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# SUSTAINABILITY REPORT FY24/25

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Thank you for taking the time to read our impact report. This is our third year of impact reporting and we are not only proud of our progress, but we are also proud to share an updated format.

You can navigate your way through the report by either selecting the topic here in the contents, or using the navigation bar below.

If you have any feedback or questions about our report, please don't hesitate to reach out to our Sustainability Lead, Katie.

✉ [katieg@sheard.co.uk](mailto:katieg@sheard.co.uk)

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# A WORD FROM OUR MANAGING DIRECTOR

Every step forward reflects our belief that real change starts close to home, with people who care to make a difference.



For us at Sheard Packaging, sustainability isn't a project, it's a promise to our people, our community, and our planet. This year that promise has inspired us to think differently about how we innovate and operate.

We've installed a new heating and cooling system in our warehouse to improve energy efficiency of our operations, a goal we are determined to further advance next year. But our proudest achievements go beyond the factory floor. Together with our team and local partners, we've supported community initiatives, through both employee time and donations, helping to drive

a culture of responsibility and innovation that reaches far beyond our business. Every step forward reflects our belief that real change starts close to home, with people who care to make a difference.

This year, we've made real, measurable progress towards our sustainability goals. Through continued investment in 100% renewable electricity, and working with our main supplier to do the same, we've reduced our direct scope 1 and 2 carbon emissions from our baseline. Our collective efforts were recognised with an EcoVadis Silver Medal, an achievement that builds on our Bronze Medal from 2023/2024.

Each of these milestones represents more than just numbers or medals, they reflect the shared commitment of our people, our suppliers, and our customers, to build a more sustainable future for the next generation together.

However, sustainability doesn't stop here. We're setting a new series of ambitious but actionable goals to push our progress even further in the year ahead.

*Lee Shackleton*

Lee Shackleton  
Managing Director

# BUSINESS HIGHLIGHTS



**89%**  
of the cardboard  
we used came  
from recycled  
material



**72%**  
reduction in scope  
1 & 2 emissions  
since our  
2022/23 baseline



Over  
**20**  
tonnes of tooling  
diverted from  
landfill and recycled  
into furniture



**12**  
monthly hot  
food events  
hosted for our  
colleagues



**136.2m**  
Sqm sold



**45**  
donations made  
to charities  
and other good  
causes in our  
community



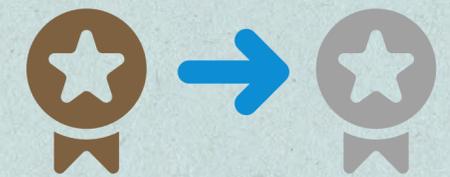
Bobst robotic  
arm installation  
speeding up  
processes and  
protecting our team  
from repetitive  
strain injuries



**8**  
Sustainability  
Taskforce meetings  
held since its  
inception in  
September 2024



**18**  
electric  
charging  
points  
available  
on site



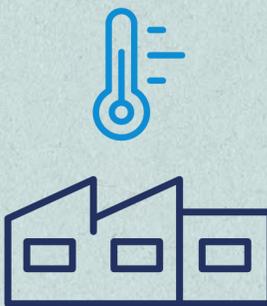
ecovadis  
rating improved  
from Bronze to Silver



**116**  
hours of  
volunteering time  
donated from  
our staff to local  
charities



**100%**  
of packaging  
sold from  
Forest Stewardship  
Council® certified  
sources



Heating  
and cooling  
system  
installed



**314,313**  
pallets shipped



**134**  
employees  
have been  
working at  
Sheard Packaging  
for 5+ years

# IMPACT GOVERNANCE

## STRATEGY

2024/25 was an important year for us in our sustainability journey. Using the foundational work of our last materiality assessment and our newly formed impact pillars, we set about creating our five-year sustainability strategy. This strategy includes our overall ambition for each pillar as well as individual goals and targets. Our Sustainability Taskforce drives the progress on these goals and while the Board of Directors ensures actions and progress are in line with our commitment to stakeholder governance and our purpose and values.

**A reminder of our most recent materiality assessment results can be found [here](#).**

## OUR BIG AMBITIONS

### OUR FACTORY & PEOPLE

- 1. All workers are safe, valued and enjoying work**
- 2. Our factory causes no harm to the environment**

### OUR MATERIALS

- 3. We source our materials responsibly and innovate to reduce the impacts of our products**

### OUR COMMUNITY

- 4. We actively support and improve our local community**
- 5. Collectively, we raise business standards within our community**

### IMPACT GOVERNANCE

- 6. We measure up against third party standards and share our progress transparently**



## SUSTAINABILITY TASKFORCE

One year into running our Sustainability Taskforce (STF) we are really pleased with the progress. It's been a great vehicle for accountability, to share and discuss stakeholder feedback and to get a better understanding of the opportunities and challenges across departments.

Our monthly meetings help us track our progress against our own strategy as well as third party frameworks. When we can, we like to use these meetings as opportunities to upskill the group.

**In the past year we have had training on:**

- ◆ **Simpler Recycling Regulations**
- ◆ **Our emissions**
- ◆ **Climate change**
- ◆ **Circular economy**

## STAKEHOLDER ADVISORY BOARD

In April, we held our second Stakeholder Advisory Board meeting. At this meeting, we presented our progress and our future strategy. We got some really valuable insights into their needs, e.g. how we can support our charity partners better, and into the progress our key suppliers are making.

It's easy to just make demands of your suppliers without really understanding the challenges they face, now we know what some of the hurdles are, we can adjust our expectations and also focus on some great opportunities.

# B CORP ROAD TO RECERTIFICATION

Since we began using the B Impact Assessment in 2022, B Corp has become a key tool for us to measure and manage our impact. We are proud to have completed our first verification in 2024 with a strong result and rewarded ourselves with a couple of weeks break before diving into our recertification preparation.



- **Our score: 101.2**
- **Minimum score: 80**  
**UK average: 82.8**
- **Median score for ordinary businesses: 50.9**

By end of 2024/25 we reached  
**49%**  
to compliance with the new B Corp standards\*  
\*unverified

## LOOKING AHEAD AT THE NEW STANDARDS

For those of you who know about B Corp you will know that the standards we are measured against have undergone a significant evolution over the past few years. We are due to recertify on the new standards in 2027 and we don't plan on wasting a single minute of preparation! We have identified all the requirements we need to meet and have put a plan in place. Our goal was to reach 33% requirements met by the end of the 24/25 financial year and we finished the year on 49%.

# ECOVADIS GOING FROM BRONZE TO SILVER

One highlight for us this year was improving our EcoVadis rating. We increased our score by 10 points, going from 57 to 67 out of a possible 100 points. Our score was in the top 15% of EcoVadis assessed companies earning us a Silver Medal in 2024.

Some of our score improvements stemmed from tightening our document controls, but we also increased across 3 out of 4 impact areas thanks to:

- Conducting a materiality assessment
- Increasing our transparency and level of impact reporting
- Achieving B Corp certification
- SBTi near-term target set
- Scope 3 emissions reporting
- Family friendly and living wage policies



# THE STANDARDS WE WORK TO



Gaining third-party certifications reflects our team's dedication not only to Sheard, but to the environment and local community. Each and every individual plays a vital role in ensuring compliance with regulation and certification standards in order to achieve our sustainability goals.

LEE SHACKLETON,  
MANAGING DIRECTOR



At Sheard, maintaining the highest standards of quality, sustainability, and ethical practice is central to everything we do. We are proud to operate under a robust framework of third-party certifications and standards that guide our manufacturing processes and governance.

## Supporting these commitments:

- **Our Compliance Manager**
- **Our Quality Team**
- **Our Health & Safety Manager**
- **Our Sustainability Lead**
- **The Sustainability Taskforce**

This cross-functional approach ensures that compliance is not just a box-ticking exercise, but an embedded part of our culture and daily operations. Regular audits, staff training, and transparent reporting keep our processes aligned with best practice, while driving innovation in sustainable packaging solutions. Through this collaborative effort, we aim to deliver not only high-quality, responsible products to our customers but also measurable, lasting value for people and the planet.



### ISO 9001

(Quality Management System)  
Helps us maintain a high level of quality and consistency



### ISO 14001

(Environmental Management System)  
Helps us manage our current and potential environmental impacts



### BRCGS

(Food Safety Global Standard)  
We work to this standard to ensure that our packaging is always safe



### B Corp™

This certification acts as a framework for sustainability for us as well as pushing us to improve continuously



### Forest Stewardship Council® (FSC®) Chain of Custody

All boxes we manufacture are FSC®-certified Mix, supporting responsible forest management



### EcoVadis

This sustainability assessment helps us demonstrate our progress to our customers





# OUR FACTORY & PEOPLE





# OUR FACTORY

**<1%**  
of our waste  
went to landfill  
in 2024/25

## WASTE

One of our projects this year was to get more clarity on where our waste ends up, we reviewed our contracts looking at providers that had strong sustainability credentials and reporting capabilities. We found a new partner in early 2025 and hope to see the impacts of that change next year. Our goal this year was to introduce a food waste stream. We rolled that out in March and are surprised how much food waste we gather (considering our main source of food is leftovers of a very hard-working and hungry workforce!). We launched comms internally to remind everyone of correct recycling procedures to go alongside the release of the new Simpler Recycling Regulations. Once we get more data on this

new waste stream and do some benchmarking, we can look at opportunities to reduce it. Overall, our waste output increased this year but the percentage is slightly lower than our increase in production which encourages us to continue taking action. The biggest success this year was a 25% reduction in wood waste. This comes as a result of increasing our investment in circular pallet systems. We have also seen a significant reduction in our waste to landfill. Our current reporting tells us that **<1% of our waste is going to landfill**. Since we know that a significant proportion of UK's waste is now going to incineration, we aim to begin reporting that in our next impact report.



# OUR FACTORY

## WATER

One of our main goals of the past year has been to achieve a better understanding of our water usage. Working closely with Yorkshire Water and our water retailer, initial leak repairs were done in January 2024 and a new meter fitted later in June 2024. We made further improvements relating to our wastewater by re-routing pipework in December 2024 from one sample pit area to another, to form a single sample area. These efforts have led us to achieve greater accuracy and confidence in our water testing and reporting. We also carried out refurbishment to office welfare areas which included timed water flow taps.

Alongside this action, we have been exploring treatment plant options for improving our effluent discharge. We have identified which tailored treatment facility will work best for our needs and we have ordered a system with the aim to be operational early 2026. This solution offers a reliable, automated process for handling ink wash waters with minimal operator input, ensuring regulatory compliance and reducing waste handling costs.

Up to now, any actions on water have been related to compliance. To make sure we are looking through an impact lens as well as a compliance lens we undertook a water risk assessment using the WWF Risk Filter, contacted the local utility company to gather further reassurance, and reached out to the Calder Rivers Trust. Following this work, we feel reassured that we are not putting excessive pressure on the local watershed with our consumption. The Calder Rivers Trust recommended we review our drainage system to make sure it aligns with Sustainable Drainage Systems (SuDS) best practices and thanks to our past investments in attenuation tanks, we are confident that we are aligned. Our main focus will continue to be water quality. As we wait for our treatment plant and continue with regular testing, we will investigate how we can expand our approach to further protect our wonderful neighbour, the River Calder. We will look to support these efforts by arranging training for our own team to improve internal water literacy.

### What we have done

- A review of our site using sources such as the WWF Risk Filter Tool for water and biodiversity
- Engaged key stakeholders, such as the Calder Rivers Trust, to understand what we can do to protect local waterways
- Reduced the number of water output points to help with measurement
- Water tracking has been improved

### What we plan to do in 2025/26

- Install a water treatment plant
- Undergo water literacy training
- Continue monitoring our water quality to reduce contaminants

## BIODIVERSITY

This year we conducted research to understand how the factory is impacting local biodiversity, more specifically where there is greatest risk of negative impact. We are very fortunate that we are based in such a nature rich area. Our factory is nestled between the river, woodlands, wildlife habitat networks, bat habitats and situated not far from a wetland and some specific areas of interest.

We used information from the Calderdale Council website, the WWF Biodiversity Risk Filter and IBAT tools to identify the most material issues and this was another topic we discussed with the Calder Rivers Trust. We have taken this research and added measures into our Integrated Management System (which includes our EMS). Though our main focus this year has been on the water quality and use, we have identified some opportunities to improve our impact on nature in the future. For now, we are in a phase of reviewing feasibility and priorities for action.



# OUR FACTORY

## ENERGY

Energy management remains a crucial topic for us. Over the past year we have taken steps to increase energy efficiency onsite. This included the completion of a new heating control system coupled with new warehouse doors. Previously, when our forklift trucks moved in and out of our bays the doors were slow to close and precious heat leaked out during these intervals. With our new set up, the doors open and close swiftly, anytime a door is open for longer than anticipated (usually 5-10 seconds) the heating control deactivates the local heaters. As we upgrade our facilities, we continue to prioritise

insulation. This year, replacing the engineers' workshop roof improved both energy efficiency and team comfort.

Since we have implemented these changes, we have seen our kerosene (heating fuel) use decreased by 10% despite an increase in both production and total facility size (though part of this can also be attributed to a milder winter in 2024/25).

We are proud to have transitioned to 100% renewable electricity, though we recognise there are still downstream emissions from electricity purchasing. To reduce these, we've focused on optimising

our onsite solar PV system: monitoring output, ensuring proper maintenance, researching battery storage, and managing energy use to make better use of daylight generation. This year, 8% of our electricity needs were met by our solar panels. We hope to see a rise in that figure as data accuracy improves but the percentage will level off as our production, and associated energy demands, increase.

Looking ahead, our main focus will be relaunching our successful programme to improve HGV driver practices and further reduce diesel consumption.

**100%**

of our purchased electricity was renewable (backed by REGOs)

**8%**

of our electricity was generated on-site by our solar (PV) array

**10%**

reduction in heating fuel compared to the previous year

**51%**

of our total energy was renewable last year

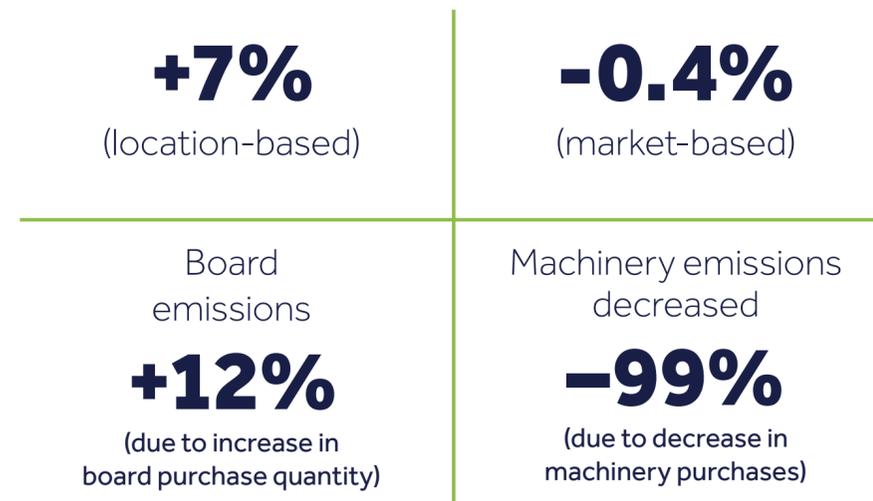


# GREENHOUSE GAS EMISSIONS

## OUR EMISSIONS

2024-2025		Emissions (tCO2e)
SCOPE 1		1,239
SCOPE 2	Market-based	2
	Location-based	1,709
SCOPE 3		41,830
TOTAL	Market-based	<b>43,071</b>
	Location-based	<b>44,778</b>

## CHANGES FROM (2022/2023) BASELINE



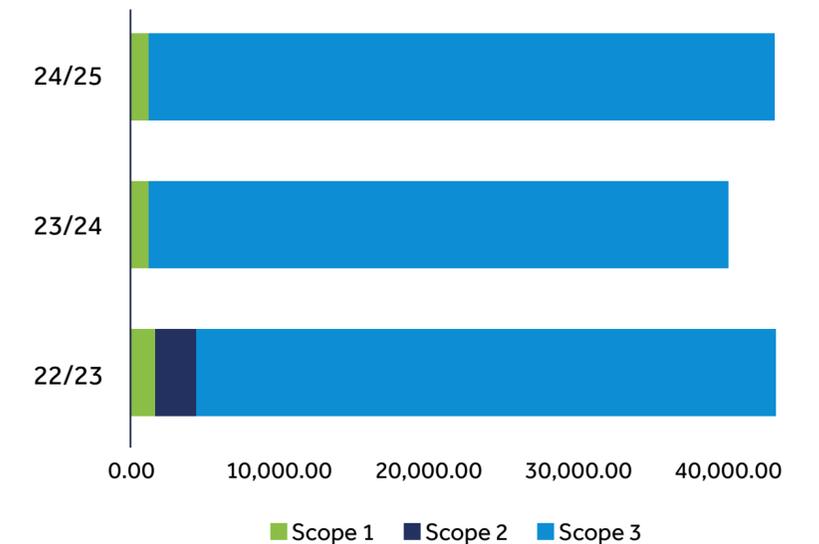
## EMISSION INTENSITY

	2022-23	2023-24	2024-25	% Change LY	% Change Since Baseline
tCO2e per thousand KSM sold					
Market-based	348.1	327.5	328.2	<b>-0.9%</b>	<b>-5.7%</b>
Location-based	361.4	316.0	315.7	<b>1.1%</b>	<b>-12.6%</b>

## WHAT DOES THIS MEAN FOR SHEARD?

Overall emissions have increased by 8% since last year, primarily due to our board purchases (our most material emission source) rising as our business grows. This is reflected by our decreasing emission intensity in terms of per KSM sold. Our reduction efforts this year have focused on engaging our main board supplier to transition to renewable energy in their facilities; more information can be found in the Scope 3 section. In addition to incorporating board supplier emissions, we have also expanded our inventory to include machinery emissions and aligned our Scope 3 reporting with Greenhouse Gas Protocol categories.

## YEAR-ON-YEAR

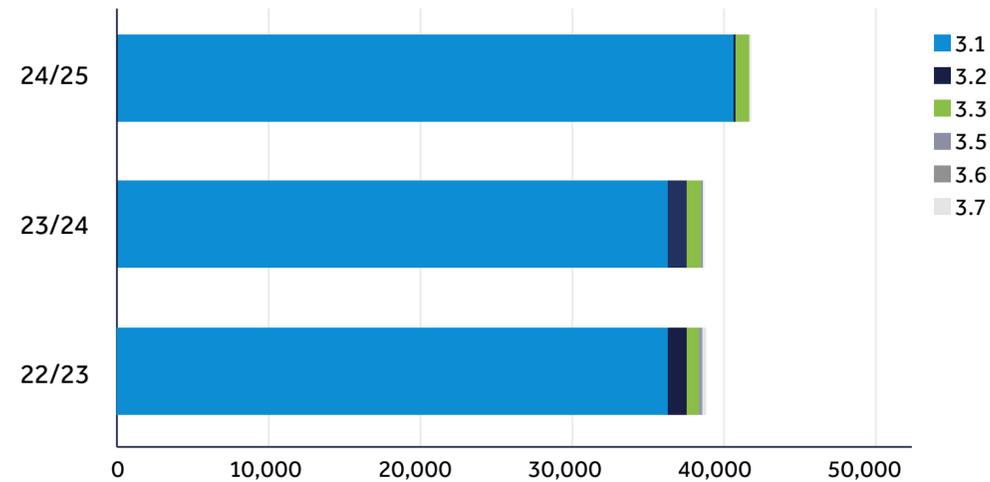


\*Market- and location-based are two approaches for calculating Scope 2 electricity emissions in alignment with the Greenhouse Gas Protocol. Market-based considers our renewable energy procurement and location-based considers our actual energy consumption and solar energy production. More information on scope inclusions and definitions can be found on the following pages.

\*Market-based approach for scope 2 used in the year-on-year graph above

# OUR SCOPE 3 INDIRECT EMISSIONS

## OUR SCOPE 3 EMISSIONS JOURNEY



## BOARD SUPPLIER ENGAGEMENT

Board is our major emission source at 92% of our total emissions, so this year we worked with our major board supplier to transition them to 100% renewable energy. We accounted for this in our Scope 3 Category 1 emissions using a hybrid approach (backdated on the graph above). Even though our board emissions still increased by 13% compared to last year, this was driven by an increase in purchase quantity and if an average board emission factor had been used, our board emissions would have increased by 46%.

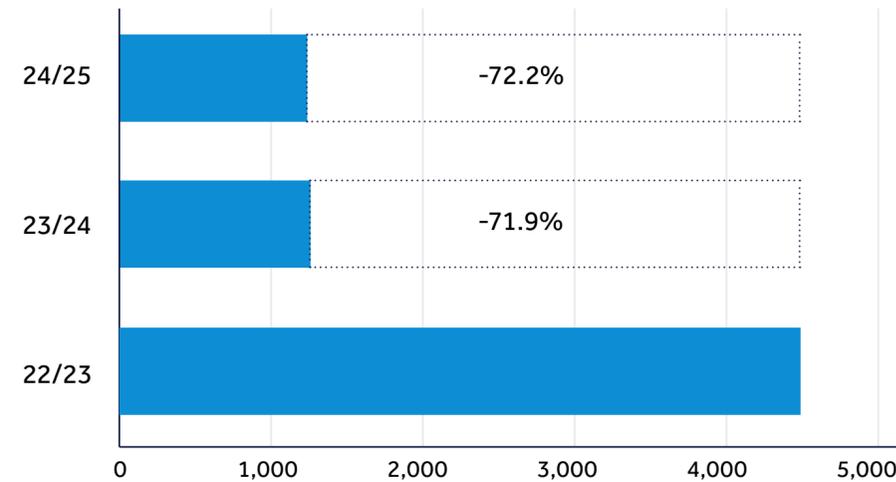
Our Scope 3 emissions are the largest source of our emissions at 97%, and we cannot ignore our indirect emissions if we are to reach Net Zero. We have done a lot of work this year aligning our Scope 3 emissions with the GHG Protocol categories and adding a new category, capital goods, to our inventory. Data sources included in each category can be seen in the table below.

Key	Scope	Greenhouse Gas Protocol Category	Inclusions for Sheard	Emissions /tCO2e
Indirect Upstream Emissions	3.1	Purchased goods and services	<ul style="list-style-type: none"> <li>– Chemicals i.e., ink</li> <li>– Construction materials i.e., plastic, paint</li> <li>– Board</li> <li>– Plastic</li> <li>– Water</li> </ul>	40,705.89
	3.2	Capital goods	<ul style="list-style-type: none"> <li>– Machinery</li> </ul>	5.63
	3.3	Fuel- and energy-related activities	<ul style="list-style-type: none"> <li>– Upstream (well-to-tank) emissions of Scope 1/2</li> </ul>	926.50
	3.5	Waste generated in operations	<ul style="list-style-type: none"> <li>– Waste board</li> <li>– Construction waste</li> <li>– Office waste</li> </ul>	60.26
	3.6	Business travel	<ul style="list-style-type: none"> <li>– Air</li> <li>– Rail</li> <li>– Road</li> </ul>	12.09
	3.7	Employee commuting	<ul style="list-style-type: none"> <li>– Employee commuting</li> <li>– Home working</li> </ul>	119.20



# OUR SCOPE 1 & 2 EMISSIONS

## SCOPE 1&2 EMISSIONS tCO2e



This year our direct Scope 1 and Scope 2 emissions from our HGVs, sales fleet, forklifts, heating fuel and electricity usage decreased by **72.2%** compared to our 2022/2023 baseline and by **1.2%** compared to last year. The decrease from the baseline was due to our transition to **100% renewable energy** in 2023/2024 and the decrease from last year was driven by a reduction in distance driven by hybrid company sales representatives' cars.

\*Figures in the graph above are calculated using a market-based scope 2 approach.

## NEAR-TERM SBTI TARGETS ACHIEVED 6 YEARS EARLY



Based on our continued commitment to purchase 100% renewable energy at our site, we have already achieved our near-term Science-Based Target initiative (SBTi) approved target – of reducing our Scope 1 and 2 emissions by 42% – last year when we were aiming for 2030.

## WHAT'S NEXT?

Next, we will be looking to set Net Zero targets to reduce all our emissions, including our most material indirect Scope 3 emissions, in line with the latest climate science on limiting global warming to 1.5°C.

We'll be focusing on our most material emission sources that are within our control including:

- Continuing to phase in more energy efficient materials and machinery as we upgrade our site
- Achieving efficiency savings in our diesel HGV fleet

As well as working with the board industry to use collective action to decarbonise our most material emission source, our purchased board.



# OUR PEOPLE

## EMPLOYEE ENGAGEMENT & DEVELOPMENT

In 2024 we undertook a project to re-evaluate the questions asked in our employee engagement survey, our goal is to still be able to make comparisons with the last survey, but also add diversity, inclusion and belonging questions to combine what was previously two surveys and help us identify if different demographics are experiencing the workplace differently. The survey was launched in the last quarter of our financial year and we expect to report on both our results and the planned next steps in our next impact report. Looking ahead, we have already set into motion some measures to improve engagement based on feedback, including widening the management team briefings to increase the efficiency of feedback loops, and reviewing our project/job sign off process to reduce bottlenecks in decision making.

In early 2025 we established our Senior Leadership Team (SLT). This team now meets every week to discuss overall business objectives and strategy. This new format enables us to discuss needs across many departments while making important decisions.

## COMPENSATION & BENEFITS

We continue to align 100% of our employees to the Real Living Wage, this is a voluntary rate of pay businesses can choose to pay; it is the only UK wage benchmark rooted in the actual cost of living! As a commitment to continued employee wellbeing, we offer all our employees the following benefits:

- Life Insurance
- Free GP access with GP24
- Employee Assistance Programme
- Free gym membership
- Free fruit and hot drinks 24/7
- Every month, we bring a food truck on site to treat the team

### What we have done

- Launched our engagement survey at the end of the financial year
- Continued to invest in training for our HR team
- Established a Senior Leadership Team

### What we plan to do in 2025/26

- Sick Pay and Leave Policy for hourly paid employees is being implemented from January 2026
- Intranet access will be available from January 2026. This will be accessible via tablets located in the canteen and will contain key business information and policies
- Increase employee autonomy during decision-making process

**100%**  
of our team  
are paid the  
Real Living Wage  
or above





### CELEBRATIONS

As a family-run business, we are not only extremely grateful to our long-standing members of staff, but we are also really proud to hold onto great employees for so long!

This year we hit many big milestones:

**134 employees** have worked with us for over five years, of these...

**11 employees** hit the 10 years of service mark

**3 employees** celebrated 20 years of service

**1 employee** marked his 30th year at Sheard Packaging

# OUR PEOPLE

## HEALTH, SAFETY & WELLBEING

Health & Safety remains a top priority for us. In September 2024, we reached the end of a long accident-free period, achieving 447 days without a major accident, breaking our previous record of 127 days. Overall, we achieved 500 days without a lost-time accident and 734 days without a report to the HSE (Health and Safety Executive).

**This break in our streak motivated us to take further steps to strengthen our Health & Safety culture. Over the past year, we have:**

- Established a Health & Safety Committee to drive continuous improvement
- Engaged employees to share their views on how we can improve. This included:
  - A perception-based Health & Safety survey
  - Open feedback during H&S meetings over a two-month period
  - A live online feedback form available for four weeks



**After analysing the feedback, we identified several key areas for improvement:**

- Encouraging proactive feedback, especially positive feedback, to promote a strong safety culture
- Providing opportunities for anonymous feedback, which have now been introduced
- Reviewing contractor procedures and documentation, ensuring all relevant H&S documents and inductions are completed

Following this analysis, we rolled out several training programmes, including IOSH Managing Safely and specialised forklift safety training. We are also working towards achieving ISO 45001 certification, with the Stage 1 review planned for second half of 2025 and full certification audits targeted for 2026. In addition, we expanded our monthly Toolbox Talk initiative. Delivered by our Health & Safety Manager, so far we have covered fire safety, manual handling, and spill response. Our goal is to achieve 75% participation across the workforce. Finally, through our site observational safety audit programme, we've recorded over 3,000 safety observations since its introduction. Our target is to record over 500 observations per year. Each identified unsafe act or condition provides an opportunity to take immediate action and prevent future incidents.

Our ultimate goal remains zero accidents.

# OUR PEOPLE

## EQUITY

### Gender breakdown

In 2025, the proportion of women in UK manufacturing was 26.1% and we are significantly below this at 8.6%.



Upper quartile



Upper middle quartile



Lower middle quartile



Lower quartile

### Gender Pay Gap

Base Salary	Total Remuneration
Average: <b>-5.53%</b>	The bonus programme is delivered in one lump annual sum which is uniform across the workforce (pro-rata for new starters), hence, the bonus gap is the same as the overall gap.
Median: <b>0.68%</b>	

In 2025 we conducted our first gender pay gap analysis. We believe gender pay gap reporting will help us increase transparency and anticipate and address any drivers of inequality within the business.

Where a figure is positive it means that women are paid less than men by this percentage, where a figure is negative it means women are paid more than men.



We are proud that average pay gap we are reporting is below the 7% reported nationwide in 2024 by the Office of National Statistics. The lack of female employees in our lowest pay quartile has an impact on our figures, within each pay quartile the average hourly rate has a very narrow gap.

Our intention is to continue to work to create a fairer and more inclusive workplace. Since carrying out the analysis, we have implemented a new policy of not requesting past salaries or desired salaries. Without this policy we run the risk of perpetuating existing gender pay gaps. This supplements our practice of removing names from CVs. In 25/26 we plan to do a broad review of our recruitment practices to identify other ways that we can make the process more equitable and inclusive and to introduce training for our hiring managers.



# OUR PEOPLE

## HUMAN RIGHTS

In 2025, we conducted our first human rights saliency assessment. While elements of human rights were already addressed through other parts of our strategy, such as Living Wage and Health & Safety, we expanded and broadened our scope through this process. The assessment aimed to identify our most salient human rights issues based on our industry, geographic footprint, and supply chain. To ensure a robust and credible approach, we worked with United for Rights, a human rights consultancy, to build internal capability and prioritise issues for future phases of due diligence.

Within these priorities we have reviewed our suppliers to understand where in our immediate supply chain we should begin with due diligence actions. Since our tier one supplier base is predominantly in the UK, we drew on a range of international databases to identify where our commodities may be linked to wider issues. In the next year we will reach out to key suppliers to understand more about their own supply chains and what steps they have taken to reduce human rights risks.

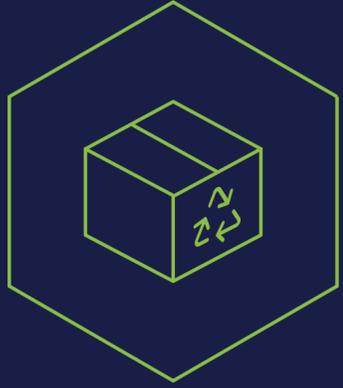
Our next steps will be informed by the feedback we receive. Internally, we will review our own mechanisms so human rights issues can be flagged via a safe channel. Saliency refers to a topic or issue that is important or prominent, where the risk to people is considered over the risk to business. For now, our grievance mechanism is only available to internal stakeholders, but we will look to extend that to anyone outside the business who needs to raise a genuine concern.

### What we have done

- A human rights saliency assessment for our value chain
- Human rights training for relevant managers
- A review of our Human Rights Policy, our ID procedure and age verification procedure

### What we plan to do in 2025/26

- Publish a public grievance procedure
- Repeat human rights training for new starters in key roles
- Strengthen our supplier screening and evaluation process



# OUR MATERIALS



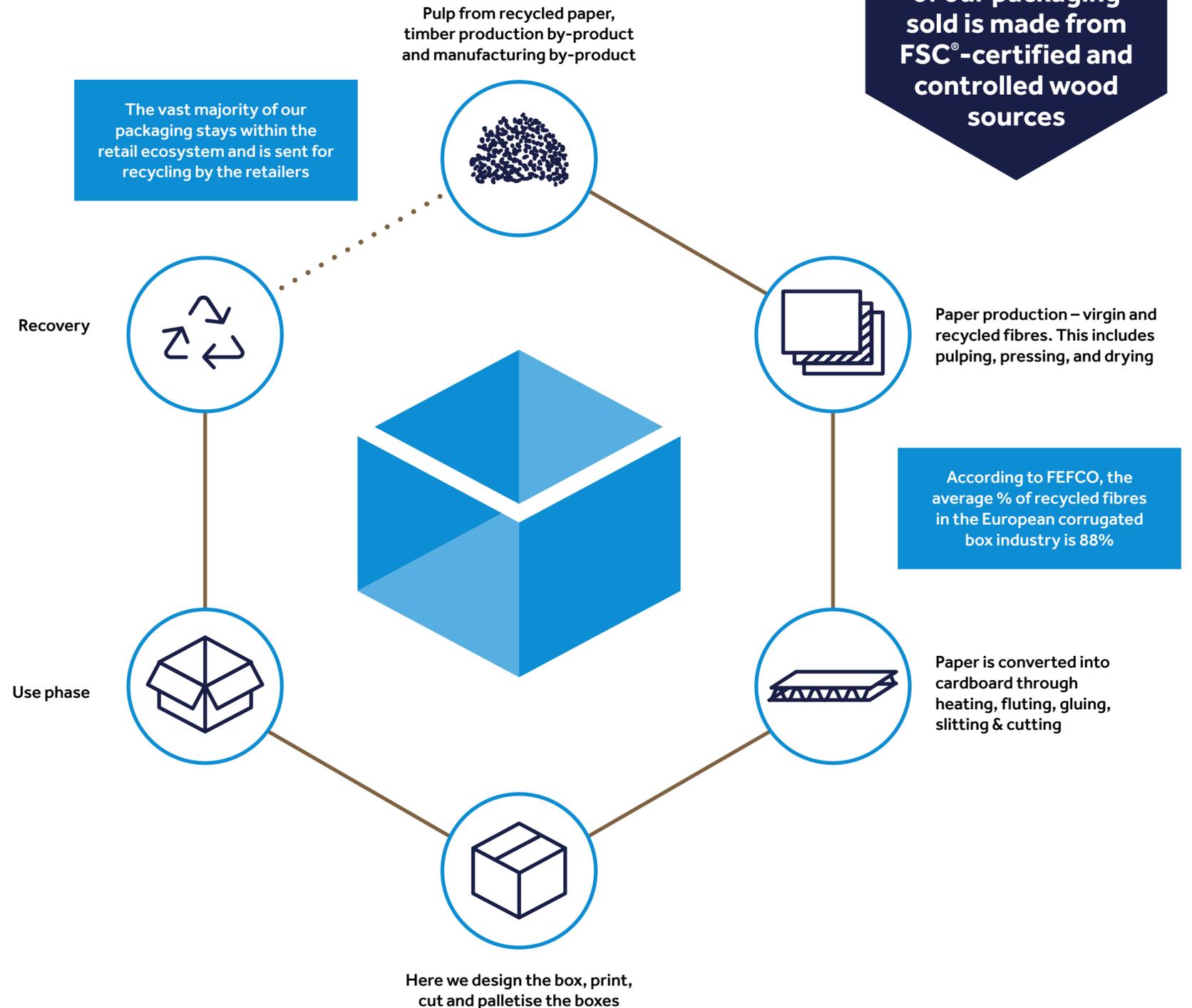
# SOURCING RESPONSIBLY

Paper and cardboard made with forest-fibres can sometimes be the product of deforestation or poor forestry practices. That's why we are proud to hold a Forest Stewardship Council® (FSC®) Chain of Custody Certification (Licence Code FSC-C129878). The FSC® certification standard plays a vital role in promoting the long-term availability of forest resources by supporting responsible forestry practices.

During the 2024/25 period, 89% of the cardboard we purchased was composed of recycled fibres, while the remaining 11% consisted of sustainable virgin fibres (from FSC® certified forests or controlled wood sources). Though we advocate for the maximum possible volume of recycled material when we discuss design with our customers, the virgin fibres can be important to maintain the structural integrity of our boxes.

## DID YOU KNOW?

Each time paper is recycled the fibres become shorter and weaker. Adding virgin fibres into the paper making process strengthens the paper extending the lifetime of the recycled material. We rely on FSC® Chain of Custody Certification to give us peace of mind that those virgin fibres are sourced from responsibly managed forests and not driving deforestation.



# SOURCING RESPONSIBLY

Whenever possible, we choose to source locally, with over 80% of our Cost of Goods Sold (COGS) coming from within a **100 mile-radius** of our Halifax site (representing over 68% of our total business expenditure). Guided by our family values, we have a purchasing policy which outlines our commitment to investing in and maintaining long-standing relationships with local suppliers to support our community and strengthen the local economy around us.

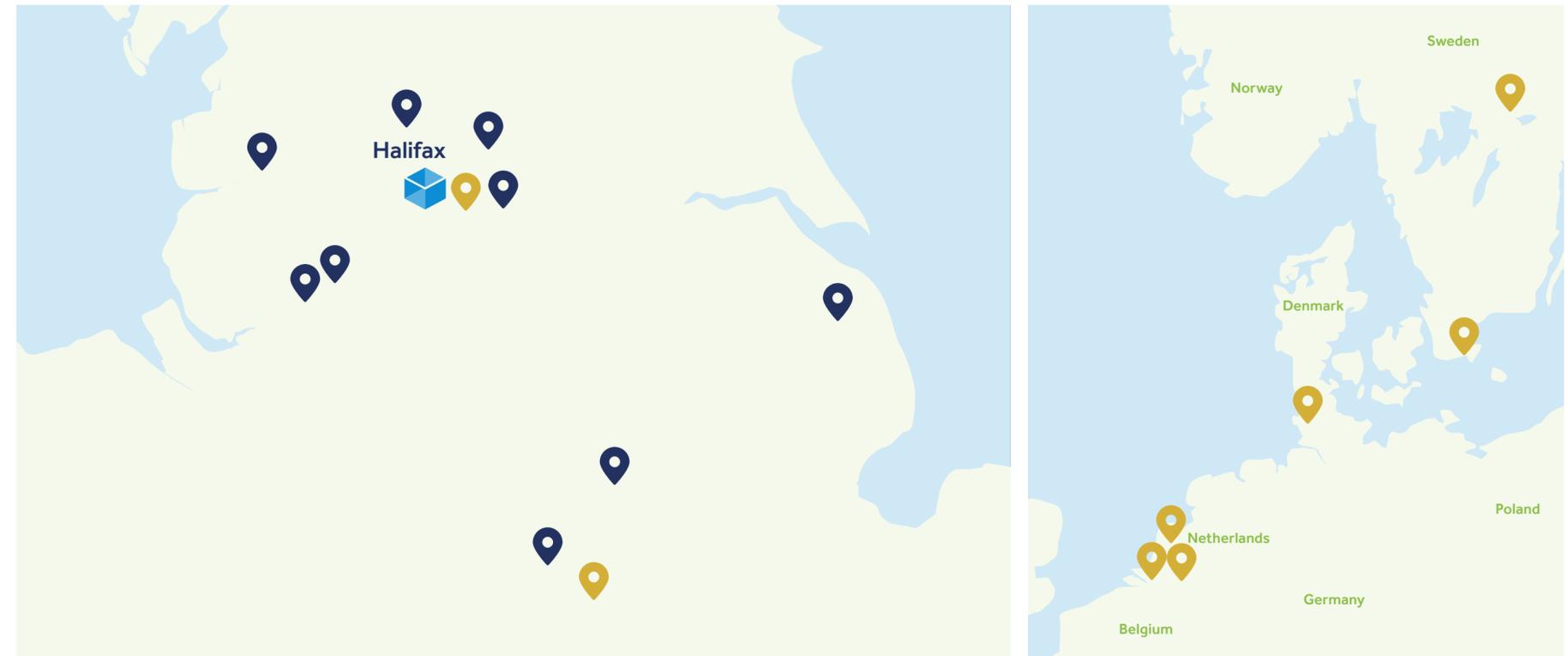
Looking beyond local sourcing, we have been working on identifying social and environmental risks in our supply chain. This piece of work allows us to build on the ESG screening survey launched in 2023 and adjust our approach and due diligence depending on the risk type. We understand the pressures faced by all companies to monitor and share data (on top of making improvements) so we want to proceed consciously in what we request.

In the past year we have been working closely with our primary cardboard supplier as part of a pilot supplier engagement programme. So far, we have seen positive results with this supplier moving to 100% renewable electricity across their sites and sharing their scope 1 and 2 GHG emission data. We were able to quantify the impact of the energy switch as well as retrospectively improve the data quality of our scope 3 emissions. The same supplier attended our Stakeholder Advisory Board meeting and we were able to share learnings and future plans to reduce our environmental impact.

In 2025/26 we plan to expand on this work and engage our suppliers further, especially on human rights. We began this process by commissioning training to upskill our own team on human rights. GHG emissions continues to be a priority.

**80%**  
of our **Cost of Goods Sold (COGS)** coming from within a **100 mile-radius**

-  **Our tier 1 COGS suppliers**
-  **Sheard Packaging**
-  **Our capital goods suppliers**



The above map includes suppliers that are considered significant (above a certain spending threshold). Service providers such as insurance companies and logistics providers are not included in the map

# COLLABORATIVELY REDUCING EMISSIONS

## COMPANY A

### THE CHALLENGE

During a rebranding exercise, this customer's existing case configuration did not maximise pallet space, resulting in inefficiencies in both material use and logistics. The goal was simple: to develop a redesigned case that maintained product protection and shelf appeal whilst achieving improved sustainability performance.

### OUR SOLUTION

Our technical team worked closely with the customer to design a new case that maintained product protection but minimised material usage, maximising material efficiency.

### THE IMPACT

<p><b>252,010</b> cases</p> <p><b>ANNUAL FORECAST</b></p>	<p><b>42+</b> tonnes per year</p> <p><b>MATERIAL SAVINGS</b></p>
<p><b>~ 29.51</b> tCO<sub>2</sub>e*</p> <p><b>MATERIAL CO<sub>2</sub> SAVINGS</b></p>	<p><b>420</b> pallets removed from the road (~8 full loads)</p> <p><b>OUTBOUND LOGISTICS SAVINGS</b></p>

The redesigned packaging not only reduced material usage and carbon emissions but also improved pallet efficiency, demonstrating a measurable impact to both operational and environmental goals for our customer.

## COMPANY B

### THE CHALLENGE

It was identified that our customer had three SKUs whose case and pallet configurations were not fully optimised, resulting in excess material use and inefficient pallet utilisation. The goal was to review the designs, reduce material consumption, and increase pallet counts to maximise yields.

### OUR SOLUTION

Sheard Packaging worked closely with the customer to analyse usage data and work to optimise the case and pallet counts for three key SKUs. Our design adjustments reduced wasted space, improved pallet efficiency, and maintained packaging integrity across the product range.

### THE IMPACT

<p><b>373,185</b> cases</p> <p><b>ANNUAL FORECAST</b></p>	<p><b>7+</b> tonnes per year</p> <p><b>MATERIAL SAVINGS</b></p>
<p><b>~ 3.71</b> tCO<sub>2</sub>e*</p> <p><b>MATERIAL CO<sub>2</sub> SAVINGS</b></p>	<p><b>2,043</b> pallets (~39 full loads)</p> <p><b>OUTBOUND LOGISTICS SAVINGS</b></p>
<p><b>~ 21.98</b> tCO<sub>2</sub>e*</p> <p><b>OUTBOUND LOGISTICS CO<sub>2</sub> SAVINGS</b></p>	

This project delivered substantial logistics savings, helping the customer reduce the number of vehicles needed to deliver the same amount of product each year!

\*All emissions factors taken from UK Government GHG Conversion Factors for Company Reporting 2025



# OUR COMMUNITY



# GIVING BACK

As a family-run business, Sheard Packaging has always understood the importance of community and the power of giving back. Our 2024/25 fiscal year marked another period of meaningful progress, where we continued to strengthen our impact as a company.

We made a difference through a variety of channels from our employee volunteering scheme and charitable donations to fundraising initiatives and creative contributions. Our aim was simple: to make a positive difference to the people, communities, and causes around us.

Our employee volunteering scheme entered its second year, offering every employee up to two paid days for volunteering. During the 2024/25 fiscal year, our team donated 116 hours of volunteering to a range of community organisations. While we fell slightly short of our 150-hour target, we are proud of the difference our colleagues made and continue to promote the scheme internally to encourage even greater participation.

We also pledged to donate **0.5%** of our profits before tax to charity – and we're delighted to report that we achieved this goal, making a total of 45 donations to different causes throughout the year.

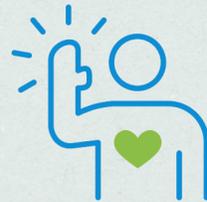
## HOW WE MADE A DIFFERENCE IN 2024/25

We partnered with **Invictus Wellbeing**, whose work provides vital mental health and wellbeing support for young people across West Yorkshire



# 45

donations made



# 116 hours

volunteered  
in 24/25

We also supported **Forget Me Not Children's Hospice** with their *Afternoon of Remembrance*, helping families come together to remember and celebrate the lives of their children





# OUR GOALS



# REVIEW OF OUR GOALS

## LEGEND

-  We've done it!
-  Making progress
-  Didn't hit

Goals 24-25	Goals	Progress	Insights
 <b>OUR FACTORY &amp; PEOPLE</b>	Establish a H&S Committee		We launched our H&S committee in January 2025, a cross-functional committee monthly, to improve our H&S function, report any concerns and act as intermediary between production and management.
	ISO 45001 certification		On track, aiming to certify early 2026.
	Begin food waste stream		
	Set an energy reduction target		This hasn't been as easy as we'd hoped! Work is ongoing to define measurable energy reduction targets and identify the most effective ways to reduce consumption across operations while meeting the increasing demands of our customers!
	Create a climate transition plan		We have identified actions to reduce direct emissions and are currently scoping opportunities to work in collaboration with our suppliers to reduce indirect emissions.
 <b>OUR MATERIALS</b>	Establish circularity metrics		Our innovation team developed the Hex Matrix, a tool that sets out key design indicators to help customers understand the impacts of our products.
	Maintain Forest Stewardship Council® Chain of Custody certification		
 <b>OUR COMMUNITY</b>	Donate 0.5% profits* to charity		
	Contribute 150 hours of employee volunteering		We delivered 116 hours of employee volunteering. While just short of our target, we're proud to have supported key organisations in delivering important community impacts!
	Create a Responsible Lobbying Policy		This policy will be live in early FY 25/26.
 <b>IMPACT GOVERNANCE</b>	Strengthen our anti-corruption system		We are progressing with this and are in the process of reviewing training options to strengthen our teams' skills in this area.
	Hold regular Sustainability Taskforce meeting		Our Sustainability Taskforce, affectionately known as "the STF," meets monthly to keep momentum strong, track progress, and make sure we back up our plans with real action.

\*Last year, this target was mistakenly reported as total revenue. The figures have now been corrected.

# IMPACT SCORECARD

		FY 22/23	FY 23/24	FY 24/25	Change Since LY	Change Since Baseline	SDG Alignment	Notes	
 <p><b>OUR MATERIALS</b></p>	Sustainable Procurement	% Board Forest Stewardship Council® certified sources	100%	100%	100%	-	-	SDG 12 SDG 15	All boxes we manufacture are FSC®-certified Mix.
		% Suppliers signed Code of Conduct	0%	68%	69%	▲ 1%	▲ 69%	SDG 8 SDG 12	
	Product Footprint	% Recycled board content	93%	91%	89%	▼ 2%	▼ 4%	SDG 12 SDG 15	Our long-term goal is to manufacture products using 100% recycled content, eliminating the need for virgin fibres. Achieving this will depend on material innovations to ensure strength and quality are uncompromised.
		% Recyclable content	100%	100%	100%	-	-	SDG 12 SDG 15	Our products are made from cardboard, a mono-material, which means they are fully recyclable and can be reintroduced into the recycling system.

# IMPACT SCORECARD

		FY 22/23	FY 23/24	FY 24/25	Change Since LY	Change Since Baseline	SDG Alignment	Notes
 <p><b>OUR FACTORY &amp; PEOPLE</b></p>	Operational Footprint							
	Energy use (GJ)	46089.60	49349.24	63924.30	▲ 30%	▲ 39%		
	% Renewable energy	2%	57%	51%	▼ 6%	▲ 49%	SDG 7	Includes electricity and other fuels.
	Water use (m3)	-	-	21,560	-	-	SDG 12	We successfully completed a full fiscal year of water reporting, supported by the installation of a new water meter, the repair of leaks, and the closure of underutilised ports to optimise water reporting.
	Total waste (t)	6385.795	6497.07	7239.77	▲ 11%	▲ 13%		
	General waste	39.35	72	90.32	▲ 25%	▲ 130%		
	Dry mixed recycling	23.745	57.58	88.31	▲ 53%	▲ 272%		
	Recycled cardboard	6093.06	6073.61	6839.47	▲ 13%	▲ 12%		
	Recycled wood waste	188.16	293.88	221.62	▼ 25%	▲ 18%		
	Landfill	41.48	13.04	21.02	▲ 61%	▼ 49%		
<p><i>For GHG Emissions see page 31</i></p>								

# IMPACT SCORECARD

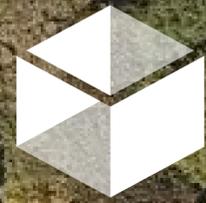
		FY 22/23	FY 23/24	FY 24/25	Change Since LY	Change Since Baseline	SDG Alignment	Notes
 <p><b>OUR FACTORY &amp; PEOPLE</b></p>	Employee engagement	74%	71%	69%	▼ 2%	▼ 3%	SDG 8	
	% Female non-manager	Not formally reported	8%	10%	▲ 2%	-	SDG 5	
	% Female management	Not formally reported	28%	22%	▼ 6%	-	SDG 5	
	Average gender pay gap	-	-	-5.53%	-	-	SDG 5	Began in 2024/25, negative % means woman are paid more on average.
	% Paid the Living Wage	100%	100%	100%	-	-		
	Hours spent training	1-5 hours	6-10 hours	2.17	▼ -	-	SDG 8	Refers to the average number of hours each worker spent on job-related training in the last 12 months, excluding on-the-job training. Data accuracy was improved in 2024/25.
	Lost time injury frequency rate (LTIFR)	40.93	2.02	8.22	▲ 6.2	▼ 32.71	SDG 8	A Lost Time Injury (LTI) refers to an injury sustained at work that has resulted in the loss of productive work time in the form of absenteeism. LTIFR measures the number of LTIs per million hours worked during a given period.
	# of Employee accidents ratio	0.071	0.004	0.009	▲ 0.00477	▼ 0.0623	SDG 8	# of employee reported accidents reported ratio to average headcount.

# IMPACT SCORECARD

		FY 22/23	FY 23/24	FY 24/25	Change Since LY	Change Since Baseline	SDG Alignment	Notes
 <p><b>OUR COMMUNITY</b></p>	Giving Back & Collective Action	% of profit donated before tax	Not formally reported	0.35%	0.5%	▲ 0.15%	-	We're thrilled to have hit our target this year, making 45 donations that supported local charities, schools, and other worthy causes. Each contribution has helped create a meaningful positive impact in our communities, and we're proud of the difference our teams are making!
		# Hours volunteered	Not formally reported	308	116	▼ 192	-	Over the past fiscal year, our teams contributed 116 volunteering hours. While we fell short of our 150-hour target, the activities delivered real value to our communities.  We continue to focus on achievable, high-impact volunteering, building a sustainable approach that benefits both our teams and the communities we support.
 <p><b>IMPACT GOVERNANCE</b></p>	Impact Governance	# of whistleblowing incidents	0	0	0	-	-	SDG 8
		# of grievances reported	0	0	1	▲ 1	-	SDG 8
		# Advisory Board meetings	Not established	1	1	-	-	SDG 17

# OUR GHG INVENTORY

Scope	Category	FY 22/23	FY 23/24	FY 24/25	Change Since LY	Change Since Baseline	SDG Alignment	Notes
1	Direct emissions	1,607.51	1,250.89	1,239.15	▼ 0.9%	▼ 22.9%		
2	Location-based	1,302.71	1,465.69	1,709.25	▲ 16.6%	▲ 31.2%		
2	Market-based	2,863.94	4.87	2.07	▼ 57.6%	▼ 99.9%		
3.1	Purchased goods and services	36,349.33	36,356.94	40,705.89	▲ 12%	▲ 12%		
3.2	Capital goods	1,239.36	1,285.19	5.63	▼ 99.6%	▼ 99.55%		
3.3	Fuel- and energy-related activities (not included in scope 1 or scope 2)	841.61	804.38	926.5	▲ 15.2%	▲ 10.1%		
3.5	Waste generated in operations	155.26	141.76	60.26	▼ 57.5%	▼ 61.2%	SDG 13	Rebaselining occurred in 2024/2025 due to methodological updates to align to GHG Protocol best practice. These include market and location-based accounting only being applied to Scope 2, capital goods emissions was added for all years, and board supplier emissions were calculated in 2024/2025 and then scaled back.
3.6	Business travel	8.43	11.65	12.09	▲ 3.8%	▲ 43.3%		
3.7	Employee commuting	190.96	117.7	119.2	▲ 1.3%	▼ 37.6%		
<b>Total</b>	Location-based	41,695.18	41,434.20	44,777.97	▲ 8.1%	▲ 7.4%		
<b>Total</b>	Market-based	43,256.41	39,973.38	43,070.78	▲ 7.8%	▼ 0.4%		
	Intensity based on tCO2e/KSM (Location Based)	348.1	327.6	328.3	▲ 0.21%	▼ 5.76%		
	Intensity based on tCO2e/KSM (Market Based)	361.2	316.0	315.7	▼ 0.08%	▼ 12.6%		



**SHEARD  
PACKAGING**

**Certified**



**Corporation**

