



Environmental & Social Governance Company Report

Annual Report 2023





Message from the Directors

Wells participates in a number of Innovate UK projects, part of UK Research and Innovation, a non-departmental public body funded by a grant-in-aid from the UK government. It drives productivity and economic growth by supporting businesses to develop and realise the potential of new ideas, including those from the UK's world-class research base.

All Innovate UK Projects now have to be accompanied with a Life Cycle Analysis and ability to be recycled, this is an interesting development as polymers often perform much better than other materials in an LCA.

Wells see this step as positive and will allow a much more science based discussion to be held over the true merits of materials from an environmental standpoint.



(Stuart Law – Finance & Operations Director (left) , Carl Birch – Sales & Marketing Director (right)

Overview

At Wells we recognise that all of our products and services have an impact on the environment and we recognise that climate change and finite resources must be significant considerations in our long-term business plan.

As such Wells is committed to minimising any negative impacts that its operations may have on the environment both locally and further afield and are continually improving the sustainability of its business.

Wells has been producing additive masterbatches and bespoke compounds for nearly 40 years, and in recent times has witnessed a global gear change towards sustainability, something that Wells has whole heartedly embraced.

Wells started its sustainability journey by training a team of internal auditors who developed an Environmental Management System, with amongst other things, new company policies, regular monitoring and reporting of environmental KPI's. This substantial piece of work granted Wells the ISO 14001 accreditation.

Building on this Wells also expanded its sustainability credentials to include not only environmental impact but a fully holistic approach to include labour, human rights, ethics and supply chain.

As a result, Wells achieved an EcoVadis Silver rating, which has since improved to Gold, putting Wells in the 96th percentile of all companies registered.

Wells worked closely with Staffordshire Business & Environment Network (SBEN) and became a case study for their Environmental Sustainability GROWTHmapper® (Wells Case Study). Identifying and implementing projects saved over 33 tonnes of carbon emissions per year in the process.

Through working with SBEN some of the Wells team have also recently been awarded their Carbon Literacy certification.

To help develop the culture to implement such initiatives, all staff at Wells, regardless of entry level or role, now receive Environmental Awareness training as standard and are financially incentivised to reduce waste of any kind.

Following the MBO at Wells in 2022, high level sustainability KPIs have now also been set, meaning it has become part of almost every business decision – right from product development stage through to delivery to our customers.

Despite all of this Wells realise that in many ways this is only the beginning of the sustainability journey, and know that more needs to be done if not only at Wells but throughout the industry.

Background

- Wells provides bespoke compound and additive masterbatch solutions based on a wide range of polymeric materials from Polyolefins through to Biopolymers, enhancing the properties of polymers in automotive, cabling, fibreoptic ducting, construction, synthetic fibres, healthcare, white goods, food packaging films and many other applications.
- Although there has been an increased media spotlight on the use of certain (single use) plastics, plastics in general are vital to the supply chains of many sectors and are unlikely to be supplanted by other inferior materials
- The carbon footprint of polymers is often discussed and it is well established that these materials are, more often than not, far superior to those of other materials, the issue of polymers is their disposal and not their functionality or carbon footprint
- Wherever possible Wells ensures that the right material for the application is recommended, that might include aspects such as suitability, durability, carbon footprint and sustainability
- The use of polymers actively reduces the carbon footprint in many of the products and applications they are used in from light weighting in the automotive and transport industry, through to food preservation and protection of goods
- Areas where new 'sustainable' solutions are being sought within the plastics industry presents significant opportunities for Wells

Sustainability in the plastics market

(according to the British Plastics Federation (BPF))

- According to the BPF, plastic is not only a versatile material allowing it to be used for a range of uses but it also has benefits in terms of sustainability.
- Plastics have many benefits to the environment:
- It's lightweight – Over the lifetime of the average car, lightweight plastic parts save around 3,000 litres of fuel
It's durable – Plastic pipes are designed to last for more than 100 years and also reduces the overall failure rate
It saves water – The production of a plastic bags consumes less than 4% of the water needed to make a paper bag
- It helps protect products - products sold loose have been found to suffer from great in-store waste in some cases leading to losses of 20%. (also significant reduction in food poisoning incidents from in-store contamination)
- It prevents food waste – wrapping bananas in a modified atmosphere bag extends shelf-life by 2 to 3 days, cucumber 3 to 14 days
- It's recyclable – all thermoplastics can be recycled but it is not always technically or economically possible. If plastic can not be recycled the calorific value of plastic can be recovered through energy from waste plants. Recycling one tonne of plastic bottles saves 1.5 tonnes of Carbon
- It only uses 4% (equivalent) of the world's oil production - the rest is used for transport (>70%), energy, heat or is burnt

www.bpf.co.uk/sustainability/plastics_and_sustainability.aspx#packaging

www.bpf.co.uk/industry/benefits_of_plastics.aspx

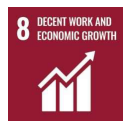
<https://www.bpf.co.uk/Sustainability/Sustainability-of-plastics.aspx>

Wells Governace

- Wells recognise the duty of a producer to be responsible and held responsible for its actions
- Wells was one of the first companies to sign up to Operation Clean Sweep in the UK, an initiative to prevent the escape of plastic pellets from the manufacturing world into the environment
- Wells became ISO 14001 certified in 2019 Environmental Management System (EMS) which is a framework set out to manage the immediate and long term environmental impacts of our products and processes
- In 2021 Wells gained Silver Award from Ecovadis, which provides a system to allow organisations to evaluate their own and their supply chain's Corporate Social Responsibility (CSR) levels. Wells since went on to achieve the Gold award in 2022 and 2023

Wells is committed to working towards the 17 goals of sustainable development outlined by the United Nations'

SUSTAINABLE DEVELOPMENT GOALS



Sustainability Policy

Wells Plastics Ltd creates innovative polymer additive masterbatches and compounds with a sustainable future in mind. Wells continuously looks to drive sustainability in its products and solutions, using the triple bottom line of people, planet and profit in its product development and its business operations.





Through a diverse product range which includes masterbatches and compounds that enable light weighting, extend product life, improve processability, offer biodegradability and reduce energy consumption Wells strives to enable its customers to meet current and the future needs of society. To help deliver this, Wells supports its suppliers to further develop their sustainability and corporate responsibility.

As such, Wells works to ensure that it fully complies with all applicable laws and adheres to internationally recognized environmental, social and corporate governance standards.

People:

Wells aims to be a socially responsible business.

Wells does this by:

- Providing all staff with a good, safe, fair, non-discriminatory work environment.  
- Acting in accordance with internationally-recognised human rights and standards, including the International Bill of Human Rights, the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work and the United Nations Guiding Principles on Business and Human Rights as detailed in the “Human Rights and Modern Slavery Policy”
- Providing employees with a safe working environment, focusing on health and safety, together with continuous improvements. 
- Offering employees professional development through training opportunities and yearly appraisals. 
- Acting as a responsible and considerate neighbour.

Planet: Wells is committed to minimising the impacts that its products and services have on the environment.

Wells does this by:

- Continually improving its Environmental Management System and maintaining ISO 14001 certification
- Implementing PAS 510 (Operation Clean Sweep – prevention of pellet loss)
- Monitoring and reducing energy and water usage.
- Calculating the carbon footprint of the sites and sharing this with employees.
- Working to reduce absolute scope 1 and 2 GHG emissions by 34% by 2030 from a 2022 base year, on a pathway to net zero by 2050.
- Reducing waste and recycling/reusing as much as possible.
- Providing employees with environmental awareness training.



Profit: Wells' goal is to be a profitable and successful business today and in the future.

Wells does this by:

- Providing innovative and value-adding products that meet customers' needs in terms of functionality, competitiveness and delivery.
- Acting ethically and professionally, in accordance with laws, regulations and sector practice.
- Researching and developing new products, embracing new technology, to meet customers' changing needs.
- Continually improving business operations and the Quality Management System.
- Working closely with customers and suppliers to foster long-lasting collaborations.
- Providing a financially stable business to ensure economic sustainability and stability for our employees.



Signed:

A handwritten signature in black ink, appearing to read 'Stuart Law'.

Name: Stuart Law

Date: 24.11.2023

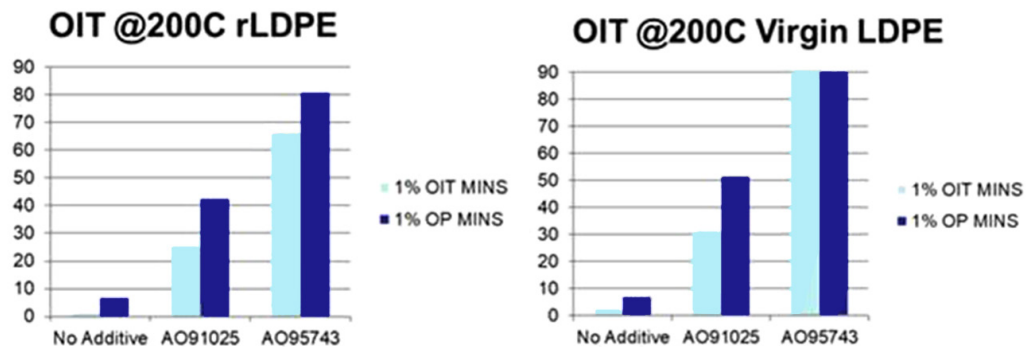


Sustainability Solutions

Providing Solutions..Adding Value to customers through innovation and technical excellence includes sustainability, see below some of the products available from Wells that can improve the sustainability profile of your products. Sustainability and plastics can sound counter-intuitive to those outside of the industry but nothing could be farther from the truth, whether that be masterbatches to help widen the processing window of recycled feedstocks for film extruders and moulders, or high performance additive masterbatches which allow down gauging and light-weighting of products

Antioxidant Masterbatches

In line with both the UK & European Plastics Strategies, Wells has developed a range of high performance masterbatches for polyolefinic systems for use specifically in recycled feedstocks and which provide significantly improved thermal stability, resulting in a performance similar to that of virgin polymers, one such example is AO95743.



Blowing Agent Masterbatches

The use of blowing agent masterbatches have long been used to help with 'light weighting' of large items, or to help fill the mould and remove unwanted sink marks. However some of the lesser-known benefits include reduction in cycle time and a reduction in energy consumption which can be achieved, generally, without compromise on aesthetics. Wells produces and supplies a wide range of both endothermic and exothermic blowing agent masterbatches.

Processing Aids

Processing aids not only can they be used to great effect in virgin polymer extrusion but they are also used to great effect in helping improve the processability and aesthetic properties of films and sheets extruded from recycled and/or mixed feedstocks. Wells produce a wide range of processing aids which are either off the shelf or can be tailored to a customer's specific application and combined with other functional materials to optimise production outputs, reduce scrap level and increase value.

Bespoke Solutions

Many companies are turning to biobased and biodegradable materials in order to improve the sustainability credentials of their finished products and brands. With extensive experience in the processing of such materials Wells is able to offer either 'off the shelf' solutions or to develop more bespoke products in partnerships through Wells bespoke solutions or contract services with an individual client.

2023 Highlights



Q1

Ecovadis Gold award achieved



Q2

Site waste reduced by 24%



Q3

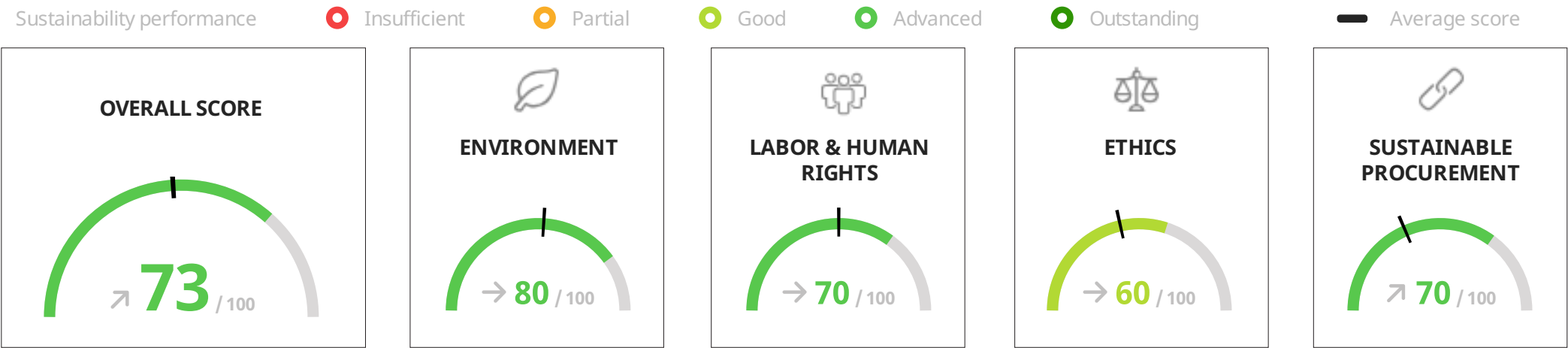
5% of all staff members enrolled in Carbon Literacy training



Q4

Waste Compactor installed - reducing the number of collection vehicles by 83%

EcoVadis Scorecard 2023



Since its founding in 2007, EcoVadis has grown to become the world’s largest and most trusted provider of business sustainability ratings, creating a global network of more than 125,000+ rated companies

This latest rating puts Wells in the 96th percentile of all companies rated by EcoVadis and provides customers, suppliers and partners with confidence that Wells takes its role as a responsible manufacturer extremely seriously.

Some steps we have taken so far are:

- Energy efficiency methods applied across sites
- Less hazardous materials are used wherever possible
- Hazardous materials are segregated and disposed of safely
- Steps are taken to reduce water usage on sites

- Actions are taken to reduce discrimination
- Awareness training is provided in diversity
- Actions are taken to report on and promote an inclusive workplace

- Audits and control procedures are in place to prevent corruption
- Whistle-blower procedures are in place
- Awareness training is provided to all staff

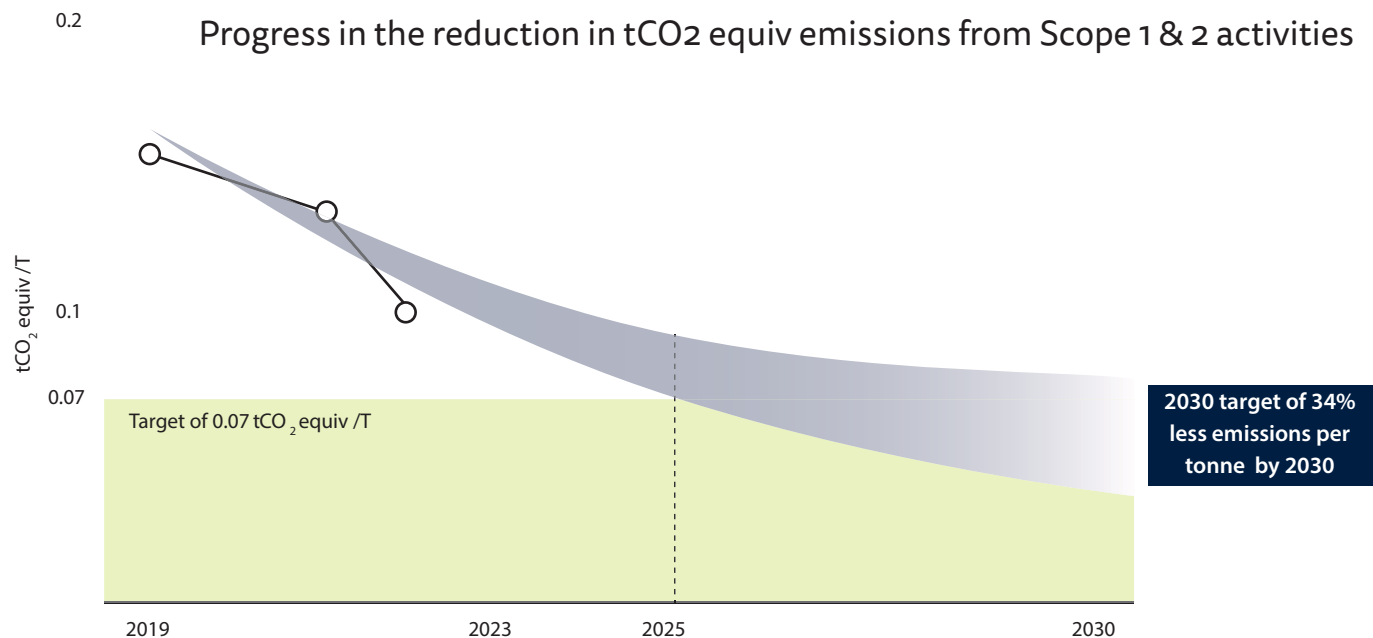
- Supplier sustainability codes of conduct are in place
- Buyers receive regular external training on social and environmental issues affecting supply chains
- Supplier risk analysis in place

Through the process of regular external reviews and the feedback provided by EcoVadis each year Wells are continually looking to improve its policies and on site operations in line with sustainability guidelines

GHG Footprint

The energy audit results for Scope 1 and 2 emissions have been used to generate our baseline emissions footprint. Using Carbon Footprinting Accounting and Reporting (CFAR), we have calculated our emissions over the last 4 years (2019 - 2022) for Scope 1 & 2:

This includes emissions from:
UK electricity, Electricity generated : UK Fuels, Gaseous Fuels, Propane Fuels, Liquid Fuels, Diesel Fuels, Liquid Fuels, Gas Oil Fuels, Liquid Fuels, Petrol (average biofuel blend) Fuels, Liquid Fuels, Waste Oils Refrigerant and others, Kyoto Protocol Products, HFC – 134A Passenger vehicles, Cars



Target : 34% from 2022 is
0.03 tCO₂ equiv (scope 1 & 2) / T

| Year | Scope 1 | Scope 2 | Scope 1 & 2 tCO ₂ equiv | Scope 1 & 2 tCO ₂ equiv / T |
|------|---------|---------|---------------------------------------|---|
| 2019 | 7.05 | 1244.75 | 1251.80 | 0.15 |
| 2020 | 5.80 | 1047.49 | 1053.29 | 0.15 |
| 2021 | 36.08 | 1012.87 | 1048.95 | 0.13 |
| 2022 | 16.74 | 846.18 | 862.92 | 0.10 |

Based on the data collected and through implementing carbon reduction projects we have set our target of 34% less emissions per tonne of material produced in Scope 1 and 2 emissions by 2030



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