AGNE Ltd, trading as AlphaGraphics, is a Creative Design and Print Company based in Stockton-on-Tees, with satellite office units in Newcastle-upon-Tyne and Nottingham. There are 100 employees within the Company, providing diverse & creative product solutions in printing, personalised direct mail and digital archiving services to meet with its clients’ evolving requirements. In addition, Alphagraphics offers in-house expertise in marketing solutions, communication and campaign management.

We are committed to protecting the environment and to continually improving our environmental performance, including reducing our Carbon Footprint. We strive to run our business as efficiently and sustainably as possible, investing in the latest technologies and implementing best practices within the printing industry. Since 2010, our environmental management system has been certified to meet the requirements of ISO 14001 ensuring that our processes and performance are externally audited to ensure they remain effective and relevant.

We review our Environmental Policy each year and monitor our environmental impact, so we can continually improve. Copies of our Environmental Policy are available on request. In addition, this report has been produced to let you know what we are doing to address our main environmental issues:

- Carbon Footprint
- ISO 14001
- Chemical Free Platemaking
- Waste Management
- Energy Efficiency
- Waterless Printing
- Vegetable Based Ink
- Transport
- Paper
- Alcohol Free Printing
- Use of Plastics

Issue Date: 30 April 2019
Carbon Footprint

AlphaGraphics applies the GHG Protocol as the basis for reporting its greenhouse gases emissions. Emissions reporting includes the facilities over which we have operational control. This is the internationally recognised standard for corporate carbon reporting. Scope 1 and Scope 2 emissions data has been collected from all material locations operated or controlled by us. Emission sources falling outside our operational control and other Scope 3 emissions have not been collated or reported. The Company has used Revenue as the denominator for its intensity ratio as this is the most appropriate and relevant factor associated with our activities and should provide an appropriate basis on which to compare trends over time.

Greenhouse gas emissions generated by our operations present considerable risks to both the Company and the environment, including:

- the agricultural impact of the Company’s dependence on extraction and use of raw materials;
- the potential disruption of the Company’s operations and those of its customers and suppliers; and
- changes in the nature or distribution of consumer demand.

These risks can be mitigated through the Company’s conscious efforts to minimise its release of GHG through environmental initiatives. The majority of greenhouse gas emissions used arise from the printing processes, together with the running of the offices and an element of travel. Where possible alternative technologies are used to minimise the use of travel between sites, with video conference calls used extensively by colleagues to communicate outside of scheduled meeting times. GHG emissions, measured as the quantity of CO2e generated by the Company’s activities, for the year 1st October 2017 to 30th September 2018 are presented in the table below.

<table>
<thead>
<tr>
<th>GHG Emissions</th>
<th>GHG emissions tonnes CO2e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope</td>
<td>2016 - 2017(^5)</td>
</tr>
<tr>
<td>Scope 1(^1)</td>
<td>209</td>
</tr>
<tr>
<td>Scope 2(^2)</td>
<td>294</td>
</tr>
<tr>
<td>Total direct and indirect emissions</td>
<td>503</td>
</tr>
<tr>
<td>Intensity ratio: tonnes(^3)</td>
<td>60.15</td>
</tr>
</tbody>
</table>

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1. Emissions that arise directly from our operations and comprise combustion of fuel and process emissions
2. Indirect emissions that arise from our use of electricity
3. CO₂e per £ million of Revenue
4. Based on our financial year 1st October 2017 to 30th September 2018. Used DEFRA 2018 Conversion Factors
5. Based on our financial year 1st October 2016 to 30th September 2017. Used DEFRA 2017 Conversion Factors

**Total CO₂e by Scope**

**Energy Efficiency**

We have worked hard to increase our energy efficiency and reduce the amount of energy we use by implementing the following actions:

- We advise all staff to switch off equipment, lights, chargers, computers, printers and appliances when not in use.
- Ensuring all office equipment is Energy Star rated.
- We have invested in newer digital printing presses which are more energy efficient. They use lower energy when printing, have a greatly reduced usage when in standby and a quicker time to first copy than the older technology.
- Over 80% of the lights in our main production site and Head Office are now LED energy efficient.
- We have installed motion sensors in areas that are infrequently used so lights are turned off automatically if no one is in the vicinity.
- Heating and air-conditioning is turned off when not required, set at reasonable temperatures, and regularly maintained to ensure it is running efficiently.
- Installed a rapid closing door in our delivery area to reduce heat loss.
- Installed further building insulation in production area to reduce heat loss.
- Purchased new on demand compressor to reduce energy use.
- Replaced all LCD monitors with newer efficient LED monitors

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• Replaced one older inefficient boiler, with new
• Proactively plan to gang work up on each machine type, so there is less stopping and starting and paper waste
• Invested in Voltage Optimisation in the production area, which has resulted in improved efficiency of lighting across the site

**Paper**

• We are FSC® Chain of Custody Certified. This means that you can be assured that the products that you buy from us are from traceable sustainable woodland or recycled, where specified. A lot can happen to a product between leaving the forest and arriving in your hands. From processing to manufacturing to distribution, wood and other forest products go through a complex supply chain. FSC chain of custody certification verifies that FSC-certified material has been identified and separated from non-certified and non-controlled material as it makes its way along the supply chain from A all the way through to B. To achieve chain of custody certification, our business meets the FSC-STD-40-004 Chain of Custody Certification standard

• We offer Carbon Balanced Paper. Carbon balancing is facilitated by the World Land Trust, an international conservation charity, through the preservation of high conservation forests. Through land purchase of ecologically important standing forests under threat of clearance, carbon is locked that would otherwise be released. These protected forests are then able to continue absorbing carbon from the atmosphere. Referred to as REDD (Reduced Emissions from Deforestation and forest Degradation), this is now recognised as one of the most cost-effective and swiftest ways to arrest the rise atmospheric CO2 and global warming effects. Carbon Balanced Paper is paper for which the carbon impact of the production and distribution process has been balanced, or offset, by the World Land Trust.

• We have digital production including matching of spot and special colours that means we can greatly reduce make ready sheets by switching production from litho to digital.

• Investment in new litho presses, and further SMED (Single-Minute Exchange of Dies) training, has reduced the amount of make ready sheets and running waste, reducing our internal paper use.

• We encourage customers to consider non print solutions as part of their communication such as page turning PDFs, PURLs, Social media and other cross media marketing solutions.

• We encourage customers to personalise their communication. This can lead to a massive reduction in print volumes as responses rates are improved by up to 10 times.

• We encourage less printing, and double sided printing, where possible, internally and for our clients

• We look for ways to re-engineer products to minimise paper waste

• We encourage our customers to consider the impacts of paper use during the design process, and production of art work to reduce the volume of paper used

• We have introduced electronic invoicing and payments, reducing the amount of paper we use internally.
ISO 14001

The ISO14001 Environmental Management Standard helps organisations to minimize negative effects operations have on the environment, comply with applicable laws and to continually improve. Our Environmental Management System is part of our Integrated Management System along with Quality and Health and Safety and is externally certified by NQA, a UKAS accredited Certification Body.

Waterless Printing

We make sure that we invest in the latest in waterless offset printing technology appropriate to what we produce. In our case that’s utilising HP Indigo Digital Offset Printing technology.

Alcohol Free Printing

All our litho presses are completely alcohol free – meaning reduced environmental impacts and improved working conditions for employees.

Chemical Free Platemaking

Known as CTP (computer-to-plate), we use the latest technology which uses a thermal process instead of chemicals to produce plates for print. We also recycle all of our plates after use.

Vegetable Based Ink

Conventional inks are petroleum based and use alcohol based solvents, which emit harmful Volatile Organic Compounds (VOC’s) when they evaporate. We use the latest vegetable based inks instead in our litho presses.

Use of Plastics

Every year, Europeans generate 25m tonnes of plastic waste, but less than 30% is collected for recycling. It is estimated that more than 80% of marine litter is plastic. Whilst we do not produce many products containing plastic, we do have a few products and packaging items that currently use plastics and we have targeted to remove the use of all plastic within the next 24 months by sourcing alternative materials such as biodegradable and compostable where they are available.

Waste Management

We follow the waste hierarchy and aim to eliminate and reduce all our waste where possible. Here are some of the actions we have taken:

Reduce/Recycle

- All our toner and other digital printing consumables (including packaging) are picked up by the suppliers are re-used or recycled.
- Packaging waste from deliveries into us, is re-used wherever possible on site. If it cannot be reused it is recycled.
- We use only the minimal amount of packaging on our own deliveries, and are working with suppliers to minimise the amount, and the green credentials of the packaging we buy.
• For regional customers in the North East and East Midlands, where we have a van delivery service, we offer a packaging pick up service.
• All our waste paper, is processed at our waste carriers local depot then transported to the paper mill to be recycled.
• Cardboard, plastic and glass is recycled.
• Our lean manufacturing techniques and commitment to continuous improvement means that we are continually reducing our number of make ready sheets resulting in reduced paper use.

**Minimal Waste to Landfill**
We send minimal waste to landfill. Our general waste stream is collected and sorted further by our Waste Contractors and where possible recycled.

**Transport**
• We have a small fleet of fuel-efficient vans. Our deliveries are batched, this is so we make the most of our drops. We also ensure that delivery routes are pre-planned for shortest journey distances wherever possible.
• We are committed to sourcing our materials from local companies. All orders are calculated not only by the monetary cost, but also by the environmental cost in distance travelled. The majority of our paper is sourced from suppliers who have depots in the North East.
• Employees are encouraged to travel to work using environmentally friendly methods: car sharing, use of public transport, cycle and walking. We have introduced a Cycle to Work Scheme.

**The Future**
Our commitment to continual improvement means we are always considering new initiatives and setting objectives for our next period. In the financial year 2018/2019 we aim to carry on with our current activities and in addition:

1. Reduce our Carbon Footprint by 2-3%.

2. Raise awareness internally of the actions that we need to undertake to reduce our footprint.

3. Communicate and involve all of our staff in the carbon reduction programme, and outline the benefits that a reduction in our carbon footprint will have for both them, and the wider community.

4. Investigate opportunities for purchasing more recycled, and biodegradable products and packaging for our own use.

5. Continue to improve the energy efficiency of company premises and consider energy efficiency for futures premises and leases.

6. Investigate the possibility of recirculating waste heat from our chillers into the production area to reuse waste heat, and reduce energy use and greenhouse gas emissions.

7. Replace our last older inefficient boiler with a new one.

8. Continue with our project of sourcing biodegradable alternatives to all the plastic products that we offer customers, where they are available. Communicate the availability of these alternatives to our customers.
9. When practical invest in electric cars and vans (some of our cars are already hybrid)

10. Centralise our delivery functions to reduce transport miles and associated GHG emissions.

11. Investigate use of electronic based delivery notes to replace existing paper based notes