

**SUSTAINABILITY
REPORT 2024**

sterling[®]



*challenging
convention*

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A truly integrated creative and production service

Welcome to Sterling! With bases in Kettering and Edinburgh, our integrated creative studio and factory ensure a seamless experience. We deliver quality, value, speed, innovation, and cost savings – making us your one-stop solution provider, dedicated to exceeding expectations.

OUR SOLUTIONS

At Sterling, we understand that every challenge is different. By constantly evolving and investing in the latest technology. This enables us to offer complete and compelling solutions under one roof. Our integrated creative and production services ensure that every touchpoint is handled with excellence, enabling us to deliver quality, value, speed, and innovation that sets us apart from other providers.



DEFINING THE CHALLENGE

We start by understanding the unique challenges your business faces. Whether it involves enhancing brand visibility, streamlining production, or maximising the impact of your marketing, we take the time to listen and understand your needs.

EXPLORING THE POSSIBILITIES

After outlining the challenge, we present you with a selection of options that are crafted to meet your distinct needs. Our comprehensive selection of services allows us to present you with a range of options that align with your objectives and budget.

BRINGING YOUR VISION TO LIFE

Once we have defined the appropriate solution, we bring your vision to life. With a commitment to precision and excellence, we execute an outcome that perfectly aligns with your goals.



OUR SERVICES

At Sterling, simplicity is our strength. Enjoy a hassle-free experience with a single point of contact for all your needs – be it design, large format, storage, fulfilment, direct mail, digital and print services. We make it easy for you to navigate our service offerings.



DESIGN



DIRECT MAIL



LARGE FORMAT



DIGITAL



STORAGE & FULFILMENT



PRINT

Executive Summary

A note from **Steven Pizzey**
Managing Director



Sterling is one of the leading print and mailing houses in the UK, offering the benefits of an omnichannel solution for print, mailing, creative, storage and fulfilment from our purpose-built site in Kettering. Our client base is mixed and varied, with national and international clients that are listed on the FTSE100 through to small local businesses. Within our spread of clients, we work with a range of charities, higher education institutions, commercial business, and public sector organisations.

For all our clients and future clients sustainability and the environment are becoming key areas of focus, with the need to reduce emissions and hit tough Net Zero emissions targets becoming pressing issues. At Sterling we understand our clients' needs and recognise that there is a climate emergency that means we need to act to reduce emissions.


Like many businesses Sterling has faced a challenging business environment over the last few years with raw materials and energy cost increases, staff costs & resources, with sustainability at the fore of these challenges. Nevertheless, we have looked to approach these challenges proactively with investment and focusing on key areas of policy progression to reduce emissions and create a carbon reduction plan to achieve Net Zero.

Over the last 4 years we have invested in new and cutting-edge production technology to bring Sterling to the forefront of efficient and sustainable print & mailing production in the UK. We have invested in both an HD inkjet print technology press from Screen Europe, and a high-speed web offset press with LED activated drying from Komori Europe. Both presses have created a unique offering within the UK in terms of efficiency, quality, and sustainability, helping to reduce Sterling's electricity use per 1,000 impressions by up to 41% across the business.

We are progressing well with our ever evolving journey towards Net Zero, but there is no opportunity to rest on our laurels. Over the next few pages, I hope that we are able to give an insight into our emissions, actions taken, and the next steps.

Climate Action Roadmap

In 2022 Sterling started on the journey towards more sustainable print manufacturing and associated services by recognising that climate change was already evident and that action needed to be taken. Below is a snapshot of the journey to date, including the appointment of a Sustainability Manager, investment in emission reduction technology, auditing of emissions across all scopes; and the identification of near and long term targets for emissions reductions.

-  April 2022
Recognition of a Climate Emergency
-  July 2022
Forming of Sustainability Action Group
-  December 2022
Selection of Nero Carbon Ltd as sustainability consultancy and partner
-  July 2023
Installation of Komori G38 web press – reduced electricity usage of up to 41% across the business
-  November 2023
Change to 100% Sustainable Electricity supply
-  March 2024
Appointment of Sustainability Manager
-  July 2024
Emissions audit across scope 1, 2, & 3 for base year 2020 and 2023 (financial year)
-  November 2024
Emissions audit across scope 1, 2, & 3 for 2024 (financial year)

-  2025
Selection of UN Social Development Goals
-  2025
Application for verification of targets by the Science Base Targets Initiative
-  2024
Reducing from two factories to one
-  2024
SME Climate Hub membership December 2024
-  2024
Publishing of near and long-term target, plus emissions audit results on company website
-  2024
Setting of Net Zero as defined as a 90% reduction in emissions against base year of 2020 with 10% remaining emissions offset with high quality carbon removals for 2035
-  2024
Setting of near-term reduction in emissions of 50% against 2020 levels for 2029
-  2024 – 2025
Major drop in materials emission factors as more manufacturers come on stream with lower carbon products, with the key significant impact being paper
-  2021 – 2024
Lower energy usage through technology investments
-  2021 – 2024
Installation of lower energy use technology

Achievements

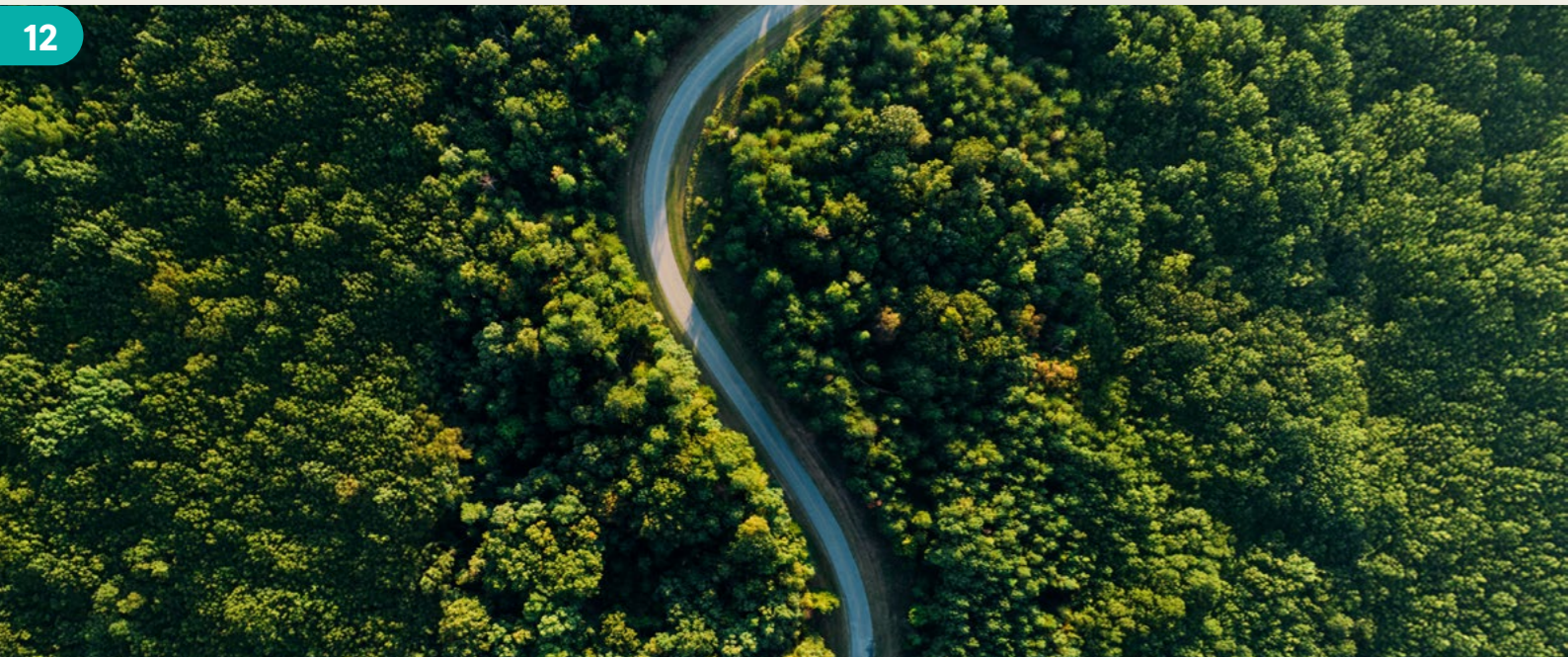
The implementation of our Climate Action Roadmap, and the continued journey, has resulted significant achievements towards a more sustainable future. These accomplishments have been through an active investment in technology, training, and our supply chain to drive towards our net zero goals.

- ISO 14001 Environmental Management Standard Certified.
- SME Climate Hub Commitment aligned to UN Race to Zero.
- FSC Chain of Custody Certified.
- Full emissions audit across Scopes 1, 2, & 3, with a Carbon Reduction Plan in 2024 for year-on-year Greenhouse Gas Emissions reductions.
- 33% reduction in Scope 1 & 2 emissions for 2024 against base year 2020 using location-based methodology.
- 37.5% reduction in emissions across all Scopes excluding exceptional Capital Expenditure for 2024 against base year 2020.
- Net Zero near-term target year of 2029 for 50% reduction in emissions.
- Net Zero target year of 2035 for 90% reduction in emissions with 10% offset using high quality carbon removals.
- 100% renewable electricity supply since 3 November 2023.
- Solar array installed generating 42,000 kWh saving 22 TCO_{2e} per year (full roof array planned for 2025).
- Introduction of coated low carbon paper with a reduction of 79.3% on CO_{2e} against standard.
- Paper offsetting – 1,819,884kg CO_{2e} offset during 2024.
- This support enables World Land Trust to protect 347,598m² of threatened tropical forest.
- All paper offset using either the World Land Trust or the Carbon Footprint schemes.
- Forest Carbon scheme joined – 1 x Pending Issuance Unit bought towards Cairngorms National Park scheme.
- All paper is sourced from sustainable mills with ISO14001 and FSC certification.
- Sedex Supplier Membership.
- Company vehicles - 15 Tonnes CO_{2e} reduction of Greenhouse Gases Emissions per year.
- Hybrid company cars, with charging points installed in the company car park.
- Over £5M investment in new LED drying technology web offset press to give over 50% lower production carbon footprint.
- LED lighting installation reducing energy usage by 249,500 kWh per year saving 102 TCO_{2e}.
- Reduction of 41% in electricity used per 1,000 printed impressions across the complete business in comparison between Aug 2023 and Aug 2024.
- Reduction of 40% in emissions associated with supply chain purchases i.e. paper, ink, substates.

Auditing Carbon Footprint

You can't know where you are going until you know where you have been

Famously, the author and activist Maya Angelou wrote "You can't know where you are going until you know where you have been"; which is particularly pertinent to carbon emissions. With this in mind, we have measured our emissions for our base year of 2020, and then the last two most recent financial years – 2023 and 2024. Working with our sustainability consultant we have measured our emissions against the UN Greenhouse Gas Protocols to create a scientific and verifiable reporting process.



| | | Tones of CO2e | | | |
|----------------|---|---------------------------|---------------|--------------|--------------|
| | | 2020 | 2023 | 2024 | |
| Scope 1 | Activity Type | | | | |
| | Company Premises | 82.9 | 142.3 | 103.7 | |
| | Company Vehicles | 59.0 | 44.9 | 56.8 | |
| | Fugitive Emissions | 0.0 | 30.1 | 2.5 | |
| | Scope 1 - Total | 142 | 217 | 163 | |
| Scope 2 | Purchased Electricity (Location-Based) | 1,166 | 761 | 714 | |
| | Purchased Electricity (Market-Based)* | 678 | 1,500 | 808 | |
| Totals | Scope 1 & 2 | 1,308 | 978 | 877 | |
| Scope 3 | 1. Purchased Goods and Services | 8,634 | 5,300 | 5,212 | |
| | 2. Capital Goods | 704 | 315 | 1,902 | |
| | 3. Fuel and Energy Related Activities | 335 | 332 | 292 | |
| | 4. Upstream Transportation & Distribution | 453 | 311 | 294 | |
| | 5. Waste Generated in Operations | 55 | 34 | 40 | |
| | 6. Business Travel | 12.0 | 2.4 | 3.8 | |
| | 7a. Employee Commuting | 137 | 109 | 107 | |
| | 7b. Homeworking | 4.9 | 4.0 | 4.1 | |
| | 9. Downstream Transportation & Distribution | 196 | 136 | 124 | |
| | 12. End-of-life treatment of sold products | 1,391 | 963 | 969 | |
| | | Scope 3 - Total | 11,922 | 7,506 | 8,948 |
| | Totals | Scope 1, 2 & 3 | 13,230 | 8,484 | 9,825 |
| Other | Scope 1 and 2 Biogenic Emissions | 2.3 | 1.9 | 3.2 | |

* Market Based not included in total

| Reporting Years | |
|------------------------|-------------------------|
| 2020 | 01/04/2019 - 31/03/2020 |
| 2023 | 01/04/2022 - 31/03/2023 |
| 2024 | 01/04/2023 - 31/03/2024 |

Auditing Analysis

When analysing trends, we accounted for the 2024 rise, which was due to a £5M investment in our new LED web offset press. This more efficient, lower-emission technology increased emissions for that year only, but they will drop substantially next year. Excluding capital expenditure, as it's an investment in future carbon reduction, we have achieved a 37.5% reduction in carbon emissions across all scopes in just four years!

We should add for the first six months of the current financial year 24/25, we have produced 50% more work than for the same period and used less energy!



Summary including Capital Expenditure (capital goods) from scope 3:

| | Tonnes of CO2e | | |
|----------------|----------------|-------|-------------------------|
| | 2020 | 2024 | % Change from base year |
| Scope 1 | 142 | 163 | 15.0 |
| Scope 2 | 1,166 | 714 | -38.8 |
| Scope 3 | 11,922 | 8,948 | -24.9 |

Summary excluding Capital Expenditure (capital goods) from scope 3:

| | Tonnes of CO2e | | |
|----------------|----------------|------|-------------------------|
| | 2020 | 2024 | % Change from base year |
| Scope 1 | 142 | 163 | 15.0 |
| Scope 2 | 1,166 | 714 | -38.8 |
| Scope 3 | 11,218 | 7046 | -37.2 |

Intensity Ratios across Scopes 1, 2, & 3 – location based:

| | Tonnes of CO2e | | |
|-----------------------------|----------------|-------|-------------------------|
| | 2020 | 2024 | % Change from base year |
| tCO2e per £1m of Turnover | 542 | 409 | -24.6 |
| tCO2e per Employee | 77.4 | 70.7 | -8.6 |
| tCO2e per Tonne of Print | 1.6 | 1.8 | 17.8 |
| tCO2e per 1,000 impressions | 124.0 | 102.0 | -17.7 |

Note

The general trend has been for a decrease in intensity ratios against all metrics except for per T of print. The reason that the emissions per T of print has increased is that we have moved to using lighter weights of paper, which still require the same amount of electricity to convert to printed matter. This is one of the key reasons that we have introduced tCO2e per 1,000 impressions as it gives a more representative figure than weight.

It is worthwhile noting that using reduced weight paper is a progressive measure as it reduces the company's overall emissions, and with not only the raw materials having a lower weight, but handling, transportation, and end of life treatment all producing less emissions.



Net Zero Targets

A trip without a destination is only a journey

Many businesses and organisations have set off on their journey to sustainability and net zero, and we support this journey, but at Sterling we believe in setting challenging targets to help us reach our destination: Net Zero.

After measuring our emissions, and looking at the trends, plus the science behind those trends, we have set the following targets:

Near Term Target of 50% reduction in total emissions = 2029

Net Zero Target, defined as 90% reduction and 10% carbon sequestration = 2035

We have had these targets checked and verified by our consultancy partners, and we have submitted these targets for verification with the Science Based Targets initiative (SBTi) in early 2025.

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SBTi – Verification and validation

Reducing our greenhouse emissions and setting realistic targets

The Science Based Targets initiative (SBTi) is a corporate climate action organisation that enables companies and financial institutions worldwide to play their part in combating the climate crisis. They have developed standards, tools and guidance which allow companies to set greenhouse gas (GHG) emissions reductions targets in line with what is needed to keep global heating below catastrophic levels and reach net-zero by 2050 at the latest.

Science based targets provide clear guidance on how much and how quickly organisations should reduce their emissions to mitigate the impacts of climate change. These targets must align with the latest climate science and support the goals of the Paris Agreement, which aims to limit global warming to 1.5°C above pre-industrial levels.

Our targets were developed from our emissions auditing trend analysis using the Greenhouse Gas Protocols, and the tools provided by the SBTi to understand how we can plan and develop our decarbonisation journey. Our targets include a 50% reduction across scopes 1, 2, and 3 for 2029, which we understand may look challenging, but these will be verified by the SBTi. We have also set a long-term Net Zero target of a 90% reduction in our emissions by 2035.

See more about how we use SBTi to set our targets on the next page



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

sciencebasedtargets.org

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Science Based Targets

Current trend analysis could have led us to assume that a less ambitious target was the best approach, as would be indicated by the trend line in Fig 1. However, being aware of plans both with Sterling and in our supply chain, plus using in-depth analysis of our energy usage efficiencies since the installation of our new press we have been able to create a model in line with Fig 2.

On the next page we have outlined some of the actions and trends that leave us to believe that although our near and long term targets are ambitious they are based on scientific analysis of known factors and trends.

Fig 1 Emissions trend based on current figures

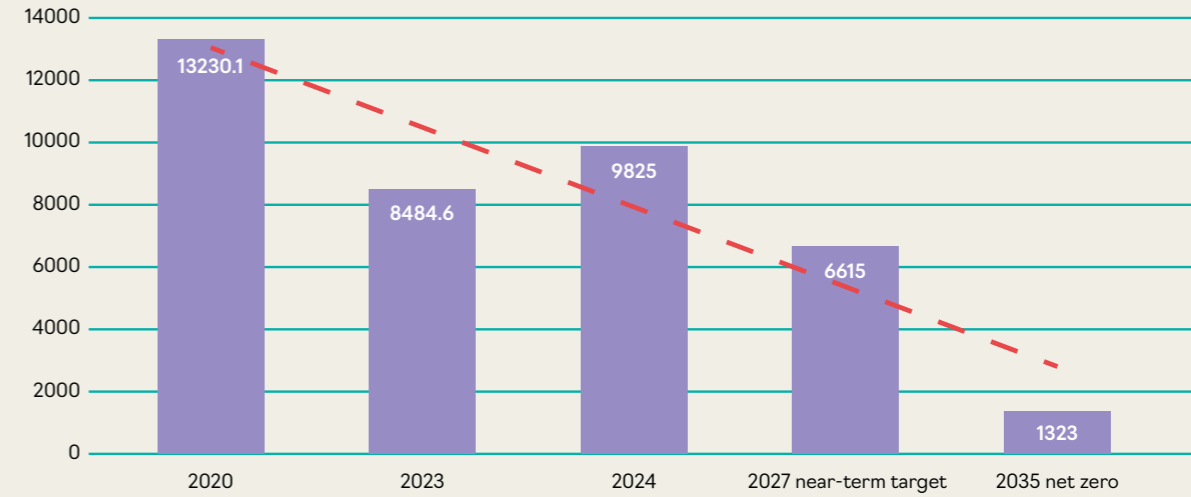
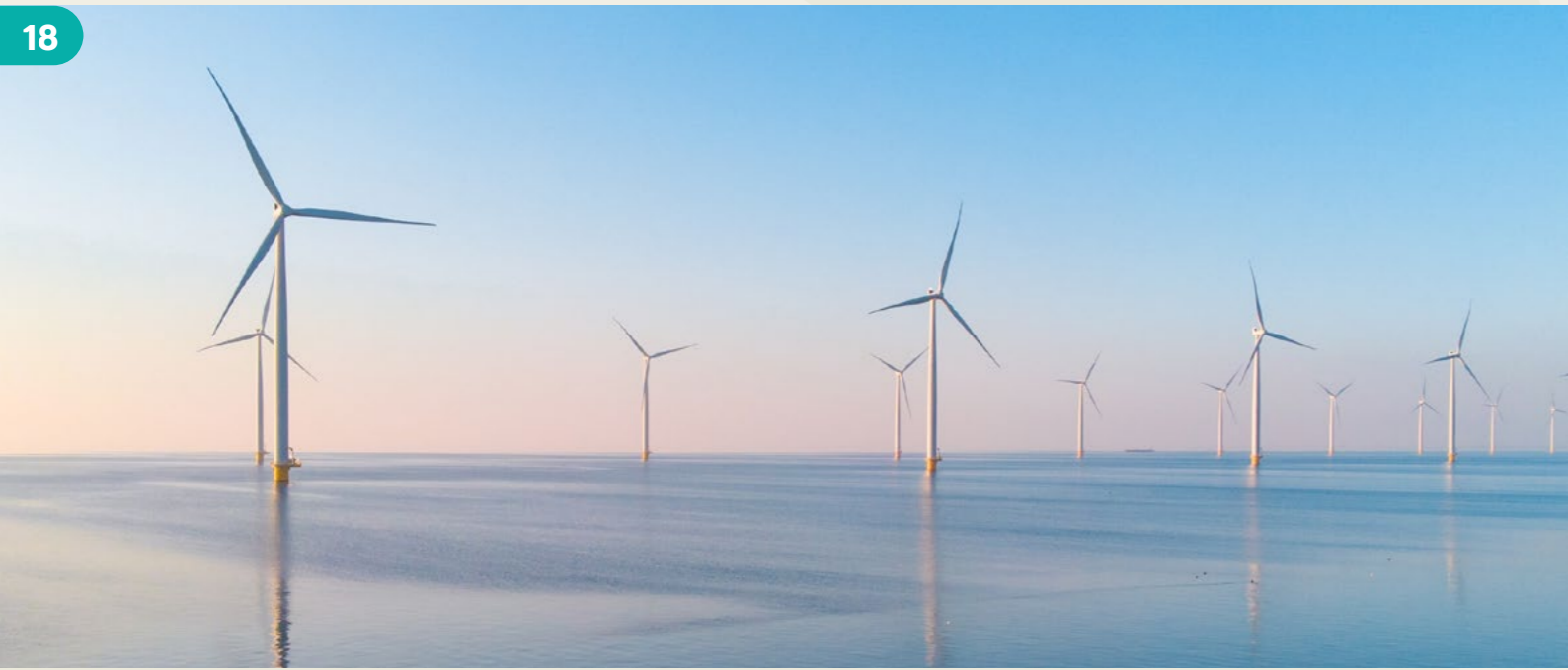
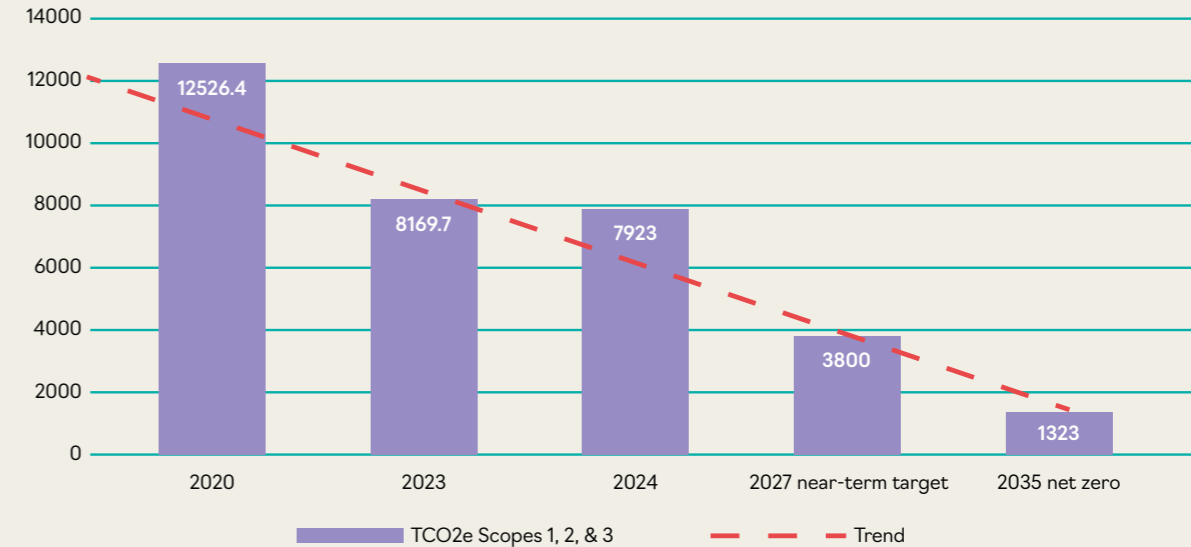


Fig 2 Emissions trend based on forecast reduced paper emissions, lower energy use, and capex removal



Pathways to **Net Zero** – Near & Long Term Targets

Targets for both the near and long terms are great, but a target is meaningless without a pathway or roadmap to get to it. At Sterling we have considered our biggest areas of emissions and looked to see how we can reduce those emissions on a stepped and continuous basis.

Supply Chain

Within our 2024 emissions report our supply chain accounted for 53% of our overall emissions across all scopes, and within those emissions paper contributed 82.8% of the emissions. This means that our ongoing focus is to drive down those emission factors while still ensuring that quality of product and efficiency of costs are still key parameters.

During 2024 we switched our house coated paper to a lower carbon option, giving a reduced emissions factor of 119kgCO₂e per Tonne for our most widely used paper. This was a drop of 79.4% in emissions, and once this shows as a full year of usage this should show a 7 to 10% reduction in emissions.

In addition to this paper, many of the other grades used are showing significant improvements in emissions factors as paper manufacturers investments in cleaner technology start to come online and show the full effect of investments. We believe that this will further enhance the reduction in emissions from our paper procurement, bringing a stepped and continuous improvement year on year.

Electricity

Although we use 100% renewable energy, we choose to report using location-based emission factors as a true reflection of progress. This is why it is important that we continue to improve our efficacy and reduce the emissions factor of our factory.

At Sterling we have always looked to innovate and challenge convention, leading to investment in greater efficiency and cutting-edge technology to achieve this. The most recent significant investment has been our Komori G38 web offset press, with LED activated drying, and inline folding options. This press shows significant energy savings per impression or printed sheet, with savings of over 50%, which translates as twice as much print for the same amount of energy usage as comparable sheet fed presses!

With the addition of our web offset press, and our other print production investments that include an HD litho quality inkjet press we have been able to save up to 41% in electricity per printed sheet. This has made a significant influence on our overall scope 2 emissions and will continue to help us drive down these emissions. With this in mind, we believe that we can improve our scope 2 emissions by up to 10% year on year to help achieve the near and long term targets.

Solar

In the next 24 months we plan to install additional solar panels to cover the complete roof of Sterling house. This will generate up to 766,700 kWh, avoiding 194 Tonnes of CO₂e per year. And helping to reduce our scope 2 emissions by over 16% in comparison to our base year of 2020, keeping us on track to hit our near and long term targets.

Capital Goods

With the majority of exceptional capital goods expenditure and subsequent emissions having occurred with the update of our production capabilities, we would expect to see a significant reduction in our overall emissions. We estimate this to be a reduction in emissions of 8% overall emissions or 14.3% of our scope 3 emissions.

Company Premises

Early 2025 sees Sterling reverting back to a single factory, driven partly by market conditions and partly by increased efficiencies in space usage. Consequently, there should be a reduction in use of natural gas and electricity. For natural gas this should mean a reduction in emissions of approximately 21%, but for electricity this will be more difficult to quantify as power supply was amalgamated with Sterling house in April 2024. However, we would expect to see economies for electricity too.

Pathways to Net Zero – Summary

Targets:

Near Term Target of 50% reduction in total emissions = **2029**

Net Zero Target, defined as 90% reduction and 10% carbon sequestration = **2035**

Supply Chain reductions:

Paper = **7-10% reduction per year**

Ink & chemicals = **0.5% reduction per year**

Electricity reductions:

Electricity = **10% reduction per year = scope 2**

Sustainability energy reductions:

Solar = **16% reduction per year – scope 2**

Capital Goods reductions:

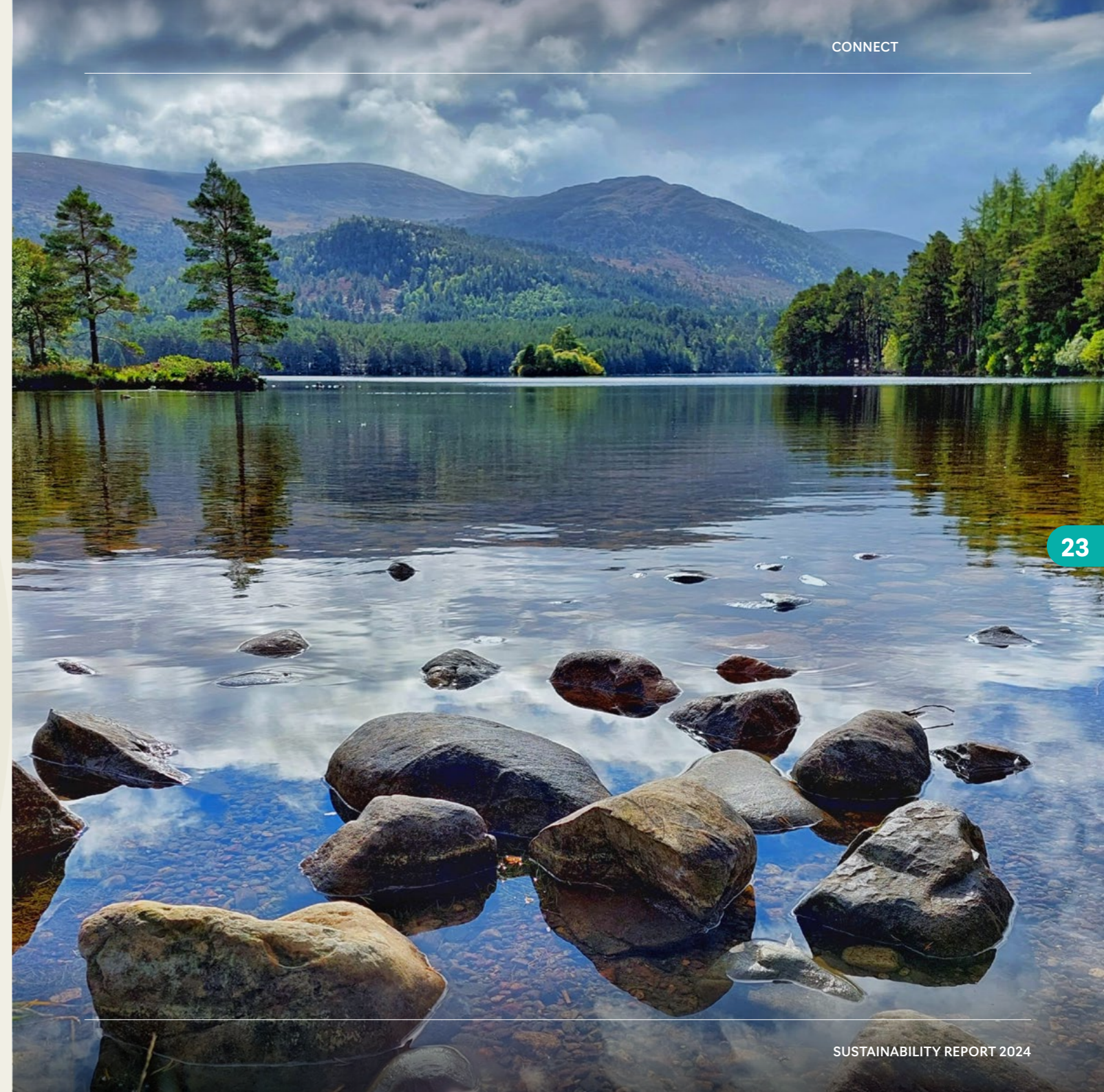
Machinery capex spend = **8% reduction**

Company Premises reductions:

Scope 1 emission = **21% reduction - scope 1**

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Waste – Circular Economy

As one of the UK's most efficient printers, the wastepaper continues to be kept to a minimum. We do this by using the most efficient size paper reels, encouraging customers to use lighter weights, and often even suggesting that clients could reduce page size, pagination or even the quantity required! In addition to these measures, we reduce set-ups and overs to the minimum amount required to produce precise quality print, helping to control both emissions and costs.

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For shorter print runs, where possible and economically advantageous to the client, we print using litho quality inkjet print technology. This further reduces the paper & ink waste, automates finishing processes, and removes the need for printing plates (aluminium).

As part of our Environmental & Sustainability Policy, and in line with our ISO14001 accreditation, Sterling operates waste stream segregation and recycling according to waste product type. As a print company this waste is mostly paper based, and consists of offcuts from post-production processes, print & mailing production waste (confidential waste for mailing), packaging, and obsolete paper products that we have been requested to recycle by clients as part of our service.

Paper waste is processed and recycled by type i.e., white paper, inked paper, and confidential waste, and then baled for collection by our contracted collection and recycling partner who issue waste collection notes giving the waste type and weight. All other waste is separated into waste streams and collected for recycling, processing, or remanufacture. Sterling does not send any waste to landfill and operates an active waste reduction programme in conjunction with our suppliers and clients.



Key Points

- In 2024, Sterling recycled over 1,839 Tonnes of paper, 42 Tonnes of metal including aluminium plates, and 13.5 Tonnes of chemicals.
- All waste is segregated into streams and recycled according to waste product type. Paper waste is processed and recycled by type i.e., white paper, inked paper, and confidential waste, and then baled for collection and recycling.
- No waste goes to landfill.
- Printing from reels of paper leaves the minimum margins, reducing waste
- For shorter print runs, where possible and economically advantageous to the client, we print using litho quality inkjet print technology.



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Accreditations, Certifications, and Memberships

Through memberships and accreditations, Sterling looks to offer our clients validation of our ESG credentials. We are currently going through the process of verification by the UN backed body the Science Based Targets initiative (SBTi), which we hope to be able to announce in Spring of 2025. In the meantime, we have an impressive array of memberships and accreditations as follows:



SME Climate Hub

Responsible for up to 64% of global business emissions, small and medium-sized businesses are crucial in the fight against climate change. The SME Climate Hub is aligned to the UN Race to Zero and provides SMEs with curated tools and resources to help them take climate action. With resources to get support and identify the right steps to benefit both the climate and their business

For membership of the SME Climate Hub, SME businesses are required to make a commitment that as a minimum aligns to the following:

- Halve emissions before 2030
- Cut emissions to zero before 2050
- Share progress on a yearly basis

Sterling has exceeded these requirements by committing to a 50% reduction across all emissions by 2029, and net zero by 2035. We have already submitted our report to the SME Climate Hub and are in the process of writing our full report for publication in Spring 2025.

Paper & Sustainability Schemes

Working with our key paper suppliers we can offer carbon balancing for almost all paper grades. These schemes include the World Land Trust Carbon Balanced Paper and the Carbon Footprint schemes. We also offer a UK based carbon capture scheme that involves the voluntary donation of units towards UK forestry and national park projects, which is called Forest Carbon.

FSC Chain of Custody

All paper supplied by Sterling is FSC chain of custody accredited. This means that it has been sourced and managed via a chain of custody that ensures that it comes from a managed source with environmental measures taken. Sterling carries FSC accreditation, which enables the FSC logo to be carried on any products that have been verified and approved by the certification body.

ISO Certification

Sterling has been working with the British Assessment Bureau since 2021; using their Activ platform to manage, regulate, audit, and certificate our compliance systems across four ISO standards. These standards are as follows:

ISO9001:2015

Quality Management System

ISO27001:2022

Information Security System

ISO14001:2015

Environmental Management System

ISO45001:2018

Occupational Health & Safety

Within these standards there are core synergies that work together across the same basic framework, meaning that through using a full business management system such as Activ we can ensure that the same ethos and focus on processes and continual improvement is carried through.



UN Sustainable Development Goals – SDG

As we have developed our Sustainability Strategy and Aims, we are taking onboard key United Nations Sustainable Development Goals (SDGs). The SDG provide us with a framework to help join a cohesive effort to tackle global challenges and create change. This ongoing commitment extends to our clients and their stakeholders too. As a family-owned business working with a range of clients across all sectors, we can help and support them towards sustainability and net zero targets.

Through pooling and sharing our knowledge and experience from our own sector, we can help clients improve their social and environmental impact. In embracing the SDGs and monitoring our performance against them, we strengthen our position as a sustainable and socially responsible business, working with our clients & suppliers, contributing to the process of improvement, lower emissions, and greater social responsibility.

Our four key Sustainable Development Goals are as follows:

SDG 7

Affordable and Clean Energy

SDG 8

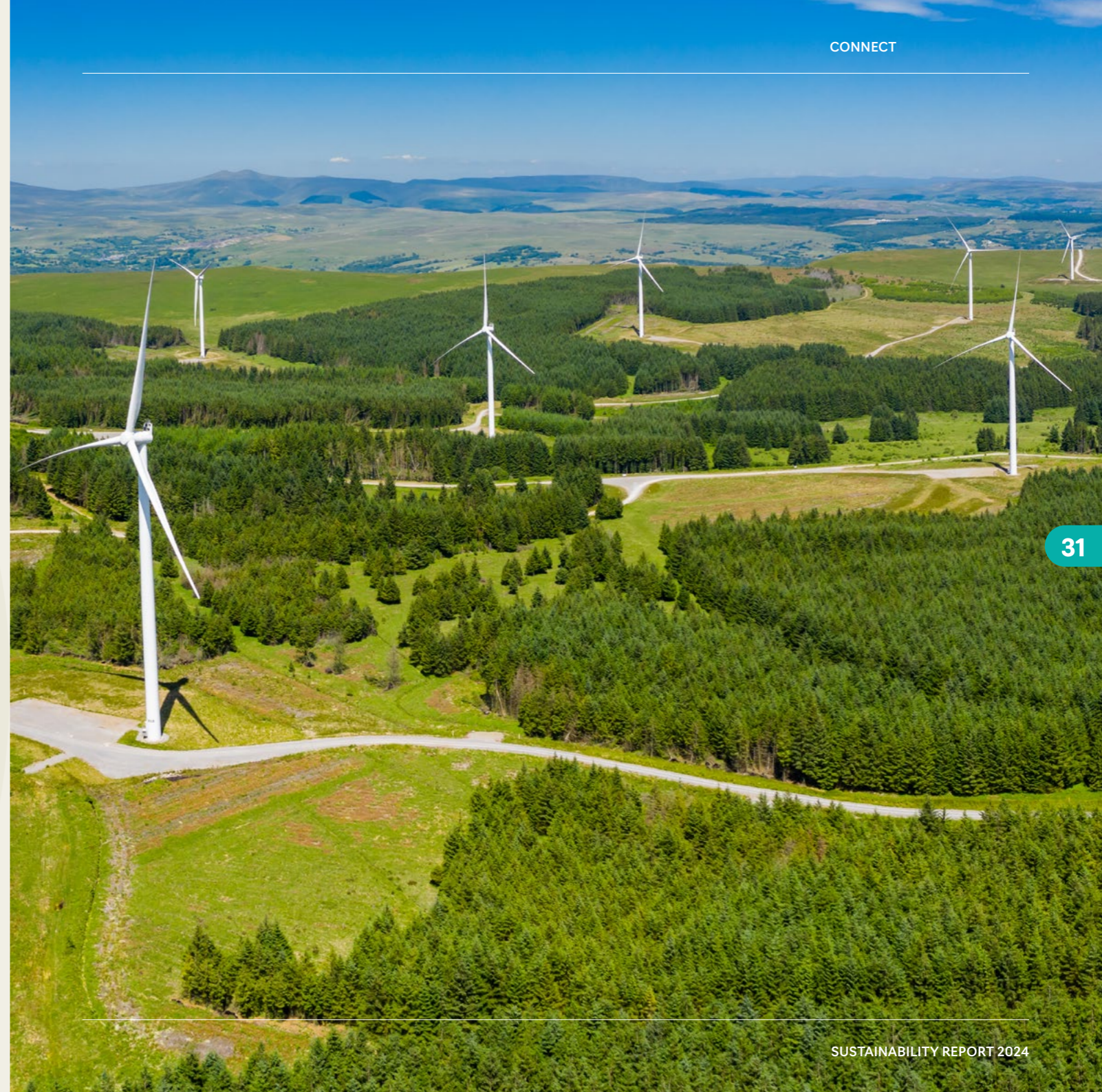
Decent Work and Economic Growth

SDG 12

Responsible Consumption and Production

SDG 13

Climate Action



If you'd like more information in
the meantime, please contact our
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