



**Southern's Broadstock Interiors
Sustainability Pledge
Our Continuing Journey**

Sustainability Pledge: Foreword by CEO.

As a leading UK manufacturer of furniture, fixtures and equipment, we are committed to reducing our environmental impact and recognising our responsibilities to social value to create a sustainable business model. Our ambitions are also cascaded to our supply chain partnerships to demand the similar principles for everything we source and specify.

Sustainability is focussed on balancing three key factors: the environment, society, and the economy.

Southerns Broadstock Interiors has built its approach through alignment to the United Nations' blueprint for people and the planet. We have prioritised 10 of the 17 Sustainable Development Goals with the selection based upon where we believe we make a tangible impact.

We have also aligned our commitments to the UK Government's Social Value Model through identifying the key 'Themes'.

Having committed to the goal of net zero emissions by 2050, we diligently measure our impact. Our KPI-based carbon reduction and social value plans are routinely assessed at board level. Investments have already included solar power generation and biomass heating for our factory as well as a roll-out programme for electric and energy efficient vehicles.

Our efforts are supported by our ISO portfolio including 14001 certified environmental management system together with accreditations such as FSC and full membership of the Furniture Industry Sustainability Programme. Each achievement is driven by continuous improvement and regular independent audits for ongoing attainment.



Ashley Hayward, Chief Executive Officer
Sustainability Pledge, Our Continuing Journey, 2022 Update



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Sustainability Pledge: Introduction.

The journey to greater sustainability is one of continuous improvement and learning. There is no ultimate destination, but a direction of travel. We are mapping our route for improving the lives of our team, customers, and the communities we serve and embracing the need to mitigate the hazardous man-made effects of climate change.

This document provides an overview of our approach to greater sustainability, achievements, and ambitions.

United Nations’ Sustainable Development Goals:

Our strategy is aligned to the United Nations’ Sustainable Development Goals as well as the UK’s Social Value Model.

Sustainable Development Goals (SDGs) are a universal call to action and were adopted by all UN Member States in 2015 as part of the 2030 Agenda for Sustainable Development.



The Social Value Model:

In the UK, the Public Services (Social Value) Act came into force on 31 January 2013. The Social Value Model was created to provide a clear, systematic way of evaluating the commitment to the implementation of policies.

SOCIAL VALUE THEME 1	COVID-19 RECOVERY. Policy Outcome: Help local communities to manage & recover from the impact of COVID-19.
SOCIAL VALUE THEME 2	TACKLING ECONOMIC INEQUALITY. Policy Outcome: Create new businesses, new jobs & new skills.
SOCIAL VALUE THEME 3	FIGHTING CLIMATE CHANGE. Policy Outcome: Effective stewardship of the environment.
SOCIAL VALUE THEME 4	EQUAL OPPORTUNITY. Policy Outcome: Reduce the disability employment gap.
SOCIAL VALUE THEME 5	WELLBEING. Policy Outcome: Improve health and wellbeing.

Based on the principle of ‘what is measured can be managed’, we know we need to understand the impact we are having on the climate. Calculating our carbon footprint is an essential tool.

Greenhouse gas emissions are categorised into three groups or ‘Scopes’ by the most widely used international accounting tool, the Greenhouse Gas (GHG) Protocol.

Scope 1 covers direct emissions from owned or controlled sources. Scope 2 includes indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed. Scope 3 includes all other indirect emissions that occur in the value chain.

With furniture industry being one of the top three divisions driving manufacturing growth in the UK, the sector has a responsibility to recognise its role in future sustainability through adding social value and reducing carbon impact.

Part 1: Environmental Responsibility.

Climate Action.

Southerns Broadstock Interiors recognises the imperative need to join the race to net zero. As a leading manufacturer and supplier of office and contract furniture, we embrace our responsibilities and recognise climate change poses a threat to the economy, nature and society-at-large.

Southerns Broadstock Interiors has commenced its journey on the path to Net Zero.

We support the goal of net zero greenhouse gas (GHG) emissions by 2050, in line with global efforts set out by the Paris Agreement to limit warming to 1.5°C and reduce total global GHG emissions by 50% by 2030, and to actively promote efforts throughout our value chain.

Since the 2020 baseline, we have achieved an 87% reduction in our Scope 1 and 2 carbon footprint. We are diligent in our approach and measurements are undertaken according to FIRA and GHG Protocol guidance ^{*1}.

Our Scope 1 and 2 measurements include our inhouse, UK based manufacturing and logistics infrastructure.

We have published our Carbon Reduction Plan which incorporates a set of measurable targets including progression to Scope 3 evaluation ^{*2}.

We recognise the implications of embedded carbon within our product portfolio and are actively working to reduce this impact including increasing recycled content. We are evaluating our product and service portfolio to support our customers' own carbon reduction initiatives.

We are genuinely committed to change through practical and progressive developments. All activities are reported monthly for Board level evaluation.

2021/22 Carbon Footprint Scope 1 and 2
16.42 tonnes CO₂e/£m turnover
87% reduction on 2020 baseline (131.78 CO₂e/£m turnover)

As detailed within GHG Protocol guidance, we are reporting measurements for our biomass heating separately.

2021/22 Biomass Footprint: 7.87 CO₂e/£m turnover

13 CLIMATE
ACTION



SOCIAL
VALUE THEME 3

^{*1} FIRA Business Template
Carbon Footprint Calculator

^{*2} GHG Protocol: Technical
Guidance for calculating
Scope 3 emissions

Responsible Consumption & Production.

Virgin materials are a finite resource. Continued extraction is unsustainable and even replaceable assets, such as wood, must be valued. We must maximise resources to do more and better with less.

Our strategy is driven by smart manufacturing techniques and product design enhancements to extend the lifecycle through reuse, remanufacturing and recycling.

In the last five years, we invested over £750,000 in new machinery including CNC BAZ wood cutting, a laminate press and edge bander. This equipment includes technology to maximise materials usage. Any residual excess is reused or utilised within the factory's biomass boiler.

Our environmental awareness training programme for all employees includes induction and refresher modules. The e-learning platform, Skillcast, ensures effective and efficient delivery of training programmes. We are currently developing a bespoke module an an enhancement to our established “Turn it off” initiative designed to encourage reductions in water and energy consumption.

The minimisation and management of waste are key metrics. Our carbon reduction plan includes examination of waste sources and potential for greater reuse. In 2021/22, around 200,000 kg of offcut materials were used to generate heating through our biomass boiler. Licensed waste contractors identify opportunities for recycling or energy from waste.

We use reusable or recyclable packaging for our own manufactured products including the use of blankets. Any plastic materials, such as protective covers for upholstered chairs, contain recycled content and are reused whenever possible. Current investigations include trials for the introduction of recycled and recyclable pallets and wrapping.

We are members of FIRA (Furniture Industry Research Association). All manufactured products are designed for strength and durability, meet all relevant British Standards and include long term warranties. Damages and warranty claims are extremely low, and monitoring allows implementation of any appropriate corrective action. Availability of spare parts and components helps extend full-service use. Similarly, our ‘design for disassembly’ approach for panel-based products and associated drawings can facilitate remanufacturing, reuse and recycling.

Support for our customers’ own environmental objectives is achieved through knowledge sharing, product documentation and digital files. The effective management of embodied carbon is an important contributor to the quest for Net Zero. Maximising a product’s lifecycle through remanufacturing and refurbishment services as well as resale or charity donations prevents the release of carbon content. We work with local charities such as recent furniture donations to “Thinklikeapony” offering equine therapy to children; as well as national reuse and recycling organisations such as Over2Hills; and Warp-it, a resource distribution network.



Operations & Maintenance (O&M) manuals supplied to customers support lifecycle management. These are being developed to provide greater assistance and transparency for future reuse and recycling.

Driven by the principles of the circular economy, we are actively researching techniques to reintroduce products within the manufacturing cycle including the processes for reverse logistics and triage. Pilot projects are being established.

The materiality within the product portfolio is assessed in terms of sustainability, carbon impact, future recyclability and recycled content. We retain Chain of Custody certification (COC) with the Forest Stewardship Council® (FSC®). This represents the unbroken path that certificated products take from the sustainably managed forests of origin to the consumer.

We are working to identify possible reductions in the quantity of materials used and options for greater use of recycled content as well as lower impact alternatives, such as linoleum, cork and paper.

Our supply chain selection and assessment criteria include stringent vetting procedures to ensure compliance with our own commitments to sustainable and responsible sourcing. Criteria include robust environmental management plans; timber traceability and chain of custody certification; declarations relating to materiality, including recycled content, future recyclability, chemical usage and manufacturing processes applied.

The Supply Chain management process is subject to regular re-evaluation to reflect new developments. We are drafting our ‘Responsible Sourcing’ charter to support the evaluation and questionnaire requirements. Our ambition is to adopt a transparent and collaborative approach to understand the socio and environmental impacts of the products as well as the supply chain companies themselves.



SOCIAL
VALUE THEME 3

Sustainable Cities & Communities.

The built environment accounts for approximately 40% of carbon emissions globally.

The World Building Council (WBC) is supporting net zero buildings as well as recognised standards, such as BREEAM, LEED, SKARating, WELL and Fitwel, to provide frameworks to introduce a more sustainable approach.

Our product documentation, together with digital Revit/BIM models, is being updated to provide further information including materiality, recycled content, future recyclability and carbon impact. This activity, together with independent certification, supports our customers through the achievement of credits towards each of these building standards.

We aim to make a positive contribution to the prosperity within the communities in which we live and work. Practical measures to promote employment opportunities within our communities include onsite recruitment days with incentivised ‘refer a friend’ schemes as well as engaging with smaller, local employment agencies. Our success can be measured through a high percentage of our workforce living within five miles of their employment. Equally, attracting and retaining the best talent for our business is our primary driver. The hybrid working policy supports colleagues living a greater distance from their workplace whilst avoiding unnecessary travel.

We work with local groups such as, The Rossendale Trust, who help place unrepresented and disadvantaged groups in work. We have also nurtured strong relationships with local colleges through offering opportunities for student placements as well as paid summer work.

“We appreciate your efforts and support in providing practical training and developing the workforce of the future. Work Placement Team, Blackburn College.

“I love the placement here. It’s good work experience and job skills. I have good time keeping skills. I am very happy when I come to placement at Southern’s Broadstock Interiors. Work Placement colleague from The Rossendale Trust.

We support various charities through fundraising events and are currently planning to appoint a specific local charity to ‘champion’. The intention is to offer employees paid leave to enable them to apply their time and efforts to a local cause.



11 SUSTAINABLE CITIES AND COMMUNITIES



SOCIAL VALUE THEME 1

SOCIAL VALUE THEME 2

SOCIAL VALUE THEME 3

SOCIAL VALUE THEME 4

Affordable & Clean Energy.

In 2019 we installed solar panels at our main manufacturing and warehousing site. The investment has resulted in the production of over 82,000 kW hours of electricity up to March 2022 – an average of 27,000 kWh per year which is equivalent to over 3,000 households’ annual usage.

We already utilise zero carbon electricity at our Macclesfield site. We are in negotiations and, subject to availability, aim to introduce 100% renewable electricity from the National Grid for our entire Estate.

The importance is highlighted by the potential for increased consumption as we switch to electric vehicles. We already have Tesla cars for the sales and account management teams supported by nine charging points. We are now introducing a dedicated electric or hybrid company car scheme.

Our HGV fleet includes Ecobody, aerodynamic designs with Euro6 engines. Logistics software provides route planning to reduce carbon impact and maximise load capacities. Ecodrive and safety training supplement our efforts. We are currently targeting reductions in our carbon impact through analysing route planning, working with our supply chain to improve backload capacity and the consolidation of deliveries through customer focussed initiatives and localised hubs.

Installed in 2017, our biomass boiler, also at the Macclesfield facility, now generates most of the heating for that building. The consolidation of the property estate in the first quarter of 2022 further reduces our reliance on external utilities.



7 AFFORDABLE AND CLEAN ENERGY



SOCIAL VALUE THEME 3

SOCIAL VALUE THEME 5



Good Health & Wellbeing.

Our surroundings within offices, learning environments and public buildings directly influence personal comfort, health, performance, and productivity. A considered approach to design and product choice optimises the overall experience.

Our product portfolio includes ergonomic designs as well as acoustic properties to support wellbeing in the workplace. We minimise chemical content and procure materials that are known to be low risk in emitting volatile organic compounds (VOCs).

Research and developments relating to wellbeing, diversity and inclusion within the workplace are communicated through our seminar programme; written guides; and training services. Our webinar for Crown Commercial Services was, for example, a huge success, with 55 people in attendance to learn about neurodiverse working environments.

Within our business operations, health and safety is of paramount importance. We are committed to maintaining and continuously improving standards of occupational health and safety for all our employees, subcontractors and those affected by our activities including members of the public.

We hold a portfolio of independently audited certification standards including ISO 45001; CHAS; Constructionline; SSIP; and British Safety Council.

Our staff wellbeing programme includes ongoing training for mental health first aiders. We are also promoting the availability of 'Shout', a confidential support service.

3 GOOD HEALTH
AND WELL-BEING



SOCIAL
VALUE THEME **3**

SOCIAL
VALUE THEME **5**

Part 2: Economic & Social Value.



Reduced Inequalities.

Our initiatives are designed to confront and balance the range of inequalities in society based on income, sex, age, disability, sexual orientation, race, class, ethnicity, religion, and opportunity. We recognise that inequality threatens long-term social and economic development, harms poverty reduction and destroys people's sense of fulfilment and self-worth.

The implementation of our documented company policies includes practical and measurable initiatives to fulfil our commitments. Channels are available to create an open, transparent, and safe working environment where colleagues and others feel able to speak up and highlight improvements or inequalities.

Practical measures include regular training and assessments across the business and its supply chain including diversity mapping and pay gap reviews. Systematic recording enables us to identify issues and areas for development. Through reviewing and updating our recruitment and selection policy, introducing further Equity, Diversity & Inclusion (EDI) and unconscious bias training, and family friendly initiatives, we can effect further change.

Working towards a culture of true equality and dignity at work, we have recently launched our latest online EDI training, alongside a policy on Neurodiversity. Neurodiversity was at the centre of our design approach for our new offices in Bolton.

Modern slavery is a complex problem, breaching the most fundamental freedoms and human rights of individuals. We recognise that unearthing links to modern slavery can be difficult. This is already an important aspect of our supply chain assessment procedures with the implementation of policy statements being mandatory. We will be strengthening our activities through promoting communication tools published by the Home Office and Unseen's confidential helpline.



SOCIAL
VALUE THEME **2**

SOCIAL
VALUE THEME **4**

Industry, Innovation & Infrastructure.

As a major manufacturer and employer, we aim to contribute to vital, locally-led work that strives for a more equitable future. The ongoing investment programme is targeted to ensure our business is sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.

Our investments in solar and biomass energy production are complemented by the roll-out of our electric vehicle and more energy efficient HGV fleet. Upgrades in IT and communications technology means we can minimise travel whilst maintaining customer service commitments.

During the last year we have consolidated our Estate to improve overall efficiency and reduce our carbon impact. This has already had a significant impact on our footprint. The relocation to a single site in Bolton has included the introduction of energy saving devices, such as PIR controlled, low energy LED lighting and more efficient, electricity powered heating. Nine charging points are available for the company fleet of electric vehicles. We are also developing a dedicated electric or hybrid company car scheme for introduction this year.

Research & Development plays a fundamental role in enhancing our capabilities. Performance metrics require management teams to identify innovative methods of production, reduce costs and improve product quality. Our future prosperity relies on our ability to create new products and services and discover ways to innovate our offer.



SOCIAL VALUE THEME 1

SOCIAL VALUE THEME 2

SOCIAL VALUE THEME 3

SOCIAL VALUE THEME 4

Decent Work & Economic Growth.

It is the duty of our directors to uphold the interests of shareholders and, in the process, promote the wellbeing of employees, our local communities, and of the environment.

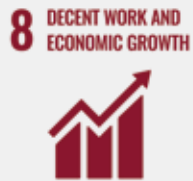
Sustained and inclusive economic growth is a prerequisite for our future. Profitability is essential to fulfil our goal to contribute to improved livelihoods for our employees, our supply chain and our local communities.

Using people, planet, and profit as key elements of our supply chain strategy results in a procurement methodology that promotes sustainability at every step. This is achieved through also providing work opportunities for small, medium, micro-sized businesses, social enterprises and minority owned businesses.

We are introducing supply chain spend mapping within our strategy. Through proactive local market engagement and recommendations, our procurement team is targeting a year on year increased spend with SME and social enterprises.

We actively support our supply chain through collaborative training and involvement. We have implemented a Prompt Payment Code and encourage signatories from our suppliers.

We are a partner of The Real Living Wage campaign. This requires us to ensure that all employees, across all roles and age brackets, receive a truly fair wage for the work they do. In addition, we are committed to annual salary reviews, and have recently introduced a company-wide 'cost of living' award, ensuring that remuneration is adjusted appropriately to help alleviate the current economic struggles.



SOCIAL VALUE THEME 1

SOCIAL VALUE THEME 2

SOCIAL VALUE THEME 4





Quality Education.

We are committed to creating a learning culture and providing opportunities to ensure that our people are equipped with the skills and knowledge to maximise business effectiveness. We want our people to learn, grow and benefit from career progression within our organisation.

Our training budget reflects these commitments and includes a significant investment in our e-learning platform, Skillcast. This online tool is available to all employees, 24/7, offering modules and assessments on over 90 topics. E-learning is further supported through a mentoring programme with experienced members of the team as well as internal Fast Track schemes.

We have recently introduced individual training plans for employees within our customer service and operational roles, allowing for all training to be delivered in a consistent, clear and measurable manner. This process forms part of our ISO commitment and will be rolled out to other departments over the coming months.

External training provision together with subsidised funding for relevant qualifications, such as master's degrees and CIPD memberships, is also provided.

We work closely with local education and other work placement providers, such as Blackburn College and The Rossendale Trust, to provide learning opportunities. All training and skills development initiatives are focussed on contributing to the continuing success of the company and offering transferable skills.

Investment in effective onboarding of new employees and ongoing development for all contributes to the sustainable future of our business.

4 QUALITY EDUCATION



SOCIAL VALUE THEME **2**

SOCIAL VALUE THEME **4**

Overarching Ambition.

Partnership for the Goals.

Our ambition is to build inclusive partnerships - with our customers, employees, supply chain and local communities - based upon a shared vision and goals that place people and the planet at the centre.

17 PARTNERSHIPS FOR THE GOALS



SOCIAL VALUE THEME 2

SOCIAL VALUE THEME 4

Our Accreditations:



Sustainability Pledge, 2023 Update.

Bolton.

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