

SUSTAINABILITY

REPORT

2025

ABOUT THIS REPORT

This Sustainability Report represents Cepac's first sustainability report and provides detailed information on the consolidated environmental, social and business conduct performance of the Company.

Cepac Limited is a UK company whose registered office is located at Prince Albert House, 2 Kingsmill Terrace, London, UK and is registered in UK under registration number 03373762.

This report covers the period from 1 January 2025 to 31 December 2025. The reporting period aligns with the Company's financial reporting cycle and is intended to support annual public disclosure of sustainability-related information.

Throughout the report, activity data, performance indicators and key initiatives undertaken during the reporting period and, where relevant, the previous reporting period, are disclosed. The report also presents objectives, commitments and actions designed to provide stakeholders with an understanding of Cepac's progress and evolution in environmental, social and corporate sustainability matters.

The information presented in this report has been prepared using data and information available at the reporting date and reflects management's best understanding of the Company's sustainability performance during the reporting period.

External Assurance

This report has not been subjected to external verification or independent assurance.

Reporting Frameworks

The report has been prepared on an individual basis in accordance with the Voluntary Sustainability Reporting Standard for non-listed SMEs (VSME), applying Option B and covering both the Basic and Comprehensive Modules. Through this report, Cepac seeks to provide transparent and relevant information regarding its sustainability performance, impacts, risks, opportunities and management approach.

The Company is not excluded from EU Paris-aligned Benchmarks as defined by Article 12 of Commission Delegated Regulation (EU) 2020/1818. Cepac does not derive revenues from activities related to the exploration, mining, extraction, distribution or refining of coal, oil or gas, nor from electricity generation exceeding the greenhouse gas intensity thresholds specified in the Regulation.

Contact

Cepac welcomes feedback from stakeholders regarding its sustainability performance and reporting practices. Any questions, comments or suggestions related to this Sustainability Report may be sent to:

Email: enquiries@Cepac.co.uk

Index

ABOUT THIS REPORT	2
MESSAGE FROM THE GROUP MANAGING DIRECTOR	4
ABOUT Cepac	5
Our Identity, Mission & Values	5
Our Specialized Sites	6
Our History	6
Our Market Sectors & Value Chain	7
2025 HIGHLIGHTS & CERTIFICATIONS	8
Our Sustainability Strategy & Material Topics	9
ENVIRONMENT	12
Energy Consumption & GHGs	13
Water consumption	15
Our Materials, Chemicals & Waste	15
Product circularity and end-of-life	16
Sourcing Responsibly, Protecting Biodiversity	16
LABOUR & HUMAN RIGHTS	17
Code of Conduct Scope	17
Working Conditions & Social Dialogue	20
Employees' Career Management & Training	20
Child Labour, Forced Labour & Human Trafficking	21
Diversity & Inclusion	21
Workers in the value chain	22
BUSINESS CONDUCT & ETHICS	23
Anti-corruption and anti-bribery	24
Responsible Information Management	24
SUCCESS STORIES	25
Considering our options	25
In numbers	25
Our partners	26
A matter of scale	26
NEXT STEPS	28
A. Cepac IN NUMBERS	29

MESSAGE FROM THE GROUP MANAGING DIRECTOR



Steve Moss
Group Managing Director



Cepac was established in Rotherham as a green field investment in 1999. With a turnover of c.£115m across our Rotherham, Darlington, Rawcliffe Bridge and Doncaster sites, we are the UK's leading independent corrugated packaging producer. Cepac stands for "Cost Effective Packaging" and we have pioneered lightweight corrugated cardboard packaging for over 26 years. All products are produced from responsibly sourced materials and are fully recyclable, designed to meet our customers' needs and critically the needs of current and future sustainability legislation. Core products focus upon secondary / transit packaging of food and other FMCG items, including the key growth area of plastic replacement. Where applicable Cepac sites are British Retail Consortium approved.

We are people and partnership focused, engaging with employees, customers, suppliers, and other partners. Our strapline "Together we achieve more", reflects our long-term relationships with team colleagues and all stakeholders.

ABOUT Cepac

Our Identity, Mission & Values

We are innovators in corrugated packaging. Over the last 27 years, Cepac has redefined the UK packaging market by delivering high-performance, structurally advanced and sustainable transit and display and transit solutions. Standing for "Cost Effective Packaging", Cepac was founded on the principle that exceptional engineering and commercial efficiency should go hand in hand with environmental responsibility.

Today, we operate as a leading independent producer with an annual turnover of approximately £115 million. We partner with major brands across food and drink, consumer goods, e-commerce and industrial sectors, championing new materials that minimise carbon footprints, while maximising structural strength.

Our mission is to pioneer innovation with our customer partners. We strive to meet your goals without limiting future generations' ability to do so. Guided by our overarching maxim, "Together we achieve more" - we bridge the gap between industrial performance and ecological balance.



Our values

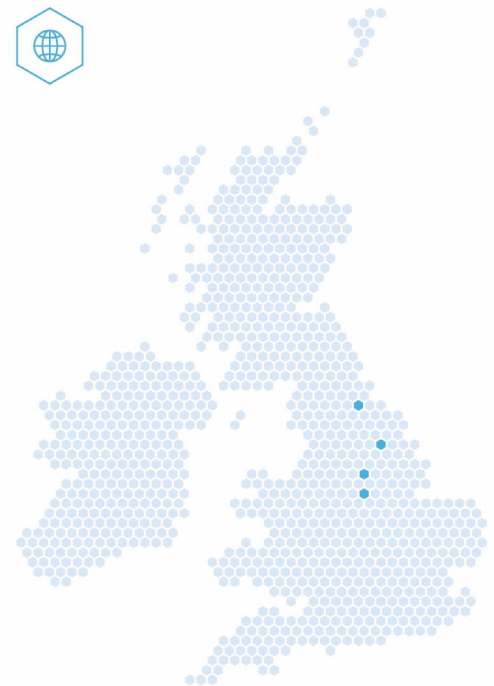
Our values are our guiding principles. We believe that our integrity is why people trust what we do and we commit to doing the right thing by our employees, our communities and our planet.

Collaboration	Professionalism	Ethical and Responsible Approach	Innovation
We build close, long-term relationships with our customers, suppliers and stakeholders, placing their interests first to deliver the best packaging solutions in the fastest possible time.	We maintain a strong service ethos and a deep understanding of our customers' challenges, ensuring we consistently meet their exacting business needs.	We empower our people to be the best they can be to exceed customer expectations, while ensuring 100% of our paper is sourced from responsibly managed, FSC-certified forests.	We maintain an agile, entrepreneurial focus on performance packaging and advanced print. Through continuous investment, we ensure we remain ahead of the curve to lead the market.

Our Specialised Sites

Cepac’s manufacturing network is strategically concentrated in the North of England, positioning the Company to efficiently serve customers across the UK, while minimising logistical emissions. We employ a skilled workforce of over 443 people across four specialised manufacturing facilities:

- Rotherham (Headquarters): Cepac’s corporate base and state-of-the-art production facility, focusing on high-volume, corrugated retail ready and transit packaging solutions.
- Darlington: A high-performance flexographic print, corrugation and advanced direct food contact conversion site.
- Rawcliffe: A highly specialised production plant focusing on high-quality rotary die-cut printed packaging for the Industrial, Food and Drink markets.
- Doncaster: Focusing on digital print and creative design for high-impact point-of-sale (POS) and retail display solutions.



Our History

Founding as a Greenfield Investment	Acquisition of the Rawcliffe Production Site	Acquisition of the Darlington Production Site	Acquisition of the Doncaster Production Site	Cepac Group Formed
1999	2013	2013	2013	
Cepac is established as a greenfield packaging investment in Rotherham, introducing a fresh, technology-driven approach to the UK corrugated market.	The Rawcliffe site is acquired to focus on the Industrial Packaging sectors with high strength corrugated board structures.	The Darlington site is acquired to focus on High-Quality Print and Lamination in the Food and Drink sectors.	The Doncaster site is acquired to begin the journey on Digital Print and to create a centre for creative design excellence.	The Cepac Group is formed with four dedicated production sites.

Our Market Sectors & Value Chain

Cepac operates a direct Business-to-Business (B2B) ecosystem from four UK manufacturing hubs, selling directly to a wide customer base, including corporate brand owners, logistics networks and procurement teams.

We engineer exclusively with 100% paper-based, corrugated cardboard materials. We apply rigorous material science to maximise structural strength, while minimising paper weights, serving our target markets across six distinct sectors:

Food & Drink:	Consumer Goods:	Industrial Packaging:	E-Commerce:	POS & Display:	Structural Innovation
We understand the needs of the FMCG sector and help brands build integrity and shelf standout, alongside the practical considerations of optimal pack size, product quantities, shelf size and rate of sale.	Protecting products and enhancing brand presence at the point of sale is paramount and we provide clever solutions that give high protection combined with a range of print technologies.	Our Industrial Packaging offers excellent protection for Industrial Products. We have a proven record of accomplishment of supplying packaging for Dangerous Goods from Fireworks to Chemicals and are experts in U.N. Certified Packaging Solutions.	E-Commerce is all around us now and an essential way of life. It's important that you make the right choice for your e-commerce packaging solutions. We have a range of volumes to suit customers' needs.	We are acutely aware of staying ahead of the competition and getting a brand noticed. We operate a dedicated Point of Sale and Display site. Our experienced team of creative designers and sales professionals can provide the expertise that customers need.	Our product design developments go through rigorous testing, ensuring that our customers benefit from the best product, while using the minimum of materials. We have in-house testing and design facilities at all our sites.

Raw Material Sourcing (Suppliers): Our independent purchasing strategy strictly adheres to modern, FSC-certified mills with batch-traceability infrastructures, ensuring all fibre comes from sustainably managed forests/sources.

Manufacturing Excellence (Own Operations): Across our four state-of-the-art UK plants, our design teams and in-house testing laboratories engineer custom corrugated cardboard solutions.

Commercial Relationships (Customers): Operating strictly as a Business-to-Business (B2B) supplier, we sell custom, paper-based packaging directly to corporate clients and brand owners through direct sales contracts. Our regional footprint ensures flexible, just-in-time delivery that synchronises with customers' packing lines.

The Circular Loop (End-Users): Though we are a B2B supplier, our paper-based packaging is designed for the everyday shopper. Every item we make is engineered for high-efficiency circularity, allowing the end consumer to effortlessly drop it into standard domestic paper recycling streams without plastic contamination.

2025 HIGHLIGHTS & CERTIFICATIONS



100% of sites ISO 14001 certified



Rotherham & Rawcliffe sites ISO 45001 certified (70% of employees covered by ISO 45001)



100% of sites are BRCGS certified

Total employees 443

Over 1,700Mwh of solar energy produced

100% of Sites ISO 9001 Quality Management Systems

>60% intensity ratio reduction market-based emissions since 2015.

56 hrs of training per employee



100% FSC Certified

Our Sustainability Strategy & Material Topics

Our focus on sustainability is an integral part of Cepac. We continuously work to implement long-lasting initiatives and improve workflows across our four UK plants to ensure our operations benefit our stakeholders and society.

We do not work in isolation. We collaborate directly with our paper and board suppliers to manage and optimise our raw material supply chain. At the same time, we focus on industry cooperation to ensure that the goal of contributing to a fully circular, plastic-free supply chain extends beyond our own manufacturing operations.

To guide this strategy, we have conducted a materiality review, based on industry standards, to identify where our business causes or encounters the most significant impacts. By intentionally filtering out low-impact data, we ensure our sustainability strategy targets only the topics that genuinely matter to our business and stakeholders.

Tier 1: Primary Focus (High Impact) combines the critical pillars of our industrial operations and supply chain integrity. This includes our heavy-hitting environmental footprints (energy, carbon, waste and water), our absolute commitment to front-line employee welfare (health and safety) and our highest-risk procurement standard (ensuring all raw material fibre is traceable and sustainably sourced).

Tier 2: Supporting Focus (Medium Impact) governs our everyday corporate infrastructure, value chain relationships and legal compliance. This tier manages our structured labour relations, workforce training, product end-of-life circularity, data security and zero-tolerance frameworks for ethical business conduct and human rights.

High Impact Topics

Energy Consumption & GHGs
Water, Materials
Chemicals & Waste
Employee Health & Safety
Supplier Environmental Practices

Medium Impact Topics

Product End-of Life
Working Conditions, Social Dialogue
Career Management & Training
Child Labour, Forced Labour & Human Trafficking
Diversity & Inclusion
Anti-corruption & Anti-bribery
Responsible Information Management
Workers in the value chain

To anchor these material priorities within a global context, we align our strategic focus areas with the United Nations Sustainable Development Goals (SDGs). This mapping ensures that our internal operational targets,

procedures and policies directly contribute to solving broader international environmental and societal challenges.

The table below illustrates how each identified material topic corresponds to specific SDG principles:

Cluster	Material Topic	Commitment	SDGs Alignment
Environment	Energy Consumption & GHGs	Track, manage, and mitigate Scope 1, 2 and 3 carbon emissions.	SDG 7, 12, 13
	Water	Monitor and systematically optimise water efficiency metrics across all production assets.	SDG 6
	Materials, Chemicals & Waste	Maximise structural fibre performance while minimising manufacturing waste and chemical additives.	SDG 12
	Product End-of Life	Enforce a completely transparent, independent raw material procurement strategy.	SDG 12
	Supplier Environmental Practices	Enforce a completely transparent, independent raw material procurement strategy.	SDG 12, 8
Labour & Human Rights	Employee Health & Safety	Zero workplace accidents through a rigorous culture of risk prevention, continuous safety training and robust operational health management systems.	SDG 3,8
	Working Conditions	Guarantee fair compensation, sensible working hours and a supportive, legally compliant environment that protects the physical and mental well-being of all team members.	SDG 3,8
	Social Dialogue	Foster an open, transparent workplace culture that respects the right to freedom of association and active collective bargaining, ensuring all employee voices are heard without fear of retaliation.	SDG 3
	Career Management & Training	Invest in the continuous professional growth of our workforce by providing accessible skill development, regular performance pathways and equal opportunities for advancement.	SDG 3
	Child Labour, Forced Labour & Human Trafficking	Enforce an absolute zero-tolerance policy against all forms of modern slavery, child labour and forced labour across both our direct operations and our entire global supply chain.	SDG 8
	Diversity & Inclusion	Maintain a safe, inclusive workspace built on equity and mutual respect, completely free from harassment, bias and discrimination based on gender, race, age, or background.	SDG 3

	Workers in the value chain	Promote responsible business practices throughout our value chain by working with suppliers and partners who uphold high standards of human rights, labour practices, ethical conduct and environmental responsibility	SDG 12, 8
Ethics	Anti-corruption & Anti-bribery	Conduct business with integrity and transparency by preventing corruption, bribery, fraud and other unethical practices through robust controls, accountability and responsible decision-making.	SDG 12, 8
	Responsible Information Management	Protect the confidentiality, integrity, and availability of information by managing data responsibly, safeguarding privacy and maintaining secure and ethical information management practices across our operations.	SDG 12, 8

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Since its inception in 1999, sustainable "Performance Packaging" has been in Cepac's DNA, serving to strengthen customer partnerships through aligned environmental initiatives, such as packaging recycled content and FSC sourcing. To address climate-related risks, the Company prioritises energy management and emissions reduction in its strategic and investment decisions. Cepac remains ahead of competitors by being an early adopter of 100% mixed renewable electricity (since 2016), pioneering FSC certification to ensure packaging circularity and championing lightweight corrugated packaging. Looking ahead, Cepac's top priorities are decarbonisation through further in-house green energy production and accelerating their recycled paper use from over 80% to over 90%, demonstrating a continuous investment in the sustainability umbrella alongside customers and suppliers.

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Steve Moss
Managing Director

ENVIRONMENT

Our environmental strategy focuses on reducing the direct footprint of our manufacturing operations while maximising resource circularity. We actively manage energy, carbon, water and material efficiency across our four UK plants to lower emissions, reduce waste and ensure 100% traceable sourced fibres.

Rather than relying on a single catch-all document, we guide our ecological journey through a suite of targeted Environmental Policies available internally across our organisation. This structured framework bridges the gap between daily operations and long-term goals, harmonising our localised approach to resource efficiency, carbon mitigation and sustainable procurement through dedicated focus areas.



Material Topic	Target / Milestone	Progress Status
Energy Consumption & GHGs	Create a full GHG Inventory, track and report on all Scope emissions	Carbon Accounting Software in place to track Scope 1,2,3 emissions back to 2023. Scope 1 and 2 tracked back to 2015.
Water Consumption	Track, Control and Monitor water consumption.	We are committed to minimising water usage, preventing waste, protecting water sources and continuously improving efficiency.
Materials, Chemicals & Waste	Waste target of zero waste to land fill.	100% paper trimmings and waste sent for recycling.
Product End-of-Life	Ensure Products are classified as Paper and Card and Green for EPR.	All core products are classified as Paper, Card and Green, widely and easily recyclable, this amounts to > 99% of products.

Energy Consumption & GHGs

Energy consumption and greenhouse gas (GHG) emissions are among the most significant environmental impacts associated with our operations. Through our ISO 14001-certified environmental management systems and participation in the UK Energy Savings Opportunity Scheme (ESOS), we continue to identify opportunities to improve energy efficiency and reduce emissions across our manufacturing sites.

As part of our historic commitment to climate action, we established a target to reduce the emissions intensity of our Scope 1 and Scope 2 greenhouse gas emissions by 30% between 2015 and 2030. We monitor our performance against this target annually and, based on current progress, remain on track to achieve our 2030 emissions intensity reduction target. Continued investments in energy efficiency, renewable energy generation and operational improvements have contributed to this positive trajectory and reinforced our commitment to long-term decarbonisation.

We are in the process of adding additional target setting to our metrics in-line with Net Zero Planning, to include target setting across all scopes.

In addition, we participate in the Carbon Disclosure Project (CDP) at the request of the customer, demonstrating our commitment to transparency and accountability in climate-related reporting.

During 2025, our emissions performance reflected both changes in operational activity and the impact of ongoing decarbonisation initiatives. While increased production volumes related to gas usage contributed to a slight increase in Scope 1 emissions, the ongoing success of in-house solar energy production, grid emission factors and operational efficiencies resulted in significant reductions in Scope 2 emissions. Scope 3 emissions also decreased substantially, reflecting improvements across the value chain and more efficient use of resources.

The table below presents Cepac's greenhouse gas emissions performance for the reporting period.

	2025 (tCO ₂ e)	2024 (tCO ₂ e)	2025 vs 2024
Scope 1	5,170	4,986	4%
Scope 2 (location-based)	1,565	2,163	-28%
Scope 3	49,605	58,824	-16%

Energy Consumption

To support our manufacturing activities, we use a combination of purchased electricity, on-site renewable electricity generation and fuel consumption. We continue to increase the share of renewable energy sources within our energy mix while improving overall energy efficiency.

	Non-renewable (MWh)	Renewable (MWh)	2025 vs 2024
Electricity Consumption	0	12,692	-3%
Fuels	N/A	Mixed Renewables	

Our performance trajectory is steered by three core operational levers, turning our environmental policy commitments into physical factory floor milestones:

01

Operational Efficiency Improvements

During 2025, we focused on improving the efficiency of existing assets across our manufacturing sites. Equipment upgrades, LED lighting installations and automated energy controls helped reduce energy consumption while supporting reliable production operations.

02

Renewable Energy and Heat Recovery

Our solar photovoltaic systems continued to generate renewable electricity on-site, while waste heat recovery initiatives enabled energy generated during manufacturing processes to be captured and reused.

03

Employee Awareness and Engagement

Energy efficiency is supported by employee training and awareness programmes. Through environmental inductions and ongoing engagement, we encourage responsible energy use across all operations.

Looking Forward: Climate Risks & Transition Planning

Our focus has historically been on immediate operational efficiency, machinery upgrading and modern technology. We recognise that building systemic resilience related to Climate Risk now requires a more formalised forward-looking strategy. We are actively working to achieve this and will establish a dedicated transition plan in 2027.

In the meantime, we continue to de-risk our operations the best way we know how: by putting our capital directly into green infrastructure, shifting towards on-site renewables and modernising our plant and equipment to insulate our business from fluctuating fossil energy markets.

Water consumption

Water is a valuable resource in our manufacturing operations, and we are committed to managing it responsibly and efficiently. We monitor and measure water use across our sites, conduct water audits to identify efficiency opportunities and perform water risk assessments to better understand potential operational and environmental risks.

To ensure responsible wastewater management, we monitor the quality of our effluent discharges and operate in accordance with trade effluent discharge consents and applicable legal limits.

During 2025, Cepac consumed 27,979 m³ of water, representing a reduction of 9.0% compared with 2024. Our ongoing efforts to improve water efficiency across our manufacturing operations will continue through enhanced monitoring, process optimisation and the identification of opportunities to reduce unnecessary water use.

The table below presents our total water withdrawal during the reporting period, including withdrawals from sites located in areas of high water stress.

	2024 (m ³)	2025 (m ³)	2025 vs 2024
Total water withdrawal	31,038	27,979	-10%

Our Materials, Chemicals & Waste

We are committed to using materials responsibly, reducing waste, and promoting circularity across our operations, guided by our ambition to follow the

waste hierarchy and work towards zero waste to landfill.

We reduce material consumption through process optimisation initiatives, including paper lightweighting and condensate recovery systems. More than 80% of the paper used in our products is sourced from recycled content, supporting a more circular approach to resource use. Paper and cardboard generated through our operations are segregated and recycled wherever possible, helping to keep valuable materials in circulation.

During 2025, our largest manufacturing site at Rotherham generated circa 12,000 tonnes of non-hazardous waste and circa 27 tonnes of hazardous waste. Of the total waste generated > 94% was recovered through recycling, reuse and other recovery processes, demonstrating our commitment to maximising resource efficiency and reducing the amount of waste requiring disposal.

We maintain robust procedures for the safe management of chemicals and hazardous substances, including requirements for labelling, storage, handling and transportation. Employees receive training on the safe use of hazardous materials, whilst environmental emergency measures are in place to minimise potential risks and prevent accidental releases. Hazardous waste streams are carefully segregated, monitored and managed through authorised specialist contractors to ensure their safe treatment and disposal in accordance with applicable legislation.

Product circularity and end-of-life

We aim to design packaging solutions that remain valuable beyond their first use by supporting established recycling systems and reducing material complexity.

Our paper-based packaging products are designed to be recyclable through standard paper and cardboard recycling streams. In line with the Recyclability Assessment Methodology (RAM), EPR and with the Packaging and Packaging Waste Regulation (PPWR), in mind, the core of our products (>99%) are classified as recyclable within existing collection and recycling systems, helping customers and consumers dispose of packaging responsibly.

Innovation also plays a significant role in our circularity strategy. Through our Flutepac® range, we offer lightweight paper-based alternatives to plastic packaging applications, helping customers transition away from more difficult-to-recycle materials. Flutepac products are designed using simplified material structures and recyclable water-based coatings, allowing the packaging to be recycled within conventional paper recycling streams without the need for material separation.

By prioritising recyclability, material efficiency and paper-based alternatives, we support a more circular packaging system and help keep valuable materials in use for longer.

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The site's primary environmental impacts stem from water and energy-intensive steam used in cardboard production. To offset this, a 2022 investment in in-house solar energy production now supplies **around 20% of our main site's electricity**. Balancing business growth with **reducing environmental impact** remains the overarching challenge, though carbon reduction efforts have successfully improved operational efficiency regarding energy usage and waste. Future plans involve expanding **further solar energy production** and investing in **more efficient corrugating capability**, empowered by employee-driven site energy management groups to achieve sustainability goals.

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Stuart Guilder
Site Director

Sourcing Responsibly, Protecting Biodiversity

While we do not own or manage forests or produce paper ourselves, we recognise that the sourcing of paper and fibre-based materials can influence deforestation, habitat conservation and ecosystem health.

For this reason, we prioritise the procurement of paper and linerboard from responsibly managed sources and work with suppliers that meet recognised certification standards. We have always maintained a sustainable sourcing framework that supports the procurement of certified and recycled fibre materials, helping to promote responsible forest management and the sustainable use of natural resources throughout our value chain.

During 2025, 82% of the wood and wood-based materials used in our products originated from recycled sources, reducing demand for virgin raw materials and supporting a more circular economy. In addition, 100% of our wood and wood-based materials were sourced from certified sources, providing assurance that the fibre used in our products originates from responsibly managed forests and controlled supply chains.

Cepac is also FSC certified, enabling us to maintain full traceability of certified forest products throughout our operations and provide customers with packaging solutions that support responsible forest stewardship.

None of our manufacturing or logistics sites are located within or adjacent to biodiversity sensitive areas or protected habitats. Our facilities primarily consist of industrial buildings and associated logistics infrastructure. Through our sustainable sourcing practices, elevated levels of certified and recycled fibre procurement and FSC certification, we seek to minimise biodiversity-related impacts across our value chain whilst supporting the long-term protection and sustainable management of forest ecosystems.

LABOUR & HUMAN RIGHTS

Our people are at the heart of our business.

We are committed to providing a safe, respectful, and inclusive workplace where employees can develop their skills, contribute to our success and thrive throughout their careers.

This commitment is supported by a range of internal policies and procedures, including our Employee Handbook, Occupational Health and Safety Policy and Training and Development procedures.

Together, these documents establish the standards and expectations that guide our approach to employee wellbeing, workplace conduct, health and safety, learning and development, industrial relations and respect for human rights.

The Employee Handbook also serves as our internal code of conduct, setting out the expected principles of behaviour across the organisation.

While these policies are not publicly available, they are communicated internally and apply across all employees.

Code of Conduct Scope	
Child labour	✓
Forced labour	✓
Human trafficking	✓
Discrimination	✓
Accident prevention	✓
Anti-corruption	✓
Complaints-handling mechanism	✓

Employee retention and engagement remain important indicators of the strength of our workplace culture. During 2025, our voluntary employee turnover rate was 12%, providing insight into workforce stability and employee movement throughout the reporting period.

At top management level, in 2025, female representation increased to 18% from 16% in 2024 highlighting the increased participation of women in leadership roles across the organisation

Workforce Profile 2025

	Female	Male	Total	2025 vs 2024
Total employees (Headcount /FTE)	59	374	433	450
Permanent Employees	59	374	433	450
Temporary Employees	0	0	0	0
Self-employed workers working exclusively for the Company	0	0	0	0
Temporary Agency workers	2	6	8	4

Material Topic	Target / Milestone	Progress Status
Employee Health & Safety	Zero Accidents	In 2025 we achieved a Lost Time Weighted Injury Rate of 2.49 accidents per 1,000 employees* making us the best performer compared to other corrugated packaging competitors in the UK.
Working Conditions	Exceed Legal Compliance	We guarantee fair compensation backed by pay and benefits benchmarking. We work sensible working hours and have a supportive, legally compliant environment that protects the physical and mental well-being of all team members. We provide Private Medical Insurance for all employees.
Social Dialogue	Maximise effectiveness of industrial relations	We maintained positive collective bargaining with GMB at our Rotherham and Rawcliffe sites and Unite at Darlington and operated works councils at all sites including Doncaster.
Career Management & Training	Strategic Training	12 month Leadership Academy delivered to 15 high performing managers with high potential.
Child Labour, Forced Labour & Human Trafficking	Zero Incidents	No reports or incidents of child labour, forced labour and human trafficking were identified internally in 2025.
Diversity & Inclusion	Promote and recognise Women's Issues	The Senior Women's Forum, consisting of 20 senior female managers contributed to introducing the Menopause Support Policy, Enhanced Maternity Pay Policy and Sexual Harassment training campaign.
Workers in the value chain	Zero Incidents	No reports or incidents of child labour, forced labour and human trafficking were identified within our supply chain in 2025.

*Injury Rate = (Specified Injuries x 2) + Over 7 day Injuries per 1,000 employees in previous 12 months

Employee Health and Safety

The health and safety of our employees is managed through a structured approach aimed at identifying, preventing and mitigating workplace risks across all operations. Cepac's Occupational Health and Safety Management System is certified to ISO 45001, ensuring a systematic framework is in place to manage occupational health and safety risks, strengthen risk prevention and drive continuous improvement in workplace safety performance.

Health and safety risks are systematically assessed through formal risk assessment processes, including COSHH assessments, fire risk assessments and hazard identification procedures. These processes are used to better understand potential operational risks and ensure that appropriate controls are implemented and maintained. Assessments are regularly reviewed to reflect current working conditions and emerging hazards across operations.

Emergency preparedness is supported through defined procedures covering fire safety and emergency response. These include clear instructions for employees in the event of incidents, evacuation procedures, and broader emergency preparedness measures designed to ensure a coordinated response across all sites.

Employee awareness and competence are supported through structured training on health and safety risks and good working practices. This includes departmental skills matrices, competency-based safety training and role-specific instruction to ensure employees are equipped to carry out their tasks safely and in line with defined safety standards.

Employees are also provided with formal channels to report health and safety incidents, risks and concerns. These include an internal reporting system via a safety portal, as well as whistleblowing and grievance procedures managed through HR channels.

Additional measures are in place to ensure the safety of non-employee workers and contractors operating on-site, ensuring that health and safety requirements are consistently applied across all personnel. Specific operational controls are implemented to manage workplace risks such as noise exposure, including mandatory hearing protection requirements communicated through induction training and workplace signage.

Employee feedback on health and safety is also captured through internal survey mechanisms, supporting ongoing improvement of workplace safety practices.

Cepac monitors health and safety performance through a set of key indicators that are tracked and reported annually. During the reporting period, Cepac recorded 29 work-related accidents, (27 minor accidents, 1 recordable and 1 reportable) representing a 31% reduction compared with 2024. There has never been a fatality at Cepac. In addition, 3,150 days were lost due to work-related injuries, fatalities and ill health, reflecting an absenteeism rate of 2.8%. These indicators are used to better understand safety performance trends, identify areas for improvement and support the continuous enhancement of the ISO 45001 management system.

Working Conditions & Social Dialogue

We are committed to providing fair and supportive working conditions that promote employee wellbeing, engagement and work-life balance. Our approach is supported by a range of policies and practices covering remuneration, working arrangements, employee benefits and mechanisms for employee feedback and concerns.

Working hours and overtime are managed through established procedures, with employees receiving appropriate compensation for extra or atypical working hours where applicable. We also communicate our remuneration processes to employees and maintain practices to ensure fair and transparent pay arrangements. All employees receive pay that is equal to or above the applicable national minimum wage requirements.

Employees have access to a range of benefits and support measures, including private healthcare, flexible working arrangements and family-friendly policies such as shared parental leave and special leave provisions. Employee feedback is an important input into the continuous improvement of working conditions. We regularly gather employee views through satisfaction surveys and provide formal channels for employees to raise concerns through grievance and whistleblowing procedures.

Employee representation forms an important part of our approach to workforce engagement. Employee representatives support dialogue between employees and management, and collective bargaining arrangements cover key topics, including working hours, overtime, leave entitlements and wage conditions. The percentage of employees covered by collective bargaining agreements is 54%.

To further support employee engagement and recognise performance, we operate incentive schemes, including production bonus programmes aligned with operational objectives.

Employees' Career Management & Training

We believe that investing in our people is essential to maintaining a skilled, engaged and future-ready workforce. Through structured training programmes and ongoing performance development processes, we support employees in building the capabilities needed to succeed in their current roles and progress within the organisation.

Training is tailored to operational and professional development needs, with employees receiving role-specific instruction supported by training checklists and competency-based learning. Employee performance is reviewed regularly, providing opportunities to discuss achievements, development needs and future career aspirations.

Our approach also encourages internal mobility and career progression wherever possible, helping employees develop new skills and explore opportunities across the business. Individual development plans support these conversations and provide a framework for continuous learning and long-term career growth.

The data shows that, on average, employees received between 56 and 60 hours training per year over the past two years, showing an effective development approach aligned with operational needs.

Child Labour, Forced Labour & Human Trafficking

We are committed to maintaining a workplace that respects fundamental human rights and operates in accordance with applicable labour laws and ethical business practices. Preventing child labour, forced labour and human trafficking is an integral part of our approach to responsible employment.

These principles are embedded into our recruitment processes, which include age verification checks to ensure compliance with minimum employment age requirements.

Employees are encouraged to raise concerns regarding suspected misconduct or breaches of labour and human rights standards through our Whistleblowing Policy, which provides a confidential mechanism for reporting and escalating concerns.

During the reporting period, no confirmed incidents of child labour, forced labour or human trafficking were identified within our workforce.

Diversity & Inclusion

Providing a workplace where employees are treated fairly and respectfully is an important part of our approach to employee wellbeing and human rights. We seek to ensure equal opportunities throughout the employee lifecycle, including recruitment, development, promotion and remuneration, while

maintaining a working environment free from discrimination, harassment and inappropriate behaviour.

To help prevent discrimination and promote equal treatment, we maintain recruitment and employment practices designed to provide fair access to opportunities for all employees. We also support workplace inclusion through our Disability Policy and initiatives aimed at creating an accessible and supportive working environment.

The prevention of harassment is reinforced through employee awareness measures, including workplace communications and information campaigns displayed across all sites. Employees are encouraged to raise concerns regarding discrimination, harassment or inappropriate behaviour through our Whistleblowing Policy, which provides a confidential mechanism for reporting concerns and accessing appropriate support and remediation processes.

Pay equity forms an important part of our commitment to fair treatment. The median gender pay gap for the reporting period was 7.9% (14.5% in 2024) providing transparency on the difference in average pay between all female and all male employees across the organisation. Women represented 14% of the workforce in 2025.

During the reporting period, no confirmed incidents of discrimination were identified within our workforce.

Workers in the value chain

Responsible business practices extend beyond our own operations and into the broader value chain. We seek to work with suppliers and business partners that share our commitment to ethical conduct, human rights, fair labour practices and environmental responsibility.

Our approach is supported by a Supplier Sustainability Code of Conduct and establishes expectations relating to environmental performance, labour standards, human rights, business ethics and responsible sourcing. During the reporting period, our key suppliers are signing the Supplier Sustainability Code of Conduct, reinforcing the alignment of our supplier base with these requirements. These expectations are further embedded into our procurement framework.

To identify and manage potential sustainability risks, we conduct structured assessments of adverse environmental and social impacts within our supply chain. As part of this process, 100% of targeted suppliers were covered by quality and sustainability assessments during the reporting period, enabling a more systematic understanding of risk exposure

across the value chain. Our procurement teams also receive training on social and environmental issues to support responsible sourcing decisions and supplier engagement, with all buyers having received training on sustainable procurement during the year.

Supplier oversight is further strengthened through on-site audits, which evaluate compliance with applicable environmental and social requirements. The Supplier Sustainability Code of Conduct also includes provisions relating to human rights, equality, discrimination and harassment, helping to promote fair and respectful working conditions throughout the value chain. Suppliers representing the majority of our purchasing spend have committed to these environmental, labour and human rights requirements through our Supplier Sustainability Code of Conduct and related obligations.

Through these processes, we monitor and seek to address potential sustainability risks across our value chain. During the reporting period, we were not aware of any confirmed incidents involving workers in the value chain, affected communities, consumers or end-users.

BUSINESS CONDUCT & ETHICS

Acting with integrity is fundamental to the way we conduct business and maintain the trust of our customers, suppliers, employees and other stakeholders. We are committed to operating responsibly, transparently and in accordance with applicable laws and ethical business practices.

This commitment is supported by a range of internal policies and procedures that guide our approach to business conduct, anti-corruption, information management and data protection. Together, these documents establish the standards and expectations that govern how we manage ethical risks, protect sensitive information and promote responsible decision-making across the organisation. While these policies are not publicly available, they are communicated internally and apply to relevant employees throughout the business.



Material Topic	Target / Milestone	Progress Status
Anti-corruption & anti-bribery	Zero Incidents	No reports or incidents of fraud, corruption or bribery in 2025. There were no Whistleblowing cases reported in 2025.
Responsible Information Management	Zero Cyber Security incidents	12 monthly training modules to maximise cyber security awareness were completed by all computer users in 2025.

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The greatest future financial risk stems from the **high cost of new decarbonisation technology**, which requires a mindset shift from traditional rates of return towards meeting customer and industry demands. As a prime example of navigating this, Cepac's investment in in-house solar energy production has delivered clear benefits by helping **protect the business from energy supply chain volatility** caused by geopolitical tensions. To solve data collection challenges, Cepac **invested in a new Carbon Accounting system** to track its greenhouse gas inventory, focusing heavily on management metrics like waste levels, energy and water consumption. Future investments will focus on efficient **modern production machinery and additional solar energy**, proving that a company that invests in sustainability, while **remaining cost-competitive, creates a very valued customer base**.

”

Philip Box
Finance Director

Sourcing Responsibly, Anti-corruption and Anti-bribery

Our approach to preventing corruption and bribery is supported by internal policies, risk management processes, and controls designed to promote ethical decision-making and compliance with applicable laws and regulations.

We assess corruption-related risks as part of our governance and risk management activities and maintain control procedures to help identify, prevent, and mitigate potential instances of bribery, fraud, or unethical conduct. These controls are periodically reviewed through internal audit and assurance processes

Our Anti-Fraud, Anti-Bribery and Corruption Policy establishes requirements for the approval of sensitive transactions and provides guidance on the appropriate management of corruption-related risks. In addition, as mentioned in the previous chapter, anti-bribery and anti-corruption requirements are incorporated into our relationships with third parties through contractual clauses and supplier due diligence processes.

We also promote transparency and accountability through reporting mechanisms available to employees and relevant stakeholders. During the reporting period, zero reports were received through the whistleblowing procedure. Key suppliers are also required to maintain whistleblowing arrangements, supporting the confidential reporting of concerns related to bribery, corruption or other unethical practices.

As part of our monitoring of ethical business conduct, the Company recorded no corruption incidents during the reporting period and no convictions or fines related to violations of anti-corruption or anti-bribery laws. This performance reflects the continued effectiveness of our prevention and control framework and our commitment to maintaining a zero-tolerance approach to corruption.

Responsible Information Management

Managing information securely and responsibly is an important part of maintaining trust and supporting effective business operations. Our approach focuses on protecting confidential information, safeguarding personal data and ensuring that information is handled in accordance with legal, regulatory and ethical requirements.

Our approach includes providing employees with training on information security and data protection responsibilities, helping to promote awareness of cyber-security risks and the appropriate handling of sensitive information. We maintain procedures for managing and responding to information security incidents, including an Incident Response Plan

designed to support the timely identification, escalation, and resolution of potential data breaches or security events.

We also implement controls to protect third-party information from unauthorised access, disclosure, or misuse. These measures are supported by procedures governing the collection, processing, sharing, retention and deletion of information, including the management of data subject requests and record retention requirements.

Stakeholders are provided with appropriate information regarding the processing and use of their personal data, and consent is obtained where

required by applicable legislation. In addition, concerns relating to information security, data protection, or unethical handling of information may be reported through our Whistleblowing Policy.

To monitor the effectiveness of our information security management practices, we track the number of confirmed information security incidents. During the reporting period, there were no confirmed information security incidents recorded. Any incidents would be reviewed to identify root causes, implement corrective actions and strengthen preventive measures where necessary.

SUCCESS STORIES

2022 marked significant solar investment in our Rotherham factory. The installation time spanned twelve weeks and did not impact site productivity.

Shown below, an updated photo from IES (Innovative Efficient Solutions) in progress.



Considering our options

Choosing our new energy source took time and consideration. Evaluating the options began two years ago. We considered CHP (Combined Heat and Power), Solar and Wind. We decided to start our journey with our own Solar powered green energy.

Whilst the Rotherham solar panel installation was significant, it is just a part of our wider sustainability story. Cepac has been purchasing external green energy since 2016.

In 2021 [Cepac partnered with Shell Energy](#) to further help decarbonise its national operations. We are constantly seeking new ways to improve our operations.

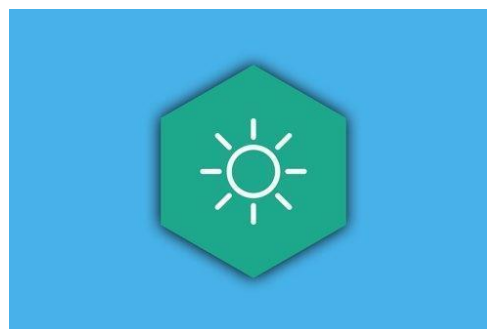
In numbers



This £1.45m solar investment provides around 20% of our electricity requirement.

For a property as large as our Rotherham factory this is a significant quantity of power generated. This is an influential project for our site and net zero journey.

Our partners



We worked with [IES \(Innovative Efficient Solutions\)](#) on the installation. IES is a London-based engineering firm and part of our wider Group organisation - [HSA Group](#).

Our completed installation



The Rotherham investment was the first solar investment for the business and further investments will be rolled out across the Group. This is a continuous investment program and commitment.

A matter of scale

Our Rotherham site was in the top 10 of the North of England in terms of size of installation.

There are in excess of 5,000 panels involved in the solar installation. In addition, we selected and installed state-of-the-art Tubular panels which maximise efficiency conversion for hot water.

NEXT STEPS

Cepac has ambitious growth plans aligned with the United Nations Sustainable Developments Goals, helping to protect our workforce and supporting long-term sustainable growth.

Our next phase of decarbonisation will focus on the areas of greatest impact across our value chain. Alongside continued investment in operational efficiency and renewable energy, we will continue to work with our paper suppliers to improve the quality of carbon footprint data and support reductions in the carbon intensity of our purchased paper and manufactured corrugated packaging.

We will continue to optimise our products through lightweighting and material efficiency while developing a long-term pathway for decarbonising industrial process heat:

- Increase onsite solar generation at our main production site from 20% to 30% and expand solar generation at other sites, where feasible.
- Reduce electricity intensity (kwh/per tonne of board produced).
- Reduce product carbon intensity (kgCO₂e/tonne board produced).
- Increase the proportion of board grades benefiting from the lightweighting of paper.

Develop and implement a quantified decarbonisation roadmap for own operations, including future investment in efficient steam generation, electrification and renewable energy.

A. Cepac IN NUMBERS

INDICATOR	UNIT	2025	2024	2023
ENVIRONMENT				
Total gross Scope 1 GHG emissions	tCO ₂ e	5,170	4,986	6,143
Total gross Scope 2 GHG emissions (location-based)	tCO ₂ e	1,564	2,163	2,441
Total gross Scope 2 GHG emissions (market-based)	tCO ₂ e	3.73	5.05	4.84
Total gross Scope 3 GHG Emissions	tCO ₂ e	49,605	58,824	57,622
Total gross GHG Emissions - (market based)	tCO ₂ e	54,779	63,816	63,771
Total energy consumption	MWh	12,265	12,692	14,181
Total renewable energy consumption	%	100%	100%	100%
Total water consumption	m ³	27,979	31,038	35,754
Total weight of hazardous waste (main site focused)	tonnes	27	30	29
Total weight of non-hazardous waste (main site focused)	tonnes	11,944	11,434	11,149
Total weight of waste recovered (main site focused)	tonnes	11,306	10,751	10,483
LABOUR & HUMAN RIGHTS - * - We are 100% compliant on both the statutory Minimum wage and National living wage.				
Number of hours worked	hours	807,410		
Number of days lost to work-related injuries, fatalities, and ill health	days	3150 (2.8%)	3146 (2.7%)	4056 (3.6%)
Number of work-related accidents	#	29	42	56
Average hours of training per employee	hours	56	60	-
Percentage of women employed in the whole organisation	%	14%	14%	12%
Percentage of women at top management level	%	18%	16%	

Percentage of women within the organisation's board	%	0%	0%	0%
Average median unadjusted gender pay gap	%	7.9%	14.5%	16.2%
Percentage of direct employees covered by a voluntary living wage benchmarking analysis	%	100%	100%	100%
*Percentage of direct employees paid below voluntary living wage	%	31.7%	-	-
*Percentage of all employees paid below voluntary living wage, including direct employees and non-employee workers	%	21.81%	-	-
*Percentage of average wage gap for direct employees paid below voluntary living wage against a living wage benchmark	%	6.1%	-	-
ETHICS - * - Employees have access to our Business Ethics policies via the company intranet platform and abide by these, formalised module training is to commence in 2026.				
*Percentage of employees formally trained on business ethics	%	0	0	0
Number of reports related to whistleblower procedure		0	0	0
Number of confirmed corruption incidents		0	0	0
Number of confirmed information security incidents		0	0	0
ETHICS - * - Audits are conducted but KPI data is not kept on the % level yet.				
Percentage of recycled wood and wood-based products or materials	%	>80%	>80%	>80%
Percentage of certified wood and wood-based products or materials	%	100	100	100
Percentage or number of targeted suppliers covered by a Quality Control assessment	%	100	100	100
Percentage or number of all buyers who received training on sustainable procurement	%	100%	100%	100%