

An aerial photograph of a wind farm. Several white wind turbines are scattered across a vast, green, rolling landscape. The sky is filled with large, dark, dramatic clouds. The overall tone is dark and moody, with the green of the fields providing a strong contrast to the white turbines and the dark sky.

OT GROUP

PART OF PARAGON GROUP

Working towards a more
sustainable future.

The world is facing rapid environmental and societal change, and it is vital that we develop business strategies that embrace the growth potential this will bring.

Sustainability is no longer merely “nice to have”, useful only for reducing energy or waste; sound sustainability governance is crucial to the growth of our business.

OT Group, while based in the UK, is part of Paragon Group - a global business with global impacts. We have a responsibility not just to build a sustainable business, but to contribute to a sustainable economy and planet.

At OT Group, 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.

This document outlines our key strategies and ambitions for a more sustainable future.

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Our Sustainability Ambition 2030.

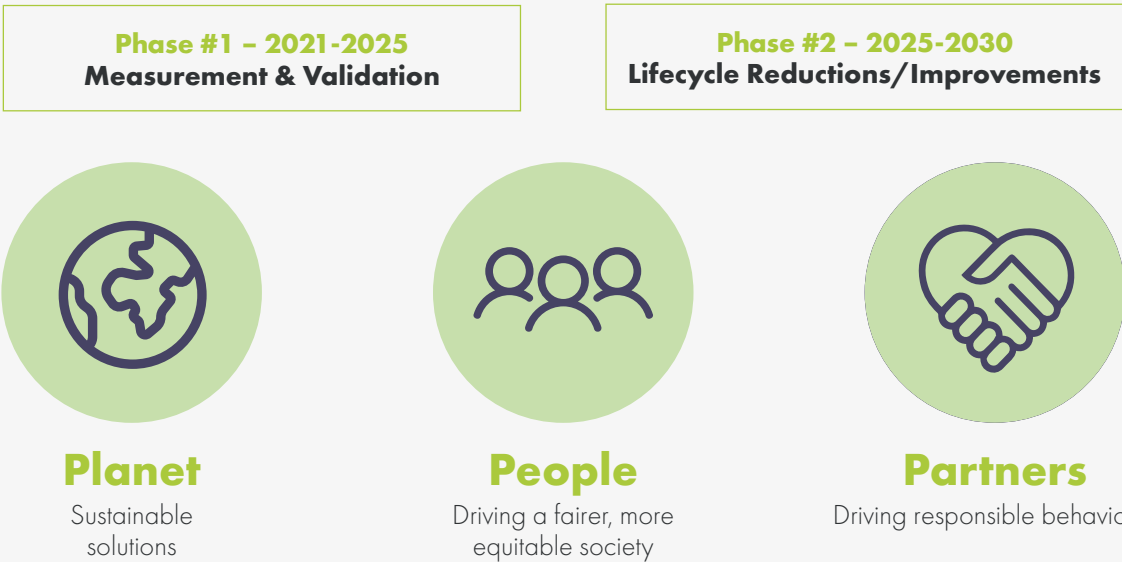
OT Group take a lifecycle approach to sustainability, focusing on 3 core areas of Planet, People and Partners and we’re developing our strategy in line with what’s important to our customers – to support their sustainability objectives; and the UK Government’s long term goals for carbon net zero. Our 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



Working together with





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

Working towards delivering
the following SDGs:



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

Working towards delivering
the following SDGs:





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

Working towards delivering the following SDGs:



Carbon Net Zero.

OT Group are committed to supporting our clients' ambitions and the UK Government targets to achieve Carbon Net Zero by 2050.

We have engaged with external consultants to help define a Carbon Net Zero strategy for our combined OT Group business in line with our parent company Paragon Group's Carbon Net Zero Framework. This vital project will determine how Net Zero will be achieved through governance enhancements, resource efficiency measures and behavioural shifts, both within the business and through working closely with our supply chain.

The scope of work currently being undertaken is:



A desk-based corporate governance review, including the current 14001 EMS framework.



Undertaking a site energy and environmental audit at key locations.



Determining a science-based targets (SBT) and trajectory.



Establishing a forward-looking Net Zero Action Plan.



Establishing a greenhouse gas (GHG) emissions baseline and inventory.



Advising on an effective data collection and reporting process.



Developing an outline Net Zero Strategy, including environmental aspects and impacts.

and will be completed in no later than June 2022, where we will publish our full Carbon Net Zero Plan.

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.



SmartPad: The ultimate procurement platform.



Our SmartPad procurement platform brings not only a multitude of cost control and efficiency savings to our customers, but also delivers many sustainability benefits for your organisation.

Supply chain consolidation

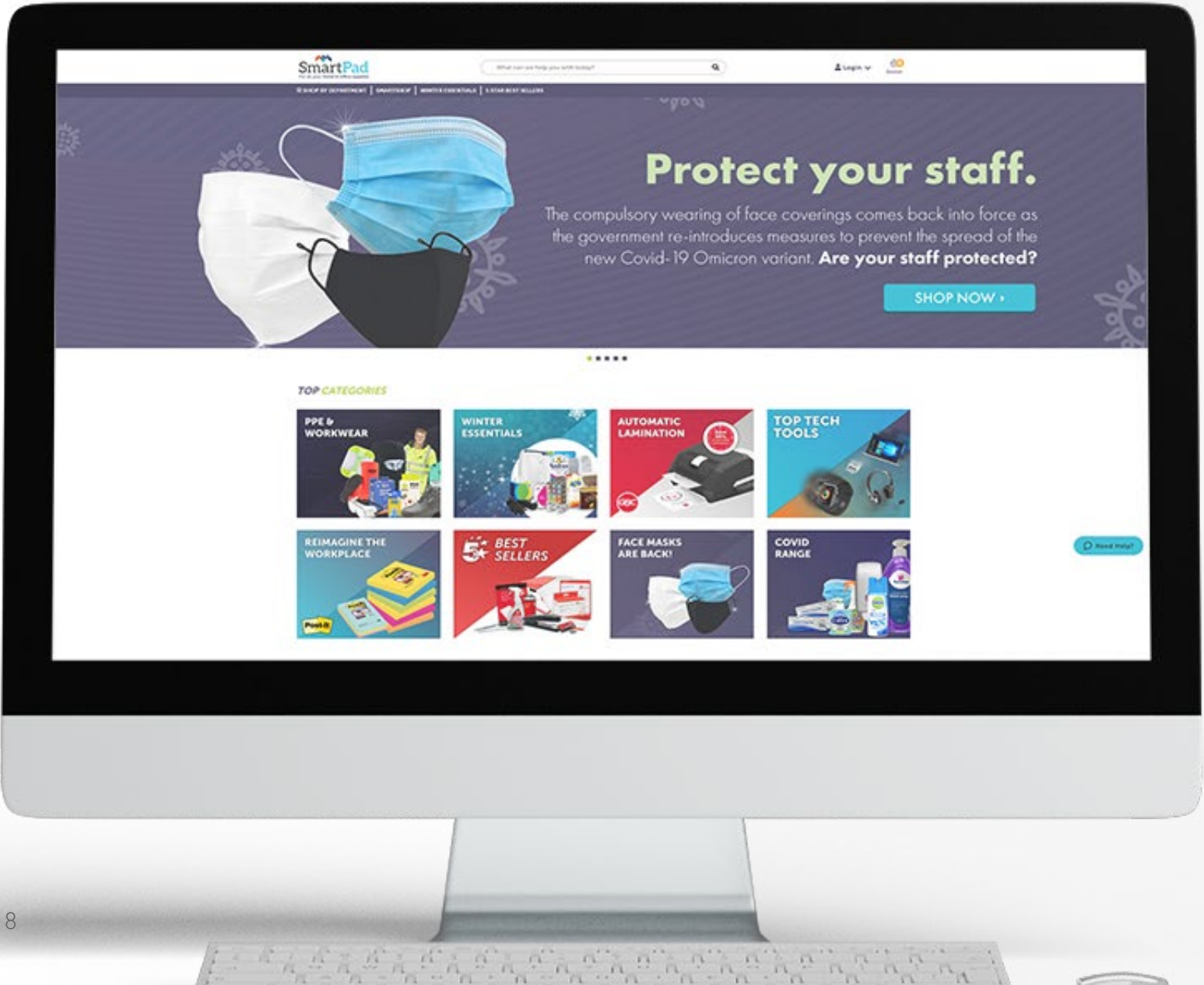
With hundreds of thousands of products available through a single procurement platform, we can reduce the number of suppliers in your supply chain – providing you with one order, one delivery and one invoice.

SmartChoice products

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.

Held orders, saved baskets and subscription options

We help our customers reduce their Scope 3 emissions through innovative technology that enables fewer deliveries.



Product Donations

OfficeTeam is committed to helping and engaging with the local communities in which we operate.

Since 2014, OfficeTeam has helped by supporting a wide range of voluntary and community organisations including local schools, charities and organisations with essential product donations, enabling them to preserve their funding and facilitate the learning and services they provide.

To date, we have donated £150,000 worth of stationery, office and workwear products, which has benefitted 1,241 voluntary and community organisations. Along with over 200 furniture items donated to schools and charities across the UK.

Community Days

OT Group is proud to offer all of our staff, one paid working day a year to volunteer for local community or charity projects.

That's 4,500 hours a year devoted to good causes to support charities and communities nationwide. Some of the local projects undertaken by our team include; volunteering in charity stores, sponsored hikes and bike rides, donations of essential goods to local charities, deep cleaning of local night shelters and much more.



World-class distribution partners: **Menzies**

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.

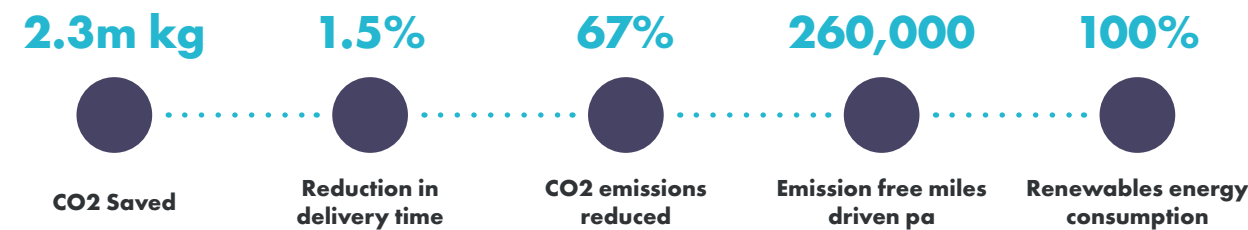
The future's electric

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



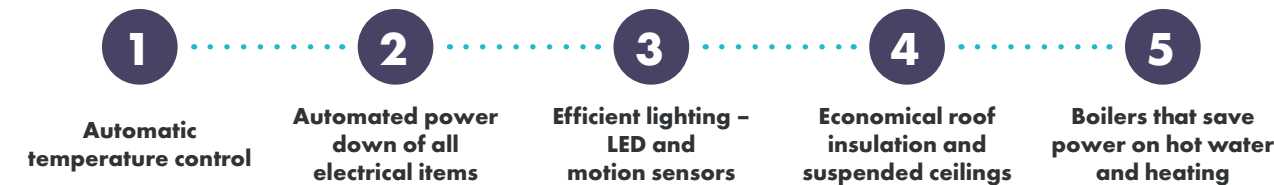
Menzies overarching CSR strategy is the Road to Zero – their ambition is to achieve Zero Harm, Zero Waste and Zero Emissions.

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







Streamlined Energy and Carbon Reporting – Paragon Group 2020/2021

As part of the wider group of Paragon Companies, we are pleased to present our energy and carbon reporting in line with the requirements of The Streamlined Energy and Carbon Reporting (SECR) legislation and The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Scope

Paragon Group Plc consists of multiple subsidiary companies across the globe. The scope of this report covers all Paragon Group Ltd legal entities that are registered in the UK and in scope of the SECR legislation.

Energy use and carbon emissions are reported for the following activities:

-  Gas consumed (buildings)
-  Fuel consumed (buildings & operated transport)
-  Fuel consumed (staff business travel)
-  Electricity consumed

The reporting period will track the financial year of 1st July in any given year to 30th June to that of the preceding year. The current reporting period is 1st July 2020 to 30th June 2021.

Paragon Group Ltd has grown massively through acquisition and will continue to do so in the future. For this reason we will adopt a rolling baseline year of the previous reporting period. This will reflect the changing scope of the business. The current baseline year is 1st July 2019 to 30th June 2020.

Please see Appendix A for a list Paragon Group Ltd legal entities registered in the UK and their scope of reporting for the purposes of SECR.

Paragon Group Ltd is split into 4 operational divisions:

- Paragon Customer Communications
- Paragon ID
- Paragon Graphic Services
- OT Group

Individual legal entities within each division were assessed to determine the scope of required reporting. Holding companies were excluded from this activity.

All legal entities that fall into scope for SECR reporting are within the Paragon Customer Communications division. Appendix A details the legal entities that have been included in the reporting.



Operational Changes

The COVID-19 pandemic and lockdown period affected our operations and associated activity in the following ways during the reporting period:



All office staff spent the majority of the reporting period working from home, or reduced time working in the office



The majority of meetings were held online, reducing staff business travel



Work at the majority of site decreased in volume and scope

Methodology

The calculation of carbon emissions has been completed using the UK Government Greenhouse Gas Reporting: Conversion Factors 2021.

The methods of data collection and verification have been documented within our supporting evidence which can be made available on request. Wherever possible, 12 months of actual data has been used covering 01/07/2020 to 30/06/2021. Where estimates or projections have been used this has been stated.

Energy Use and Carbon Emissions

Energy Use and Carbon Emissions have been calculated for each Paragon Group division:

2019/20 Reporting Year

Paragon Group Division	Gas (buildings + forklift) kWh	Fuel (operated transport) kWh	Fuel (staff business travel) kWh	Electricity kWh	Carbon Emissions Kg CO2e
Paragon Customer Communications	10,986,606 38,359	2,734,769	983,598	27,873,536	9,808,071
Paragon ID	No subsidiaries in scope	No subsidiaries in scope	No subsidiaries in scope	No subsidiaries in scope	No subsidiaries in scope
Paragon Graphic Services	No subsidiaries in scope	No subsidiaries in scope	No subsidiaries in scope	No subsidiaries in scope	No subsidiaries in scope

2020/21 Reporting Year

Paragon Group Division	Gas (buildings + forklift) kWh	Fuel (operated transport) kWh	Fuel (staff business travel) kWh	Electricity kWh	Carbon Emissions Kg CO2e
Paragon Customer Communications	11,106,347	1,168,368	245,224	29,037,737	8,725,920
Paragon ID	No subsidiaries in scope	No subsidiaries in scope	No subsidiaries in scope	No subsidiaries in scope	No subsidiaries in scope
Paragon Graphic Services	No subsidiaries in scope	No subsidiaries in scope	No subsidiaries in scope	No subsidiaries in scope	No subsidiaries in scope
OT Group	N/A	N/A	N/A	N/A	N/A

Energy Intensity Ratio

Paragon Group Ltd have chosen electricity KgCO2e per square metre of floor space as our intensity ratio. This will best reflect the different scope and activity of work across our locations.

The intensity ratio has been reported at Paragon Group division level. This intensity measure is also reported monthly to all production locations as part of our ongoing ISO 14001 and ISO 50001 certified management programmes.

Paragon Group Division	2019/20 Total Electricity kgs CO2e	2019/20 Total square metre	2019/20 Kg CO2e per square metre	2020/21 Total Electricity kgs CO2e	2020/21 Total square meters	2020/21 Kg CO2e per square metre
Paragon Customer	6,498,436	285,703	22.75	6,133,290	314,337	19.51
Paragon ID	Out of scope	Out of scope	Out of scope	Out of scope	Out of scope	Out of scope
Paragon Graphic Services	Out of scope	Out of scope	Out of scope	Out of scope	Out of scope	Out of scope
OT Group	Out of scope	Out of scope	Out of scope	94,719	17,769	5.33

Improvement Programmes

The majority of Paragon Group production sites hold ISO 14001 Environmental Management and / or ISO 50001 Energy Management certifications. These management systems provide the framework to drive both site and group level improvements to our energy and carbon reporting, efficiency and emissions.

Across our own operations improvement programmes focus on the following areas:

- Production efficiency – Lean manufacturing, kit optimisation & upgrades
- Facilities efficiency – HVAC, lighting & facilities infrastructure
- Supply chain governance

Specific programmes across our production facilities in the reporting period include:

- Consolidation of work and production locations
- Lighting upgrades to LED technology
- Air conditioning upgrades to production, offices and server rooms
- Refresh of production equipment to more energy efficient kit
- Investigation into photovoltaic panels at our Dagenham site

Paragon Customer Communications is the largest user of energy and carbon emissions within Paragon Group. Paragon Customer Communications publish its energy and carbon performance in their annual Sustainability Report.



PG Division	Entity	In Scope of SECR	Included in Reporting	Gas (Buildings)	Fuel (Operated Transport)	Fuel (Staff Business Tavel)	Electricity
PCC	Paragon Customers Communications (Bristol) Ltd	No	Yes	Yes	Yes	Yes	Yes
	Paragon Customer Communications (Redruth) Ltd	No	Yes	Yes	Yes	Yes	Yes
	Paragon Customer Communications (Nottingham) Ltd	Yes	Yes	Yes	Yes	Yes	Yes
	Paragon Customer Communications (London) Ltd	Yes	Yes	Yes	Yes	Yes	Yes
	Paragon Customer Communications (Finsbury Circus)	No	Yes	No - Landlord Supplied	N/A	Yes	No - Landlord Supplied
	Paragon Customer Communications International Ltd	Yes	Yes	Yes	Yes	Yes	Yes
	Print Trade Suppliers Ltd	No	Yes	N/A	N/A	N/A	N/A
	Global Document Systems Ltd	No	Yes	N/A	N/A	N/A	N/A
	Critical Mail Continuity Services Ltd	No	Yes	Yes	Yes	Yes	Yes
PID	Bemrose Booth Paragon Ltd	No	No	N/A	N/A	N/A	N/A
	Thames Card Technology Ltd	No	No	N/A	N/A	N/A	N/A
PGS	ZenOffice UK Ltd	No	No	N/A	N/A	N/A	N/A
	Paragon Group UK Ltd	No	No	N/A	N/A	N/A	N/A
	Image Factory Retail Graphics Ltd	No	No	N/A	N/A	N/A	N/A
	A.E. Tyler Ltd	No	No	N/A	N/A	N/A	N/A
OTG	OT Group Ltd	Yes	Yes	N/A	N/A	N/A	Yes



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