



EXCEL DIGITAL SUSTAINABILITY REPORT

Released October 2022



Kotahi te aho ka whati ki te kāpuia e kore e whati

King Tāwhiao (Ngāti Mahuta and Waikato Tainui)

One strand of flax is easy to break,
but many strands together will stand strong

Together, let's excel

CONTENTS

What does sustainability mean to Excel Digital 03

Introduction from our Managing Director 04

Our Environment

Our recycling and waste 06

Greenhouse gas emissions 07

Offsetting our carbon emissions 09

Projects

Our environment 11

People & Community 12

Snapshots of sustainability in action 13

Looking to the year ahead 14



WHAT DOES SUSTAINABILITY MEAN TO EXCEL DIGITAL?



- 1** First, we do what we can to reduce our environmental impact. We are a certified Toitū net carbonzero business, are a certified Toitū Enviromark Gold business, and are currently working to become an FSC-certified business.
- 2** Second, we recognise our place in Aotearoa/New Zealand and do what we can to help create a better country. Initiatives include implementing a Māori Language plan to encourage broader use of te reo Māori within the company. Additionally, we are always looking for ways that we can help strengthen our local and wider community.
- 3** Third, we value our people and do what we can to support our staff. Our company has numerous ongoing programmes to promote a positive and supportive working environment, including funding further education for staff wishing to continue to develop their skills.



INTRODUCTION FROM OUR MANAGING DIRECTOR

2022 is our second year releasing a sustainability report and our second year as a Toitū carbonzero certified company.

An annual sustainability report's main benefit is gauging how we track from year to year. And, as you will read in this report, we are progressing very well in some areas, and in others, we could do better.

When we chose to integrate sustainability into everything we do at Excel Digital, we knew there would be challenges along the way. However, we didn't anticipate a global epidemic lasting many years and impacting us all.

From a sustainability perspective, COVID-19 has been a mixed bag. For example, business air travel has reduced dramatically during the last couple of years. I expect travel to increase as we return to some semblance of normality.

This year we have bought carbon credits to offset 380 tonnes of carbon emissions the company generated in FY2022. Of this, 225 tonnes was from

the carbon embedded in the paper passing through our presses. As a carbonzero business, we are not obligated to offset the carbon in paper as it is a throughput of our business. But we have chosen to do so as we feel it's the right thing to do.

As you read this report, you will see that, for us, sustainability isn't purely about being environmentally responsible. It is also about how we interact with our people and the wider community. I am particularly proud of the work we are doing to normalise the use of te reo Māori within Excel Digital.

The year ahead promises to be an exciting one for Excel Digital. We are a growing company, and there will be new challenges as we evolve. As we continue to grow, sustainability will be at the core of everything we do. This will be how we create long-term value for our future generations.

Guy Phillips
Managing Director, Excel Digital Limited



Our Environment



OUR ENVIRONMENT

Recycling & waste



We recycled 70% of our waste in 2022. This is down from the previous year when we recycled 83% of our waste. This decrease is primarily due to a one-off project in the past year to dispose of customers' obsolete stock, which could not be recycled.

We continue to explore ways to reduce waste that goes to landfills, including expanding the number and size of our recycling bins to encourage better recycling. We have also enhanced our monitoring procedures to ensure recyclable material doesn't end up as waste. We continue to engage with our suppliers, encouraging them to replace non-recyclable packaging with recyclable alternatives.

	2021		2022	
	Metric Tonnes	Percent	Metric Tonnes	Percent
● Paper	29.7	72.4%	32.0	62.7%
● Cardboard	3.6	8.8%	3.3	6.5%
● Recycled clear plastic (LDPE)	0.5	1.2%	0.1	0.1%
● Recycled plastics (1&2), tin cans and aluminium	0.4	1.0%	0.5	1.1%
● Landfill waste	6.8	16.6%	15.1	29.6%
Total recycled	34.2	83.4%	35.9	70.4%
Total landfill	6.8	16.6%	15.1	29.6



OUR ENVIRONMENT

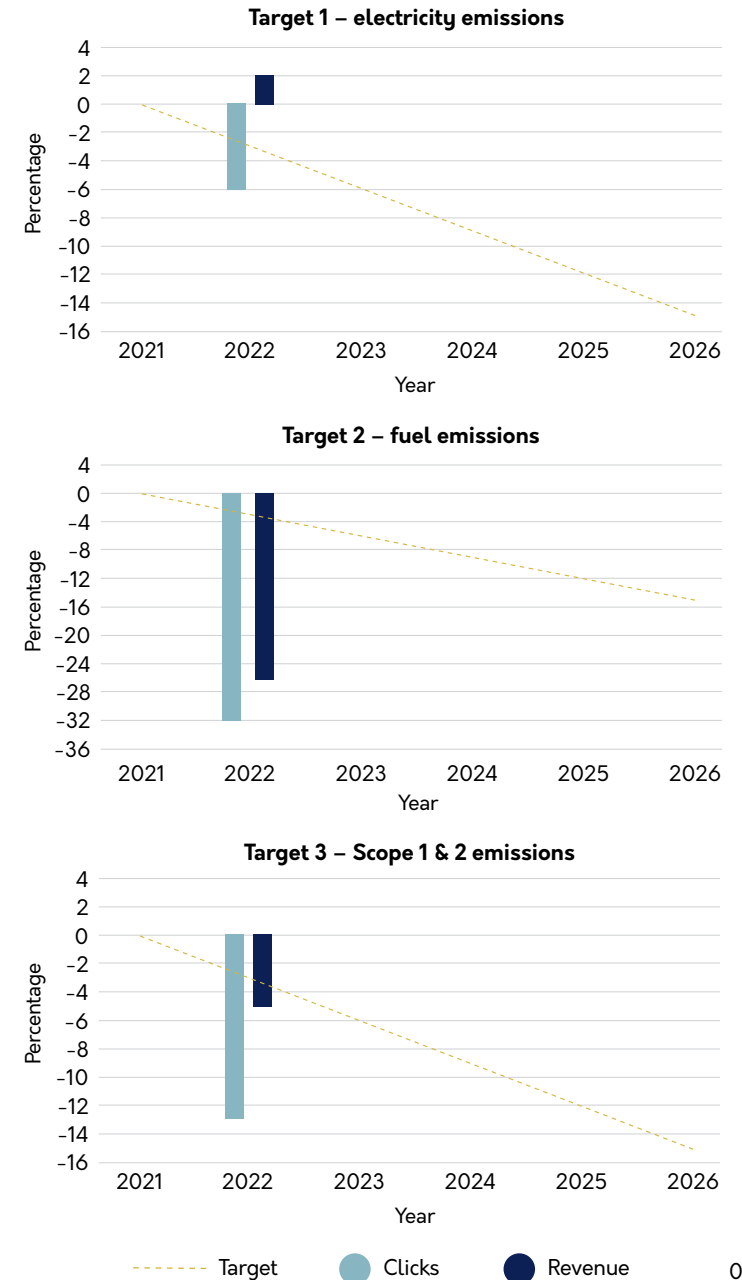
Greenhouse Gas Emissions

Under the Toitū carbonzero programme we set ourselves three targets to reduce our emissions from our initial year of 2021. Below are details of the three targets and how we are progressing against them. All three targets are intensity-based, relative to our number of clicks⁽¹⁾ and revenue.

- 1 By 31 March 2026, we will have reduced our purchased electricity emissions by 15%.
- 2 By 31 March 2026, we will have reduced our purchased fuel emissions by 15%.
- 3 By 31 March 2026, we will have reduced our scope 1 & 2⁽²⁾ emissions by 15%.

⁽¹⁾ 'Clicks' are a printing term that refers to the number of individual pages of paper printed in a given period.

⁽²⁾ Scope 1 & 2 emissions are emissions from directly purchased refrigerants, petrol and electricity.



It is still too soon to assess how we progress against our targets as 2022 is only the second year we have been in the Toitū carbonzero programme. Additionally, COVID-19 significantly impacted our operations in 2020 and 2021. However, in the past year we have made two significant changes that have reduced our emissions and we expect to continue reducing them:

- 1 We have switched from doing local deliveries ourselves, to using a courier company. This method is more efficient and reduces the environmental impact per parcel.
- 2 In early 2022 we purchased a Canon VarioPRINT iX printing press which enabled us to retire five older presses. This purchase was part of an ongoing programme of technology upgrades. We expect to experience a significant reduction in our electricity use as a result.

Why we choose to offset the embedded carbon in paper

Out of the 380 tonnes of carbon we emitted in 2022, 225 tonnes (59%) came from carbon embedded in the paper that we print on.

Toitū class paper as a product we use rather than a product we produce. We are therefore not obliged to include it as part of our company's greenhouse emissions.

However, not including it wouldn't sit well with us. Paper is core to our business; as such, we believe including paper in our calculations is the right thing to do.



OUR ENVIRONMENT

Offsetting our carbon emissions

As a Toitū net carbonzero certified company, we purchase carbon credits to offset all carbon emissions we have been unable to eliminate, ensuring that Excel Digital is a net carbonzero company.

For this year's carbon credits, we have chosen to fund the Gyapa cookstoves project in Ghana. The Gyapa cookstove is a low-cost, locally manufactured, charcoal-burning, fuel-efficient stove that reduces the amount of charcoal needed for cooking by up to 50 percent, significantly reducing carbon emissions.

Ghana currently has one of the highest deforestation rates in West Africa, primarily due to the high demand for charcoal used as cooking fuel. The Gyapa cookstove significantly reduces a household's fuel needs and is therefore helping to slow the country's deforestation rate.

Co-benefits include:

- 1 A considerable improvement in the health of families due to better air quality in their homes
- 2 A substantial reduction in household expenditure on charcoal
- 3 Assists with the local economy and employment, as all the stoves are manufactured locally

The Gyapa cookstove project resonated with us as not only do the stoves assist with lowering carbon emissions, but they help to significantly improve the health and finances of everyday people in Ghana.

For more information on the Gyapa cookstove project, go to www.gyapa.com.



Each year we send over 1,000 wheelie bins filled with paper for recycling





Toitu Enviromark Gold

Excel Digital has been an Enviromark Gold certified company since 2017.

To achieve gold certification, we have demonstrated that we have developed and implemented a comprehensive plan to manage and measure our environmental impacts and have strategies to prevent or reduce these impacts.



Chain of Custody certification

Excel Digital is working towards chain-of-custody certification and is committed to being certified by the end of 2022.

Chain-of-custody certification guarantees forests are managed sustainably, protecting their future for our mokopuna. It also ensures the protection of the social and economic well-being of all workers involved in producing the product.



Ongoing commitment to reduce our environmental impact

We are always looking for ways in which we can reduce our impact on the environment.

- In early 2022 we installed a CANON varioPRINT iX printing press. This press, which uses water-based inks, enabled us to decommission five toner-based presses. The water-based ink of the iX produces odourless prints with no disposables that are hazardous.
- We identified that we use 26kms of plastic packing tape each year to seal cardboard boxes. We researched alternative, compostable or recyclable tape but could not source any that was not prohibitively expensive. We continue to look for an alternative option.
- Each year we send about fifteen thousand courier bags across Aotearoa. In 2022 we switched from recycled plastic bags to using bags made from cornstarch that are home-compostable.
- We print PVC identification cards for several of our customers and have recently sourced biodegradable cards that will degrade in a landfill. We will be making these cards available to our customers in late 2022.



Mahere Reo (Māori Language plan)

In early 2022 we developed a formal Māori language plan (Mahere Reo) for Excel Digital.

Our goal was to create a transparent plan with activities and goals to help us become comfortable speaking te reo words and phrases in our everyday work life. Having a formal plan enables us to be clear about what we're trying to achieve, and it's a way of recognising when we have reached the language milestones we have set ourselves.

You can download the plan from our website.



Whitireia Foundation scholarship

Excel Digital offers a \$2,000 scholarship to be awarded yearly to a Māori or Pasifika student studying either a Graduate Diploma in Publishing or a New Zealand Diploma in Creativity.

In 2022 the scholarship was awarded to a student studying for a Graduate Diploma in Publishing. This student has a particular ambition to “embody kaupapa Māori in the publishing industry, and to help support those who will come after me.” At Excel Digital, we are delighted to be able to support them in their mahi.



Staff wellbeing

Ehara tāku toa i te toa takitahi, engari he toa takitini
My success is not mine alone, but it is the strength of many

At Excel Digital, we acknowledge that our successes are due to working together as a team. We seek to create a working environment where people enjoy their work and feel they are supported. Initiatives to support staff wellbeing include:

- Partnering with EAP Services to deliver therapeutic counselling interventions
- Financial assistance with professional development programmes
- An active employee wellness team that provides leadership and oversight to help make the wellness programme effective



Community sponsorships

It is important to us that we support the communities we live in and the charitable organisations we work with. We provide sponsorship and support to numerous groups, causes and charities each year.

SNAPSHOTS OF SUSTAINABILITY IN ACTION

Our company's sustainability efforts are company-wide. The following are two examples of how two of our staff members are making a difference in our community.



Ian Huckstepp

Ian has been with Excel Digital for over 16 years. He started working at NZ Print before the company became Excel Digital and has been a steady influence throughout the years.

Ian has quietly introduced numerous environmental initiatives since his early years with the company. Examples include setting up battery and fluorescent bulb recycling programmes and collecting all food waste from staffrooms to take home for composting. In his quiet, understated way, Ian says he is simply doing his part to “keep it out of the bins”.

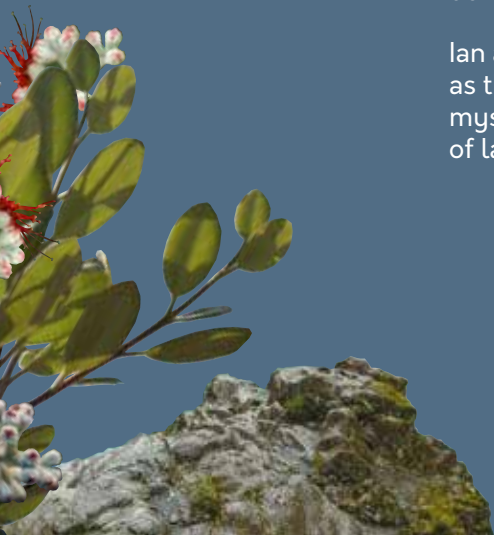
Ian achieved notoriety when he was identified as the planter of a small Pohutukawa tree that mysteriously appeared in a postage-stamp piece of land outside NZ Print (the tree still thrives).



Charmaine Duxfield

Charmaine always has an eye out for something that can be given a second life as a teaching aid for local children, whether paper for her local primary school or corrugated cardboard for arts and crafts at a nearby kindergarten.

Charmaine also champions Excel Digital's programme to reuse paper wrapping as packing material, diverting the wrapping from the landfill. About her recycling work, Charmaine says she is “giving them one more life before they get to the dump.”



LOOKING TO THE YEAR AHEAD



Technology

Our investment in the latest printing technology has already resulted in a reduction in our power use. We intend to continue investing in new technologies and expect to see an ongoing reduction in power and consumption relative to clicks and revenue.



Waste reduction

We currently have an effective recycling process in place, so any significant reduction in our waste to landfill will likely come from our efforts in working with suppliers to increase their use of sustainable packaging. An example of this is, we are working with our main paper supplier to use recyclable wrapping on the reams of paper, or whenever possible, have them supply pallets of unwrapped paper.



Freight

We use NZ Post for almost all our courier packages. NZ Post is leading the way with carbon reduction and is moving to a fleet of electric vehicles. As freight makes up a significant portion of our carbon emissions, we expect to see a reduction in emissions as this fleet expands.



Te reo Māori

In 2022 we started on the journey of normalising te reo within Excel Digital. We will continue to build on the work we have done and strengthen our understanding and everyday use of te reo.



Community

We will seek to strengthen our relationships within our local community through our local iwi, Ngāti Toa Rangatira and other community-based organisations.



Web: exceldigital.co.nz

Phone: 04 499 0912

Email: info@exceldigital.co.nz

