align aims and aspirations. Craig Rothwell, Accrol's Transport Manager, explains, "The wider transport industry continues to grapple with the transition away from fossil fuels and the best approach to it. Due to the range and weight of loads, today it's a little unclear as to whether electric or hydrogen is the most sustainable option. At Accrol we're aligning with the transport industry and working closely with our partners to ensure we achieve a greener, cleaner outcome."

In the year, Accrol achieved 92% net trailer loading, an increase of 10%. This means that 92% of the journeys made carrying Accrol products were full.

# Social

Guiding principle:  
**Positively impact the lives of our people and communities**



## Caring for employees

- 10 Safety 1st
- 11 Improving wellbeing
- 12 Employee engagement

## Sustainable Careers

- 13 Increasing inclusivity
- 14 Development & career path
- 15 Employee Experience

## Supporting Local Communities

- 16 Community projects
- 17 Knowledge sharing
- 18 Nurturing local talent

## Our Goal

Ensure the fair and equal treatment of everyone impacted by our business and to employ transparent two-way communications with our key stakeholders that foster mutual respect and understanding of the others' needs.

Measure	Unit	2025 Aspiration	2020	FY22
Real living wage	%	100% accreditation	94%	100%
Positive engagement scores	%	-	77%	84%
Absence	%	<2%	2.34%	1.70%
PDPs	%	100%	-	80%
Placements	No.	6	-	2
Female leadership	%	25%	16%	22%
Accidents/annum	No.	Zero	48	31
Lost time accidents (LTAs)	No.	Zero	5	0
Lives impacted	No.	10,000	-	6129
Units donated	No.	>250,000	100K	51k

# Social continued

## Caring for employees

- 10 Safety 1st
- 11 Improving wellbeing
- 12 Employee engagement

### Where we are...

#### Lost-time accidents

2020 performance	5
FY22 performance	0
2025 aspiration	0

#### Absence\*

2020 performance	2.34%
FY22 performance	1.7%
2025 aspiration	<2%

#### Accidents

2020 performance	48
FY22 performance	31
2025 aspiration	0

- Inclusive wellbeing initiatives developed to support employees
- Continued focus and understanding of attendance
- Investment in internal communications with the appointment of a Communications Manager and the launch of an internal colleague site 'The Big Tissue'

\*Figures reported exclude Covid absences and long-term sick

## 10

### Safety first

Safety is our number one priority. It's the top agenda item at every business briefing, a key part of every new starter induction and, proudly, it's become front and centre of every colleague mindset when they come to work with hundreds of safety observations submitted each week.

Safety observations are counts of the number of safe and unsafe actions or conditions in a work area for a given time. They're a useful tool in helping us understand employee engagement with health and safety policies and procedures as well as making sure the concern for employee safety and wellbeing sits across all colleagues and not just managers. They play a critical part in helping us create a culture whereby we pre-empt things going wrong before it happens.

Accrol introduced safety observations in 2019 through a combination of approaches:

- Making safe working high profile through business wide communications
- Ensuring safety observations are easy to access and submit
- Proactively tracking and managing safety observation to create a continuous feedback loop

As a result, Accrol received almost 10 thousand observations during the year.

In fact, the business has more than doubled the number of safety observation it receives within two years, so it's no coincidence that the number accidents reported during the same period have halved.

Safety observations are reviewed and proactively managed on an ongoing basis by management teams across the business. Supported by Health and Safety Advisors, they ensure any safety concerns flagged, and any required actions as a result, are taken swiftly.

A key measure of safety has been Lost Time Accidents (LTAs) and during the year all sites achieved zero LTAs.

Of Accrol's improved safety performance, Safety Advisor, Umair Shafique says, "Clearly communicating the expected safety standards, being action-orientated, and keeping safety high profile all of the time has delivered true cultural change across Accrol on safety standards.

"A few years ago, many colleagues didn't believe zero-accident months could be achieved at Accrol because safety wasn't taken seriously enough. But now the importance of safety is taken very seriously by everyone driven by the Executive management team to every line operative. Each LTA free year and zero-accident month achieved keeps driving higher and higher standards.

"Our accident reporting is high profile and the processes and procedures we follow are very transparent. This means there's a good level of understanding on how we're all responsible for making Accrol a safe place to work and how we're all responsible and accountable for making it happen."

### Future goals and next steps...

- Zero accidents: Accidents will become the primary measure for our business and we will target an annual accident reduction rate of 50% per year
- Continued focus on safety observations to identify potential issues before they happen and taking proactive intervention actions
- Employees health age\*\* to be within +/-2yrs of their actual age
- Develop health programmes to encourage physical and mental wellbeing via regular health screening, counselling and proactive services
- Link attendance and wellbeing programme to keep employees fit and able to work

\*\*biological calculations

## Social continued

### Caring for employees

Ensure the safety and wellbeing of all employees

- 10 Safety 1st
- 11 Improving wellbeing
- 12 Employee engagement

### Colleague survey results

# 91%

of employees think health and safety is always a high priority at Accrol

# 84%

of employees feel comfortable voicing their opinion at work

# 86%

of employees think Accrol embraces diversity and equal opportunities

# 89%

of employees feel proud to work at Accrol

# 96%

of employees understand how their role contributes to the success of Accrol

## 11

### Improving wellbeing

Accrol offers a broad range of support to colleagues to assist their wellbeing. To help colleagues:

1. Realise their potential
2. Cope with the normal stresses of life
3. Work productively and fruitfully

A lot of work has been done to improve the mental health support available.

#### Training

All colleagues are offered full training in "Positive Mental Health at Work" to help them learn how to help and support others with mental health issues as well as understand the habits they can develop to take better care of their own mental health.

#### Mental Health First Aiders

A team of colleagues are trained as Mental Health First Aiders to support other colleagues and signpost support and further resources. We aim to double the size of the team in the year ahead.

#### Employee Assistance Programme

Provided by Unum Lifeworks, this service offers around the clock support on all matters of health and wellbeing, including telephone and face to face support.

#### Plus, tailored, specialist support

Given to colleagues to assist them through personal crisis.

## 12

### Employee engagement

Engaged colleagues deliver better business outcomes, so it's important we know how our workforce feels about their place of work. Twice a year we ask all colleagues to complete a survey linked to four key employee engagement drivers:

- Basic needs
- Management support
- Teamwork
- Opportunity to grow

The results of the survey are shared at both a business-wide level and by site. It's the conversations about the results that's critical as from here key issues and opportunities are identified to be acted on.

Action plans are tailored by site and allow colleagues to have their voices heard and make a tangible difference to their workplace.





## Social continued

### Sustainable careers

13 Increasing inclusivity

14 Development & career path

15 Employee Experience



### Where we are...

#### Females in leadership roles

2020 performance 16

FY22 performance 22

2025 aspiration 25

#### Real Living Wage

2020 performance 94%

FY22 performance 100%

2025 aspiration 100%

- All colleagues, including those from newly acquired businesses, paid at least the 'real' living wage
- Now an accredited Living Wage employer
- Continued focus on employee training and development
- Introduction of job chats for all front-line employees
- Launch online learning portal to all colleagues

15

### Real Living Wage

Accrol is now an accredited Living Wage employer.

The Living Wage is independently calculated each year based on living costs. At the heart of the Living Wage movement is the simple idea that a hard day's work deserves a fair day's pay.

In 2016 the government introduced a rise in the minimum wage for over 25s and called this new statutory minimum: The National Living Wage.

But there's a gap between the amount all employers have to pay by law and the real Living Wage that meets the cost of living. That's why thousands of UK employers have voluntarily committed to going further - because it's fair.

The real Living Wage recognises that under 25s have the same living costs as everyone else.

This makes Accrol the only accredited Living Wage tissue manufacturer in the UK.

14

### Development and career path

#### Introducing The Learning Hub

This year saw the launch of an online learning portal, the Learning Hub.

Available to all Accrol colleagues, The Learning Hub delivers great benefits for them and for Accrol:

#### For colleagues...

- Better colleague experience - puts employees in the driving seat of their learning journey, supporting career pathways
- Consistent approach - training can be more easily cascaded to all, with bespoke and relevant content shared
- Easy access - all content is online making it efficient to reach all colleagues at a time and place best for them
- Frees up time - assisting in the management of induction and onboarding

#### For Accrol...

- Better skilled workforce - educated colleagues will help us to improve product and service quality
- Better governance - helps us to ensure compliance and statutory training is complete
- Efficient - effective, relevant training can be delivered to all at a lower cost

To support the launch of the online system each site opened a 'physical' learning hub space for colleagues to access it, however it can be accessed anywhere and at any time, creating a completely flexible approach to learning.

In the three months following launch over 350 online courses were complete and hundreds of learning hours achieved.



### Future goals and next steps...

- 100% of employees have Personal Development Plans (PDPs)
- Quarterly job chat programme maintained and PDPs in place
- Personal Development programme for leadership positions launched

## Social continued

### Sustainable careers

13 Increasing inclusivity

14 Development & career path

15 Employee Experience

14

### Development and career path

#### Developing team skills

At Accrol we employ a wonderfully diverse workforce that's representative of each of the communities in which we operate. However, for some colleagues English isn't a first language.

Therefore, Accrol engaged with local Blackburn college to launch English, numeracy, and digital skills courses to develop core skills and confidence amongst colleagues helping them to achieve their personal and professional aims and enabling Accrol to develop and retain talent within the business.

Courses are delivered on-site by specialist, experienced tutors and 17 colleagues enrolled onto the programme, giving exceptional feedback about it from both a personal and professional viewpoint.

"This course will help me to talk to my daughter in English and I will be able to support her with her school-work." (Colleague enrolled onto English as a second language course).

#### Personal development

Accrol is committed to delivering great opportunities for employees to develop rewarding careers and to help realise potential.

Accrol has funded a range of courses and programmes to support colleagues in their personal development.

#### Javid Mogradia, Quality Lead

Javid successfully completed an ILM Level 3 Diploma in Team Leadership achieving a Distinction – the top grade!

After expressing a desire to develop his management skills, Accrol funded Javid to study for an ILM diploma. Studying over two years enabled him to build his management knowledge and capability to sharpen his skills.

Javid also completed, along with his colleague Noman Mahmood, an Internal Auditor course with Advanced Food Safety. Both passed with flying colours!

John Dale colleagues, Joanna Soltysiak and Josh Davies, were fully funded and supported by Accrol in achieving first aid and IOSH Managing Safety course respectively as the site continued to integrate and develop under Accrol ownership.



13

### Increasing inclusivity

#### Women in leadership

Accrol has continued to increase female leaders into the business with gender diversity within leadership roles improving to 22% from historical levels of 5.4%. This is through a combination of recruitment and promotion of internal talent.

#### Vandita's story

Vandita Vaidya joined Accrol in 2020 following the acquisition of Leicester Tissue Company (LTC).

Vandita's career in paper and manufacturing began in 2006, starting as an administrator she progressed in a number of roles and departments, until she landed a role in the technical team at Sofidel where she developed her passion for technical and product development. Unfortunately, limited progression opportunities were available to her and she was offered a role with Leicester Tissue Company in 2014.

The role offered Vandita a fantastic opportunity to take on a management role in a start-up business.

Vandita explains, "I've always been keen to learn new things and working for a family business was hands-on and allowed me to work across a breadth of areas from planning to logistics, technical and management accounts."

But her true passion was with technical and product development.

Vandita goes on, "When Accrol took charge, it was a conversation with Graham Cox (Accrol's Managing Director) that allowed me to outline my career aspirations and my desire to focus on technical and new product development and the changes I wanted to see.

"Fortunately for me Graham was aligned with the changes I wanted to see and promoted me to Technical Manager, allowing me to lead all of Accrol's technical and product developments."

In her role Vandita has implemented robust and well-controlled processes helping to improve the flow of developments and better educate and manage all stakeholders and their expectations to achieve successful outcomes.



Vandita now reports into Accrol's Commercial and Customer Experience Director, Ashley Taylor, and feels incredibly fulfilled in her role, not just in what she delivers but the way in which she's supported to do so.

"Since being a child, I've always seen my mother working, and coming from an Indian background there was a lot of expectation from her generation, but I saw her doing it so brilliantly that she made it look very easy.

"My mother always taught me to have your own individual identity, which is what my work gives me. It gives me immense pride in doing what I do, it makes me happier as well as giving me financial independence."

As a working parent, Accrol offers Vandita flexibility to deliver in a way that works for her in a safe and supportive environment.

"Accrol has always been supportive in terms of keeping a balance in work and personal life, as a woman balancing both it's not always easy but organisations like Accrol help women like me grow in their career, allow us to do what we want without compromising.

"Times are changing and perceptions on leadership is too. It's not about who you are and what you look like its more about your capability.

"I want to grow, explore and challenge myself each day and be an example to all the women out there who want to go to work. There are organisations like Accrol who will help and support you fulfil your dreams."

## Social continued

### Supporting local communities

16 Community projects

17 Knowledge sharing

18 Nurturing local talent



### Where we are...

#### Units donated

FY22 performance

51,000

2025 aspiration

>250,000

#### Lives impacted

FY22 performance

6,129

2025 aspiration

10,000

#### Work placements

FY22 performance

2

2025 aspiration

6

- Proud founding patron of Blackburn Youth Zone, actively participating in fundraising and support events including the launch of 'Youth Zone', a service that provides unemployed young people with specialist support to secure future employment
- Kathryn Robinson, HR Director, appointed HR Trustee at Blackburn Youth Zone
- Deepened relations with the Trussell Trust with more regular, proactive food bank donations being made
- Colleagues involved in impacting local lives via charity partners

18

### Nurturing Local Talent

#### Dominic Timms, Line Operative Trainee

Dominic Timms joined Accrol in November 2021 on a six-month work placement through the government's Kickstart scheme, a programme aimed at getting young people at risk of long-term unemployment into work.

Following school Dominic attended a construction course at college but realised the course just wasn't for him and decided to take a break from education. He then attended courses in the local area to help him build his confidence, skills and work experience, but his attempts to get into work were disrupted by the Covid pandemic.

He was advised to attend a jobs fair at the Blackburn Youth Zone and it was here he met with representatives from Accrol.

After being interviewed for a role, Dominic joined Accrol as a Line Operative working at the Blackburn Gamma site where facial tissue is made.

Dominic explains, "I was so nervous during my first week, getting to know people, the site and the machinery. There was so much to take in, I admit I did have my doubts about whether I could do it."

But Dominic need not have worried. His commitment, attitude and work ethic impressed the operations leadership team so much that he successfully secured a fulltime, permanent position with Accrol.

Dominic goes on, "I was over the moon – so happy and excited that I'd done well and was offered the chance to stay in the role permanently."

As a Line Operative, Dominic is responsible for making sure the machinery runs well, ensures health and safety checks are in place and standards are adhered to.

About the role, Dominic says, "It can be an intense environment working 12-hour shifts and you're always busy doing something. But the team are really helpful, my manager says to me if you need anything you only have to ask and there's a good team spirit, we all get along."

"I enjoy working at Accrol and I plan to be here for a while."

### Future goals and next steps...

- Continue to nurture relationship with Trussell Trust to provide support aligned to needs of local communities where we're based
- Nurture our relationship with Blackburn Youth Zone
- In partnership with Blackburn Youth Zone, higher education and schools provide opportunities to learn employment skills and create potential onboarding route for entry level positions at Accrol

## Social continued

### Supporting local communities

16 Community projects

17 Knowledge sharing

18 Nurturing local talent



16

### Community projects

Throughout the year, Accrol colleagues have supported a range of community projects positively impacting local lives and the communities we operate from.

#### Toy donations at Christmas

The Accrol Blackburn team proudly supported Blackburn's Secret Santa, who donate hundreds of sacks of toys to the most disadvantaged children across Blackburn and Lower Darwen. The Blackburn team donated a van full of toys from scooters to story books, dolls and dinosaurs.

The John Dale team based in Flint also got in the Christmas spirit by donating a large pile of toys to Flint-based charity North Wales Superkids and their toybox appeal.

#### Nightsafe

The Blackburn team kindly donated three pallets of toilet and kitchen roll to local youth charity, Nightsafe. The charity works with 16–25-year-olds faced with or at risk of homelessness. They provide accommodation, day centres and support to empower vulnerable young people and get them back on track.

#### Volunteering at Blackburn Youth Zone

Members of the Accrol team often attend and support events hosted by the amazing Blackburn Youth Zone, a modern hub for young people located in the heart of Blackburn on a mission to inspire all young people.

It was therefore the perfect venue for us to host the launch event of our ESG report to key suppliers to engage them with our ESG agenda and encourage more businesses to show their support. The charity relies on local business funding to finance its services and we're proud to be a Gold Patron.



# Governance

Guiding principle:  
**Delivering long-term success**

## Our Goal

To ensure we have secure and reliable business processes and measures to support and sustain our growth ambitions.

Measure	2025 Aspiration	2020	FY22
Supplier engagement in ESG	100%	-	25%
IT vulnerability score		-	Medium
Board	Annual Evaluation	94% attendance	100% attendance
QCA code	Compliance	Compliant	Compliant

### Transparent Decision Making

- 19 Five-year vision
- 20 Stakeholder engagement
- 21 Robust processes

### Sustainable supply chain

- 22 Strategic ESG alignment
- 23 Tactical SEDEX alignment
- 24 Procurement audit process

### Measured Risk

- 25 Risk review process
- 26 Risk mitigation
- 27 Policy and standards



## Governance continued

### Transparent decision making

We have a five-year vision that guides our direction of travel and decision making, ensuring accountability and allowing us to track timely progress.

19 Five-year vision

20 Stakeholder engagement

21 Robust processes

### Where we are...

#### Board attendance

2020 performance **94%**

FY22 performance **100%**

**2025 aspiration** Board performance evaluation

- A full strategic review is underway designed to capitalise on the strength of the business' market position to ensure shareholder value is optimised
- Increased investment in company communications with a dedicated Communications Manager appointed and an internal communications framework developed and established
- Quarterly reviews of key areas of the plan, with key objectives woven into leaders' performance targets

### Future goals and next steps...

- Investment in online communications to provide a greater degree of transparency on progress against our five-year plan and ESG journey
- Carry out a formal independent Board Performance Evaluation process to ensure we have the right balance of skills, gender and diversity in the Boardroom
- Measure customer experience through Net Promoter Score

21

### Robust processes

The Chairman has responsibility for the governance of the company, and for ensuring that the Company's ethics and values are communicated and upheld throughout the business.

To support the work of the Board there are three Board committees:

1. Audit
2. Remuneration
3. Nomination

Details of each committee's role is set out in the company's Annual Report each year.

### Board of Directors



**Daniel Wright**  
Executive Chairman



**Gareth Jenkins**  
Chief Executive Officer



**Richard Newman**  
Chief Financial Officer



**Euan Hamilton**  
Independent  
Non-Executive Director



**Simon Allport**  
Independent  
Non-Executive Director

### Operational Board

The operating Board is responsible for all the day-to-day operations.

**Richard Newman**  
Chief Financial Officer

**Gareth Jenkins**  
Chief Executive Officer



**Graham Cox**  
Managing Director –  
Tissue Division



**Kathryn Robinson**  
HR Director

## Governance continued

### Sustainable supply chain

Ensuring processes are in place to support sustainability throughout our supply chain

22 Strategic ESG alignment

23 Tactical SEDEX alignment

24 Procurement audit process

#### Where we are...

- Sedex compliant
- AA BRCGS standards across sites
- Supplier code of conduct launched
- Procurement strategy developed

#### Future goals and next steps...

- 100% of core suppliers aligned Sedex audit in all core suppliers to ensure compliance and alignment
- 100% appraised
- 100% measured
- More formally measure supply performance as to inform decision making on long-term supply partners



22

### Strategic ESG alignment

Rick Colwell joined Accrol in the year, taking on the role of Procurement and Logistics Director. As a highly experienced procurement professional joining Accrol from a FTSE 250 company, Rick has developed a procurement strategy to support Accrol's long-term, sustainable growth ambition.

In the year, a supplier code of conduct was launched outlining the principles we expect our suppliers to follow, including:

- Integrity and ethics
- Respect and human rights
- Environmental sustainability
- Health and safety
- Management processes
- Governance

It's Accrol's aim to create mutual success with all stakeholders built on trust, sustainability and a shared commitment to our codes of conduct.

Accrol's wider procurement strategy has been developed to enable the business to achieve this aim in a clear, measurable way; the launch of our supplier code of conduct marks the beginning of implementing this approach.

# Governance continued

## Measured risk

Transparent and iterative risk planning, measurement and mitigation to improve business resilience

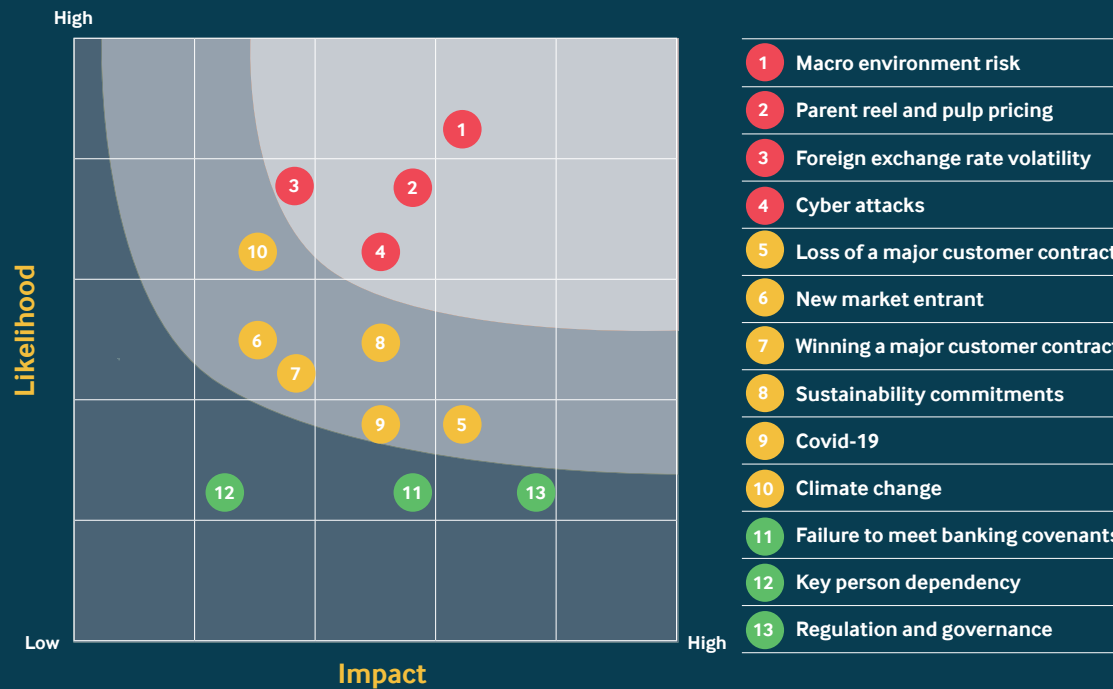
25 Risk review process

26 Risk mitigation

27 Policy and standards

To gain an understanding of the risk exposure of the Group, we conduct an annual review of each area of our business and use a methodology that will assist the Group in measuring, evaluating, documenting, and monitoring its risks within all areas of its operations.

We use our risk management process as described to identify, monitor, evaluate and escalate risks as they emerge, enabling management to take appropriate action wherever possible to control them and enabling the Board to keep risk management under review. The risk factors addressed below are those which we believe to be the most material to our business model, which could adversely affect the operations, revenue, profit, cashflow or assets of the Group and which may prevent us from achieving the Group's strategic objectives. Additional risks and uncertainties currently unknown to us, or which we currently believe are immaterial, may also have an adverse effect on the Group.



## Where we are...

- Annual risk review carried out and key risks reported in the Annual Report
- Risks measured, evaluated, documented and monitored within all areas of operation

## Future goals and next steps...

- Set and benchmark Board and Stakeholder risk appetite
- Scoring established, reviewed and benchmarked



## 26

## Risk Mitigation

### IT security

Cyber security is a concern for all businesses as scammers and hackers continue to pose a threat. During the year Accrol established its IT penetration vulnerability score baseline and acted on the back of the results.

Investment in IT has strengthened both security and performance, with upgrades across its infrastructure as well as proactively increasing the profile and prominence of risks amongst colleagues through internal communications and training.

Ed Hough, IT Director, advises, "We've done a lot during the year to balance increased access to our systems so colleagues can use them with ease, whenever and wherever, whilst making sure Accrol's systems are safe and robust.

"The work we've done means we now have a medium vulnerability score. With growing and ever-changing cyber security threats, reducing this further will always be a challenge but we continue to work hard to achieve it."

Accrol aligns itself with the CIS (Centre for Internet Security) framework to benchmark itself against the industry standard.



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