



SEPIA GROUP

Sustainability Report

Communication on progress 2018





For over a decade the SEPIA group has been specializing in marketing solutions on points of contact for major brands. All customer solutions start with a creative workplace for a positive and highly motivated team. Our know-how is translated into relevant advice and aims for true customer delight.

The managing partners started with a small company of thirty co-workers in 2002. Nowadays SEPIA employs over a 100 people. The focus has always been on sustainable growth, based on a comfortable work-life balance for the employees. The Sustainable Development Goals of the UN Global Compact guide SEPIA on their challenging growth journey in a fast changing environment.

First of all, the most important asset to our business is people. The key to make our organization work is talent, know-how, as well as positive and solution driven teams. SEPIA ensures a healthy and safe work environment for all employees. The continuous growth of the company has led to international partnerships. Also in these work environments we watch over people's work conditions. The ETI base code is our guide in managing international transactions.

The second item, high on our priority list, is reducing CO2 emissions. In our business, a lot of movement takes place. Either goods are being shipped, or people are travelling. We take action in this regard: we try to optimize lead times and the overall process to get the best conditions for both clients and nature. In every element of our business transport is analyzed so much so it evolves into more environmentally friendly options.

We pledge our commitment to the Sustainable Development Goals.

To our stakeholders: it's a promise.

To our employees: together we make it happen!

Bärbel Buyse

Guido Vandenabeele



Sustainable growth

SEPIA is an ambitious company. Dealing with growth has always been a challenge. However, profit has never been the ultimate goal. Of course a business has to be profitable to survive, but what makes it sustainable is the 5 P's: People, Prosperity, Peace, Partnership and Planet. In short, we try to add value with as less negative impact on the world as possible.

These are no hollow phrases, SEPIA takes action:

- We create a positive work environment for our and our partners' staff.
- We develop sustainable products.
- Thanks to our care for products, their lifetime will be extended considerably.
- We engage in long-term partnerships.

For SEPIA, sustainable growth also means growing apart. Last year, the management decided to split up the company into two separate entities: one with a focus on services and one with a focus on products. Both entities have a different strategy and growth path. Breaking up was necessary to enhance and push each division's sustainable growth.

This proves SEPIA to be an agile company in a changing market. Therefore we have invested in education for our people to address this environment. In 2018 we conducted an educational development program supported by ESF. These innovative projects and trainings activate talents and safeguard a continuous development of our co-workers.



Nice place to work

A positive and creative workplace is our goal.



Our people are assets. We strongly believe that our know-how is an important added value for the customer. Therefore it is critical to maintain and protect this level of knowledge. It starts by sourcing the right colleagues, as well as training and coaching them. There is a continuous flow of training and coaching for all the co-workers on every level.

In SEPIA everyone gets the opportunity of personal development. We strive to have a customized growth path for every individual. An annual evaluation and periodic feedback meetings guide the co-worker in his personal development.

To empower people's commitment they are represented by several committees to enable a better workplace:

- "Health & Safety" committee.
This committee is presided by one of the managing partners and attended by operations managers, the HR manager and a safety advisor. The committee tackles H&S issues, incidents and accidents are discussed, measures are taken, suggestions from the idea box are dealt with and other H&S challenges are part of the agenda.
- "Fit & Healthy" committee takes initiatives to create a positive workplace. This committee focusses on healthy co-workers. Sports and fun is one of the topics but charity is one of their concerns as well.
- "Young minds" committee is a committee that represents the youngest employees of the company. They come up with fresh ideas and initiatives.

SEPIA treats all employees with respect and dignity, without any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin. We ensure a work environment free of bullying, intimidation, coercion, corporal punishment or harassment in any form including physical, psychological, sexual or verbal abuse.

SEPIA makes employment decisions including hiring, payment, benefits, advancement, termination and retirement based on ability, qualifications and achievements and not on any personal characteristics. We will demonstrate that women and men with similar ability, qualifications and achievements are afforded similar work opportunities, wages, benefits, contract terms, and facilities.

Needless to say that working conditions have to be safe and healthy. Every year this is underlined in the renewal of our safety certificate.



Carbon neutrality

Transport is the largest emitter of all greenhouse gases, on a par with energy. This is why SEPIA tries to play a role in minimizing the impact of all transport that is unavoidably part of our business: goods are being shipped and people travel.

For traveling people we have the following guidelines:

- Review the level of business travel and encourage employees to reduce business journeys wherever possible (sharing vehicles, joint appointments across departments with the SEPIA group,...)
- Promote alternative working arrangements which reduce the need for travel i.e. using teleconferencing and video conferencing facilities where possible and offering the possibility to work from a home office.
- Regularly maintain and service all company vehicles to ensure their efficiency and minimize GHG emissions.
- Promote awareness of the Transport Policy amongst employees, sustaining current effective procedures and encouraging good practice in additional areas. This happens via a 'toolbox'. A toolbox is a training provided by the SEPIA group with the frequency of one every month. Subjects vary but transport management is a recurring subject.

For transport of goods the following actions are taken:

- Combining drops/transport through efficient planning and combining services in a one-stop shop.
- We set up an extra hub in Belgium for the event department, i.e. in Hasselt. This allows us to minimize the transport distance for POS distributions and events.
- Container shipment instead of air freight



Wooden sustainable parasol

The Life Cycle Assessment (LCA) studies consider the environmental impacts of materials over their entire life cycle, from extraction or harvest of raw materials through manufacturing, transportation, installation, use, maintenance and disposal or recycling. These studies consistently show that wood is better for the environment than steel or concrete in terms of embodied energy, air and water pollution, and greenhouse gas emissions. The wood industry reduces waste in similar ways by optimizing sawmill operations and by using wood chips and sawdust to produce paper and composite products, or as fuel for clean bio-energy.

Wooden products typically have less embodied energy, are responsible for lower air and water pollution, and have a lighter carbon footprint than other commonly used building materials.

SEPIA believes their wooden parasols to be sustainable products: long life cycle, cleaner production process in comparison with metal parasols and high quality standards.

Some arguments that vouch for this thesis:



- We focus on a long life cycle of this wooden product. SEPIA products has a maintenance and service department especially for parasols with a view to prolonging the life span of their products. Broken or damaged parts can be replaced. When a customer changes his logo, a new canvas can be provided on the existing frame.
- We use eucalyptus karri hardwood for the classic parasol. This timber originates from well-managed plantations in South-Africa that are checked by SEPIA on a regular basis. Well-managed plantations in the right places help conserve biodiversity, protect natural forests and meet human needs while contributing to sustainable economic growth and local livelihoods. Plantations should not replace natural forests or other important natural ecosystems but rather be focused on degraded land, while safeguarding the rights of indigenous peoples and local communities. Plantations should also maintain ecosystem integrity, protect and enhance high conservation values, be developed through effective stakeholder involvement processes and contribute to economic growth and employment.
- In the production process for the wooden parasol, there is waste of timber. We focus, together with our supplier, to find alternative solutions for this waste.
 - The wood pulp from production is used to heat the kiln where the timber is dried.
 - Finger jointing is used to recover some of the planks which otherwise couldn't be used
 - Cut-offs can be used in other products such as pavement signs
- Timber has to dry before it can be processed. This drying process is energy consuming. Our supplier has an eco-friendly kiln. This kiln was specifically designed to reduce the usual 28-day process to a 9-11 days cycle.

Partnerships, working together

SEPIA aims to be more than just a supplier. Instead, we build partnerships with our customers. We are committed to co-creating and thinking along with our clients to implement their marketing strategies in the best possible way. Not only is this approach of Total Cost of Ownership budget friendly, it is also sustainable.

It is sustainable because it guarantees job security. This intensifies our relationship with our staff and suppliers and allows us to implement the most efficient flow. This will eliminate waste in the process. In short, better for People and Planet.

In a global perspective, we have several international partners. Our suppliers are active in countries such as China and South-Africa. All productions of our partners are socially compliant. They have been audited by third parties for SMETA 4 pillar and SGP. Furthermore, we visit our partners on a regular basis. We will never conduct business with production units we haven't checked ourselves.

SEPIA is also an ECOVADIS member with a gold rating.



Fair business

Last but not least, ethics is key to conducting fair business practices. Legislation is the starting point, but laws are supplemented with values and standards to determine what is "right" or "wrong". SEPIA complies with the applicable local laws and regulations. We will never use unethical or illegal business practices. We will operate transparently. SEPIA and their supply chain will not engage in illegal cooperation with competitors including bid rigging, price fixing, market allocations or any other prohibited conduct that limits free and fair competition.

Our employees put the business goals above their personal gain or personal business.

Facts

18mio € turnover

105 colleagues

14% of the employees
commute by bicycle

7.7/10
Employee satisfaction

Energy

Electricity 227.000 kWh

Gas 594.000 kWh

CO2 EVENTS

Average #km/installation

396km > 269km

54 tons of waste
- Sorted in general/wood/metal

