

SUSTAINABLE BUSINESS

APRIL 2022

SUSTAINABLE BUSINESS

Code of Conduct & Integrity Principles

Our group's integrity is essential for maintaining trustworthiness and reputation.

Our Code of Conduct & Integrity Principles are a reflection of our commitment to the highest standards of integrity in our relationships with one another and with customers, suppliers and business partners in the communities where we live and work.

We are committed to create an environment that promotes a climate of transparency, honesty, trust and integrity.

They are the foundation upon which Walstead Group companies conduct business.

Mark Scanlon

Chairman of the board of directors
Walstead Group



Integrated Management System Policy

The Board of Walstead Central Europe, together with everyone associated with it is committed to achieving and maintaining the highest standards of products and seeks to meet all of customer requirements. It is committed to delivering a high standard of service to all customers at all times. This policy is communicated and available to all employees, customers, providers and interested parties. Top Management of the company recognise their responsibility for managing quality, environment, occupational health and safety, information security and supply chain security within the company's activities and have established an Integrated Management System which complies with the requirements of ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, ISO 27001:2015 and ISO 28000:2007 and also meeting the criteria of the EU Ecolabel.

Grzegorz Czech

Chief Executive Officer
Walstead Central Europe



OUR ESG TARGETS



1

ENVIRONMENTAL CONCERN

We think green



2

SOCIAL RESPONSIBILITY

We respect people & act responsibly



3

GOVERNANCE

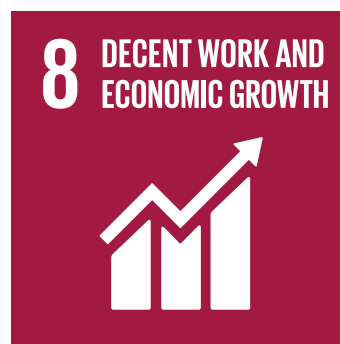
We report, audit & prove


We recognize the importance of Corporate Social Responsibility according to the seven guidelines of ISO 26000, and we put them into practice:

- 1. Accountability***
- 2. Transparency***
- 3. Ethical behaviour***
- 4. Respect for stakeholders' interests***
- 5. Respect for the rule of law***
- 6. Respect for international norms of behaviour***
- 7. Respect for human rights***

THE 17 UN GOALS

Walstead Central Europe supports the implementation of the United Nations Sustainable Development Goals, adopted by representatives of 193 United Nations member states at the 2015 General Assembly. The resolution “Transforming our world: the 2030 Agenda for Sustainable Development” published 17 global goals and 169 related targets in areas of key importance to humanity, considering the balance between economic, social and environmental development. Information on the UN Sustainable Development Goals is available at www.un.org.pl.



A blue-tinted photograph of a mountain range. The foreground shows a valley with some small buildings and fields. The middle ground and background consist of several layers of mountain ridges, creating a sense of depth. The sky is a pale blue.

Walstead Central Europe participates in the mission of social responsibility described in the UN Goals through its own efforts to reduce the impact of production on the environment, by creating policies that support the culture of the organization and aid projects concerning local communities.

CO2 REDUCTION

Our initiatives

- In the pressroom area we exchanged four printing presses for two more efficient ones, assuring enough capacity to meet market demand whilst lowering energy consumption by 50%.
- We cooperate with carriers who use vehicles meeting at least the EURO5 standard, limiting exhaust emissions and reducing noise.
- We have migrated to eco forklift trucks – electric-powered – which has eliminated emissions whilst contributing to the share of green energy in internal transport and the ‘zero emissions’ project.
- At our locations in Krakow and Starachowice, we have LED lighting, leading to significant energy saving and reduction in CO2 emissions.
- We follow free cooling initiatives in wintertime, whereby chillers produce cold with no emissions or carbon footprint.
- Our bindery lines ‘2 for 4’ is an effective solution to meet market demand with 50% less energy consumption.
- We continually invest in modern recuperation systems in the pressroom.
- We relocate equipment to optimise and reduce internal supply, which leads to energy savings.
- We have modernised the machinery and equipment park that supports our production processes.
- Water consumption at our sites is reduced thanks to the modernisation of equipment and other investments.



CIRCULAR BUSINESS MODEL

Our initiatives

- We use exchangeable CHEP pallets, which are 100% re-used and which reduce wood consumption and contribute to the protection of forests.
- With selected partners we have implemented a closed circulation of pallets and introduced reusable packaging (Green Spider), eliminating harmful plastic waste.
- We and our external partners use a wide range of reusable packaging systems to minimise packaging waste.
- We have developed disciplined waste management by recycling waste and reducing exhaust gasses.
- Our long-term environmental initiatives include wrapping finished products in paper, using Eco Pallets made of paper, using Green Spider for external partners and testing biodegradable packaging materials.
- Autonomous electric 'MIR SYSTEM' trolleys lead to more precise allocation of trucks to the reception zones for semi-finished products.
- An advanced energy recovery system in the Krakow plant and a unique heat recovery system in the printing house in Starachowice reduce energy consumption and coal usage by commercial and domestic residents of the city.
- Where possible, we migrate to e-documents, leading to a significant reduction in paper consumption inside and outside the organisation.
- Ready-made paper bands – with more sustainable components – replace heat shrinking of plastic film.



OFFSETTING & WASTE MANAGEMENT

Our initiatives

- We continuously increase the purchasing of green energy, 70% of the energy used at the Krakow and Starachowice plants is produced from renewable sources.
- Our algorithm for determining the location of semi-finished and finished products yields more effective delivery management and energy savings.
- We use information from BMS sensors to build a digital model of the paper warehouse, making the supply chain more efficient and lowering the levels of stock.
- TMS, a logistics system, optimises CO2 emissions in transport by eliminating empty pallet spaces.



- Our systems for recognising paper defects and monitoring image quality minimise paper waste, protecting forests and decreasing energy consumption.
- Dynamic production planning continuously updates loading on the presses, optimising the process and prioritising energy reduction.
- The DSR System allows us to reduce energy consumption by forecasting electricity demand and modifying the power supply on a daily basis.
- We participate a waste management system by re-using all sourcing materials.
- We reduce water consumption and plastic waste by replacing bottled water with filtered tap water.



EMPLOYEES



Good Practice

- Walstead Group Code of Conduct and Integrity Principles.
- Policy and Procedure for Reporting Violations / Whistleblowing Policy.
- Gift and Hospitality Policy.
- Anti-mobbing Procedure.
- Annual 4-pillar SMETA format audits based on the Ethical Trading Initiative (ETI) conducted by a certified external auditing company.
- Internal social audits of subcontractors and temporary work agencies operating on Walstead CE premises.
- Mandatory trainings for employees.
- System of dialogue between the company and employees through various channels.
- FOB Partnership - Responsible Business Forum Association, which monitors, initiates and partners in key activities for Polish CSR.
- ISO 45001 - a health and safety management system.
- Diversity Charter signatory.



- We conduct mandatory trainings for employees - annual training for all employees „Ethics in the workplace”, “Counteracting mobbing at Walstead CE” for leaders, as well as introductory trainings for new employees within our onboarding process.
- We organise regular meetings with employees - quarterly meetings between the management and the trade unions representatives to sustain mutual trust and cooperation, a series of „Round Table meetings” where employees’ representatives meet the company management to ask any questions and discuss ongoing matters, Leaderships calls – monthly calls with company leaders – information from management is further cascaded by leaders to their all team members.
- Communication with employees - a dedicated mailbox to report problems anonymously, in accordance with the Code of Conduct, anonymous suggestion boxes for employees placed on company premises, an e-contact platform dedicated to supporting employees with the pandemic and providing a platform for questions, CMYK+, a company quarterly magazine presenting current issues, information about ongoing operations and answers to questions.
- Compliance with the rules of operational safety - monthly reporting of the RCR factor, e-mail communication to all employees about accidents and potentially dangerous situations and mandatory annual training for all employees on “Work safety”.
- Social benefits for employees.
- We offer support for refugees and Ukrainian citizens - job offers for refugees; support for our employees from Ukraine: free psychological support from our medical care provider, financial grants, company cars to transfer our employee’s families from the border; a free webinar on psychological support for Walstead CE employees.



Work Practice

LOCAL COMMUNITIES

Good Practice

- Walstead Group Code of Conduct and Integrity Principles
- Integrated Management System Policy.
- FOB Partnership – Responsible Business Forum Association, which monitors, initiates and partners in key activities for Polish CSR.



Work Practice

- We provide support for Anna Dymna's Foundation, "Mimo Wszystko".
- "Szlachetna Paczka" initiative by the "Wiosna" Association – at Christmas time our employees provide help for those in need.
- Christmas charity fairs are organised in the company – the funds are donated to those in need, for example, the Polish Humanitarian Action's (PAH) programme "Pajacyk".
- Bottle caps and cans are collected for "Tęcza" – Association of Parents and Friends of People with Down Syndrome in Krakow and the "Ukryte Skrzydła" Foundation, which works to benefit the local community of the Nowa Huta district in Krakow.
- Support for Jan Brzechwa Specialist Care and Education Centre in Krakow – funds and needed products are collected.
- Food, blankets, toys etc. are collected for the "KTOZ" homeless animal shelter in Krakow.
- Workshops for our employees' children to make Christmas ornaments – the income is donated to charity.
- Christmas candles and decorations made by protégés from "Tęcza" - Association of Parents and Friends of People with Down Syndrome in Krakow are purchased.
- We support the project "Zdrowik" by the organisation "Polskie Dzieci" – promoting healthy eating habits among children.
- We organise the collection of clothing for the Priest Józef Tischner Children's Hospice in Krakow.
- During the pandemic, we produced and handed out the protective face shields for the MOPS Municipal Social Assistance Centres and hospitals in Krakow, Starachowice and surrounding towns.
- We supported the WKS Wawel Sports Club in Krakow by producing stands for the Wawel football academy for youth, which supports young footballers.
- Help for Ukraine included collecting products and money, offering jobs to refugees and handing out cardboard boxes for packaging products for refugees.

CUSTOMERS

Good Practice

- Integrated Management System Policy.
- Walstead Group Code of Conduct and Integrity Principles.
- Training for employees based on internal policies (Golden Principles).
- Individual Customer Ethical Codes of Conduct.
- FOB Partnership – Responsible Business Forum Association, which monitors, initiates and partners in key activities for Polish CSR.
- Social Media Policy.
- Diversity Charter signatory.

Work Practice

- Trainings for employees - mandatory annual training for all employees, entitled “Ethics in the workplace”, “GDPR” and “IT security”, cross-departmental training - training for new employees, entitled “Business Profile of Walstead CE” with materials regarding the Confidentiality of Customers’ Information and Confidentiality of Company Information.
- Acting in accordance with individual customers’ Ethical Codes of Conduct and complying with the principles set out in the customers’ Ethical Codes of Conduct.
- Rules for safely processing data entrusted by customers when addressing and personalising products.
- Supervised production of some work in order to ensure the security and confidentiality of the customer’s product.
- A 6-month course entitled “The Pill of Knowledge” to improve the competences of customer care employees.
- The “Safe Sharp Management” programme – for the safety of products and protection of the end-user, especially of products aimed at children, against cuts or injuries.
- A culture of inclusion that supports diversity – Diversity Charter.



OUR PRIORITIES

Walstead Central Europe applies and promotes principles that are fundamental to the decision-making process and structures within organisational governance. Our commitments include reducing emissions, developing opportunities for recycling, preventing pollution, using paper, energy and other resources more efficiently. Our scope and priority approach:



Documents and policies



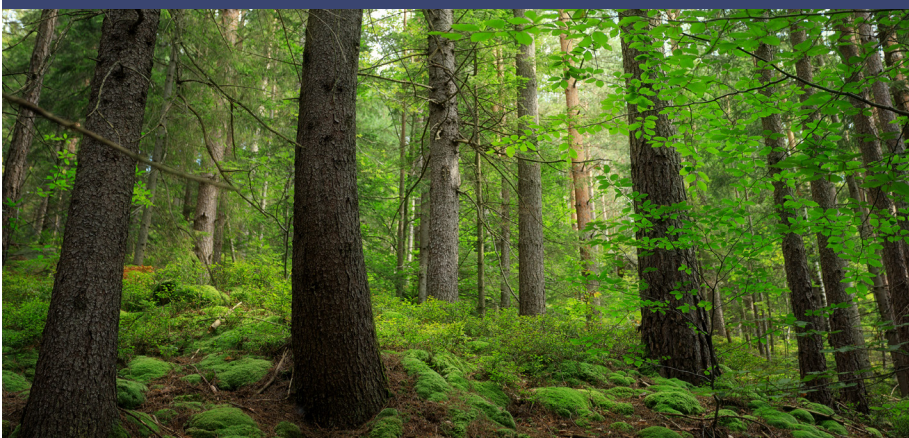
Successfully adapting our manufacturing processes to meet CO2 emission standards



Maintaining our EU Ecolabel certification



Compliance with ISO 14001:2015 Environmental Management Standard



Maintaining FSC/PEFC certifications



Ecological initiatives and education for forming pro-ecological attitudes

DOCUMENTS & POLICIES

- Integrated Management System Policy
- Code of Conduct and Integrity Principles
- Anti-mobbing Procedure
- Social Media Policy
- Gift and Hospitality Policy
- ETI - Ethical Trading Initiative
- Customer Ethical Codes of Conduct



- With our own calculator at Walstead Central Europe, we are able to measure the carbon footprint of the whole company as well as of particular production plants.
- We are able to calculate the carbon footprint of printing and distribution, and we can provide customers with an accurate figure for the emissions that their products generated during the printing process.
- We are in compliance with ISO 14064-1 and the international Greenhouse Gas Protocol (GHG Protocol). Emissions are calculated for Scope 1 and Scope 2.

Carbon Footprint

CO2-e Scope 1: natural gas and propan

CO2-e Scope 2: electricity and heating



















CO2-e per 1 ton of paper gross/net

OUR CERTIFICATES

Our crucial goal is to identify and control the environmental impact of our activities, products and services as well as continually improve our environmental performance.

We are proud to offer products and solutions with the following certificates:

- **EU ECOLABEL** – label of environmental excellence that is awarded to products and services meeting high environmental standards throughout their life-cycle: from raw material extraction, to production, distribution and disposal.
- **ISO 14001** – we are compliant with ISO 14001:2015, an international standard that specifies the requirements for an effective environmental management system (EMS).
- **FSC** – Forest Stewardship Council - conducts monitoring and evaluation activities intended to help businesses understand its system and the impact it delivers. FSC confirms that the forest is being managed in a way that preserves biological diversity and benefits the lives of local people and workers, while ensuring it sustains economic viability.
- **PEFC** – Programme for the Endorsement of Forest Certification, is a leading global alliance of national forest certification systems. As an international non-profit, non-governmental organization, PEFC is dedicated to promoting sustainable forest management through independent third-party certification.
- **REACH** – Registration, Evaluation, Authorization and Restriction of Chemicals - Regulation of the European Parliament and of the Council on the safe use of chemicals, through their registration and evaluation, and in some cases, the authorization and restriction of trade and use of certain chemicals.

Certifications	Recycled fiber use	Wood raw materials	Safe chemicals	Optimized energy use	Reduced emissions	Waste management
						
						
						
						

ECOLOGICAL INITIATIVES



FSC Friday



Birdhouses



Beehives



Can collection



Walstead

CENTRAL EUROPE