

# CPG LOGISTICS ANNUAL REPORT 2024

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# OUR COMPANY

# MESSAGE FROM RICHARD LORD, MANAGING DIRECTOR

Welcome to the CPG Logistics Annual Report 2024.

As a business we have never been known to stand still, and we recognise that innovation remains a key driver for growth. This year marked a positive step forward in the growth and direction of CPG, setting up a dedicated offsite client facility in the Midlands. Operating with our people, processes and systems we have successfully implemented this solution showcasing what we can collectively achieve.

As our business grows, so does the complexity and scale of our IT requirements. We have continued to strengthen and invest in our IT capabilities to enable us to stay ahead of technological trends and to provide cutting-edge solutions to our clients.

We remain focused on reducing our environmental impact and this year we announced our commitment to achieve Net Zero by 2050. This is a pivotal step in our sustainability journey, providing us with a road map and targets to work towards.

Against the backdrop of rising costs and inflation, challenges persist across the supply chain sector. As we continue to face cost pressures driven by changing market conditions, we remain resilient and committed to delivering an exceptional service.

As we look to the future, we are excited about the opportunities and positive changes that lie ahead. By maintaining our focus on quality, investing in our people, and building strong customer relationships, I am confident that we can achieve our goals and create a sustainable, prosperous future for CPG.



**RICHARD LORD**  
MANAGING DIRECTOR



## VISION FOR THE FUTURE

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CPG's strengths are the foundation upon which we will build our future success. In the coming years we seek to continue to build our business, maintaining our quality standards, investing in technology and our facilities as well as furthering our sustainability initiatives.

It is the people that will always remain the core of CPG, and we will continue to prioritise the well-being and development of our employees.

Our focus is on developing our customer base and building strong relationships, working with like-minded customers who share our values and vision. We will continue to understand their unique needs to provide tailored, effective solutions. It is important to explore opportunities in alternative industries and continue to develop the range of services we offer.

**Our vision: Providing world class logistics through our people, processes and systems.**



# COMPANY VALUES

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## Well-being

We treat everyone with respect and dignity to create a safe, positive, and healthy work environment for our teams where they feel valued and can thrive.

## Innovation

We embrace change and continuously seek creative, improved solutions to meet our customers' needs. We use leading technologies to generate efficiencies, increase productivity and reduce waste.

## Quality

We strive to do the right thing, every time. We prioritise quality in all we do and are committed to providing the highest standards of service.

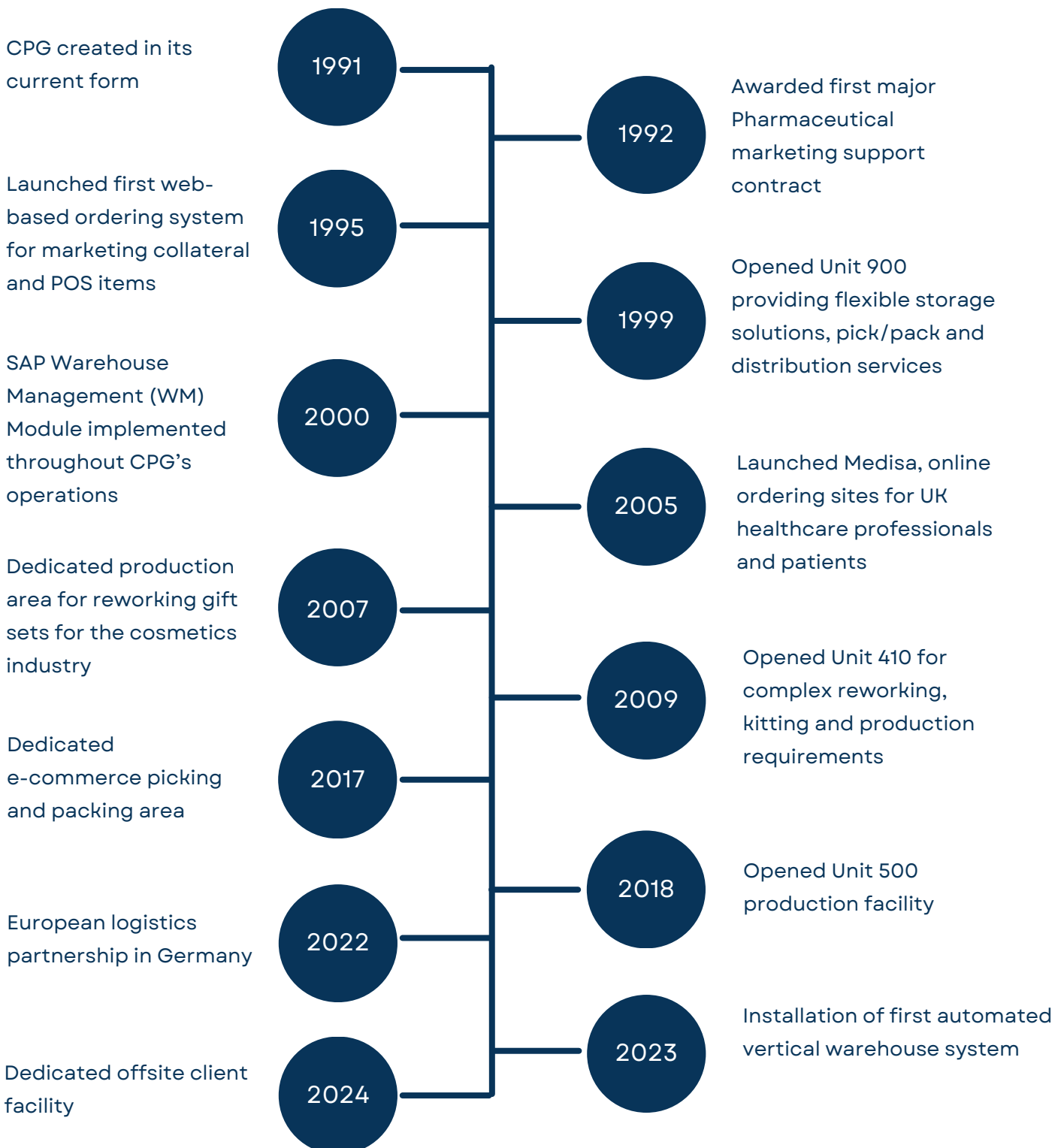
## Teamwork

We believe in the strength of teamwork and shared success. We put customers first and seek to build long-term relationships.

## Accountability

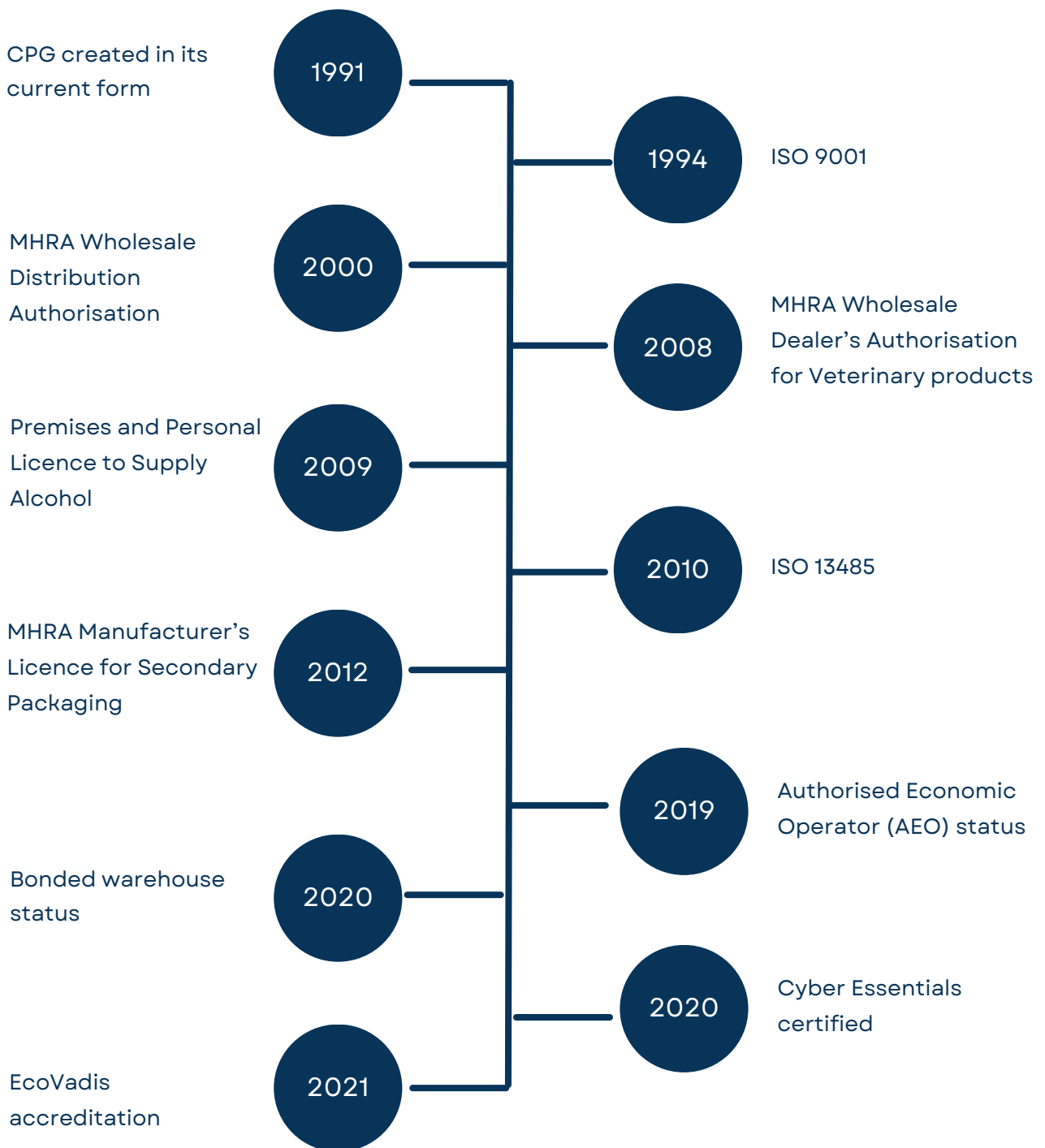
We use sustainable practices and ethical sourcing to reduce our environmental impact. We take responsibility for the decisions we make and actions we take.

# OUR STORY SO FAR





# QUALITY STANDARDS & ACCREDITATIONS







# OUR BUSINESS TODAY

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## CPG Logistics

- Warehousing and distribution
- Order processing and fulfilment
- E-commerce integration
- Production and co-packing services
- Supply chain management
- Inventory management
- Returns processing
- Secure destruction
- Reporting
- Offsite warehousing and operational solutions

## Pharmisa

- Warehousing and distribution
- Web based ordering and fulfilment
- Web based administration system
- Physical and digital asset management
- Mailings
- Meeting/events support
- Recall and withdrawal process
- Returns processing
- Secure destruction
- Reporting

## Medisa

- Warehousing and distribution
- Web based ordering and fulfilment
- Physical and digital asset management
- Systems integration with online platforms
- Returns processing
- Secure destruction
- Reporting and forecasting
- Campaign support
- Patient support programmes

# KEY STATS

2024 at a glance

**160+ employees**



**Average length of service  
8 years**

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**Over 500,000 orders  
despatched**



**Deliveries to 117 countries**

**UK**  
75%

**EU**  
21%

**ROW**  
4%



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**4,300 Pharmisa users**



**58,900 Medisa users**

# CPG BOARD

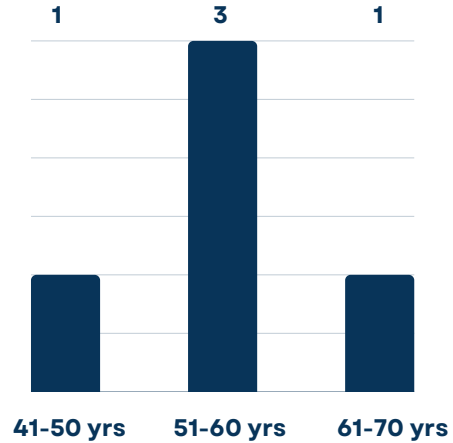
CPG's Board of Directors play a pivotal role in the strategic direction of the company, guiding the business to success and stability.

Collectively the board set long term goals, approve strategic plans, and monitor the implementation of these plans to ensure they align with the company's objectives.

## Board statistics

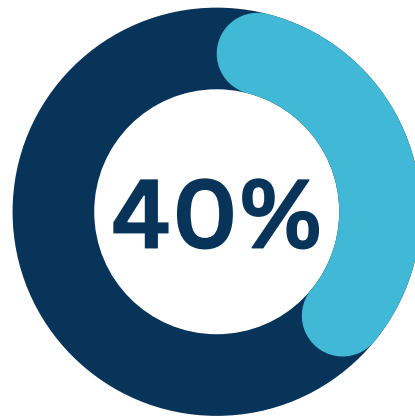
### 54 Years

Average age



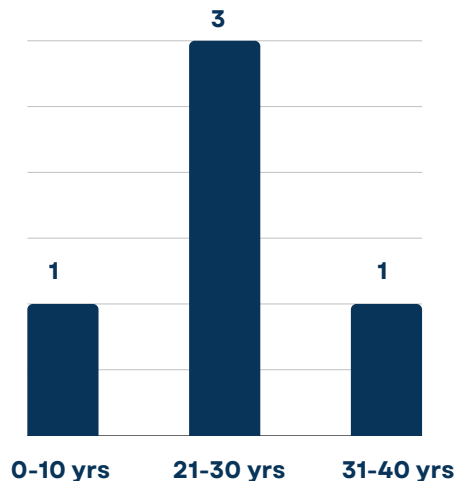
### Women

(2 of 5 Directors)



### 21 Years

Average tenure



**Richard Lord**  
Managing Director

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Richard Lord joined CPG Logistics in 1993 as Sales Director before being appointed to Managing Director in 1998. Richard has overall responsibility for the growth and strategy of CPG. With a sales and operations background in global supply chain solutions, Richard's experience has been the driving force behind CPG's focus on technology and quality driven solutions.



**Suzy Lord**  
Business Performance Director

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Suzy joined CPG in 1994 and has held a number of senior management roles, appointed as Business Performance Director in 2011. Overseeing the Business Performance, Customer Service and Human Resource departments, Suzy is responsible for optimising processes and driving continuous improvement across the business.

**Darren Jones**  
Operations Director

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Darren has been with CPG for over 30 years and oversees the core operational functions across CPG's facilities in the UK and Europe. Joining CPG in 1992, Darren previously led the packaging division. Promoted to Operations Director in 2001, Darren has responsibility for improving efficiencies and service levels and in recent years has been fundamental in the growth in our production services and e-commerce operation.



**Lisa Goddard**  
Sales and Marketing Director

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Lisa joined CPG in 2001 as Sales and Marketing Director. Coming from a mail and carrier background, Lisa's role has developed to include all commercial and client contract management as well as overseeing GDPR and data protection.

**Andy Haynes**  
Finance Director

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Joining CPG in 2023, Andy's role is Finance Director and Company Secretary, responsible for both the Finance and IT departments. Andy is qualified as a Chartered Certified Accountant (ACCA) and holds a BA (Hons) degree in Accountancy and Law. Prior to CPG, Andy held senior positions within the construction industry.



# OUR PEOPLE



## OUR PEOPLE

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At CPG, we place great value on retaining skilled and experienced employees, as reflected in the high average length of service. 40% of our employees have been with us for over 5 years and 31% for over 10 years. This longevity of tenure brings a wealth of experience, knowledge and expertise which has been pivotal in the training and transfer of knowledge to the team in the Midlands.

As our employee base has grown to support the dedicated client operation, we have welcomed new talent, bringing fresh perspectives and innovative ideas, which are essential for continuous improvement. It was vital that CPG's culture and values flowed through to this offsite team ensuring that all employees feel part of CPG. This additional facility along with the team that supports it, is a testament to the combined efforts of our colleagues, who continue to foster a supportive and collaborative work environment, regardless of location.



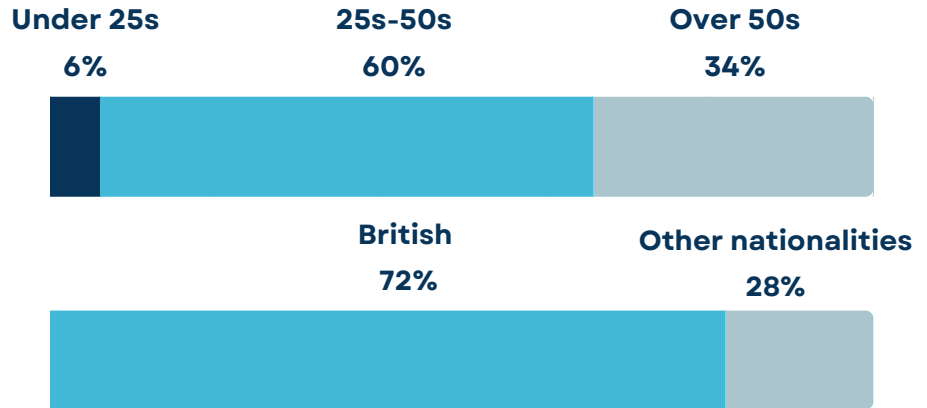
# OUR PEOPLE

As a company we strive to provide a positive, supportive work environment for all employees.

We are an equal opportunities employer, and we are fully committed to following practices which are free from unfair and unlawful discrimination.

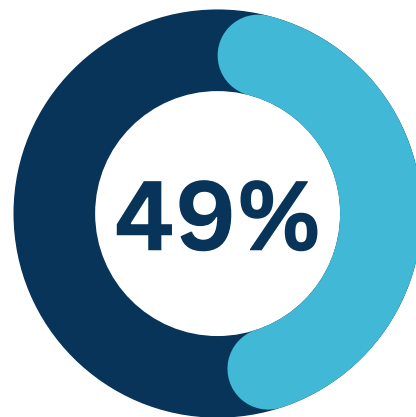
To ensure that all employees understand and support our culture of equal opportunities, we carry out annual equality, diversity and inclusion awareness training.

We are proud to recruit and retain a diverse workforce. As a company, we will continue to focus on the importance of the people, as it is the people who are at the core of the business.



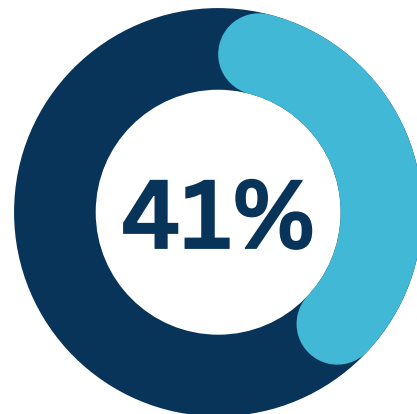
## All employees

(49% Women)



## Management team

(41% Women)







# EMPLOYEE ENGAGEMENT

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Key to CPG's success is our people. We recognise that our employees' opinions, ideas, and experiences are not just valuable; they are essential to the strength and forward development of the company.

In September we conducted our annual employee engagement survey. All employees were offered the opportunity to complete the survey with 51% submitting a response. It is important that every employee can share their views and opinions to help identify areas for improvement. We aim to achieve a minimum of 70% engagement and will raise greater awareness of future surveys, ensuring individuals are given sufficient time to complete and recognise the positive changes implemented as a result of feedback.

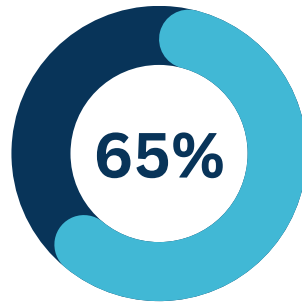
Listening is only the first step. We aim to take our employees feedback and implement positive changes where possible. Whether it's improving workplace facilities, increasing employee benefits, or introducing new ways of working, the insights provided by our employees are pivotal in driving continuous improvement.

The 2024 employee engagement results reveal a cohesive workplace where teamwork remains strong across the business. While the survey results are largely positive, they also highlight areas for improvement, including strengthening internal communication and increasing training and development opportunities.

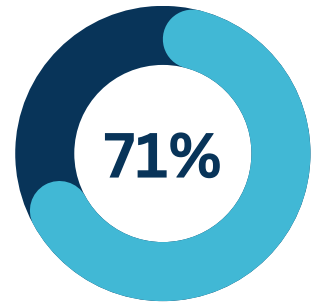
# KEY STATS

In September we conducted our annual employee engagement survey. All employees were offered the opportunity to complete the survey with 51% submitting a response.

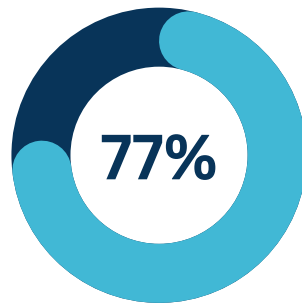
## Employee engagement



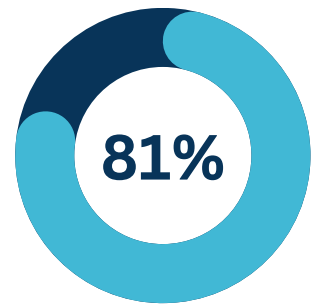
satisfied with training and development opportunities



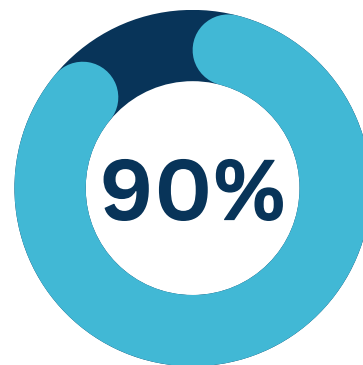
effective communication



feel their work is valued



strong relationships with colleagues



positive morale within the team



# INVESTING IN PEOPLE

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Following on from last year's employee engagement feedback, we have expanded our training programme to offer a greater range of courses covering a variety of areas:

**Environment:** Environmental Awareness

**Leadership:** Performance Appraisal Training, Leadership & Management Training for Managers

**Legal/regulatory compliance:** Equality Diversity & Inclusion, Anti-Bribery & Anti-Corruption, How to Prevent Sexual Harassment

**Well-being:** Mental Health Awareness, Neurodiversity, Managing Stress at Work for Employees

Additionally employees can access self-guided training courses anytime via our online HR system, including Cyber Security, GDPR and Effective Communication.

Annual appraisals review employee objectives, set development plans, and discuss well-being and training needs. A mid-year review has been introduced to provide ongoing feedback and to help employees achieve their potential through 1:1 engagement. An improved annual performance review is also being implemented designed to promote transparency in development and progression aspirations.





# SOCIAL DIALOGUE

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CPG's 'employee voice forum' consists of representatives of various levels bringing together views and feedback across the business. The forum welcomes all members to openly share any improvement suggestions, raise concerns, provide feedback on new initiatives, and ensure that all employees have a platform for open discussion.

This year suggestions raised in the forum have led to several improvements, both internally and from a wider community perspective:

- Outside communal area covering extended
- Improved tearoom facilities
- Themed charity fundraising events
- Opportunity to take up to 3 hours of paid leave every 4 months to donate blood

Continuously listening and responding to colleague feedback is essential in helping to build a foundation for sustained employee satisfaction and engagement. For those colleagues who prefer not to actively engage in social dialogue, feedback can also be provided using the suggestion boxes which are situated around our facilities.

# EMPLOYEE WELLNESS

At CPG we prioritise the well-being of our employees. We understand that a healthy and happy workforce is essential to our continued success which is why we offer a comprehensive range of employee benefits. Investing in employees' physical and mental well-being not only enhances their quality of life, but also promotes a positive work environment.

**Financial benefits:** Long service awards, financially reward employees for every 5 years at CPG.

**Pension scheme:** We offer all employees access to a company pension scheme with Aviva.

**Healthcare benefits:** Medicash health benefits scheme provides a contribution towards a range of health services such as eye care, dental care, prescriptions, complementary therapies, inoculations, and health screening. Medicash can be extended to cover up to four dependent children up to their 24th birthday at no extra cost. MetLife's Employee Assistance Programme (EAP) offers access to registered nurses for advice.

**Financial well-being:** MetLife Employee Assistance Programme (EAP) offers confidential support from legal advisers.

**Mental well-being:** MetLife Employee Assistance Programme (EAP) offers confidential support from qualified counsellors. mProve YOURSELF app provided by Medicash to help improve mind and body with helpful tips. We have five trained mental health first aiders, offering onsite confidential support as well as one trained menopause support staff.

**Additional benefits:** Medicash extra, providing online discounts on shopping, travel, entertainment and dining. Bright Exchange providing various high street and online discounts. Discounted membership at gyms, pools, studios and outdoor fitness events.

**Our aim is to create a safe, positive, and healthy work environment for all our employees.**

# CUSTOMERS AND SUPPLIERS

# OUR CUSTOMERS

Our aim is to help our customers achieve their business goals by providing consistently high service levels which not only meet, but exceed their expectations.

We are proud to have retained long standing relationships with many of our customers, with the average contract length currently 11 years. These relationships enable us to understand our customers business, how we can add value and work effectively as an extension to their organisation.

## WHAT OUR CUSTOMERS SAY...

“It’s always a pleasure to work with the team as you are always ready to find the best solution for both parties and it’s always very smooth.” *(Long standing customer)*

“I would like to emphasise the helpfulness of your staff. Love using CPG, seamless and efficient.” *(Long standing customer)*

“Thank you very much for the successful completion of the campaign! We really appreciate the fast turnaround. As always, you’ve been amazing!” *(Production services customer)*

“Clear, quick & efficient process to order.” *(New customer)*

**Average customer contract  
length is 11 years**





# OUR SUPPLIERS

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## Supplier Code of Conduct

At CPG Logistics, we value the business relationships we have with our suppliers and seek to build lasting partnerships. CPG's Supplier Code of Conduct sets out the standards we expect our suppliers to comply with including the provision of safe working conditions, treating workers with dignity and respect, acting ethically and being environmentally responsible.

From October 2024, all employers are under a duty to take reasonable steps to protect employees from sexual harassment. It is our obligation to inform all third parties of our zero-tolerance sexual harassment policy. The Supplier Code of Conduct has been updated to reflect this obligation and provides details on grievance mechanism which suppliers need to have in place where employees or their representatives can raise issues of concern without fear of retaliation or negative repercussions.

CPG's Supplier Code of Conduct is provided to every supplier onboarding with CPG and is intended to ensure the highest level of ethical practices and business integrity from our suppliers.

# **ENVIRONMENTAL SOCIAL & GOVERNANCE**



# ESG

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At CPG we have an Environmental, Social & Governance (ESG) committee, consisting of team members from across the business. The aim of this cross functional team is to define our short and medium term milestones and put into place the required actions, whether it be new processes or procedures, staff training or sourcing from alternative suppliers.

This year, the ESG teams' focus has been on calculating our carbon emissions and developing a meaningful Carbon Reduction Plan. In addition, the team have continued to implement positive changes in the following areas:

- Increasing our charitable initiatives
- Rolling out of non-branded uniforms to enable mainstream recycling
- Introducing a new initiative to responsibly recycle and safely dispose of workwear, reducing landfill waste and supporting a circular approach to textile use
- Enhancing waste separation for goods for destruction into different waste streams to ensure as much as possible is recycled, minimising the volume of waste sent to landfill
- Training employees on the importance of waste separation and the correct procedures
- Switching to pallet toppers made from 100% recycled content
- Reducing overall plastic usage by using a lower micron machine film for pallet wrap, from 23mu to 15mu, containing 30% recycled content with 300% stretch





## ECOVADIS

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In May we completed our third assessment by EcoVadis, the world's largest and most trusted provider of business sustainability ratings. This comprehensive assessment provides a way for us to demonstrate the quality of our Corporate Social Responsibility (CSR) management system focusing on 4 key areas: the environment, labour, ethics and sustainable procurement.

Awarded a bronze medal, places CPG Logistics among the top 35% of companies assessed by EcoVadis.

## Tree Planting

We continued to team up with Treeapp and in 2024 planted 690 trees globally, creating 6 workdays for local communities. This initiative helped to reforest 1113m<sup>2</sup> of land and across the lifetime of the trees, 75.86 tonnes of Co2 will be absorbed.

We have committed to continue our work with Treeapp in 2025, furthering our efforts to promote sustainability and community well-being.





# CARBON EMISSIONS - SCOPE 1, 2 & 3

In 2024, we engaged an external consultancy to support us in calculating our greenhouse gas (GHG) emissions and to develop a Carbon Reduction Plan. Using 2023 as our baseline year, our GHG emissions reports were carried out in accordance with both the GHG Emissions Protocol Accounting and Reporting Standard. All measurements are in tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e).

Scope 1: Direct emissions	231.8
Scope 2: Indirect emissions	57.0
Scope 3: Upstream and Downstream emissions	54820.8
<b>Total emissions:</b>	<b>55109.6</b>



## ENVIRONMENTAL FOCUS

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Analysing the breakdown, it is evident that transport and distribution emissions both upstream and downstream represents the most significant proportion of our carbon footprint, accounting for 83% of our total emissions.

As a warehousing and logistics company, our business is built on distributing our customers' products and addressing this issue is paramount to our sustainability strategy. For us to achieve our Net Zero target by 2050, we must partner with carriers who are prioritising and focusing on achieving their carbon reduction goals.

We need to continually understand our carriers Net Zero targets and progress towards transitioning to a zero emission fleet.

We already work with several leading carriers, including Parcelforce, DPD, Royal Mail and Whistl. Each of these carriers has its own sustainability goals, focusing on reducing their carbon footprint and environmental impact. Strategies include:

- Fleet decarbonisation, transitioning to zero and ultra-low emissions vehicles
- Transport management software to reduce vehicle mileage by planning efficient routes and load optimisation
- Driver training programmes encouraging behavioural changes
- Last mile delivery on foot or using electric vehicles
- Exploring alternative fuels such as hydrotreated vegetable oil (HVO), hydrogen, biogas and biofuel
- Reducing the use of domestic air transport in favour of lower emission alternatives

# PLAN TO ACHIEVE NET ZERO



To keep us on track to achieve Net Zero by 2050, we have set the following near-term targets by 2032:

- Reduce Scope 1 emissions intensity (revenue-based) by 80%
- Reduce Scope 2 emissions to zero
- Reduce Scope 3 emissions intensity (revenue-based) by 42%

Our long-term targets are:

- Reduce total market-based emissions intensity (revenue-based) for Scope 1, 2 and 3 by at least 97% by 2050
- Neutralise any residual emissions using verified carbon offsets

**We are committed to achieving Net Zero emissions by 2050**





## SOCIAL IMPACT

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In 2024, we launched the 'CPG Charity Match Funding Scheme' to recognise and support our employees' fundraising activities, whether organised through CPG or within the employees own time. Our teams are passionate about many great causes, and this scheme enables CPG to support and financially contribute towards the causes that matter most to our employees, matching donations up to the value of £250 per fundraising event.

This year our colleagues have supported several local and national charities including Autism Hampshire, Cancer Research UK, Macmillan, Poppy Appeal, Save the Children and Suicide Prevention UK.