


Mercian Labels Environmental ESG Policy	QF 6.7	
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TITLE: Environmental, Social, and Governance Policy		

Mercian Labels Ltd are committed to ensuring that we conduct business in a way that continually improves our sustainability and impact on our stakeholders.

1. Background

Mercian Labels have been manufacturing self-adhesive labels in Staffordshire since 1969. Employing over 50 people, Quality is at the heart of everything we do. We hold the ISO 9001:2015 accreditation for quality management systems, ISO 14001:2015 for environmental management systems, ISO17712:2013 certification for security printing, and the BRCGS (British Retail Consortium) accreditation at grade 'AA+'.

We are governed by a highly qualified Board of Directors and complimented with a highly capable Management Team, all employees are motivated and engaged with the values that they themselves identified – Teamwork, Quality, Commitment and Honesty.

Our Environmental, Social, and Governance (ESG) policy is based on the following principles:

1. To minimise the impact and maximise the benefits that our work has on the environment and people around us.
2. To integrate our ESG policy into all our business decisions.
3. To comply with all applicable legislation, regulations, and codes of practice.

In improving our strategy and setting out our policy we aim to deliver gradual but continuous improvements in our performance every year. As a result, our approach continues to evolve as we learn lessons along the way.

To help define our policy we have divided it into three key areas, Environmental Impact, Social Impact on Stakeholders, and Corporate Governance.

2. Environmental Impact

We are proud of our environmental credentials, which we refer to as our 'Mercian Zero' standard. We know that our work has an impact on the environment and that we have a duty to manage that impact in a responsible and ethical manner. We do this through identifying all significant environmental impacts and putting processes into place to prevent, reduce and mitigate them. This also makes good business sense.

We are currently working to improving our Environmental Management System through our ISO 14001 accreditation to support the following sustainability priorities:

Materials

- Our overall policy is to minimize our environmental impact and promote circular economy principles wherever practicable.
- Glassine liner recycling – we inform and encourage customers to segregate their used liner and return to us for consolidation and transport to a specialist recycling plant for recycling into glassine and other paper products, as an alternative to landfill or waste to energy due to the silicone content.
- Material selection - we inform and encourage customers to maximise the recyclability of their own packaging using labels we manufacture by advising on the correct combinations of materials to maximise product recyclability through Materials recovery facilities (MRFs), Plastic recovery facilities (PRFs), and other waste management infrastructure.
- Substrates – Our Industry First 'Wood Film' material offers a sustainable and fully renewable alternative- that performs exactly as its plastic counterparts.
- Sustainable paper supplies – our self-adhesive paper labels are produced from recycled paper or from sustainable forests.
- Solvents – we severely restrict the use of solvents in our factory to only applications where there is no other alternative.

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Waste Management

- We will continually assess and improve our processes to reduce resource consumption and waste generation.
- We pledge to eliminate waste to landfill from our operations. We will prioritize waste reduction, reuse, recycling, and responsible disposal methods to ensure that no waste generated by our business ends up in landfills. We refer to this as 'Zero to Landfill'.
- Working with our waste management partners, we appropriately segregate waste on-site to maximise recycling potential of our waste streams. All of our waste is recycled or converted to energy.
- We use an ERP system designed to monitor any waste and to minimise our environmental impact.

Energy reduction

- We will implement energy-efficient practices and technologies to reduce our energy consumption. This includes investing in energy-efficient equipment, circuit level energy monitoring, optimizing production processes, and promoting energy conservation measures among employees.
- We will manage our investment in the largest solar energy system we are allowed to operate to produce approximately 20% of our annual energy requirements.
- We will use air source heat pumps to heat our office spaces (only when in use) in winter and cool them in summer, optimising a working temperature of 22 degrees C.
- We will use the most efficient gas-based heating units to heat our factory area (only when in use) in winter to a minimum safe working temperature of 16 degrees C.

3. Social Impact on Stakeholders

Employee Well-being

- We aim to attract, develop, and retain the best talent. We believe that our colleagues, and the care they give to our customers, are the reason for our continued success.
- We always operate according to our M-E-R-C-I-A-N. Culture – A list of our core principles that we live and work by.
- We promote equality and consider interests of our employees including their welfare, mental health and health and safety. Our ultimate aim is the wellbeing of our employees through their worthwhile and satisfying employment in a successful business.
- Staff Agile Management – Regular appraisals to develop our staff and provide ample opportunity for two-way feedback and development.
- Competitive Pay package including Pension, Sick Pay, Sabbaticals and BHSF Care Package.
- Free healthy snacks, car wash voucher and recognition events such as Fish & Chip Friday when we perform well.
- Monthly recognition programs for rewarding Teamwork and other core company values.
- We prioritize the health, safety, and well-being of our employees. We will provide a safe and healthy working environment, offer training and development opportunities, and promote work-life balance initiatives to support the overall well-being of our staff.

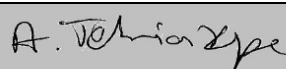
Community Engagement:

- We recognise that we play an important role in our local community and we aim to make the communities in which we operate better places.
- We are committed to being active participants in the Burntwood, Staffordshire community. We will engage with local stakeholders, support community initiatives, and contribute to local causes to foster positive relationships and make a meaningful impact on the community.
- We encourage and empower our employees to get involved with their local communities and use their skills and where possible the Company's resources to help create a mutual benefit.
- We donate excess IT equipment to local good causes who otherwise would have difficulty in accessing IT.
- We donate excess product to local schools, playgroups and creches for creative play by children.

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Customer Relations:

- It is so important to look after our customers, to make sure that they have a positive and lasting impression of our business. We continually push ourselves to offer the best in business metrics such as:
- Continually monitor our external performance based on Net Promotor Score (NPS) to ensure we can learn and develop our offering to our customers.
- Hold the following Certifications, ISO 9001, ISO 17712, ISO 14001 & BRCGS to ensure we deliver on our commitment to the Quality of the products we deliver.
- Take Off and Landing Meetings – to ensure we continually develop and deliver our products Right First Time with our Speed and Service USP.

Supplier and Partner Relations:

- We will conduct our business in a fair, ethical, and transparent manner. We will build strong relationships with our suppliers and business partners based on mutual respect, trust, and integrity, ensuring that our supply chain upholds high social and ethical standards.
- We oppose the exploitation of workers, and we will not tolerate forced labour, or labour which involves physical, verbal, or psychological harassment, or intimidation of any kind. We will not accept human trafficking or the exploitation of children and young people in our business and undertake all reasonable and practical steps to ensure that these standards are maintained.
- All of our suppliers are subject to our Supplier Assessment Questionnaire to ensure they are working to our internal and external Accreditations.
- Monitoring of our Supplier Performance, to ensure we can provide the best service to our customers.
- We are committed to paying our suppliers properly within commercially agreed terms.
- We will not give or accept any gifts or gratuities with partners valued at more than £50 without advance written permission from a Director.

Diversity and Inclusion:

- We value diversity and inclusion in our workforce and will foster a culture of equality and respect.
- We will ensure equal opportunities for all employees.

4. Corporate Governance

Triple Bottom Line

We are committed to managing our business according to the triple bottom line principles of People, Planet and Prosperity.

Ethical Conduct

We are committed to upholding the highest standards of ethical conduct in all aspects of our business operations. We will comply with all applicable laws, regulations, and industry standards and conduct our business with integrity, honesty, and transparency.

Board Oversight:

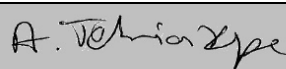
Our board of directors will provide oversight of our ESG initiatives and ensure that they are aligned with our company's values, objectives, and long-term sustainability goals.


We are committed to ensuring our policy remains effective. As part of our ongoing commitment, this policy is reviewed by the Board at least annually to verify its effective operation. Records of the reviews are maintained, and any necessary amendments are made to the policy, as appropriate.

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Risk Management:

We will integrate ESG considerations into our risk management processes to identify, assess, and mitigate risks associated with environmental, social, and governance factors. We will proactively manage risks to protect the interests of our stakeholders and safeguard the long-term success of our business.

Stakeholder Engagement

We will engage with our stakeholders, including employees, customers, investors, and the local community, to understand their concerns, expectations, and feedback regarding our ESG performance. We will communicate transparently and actively seek input to inform our decision-making processes and improve our ESG practices.

Compliance and Accountability

We will ensure compliance with this ESG policy and hold ourselves accountable for achieving our environmental, social, and governance commitments. We will establish clear responsibilities, set measurable targets and KPIs, and regularly monitor and report on our progress towards meeting our ESG goals.

Communication

We will communicate this policy to our staff, customers, supply partners and other stakeholders by means of publication on our website.

5. Conclusion

At Mercian Labels we recognize the importance of integrating environmental, social, and governance considerations into our business strategy and operations. Through our ESG policy, we are committed to creating long-term value for our stakeholders while contributing to a more sustainable and equitable future for our planet and communities.

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