



ANNUAL B CORP IMPACT REPORT

2022



LORAX EPI

WELCOME

We are very pleased to welcome you to our first B Corp Impact Report which is an important milestone in our company's evolution.

Following a year-long preparation phase and a 13-month verification process we were very proud to certify as B Corp in July 2022.

This report highlights some of the business foundations and principles which enabled us to stand up to certification, as well as outlining our continued improvement throughout 2022 and our future plans to ensure that we continue to make business a force for good.

Since achieving our B Corporation certification in July 2022 we have used our baseline to set goals to further improve our impact year on year.



OUR HISTORY

When we started the Company 9 years ago, we had a vision to bring improved technology to the field of Product and Packaging Stewardship reporting.

We had a core team who had worked together in the EPR reporting field for more than 10 years, and after working with some of the worlds largest companies, we knew the challenges they were facing with escalating legislative pressures and how we could help to bring transparency and simplify the landscape.

OUR MISSION STATEMENT

To be the global leaders in the field of international Product Stewardship and Extended Producer Responsibility by providing world-leading technology and consulting solutions for companies with an environmental conscience.



ABOUT LORAX EPI

Based in Rugby (UK) and Rhode Island (US), we are a leading provider of EPR reporting, legislative analysis and bespoke consulting services for companies who want to comply with global environmental regulations and standards as well as create lasting change.

Our world-class ENVI™ software is a comprehensive solution that covers all forms of EPR and taxes, such as packaging, WEEE, battery, textiles and plastic taxation. ENVI™ enables companies to generate mandatory and voluntary reports across all jurisdictions and schemes, as well as to assess the recyclability and EPR cost of products.



PACKAGING



WEEE



BATTERIES



PLASTICS



TEXTILES



HAZARDOUS

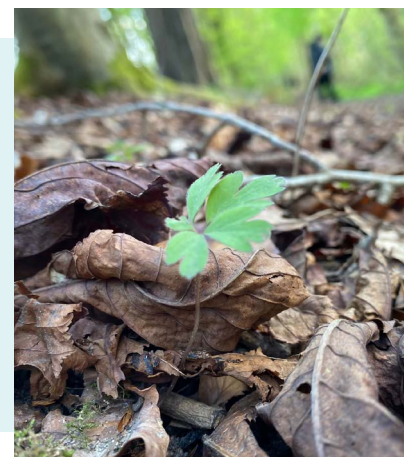
Fulfilling Company obligations

Our software is a comprehensive solution for EPR, tax and voluntary commitments, ensuring businesses remain compliant with all applicable packaging and product stewardship regulations. We have extensive knowledge and experience tailoring reports across all industries and regions, and can offer customized solutions to suit the specific needs and goals of our global clients.



Creating an Impact

Using our EPR Fee Modelling, Data Insight and Recyclability Dashboards, our clients can harness the power of their data to drive positive change across their businesses. Our tools help companies take a step beyond mandatory reporting requirements and achieve sustainability goals, reduce environmental impact and bring transparency into decision making to create a force for change.



OUR PURPOSE

At Lorax, we have a clear vision: to offer simple, transparent solutions that help companies navigate the complex and evolving landscape of voluntary and mandatory environmental reporting.

We have made it our business to be experts in the areas of EPR, plastics, packaging and corporate sustainability metrics.

We align with the B Corp Principles of interdependence and responsibility by providing education, data transparency and compliance in this key emerging field and our comprehensive suite of services empowers businesses to drive change.

Our ENVI™ software, along with the personalised data management support and reporting program knowledge, ensures compliance and enables informed decision-making. This supports companies who are tackling some of the key challenges of waste management and product stewardship.



SUSTAINABLE DEVELOPMENT GOALS

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



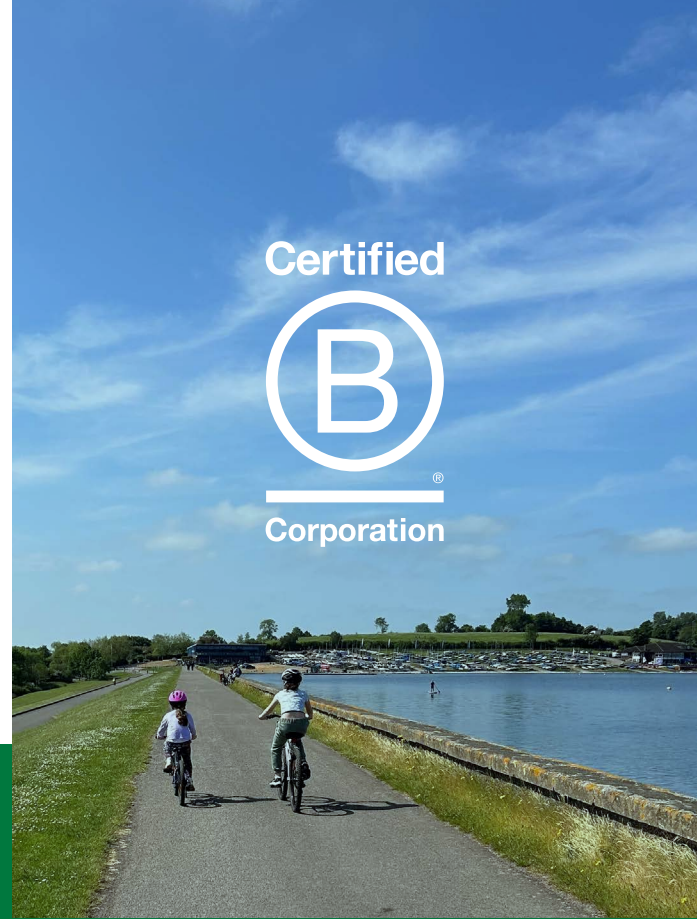
The services we offer have a heavy impact on SDG 12 – Responsible Consumption and Production, as we support businesses looking at sustainable design and end of life of their products and packaging.



WHY B CORP?

Our connection to global packaging and waste management reporting requirements gives us access to a diverse range of businesses who need to comply with multiple pieces of legislation and commitments; from labelling to virgin plastic reductions.

Their decisions have a significant effect on the amount of waste created and the recycling infrastructure designed to manage it around the world. Our role in providing education and transparency supports their compliance and impact improvement. We have a clear insight into the challenges our customers face, from consumer pressure to legislation and believe that all businesses should be a force for good.



It was important to us to certify as B Corp and to sign the Declaration of Interdependence because:

- We wanted to formalise our commitment to being a purpose-driven business, making sure that we understand our impacts on our wider stakeholders.
- We wanted to bind our company to a common purpose and to be part of a larger community of companies with similar mindsets.
- We wanted to benchmark our company against a recognised standard which supported our values and gave us a framework for best practise.
- Ensure that our impact can be measured and to give ourselves formal and public goals to work towards.

B CORP IMPACT AREAS

Workers evaluates a company's contributions to its employees' financial security, health & safety, wellness, career development, and engagement & satisfaction.



Environment evaluates a company's overall environmental management practices as well as its impact on the air, climate, water, land, and biodiversity.

Governance evaluates a company's overall mission, engagement around its social/ environmental impact, ethics, and transparency.

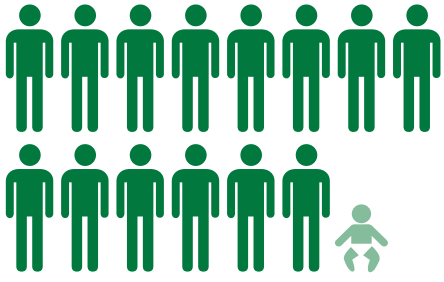


Customers evaluates a company's stewardship of its customers through the quality of its products and services, ethical marketing, data privacy and security, and feedback channels.

Community evaluates a company's engagement with and impact on the communities in which it operates, hires from, and sources from.



2022 YEAR OVERVIEW



14 NEW STAFF MEMBERS
(and 1 baby)



198 BAGS OF COMPOST
(For Jane's compost bin)

294
reporting schemes

3,120
REPORTS SENT

THE BREW WARS:

8,964

7,719

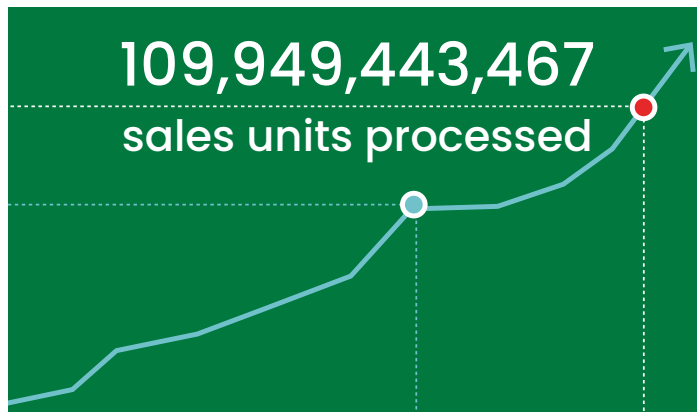
280 Pieces of Legislation REVIEWED



26
BAGS OF LITTER COLLECTED



272 hours
cycling to work



12 festivals
attended



5 NEW PETS



93 hours
(Of dancing at the Christmas Party)



560 HOURS OF WORK EXPERIENCE OFFERED

2020 B CORP BASELINE

In July 2022 we were very proud to become a fully certified B Corporation, our assessment was based on 2020 data.

Based on the B Impact Assessment we were awarded 80.8 as an overall score.

We have certified as Lorax Compliance (Holdings) Limited which is the parent company for both our US and UK operations. Our certification reflects our operational impacts across both entities. This is our B Corp score breakdown:

16.3

GOVERNANCE

30.8

WORKERS

22.7

COMMUNITY

8

ENVIRONMENT

2.8

CUSTOMERS

OVERALL B IMPACT SCORE

Based on the B Impact assessment, Lorax Compliance (Holdings) Limited earned an overall score of 80.8. The median score for ordinary businesses who complete the assessment is currently 50.9.



- 80.8 Overall B Impact Score
- 80 Qualifies for B Corp Certification
- 50.9 Median Score for Ordinary Businesses



GOVERNANCE IN 2020

When we took the B Impact Assessment in 2020 we had a solid foundation of good company governance, supporting employees and ensuring transparency to everyone.

We require all employees to align one of their yearly goals with social, wellbeing or environmental aspects. This has led to creative initiatives such as volunteering at cultural events, collecting donations for foodbanks, running community yoga programmes and company-wide litter picks.

We are committed to financial transparency, sharing our company's financial performance every quarter during the full staff meeting.

We renew training each year with a focus on how our products impact our clients and the environmental factors of running a global software and services company.

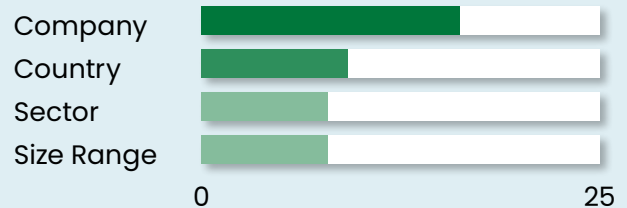
We have embedded a clear management structure and employee responsibilities which is flexible to support us as we grow.



Governance evaluates a company's overall mission, engagement around its social/environmental impact, ethics, and transparency. This section also evaluates the ability of a company to protect their mission and formally consider stakeholders.

During the certification process we updated our Articles of Association committing to the B Corp principals.

SCORE: 16.3



GOVERNANCE PROGRESS IN 2022

2022 was a remarkable year for our company in terms of staff expansion with a 27% net growth in full-time and part-time positions. To support our growing company, we have introduced a more effective job role structure called Job Families, which is based on the UK Digital, Data

and Technology (DDaT) Profession Capability Framework. As a technology company, this Framework can be applied to more than 80% of our job roles in the company, providing a platform of uniformity for learning and progress on members across the business.

2023: Objectives

Job Family Roll-Out

In 2023 we will complete the rollout of Job Families to more than 90% of our employees, which will help to align our talent strategy with our business goals, as well as improve our recruitment processes and employee retention.

Whistleblower Policy

Our company is committed to fostering a culture of integrity and accountability. We did not have a whistleblower policy in place before, but building one will support any staff wishing to report any misconduct or wrongdoing without fear of retaliation.

WORKERS IN 2020

Looking after our Lorax EPI Team has always been the priority of the company and we scored highly in this part of the assessment due to the strength of our existing policies which look to support each person.

As a globally operating company we offer plenty of opportunities for staff to take part in professional development, training or travel.

We offer a comprehensive employment package that includes social and wellness benefits for our staff.

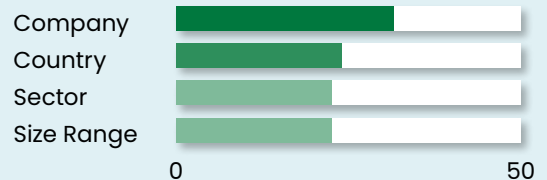
We value and support career development and conduct annual reviews to assess the performance and potential of our staff. A training budget is available for those who are interested. We prioritise internal promotions over external hires whenever possible.

We applied for our B Corp certification during the pandemic where we were easily able to make the transition to a remote and hybrid work model. We have maintained a hybrid policy for all our employees to accommodate their work-life balance and life-stage needs.

Workers evaluates a company's contributions to its employees' financial security, health & safety, wellness, career development, engagement and satisfaction.

Our employees are our greatest asset and supporting them with fair pay and policies ensures we have a fantastic team.

SCORE: 31.6



In our 2020 Annual employee survey, 100% agreed:
"I find my role interesting and engaging"



WORKERS PROGRESS IN 2022

- We increased our workforce by 14 during 2022 and our policies flexed to allow this growth
- We developed and rolled out Job Families across our Development Team
- We paid bonuses to a significant increase of the workforce based on projects worked on in 2022
- We expanded our Young People Development Program taking on 3 for the academic year 2021-2022, and we employed a previous student from our intern program
- We increased our internal hiring and promotions from 2% to 14%
- We put on an extensive Lunchtime Learning program which is available to all staff, regardless of company role

2023: Objectives

Workers Objectives for 2023 will include:

- **Increasing and improving our Lunchtime Learning Program.** This popular program, where company employees or external speakers can share their knowledge is well attended, but we have not spent time logging exact training hours.
- **Job Families Completion:** We will complete the Job Family rollout to 90% of the workforce bringing harmonisation to our growing Lorax EPI Team.
- **Work Experience:** We will continue to offer and increase our work experience program which covers a variety of Internships, Placements and Summer work.
- **Increasing engagement in the Employee Feedback Survey.** This year we want to cover 95% of employees in our feedback survey. We usually get between 50-60%, but we will have a focused push on increasing the number. The Employee Survey drives our HR strategy for the year so getting all voices represented is important.

COMMUNITY IN 2020

The B Corp Community pillar was another high scoring area for the company during the 2020 Assessment.

Our local-first hiring policy has led to more than 85% of our workforce living within 20 miles of our office locations. This means we have 10% who regularly cycle or use public transport to reach the office.

We match individual workers' charitable donations and we allow our workers or customers to select charities to receive our company's donations.

We hold our large suppliers accountable for their Sustainability, Environmental and GDPR practices by requiring them to complete a questionnaire around their policies.

We contribute to the education of businesses and groups on the waste management field we operate in. We do this through conferences, trade associations or private contracts. We believe that raising awareness and providing solutions is the key to improving the future, and we offer much of this as unpaid donated time.

We have a robust Young People Development Program to help local students with their career development and entry-level experience.



85% of our workforce lives within 20 miles

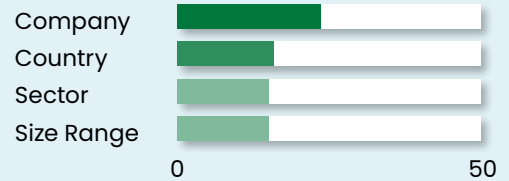


10% of our employees regularly cycle

Community evaluates a company's engagement with and impact on the communities in which it operates, hires and sources from. Topics include diversity, equity & inclusion, economic impact, civic engagement, charitable giving, and supply chain management.

Our company is made up of a diverse workforce. When we certified in 2020, we reached the highest brackets in Age & Gender diversity across our entire workforce and within our leadership roles.

SCORE: 22.7



COMMUNITY IN 2022

In 2022 we hired for 9 new roles (27% increase) and made a concerted effort to increase our focus on diversity and improvement in representation.

We increased **ethnic diversity** from 18%-23% and **female representation** from 53-59%.



2023: Objectives

Volunteering

We are committed to enhancing our social responsibility in 2023 by engaging more with our local communities and supporting various causes. As part of this commitment, through annual KPIs, we are encouraging all employees to use their allocated volunteering hours to participate in Wellbeing, Social or Environmental events.

Charitable Donations

We also aim to increase our charitable donations in 2023, although we have not set a specific target yet, we welcome any suggestions from our employees on how to allocate our funds to the most impactful organizations.

We continued our local-first hiring policy with 100% of our new UK employees living within 20 miles of the office.

We offer all employees 1 day away from work for any Volunteering activity, but we had very limited uptake on this in 2022.

Expanding our Young People Development Program

We are very proud to be able to offer a wide range of work experience and work placement opportunities to young people who are interested in our industry. The positive feedback which we have received from previous placements reinforces the importance of offering young people opportunities for development and career experience. We look forward to hosting 3-4 Year in Industry students in 2023.

Supplier Analysis

Finally, we recognize the importance of supporting our local economy and environment by purchasing from local suppliers whenever possible. In 2023, we will conduct a comprehensive assessment of our supplier base and identify any areas for improvement or expansion.

IN 2022 WE:

Supported 4 year in Industry positions



Held 2 summer placements



Offered post-placement positions to 3 people.



Supported these charities:



COMMUNITY CASE STUDY:

Young People Development Program

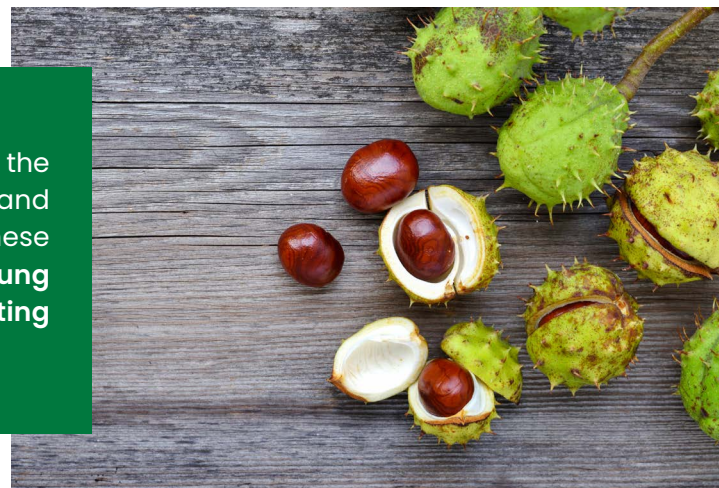
Our Young People Development Program is a long-standing initiative that we launched in 2017 to provide computer science students from local schools with valuable work experience opportunities. Since then, we have expanded our program to offer Year in Industry work placements, Summer Internships, work experience and full-time employment opportunities in our software developer and research departments.



Every year, we visit local schools and invite students from various subjects to apply for our roles. This helps them gain skills in writing CV's, applying for jobs and preparing for interviews.



We recognise that entry-level job opportunities in the Environmental and Technology sectors are often scarce and competitive, as they usually require prior experience in these fields. As a company, we are committed to supporting young people in our community and to fostering and cultivating young talent.



TESTIMONIALS

Alongside our work experience programmes we offer paid opportunities for university students.

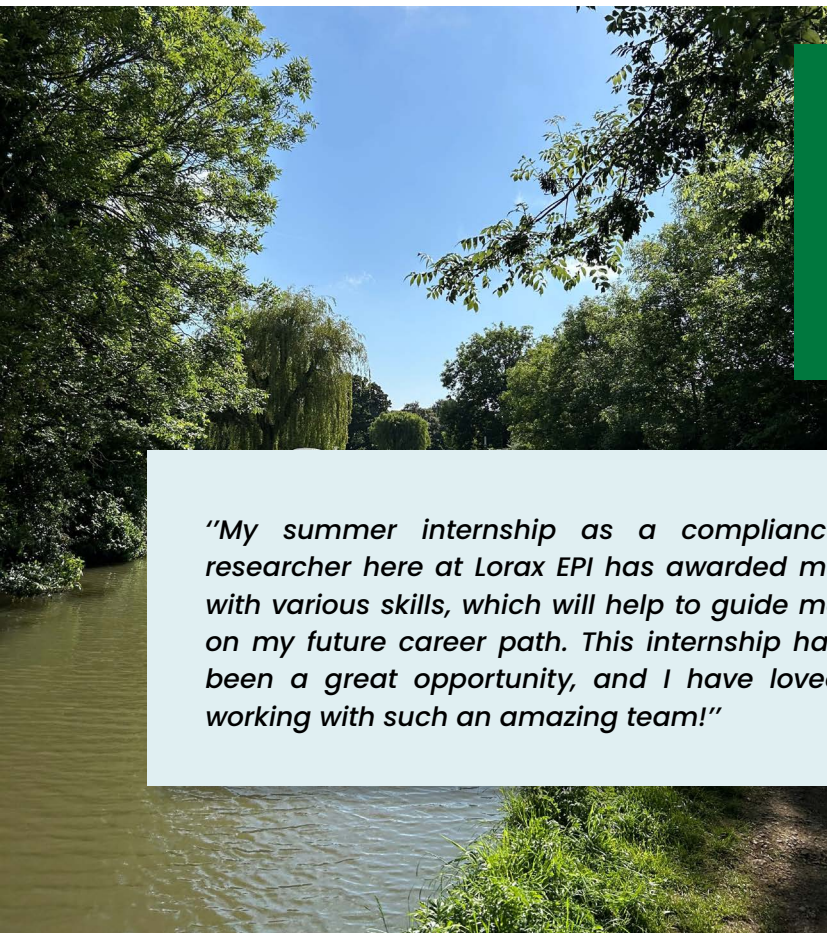
Sam spent the academic year 2022-2023 with us as his work placement from Nottingham Trent University, in between his 2nd and 3rd year. His role in the development team enables him to get practical experience before returning for the final year of his undergraduate degree.



"During my internship at Lorax as an Intern Software Developer, I gained invaluable insights into an active development environment and deepened my understanding of the SDLC. I explored various cutting-edge technologies and collaborated effectively within an agile team to contribute to exciting new projects. Beyond work, engaging in social activities with my colleagues further enriched my experience. I am grateful for the support and encouragement from everyone at Lorax, making this internship a truly rewarding and cherished opportunity."

Shresta is studying Economics and Management at Royal Holloway University and joins us for a summer placement within our Research and Compliance teams.

"My summer internship as a compliance researcher here at Lorax EPI has awarded me with various skills, which will help to guide me on my future career path. This internship has been a great opportunity, and I have loved working with such an amazing team!"



ENVIRONMENT IN 2020

As a technology company with a hybrid and global remote workforce, our carbon footprint is low. However the field in which we work provides opportunities for our services to have a positive environmental impact, particularly around the education of environmental issues and solutions available.

We operate from shared office spaces in both our UK and US locations and we collaborate with the landlords to enhance our sustainability performance

as much as possible. We monitor our energy consumption, use eco-friendly products, and offer recycling and composting facilities for our staff and visitors.

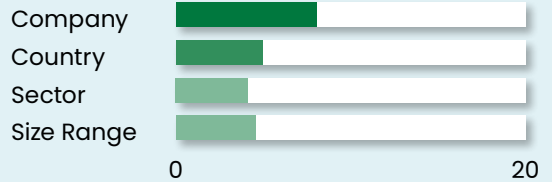
We encourage our employees to use public transportation, cycling, or walking as alternatives to driving to work. We also have policies that outline the environmental responsibilities and best practices for our remote workers, such as reducing waste, conserving energy, and handling hazardous materials safely.



Environment evaluates a company's overall environmental management practices as well as its impact on the air, climate, water, land, and biodiversity. This includes the direct impact of a company's operations and, when applicable its supply chain and distribution channels.

Environmental Stewardship produced one of our lowest scores in our 2020 B Impact report so will be a source of focused improvement over the next few years.

SCORE: 8



ENVIRONMENT PROGRESS IN 2022

We spent 2022 reviewing our baseline metrics to see where we want to focus on for the future, and to see where we can make the most impact. This includes monitoring our levels of recycling, composting, litter collections and non-motoring based travel to work. We also assessed environmental standards which we could certify for.

2023: Objectives

In 2023, our objective is to adopt ISO 14001 as our inaugural ISO standard. This will serve to standardise and strengthen many of the existing practices we currently follow.

Additionally, we aim to establish an initial carbon footprint baseline for the company. Given the international scope of our work, our substantial travel activities carry a disproportionate impact compared to other aspects of the company's operations. By quantifying our carbon footprint, we can then implement offsetting measures as part of our journey towards achieving Net Zero emissions.

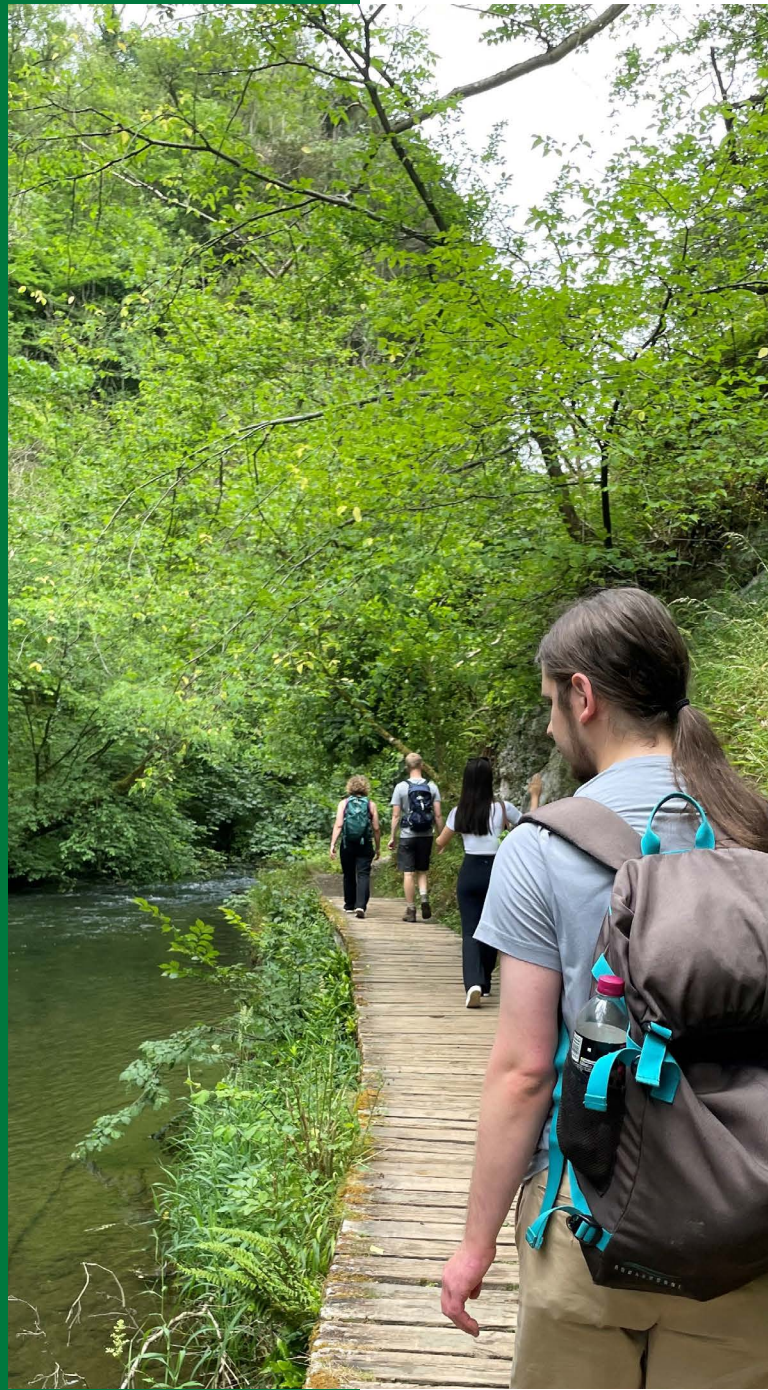
CUSTOMERS IN 2020

Most businesses who create products for sale are obligated by some form of Extended Producer Responsibility. This means we are fortunate to work with companies across the globe in the fields of consumer goods, pharmaceutical, clothing, food & drink, retail, health & beauty, electronics and members of the packaging supply chain.

As the landscape of legislation is constantly changing and has grown rapidly in the last few years, our customer-base has grown in both numbers and their needs and we have evolved to meet that demand with new products and services. Our customers play a role here too and we take the suggestions part of our annual customer feedback survey seriously.

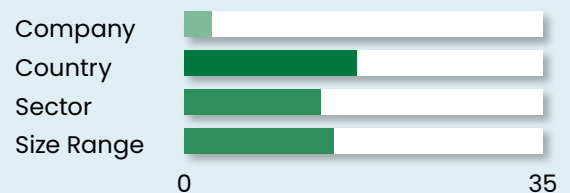
Our ENVI™ software is our core product, offering EPR compliance tools such as reporting and data management features for packaging, electronics, batteries, textiles and more. It also supports companies who are tracking sustainability metrics such as recyclability and recycled content targets. In the last 2 years we have also extended the ENVI™ functionality to support plastics tax and plastics pact reporting as these fields of mandatory reporting and voluntary commitments grows.

The need for good data has always been an advantage within the mandatory reports, but increasingly we are supporting companies who want to use this data for environmental and sustainable improvement. Through our analysis, transparency and data management experience we can help drive change and promote the B Corp principals of being a force for good.



Customers evaluate a company's stewardship of its customers through the quality of its products and services, ethical marketing, data privacy and security, and feedback channels. In addition, this section recognises products or services that address a social problem, improve the social impact of other organisations or serve underserved customers/clients.

SCORE: 2.8



CUSTOMERS PROGRESS IN 2022

Certifications

Due to the type of information we are trusted with, we hold Cyber Essentials+ certification which ensures we are holding ourselves to a high standard of data security and privacy. We regularly hold social engineering and vulnerability tests.



New Product Impact Services

Based on a collaboration with some of our clients, we designed a new recyclability and sustainability dashboard within our ENVI™ software. This provides a global insight to companies looking at reducing their impacts on the environment.

2023: Objectives

Along with maintaining our current customer interaction, we want to improve how we monitor our Impact Business Models. This will specifically work on creating an IBM measurement beyond simply revenue as we do today.

We will also set and monitor a specific customer satisfaction target. This will involve formalising feedback from clients on our current services and future project designs.



BUSINESS IMPACT MODEL CASE STUDY

One of the core functions of B Corp Assessment is for companies to show how they are providing Impact through their business models. This can be done in a number of ways and is tied to the 5 areas of assessment.



In 2020 4.79% of our business revenue came from supporting purpose driven businesses or underserved populations, this was due to a range of consulting projects we completed for NGOs and other B Corp certified companies.

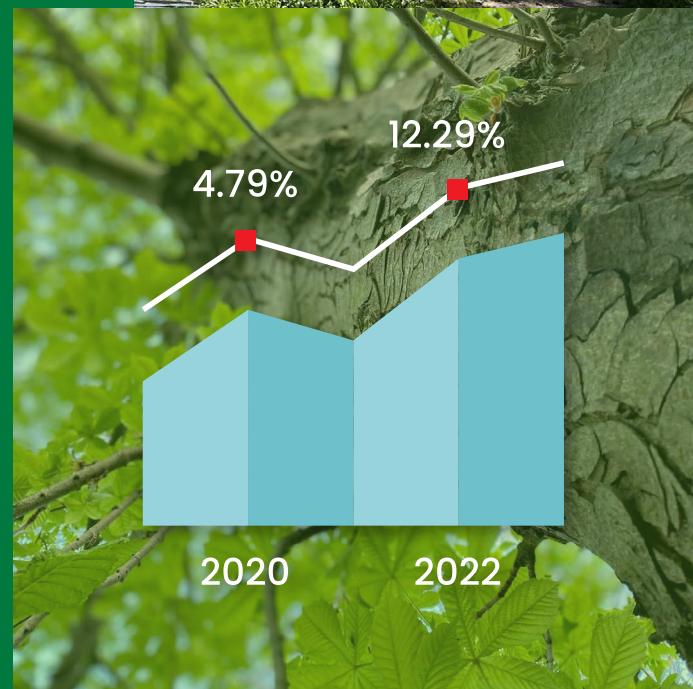
In 2022 this figure dropped to 1.16% as we changed our focus. We have expanded the range of services which provide solutions to specific social problems and which help other businesses to improve their social and environmental impact. This covers a range of services which we now offer through our sustainability consulting, education and our ENVI™ software.

Throughout 2022, with our change in services, 12.29% of our revenue came from projects we undertook with clients outside of our regular legislative driven work.

Here we helped companies:

- Understand packaging recyclability,
- Make packaging design choices to enhance end-of-life recovery,
- Increase their education through packaging and waste workshops,
- Label their products correctly using guidance for consumers to increase recycling outcomes.

These projects have led to changes which will impact the amount of waste being collected and recycled, the amount of fossil fuel materials being used and protect planet resources.



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Certified



Corporation

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