Steatite - Carbon Reduction Plan

Steatite Ltd is committed to achieving Net Zero emissions by 2050.

Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

Baseline Year: 1st April 2019 - 31st March 2020 (FY20)			
Baseline year emissions:			
EMISSIONS	Emission Type	**t C02e**	**t CO2e/£1M Added Value**
Scope I	Gas use Company vehicle use **Total**	71.805 76.465 **148.261**	5.499 5.802 **11.251**
Scope 2	Electricity Use	**88.58**	**6.722**
Scope 3 (Included Sources)	Waste Processing. Water/Sewage Electricity T & D Losses Commuting** **Total**	2.127 0.628 7.520 200.749 **211.024**	0.161 0.048 0.571 15.234 **16.014**
Total Emissions	**Total**	**447.865**	**33.987**

Current Emissions Reporting

Reporting Year: April 2025 - March 2026 (FY26)			
EMISSIONS	Emission Type	**t C02e**	**t CO2e/£1M Added Value**
Scope I	Gas use Company vehicle use **Total**	48.356 4.417 **52.773**	1.515 0.138 **1.654**
Scope 2	Electricity Use	**94.117**	**2.949**
Scope 3 (Included sources)	Commuting Work from Home Business Miles in Private Vehicles Freighting goods Waste processing Water / Sewage Electricity T&D Losses Hotel stays Flights Other Public Transport **Total**	318.847 18.136 50.063 153.233 0.368 0.535 9.853 9.071 50.836 0.946 **611.887**	9.992 0.568 1.569 4.802 0.012 0.017 0.309 0.284 1.738 0.030 **19.320**
Total Emissions	Total	**758.777**	**23.923**

Please note:

- The carbon figures for company vehicle use, from the base year to the financial year ending 31/03/25, included private mileage and commuting as we were not able to separate this out. From 01/04/25 this has been corrected and now shows the true scope 1 emissions.
- Data for commuting are taken from voluntary surveys of staff.
- The current emissions listed above include 38.88 tC02e from a company that was acquired in FY22, after the baseline year.
- CO_2e from freighting goods, business miles in private vehicles and work from home were brought into the figures during the period 01/04/23- 31/03/24 (FY24) which weren't in the base year figures.
- In the period from FY20 to FY26 our intensity ratio (added value) has increased by 142%

We have also brought into our carbon reporting for the year ended 31st March 25 (FY25), emissions from:

- Hotel stays
- Flights
- Other public transport

Carbon Reduction Strategy

In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction strategy.

Our Short-Term (Immediate) Strategy is Reduce Consumption and Reduce Waste.

Consistent with this approach we will:

- Minimise C02e from electricity use by:
  - Switching to electricity suppliers providing 100% renewable energy
  - Switching electrical equipment off when there is no business benefit to leaving it on,
  - Considering the environmental impact of new electrical equipment unless there are other compelling business reasons not to do so.
  - Considering whether solar panels can be installed in any of the business units

- Minimise C02e from gas use by ensuring that the temperature in our workplaces is adequate but not excessive, and any warm-up times are reasonable.
- Minimise C02e from use of company vehicles by:
    - Reducing Average C02e emissions of the fleet,
    - Reducing the amount of company miles travelled by considering other alternatives to travel where feasible.
- Minimise C02e from processing of waste by applying the waste hierarchy.
- Minimise C02e from airfreight by working with our customers to move from airfreight to sea freight where lead- times / other operational constraints allow or purchase closer to the business unit where there are viable options.

Note 1: Moving from airfreight to sea freight also provides a financial dividend that can benefit both the company and its customers.

We will continuously challenge the status quo and look for opportunities to reduce wasted energy.

Medium-term Strategy.

- **Company Vehicle Use (Scope 1 wholly owned)**

All replacement company vehicles will be battery powered or hybrid unless operational constraints make this unworkable. This will ensure that emissions from company vehicles will be zero from **2035.**

Note 1: *The UK Government is committed to the grid being green by 2035 so carbon from electricity will be removed from that date([Plans unveiled to decarbonise UK power system by 2035 - GOV.UK (www.gov.uk)](www.gov.uk)).*

- **Gas Use (Scope 1 wholly owned)**

If there is no low carbon alternative for gas for heating by **2035**, we will change to electric heat-pump heating in all Business Units.

Note 2: *We believe that at current energy costs moving from gas to heat pump heating will result in similar running costs, but more work needs to be done to confirm this.*

Note 3: *There will be upfront costs for the removal of gas systems and the installation of heat pumps. The upfront costs for converting to heat pumps in the production, canteen and chamber areas at Redditch has been quoted at circa £40K by 2 suppliers (this is included simply to give an idea of the magnitude of the upfront costs involved).*

Note 4: *The increased electricity use, if we move to electrical heat pump heating will likely require additional Authorised Supply Capacity, this needs to be investigated to establish if this likely to be available and whether any additional costs are likely to apply.*

- **Electricity Use (Scope 2 wholly owned)**

The UK Government has committed to the respective grids being green by **2035** so carbon from electricity will be removed from those dates.

Providing the UK Government meets its commitment our **Mid-term strategy** will result in our scope 1 and 2 emissions being eliminated by **2035**.

Long-term strategy.

- **Freighting Goods (Scope 3 shared)**

This is currently one of our largest emissions. Although leading freight carriers, such as DHL, are making great strides in decarbonising their processes e.g., battery vehicles, cleaner fuel for aircraft, etc., there is still great uncertainty in this area. There is currently no clear path to net 0 by 2050 although as new technologies and cleaner fuels emerge this may change.

We will diversify our supply chain to open up new opportunities and work with all our partners to reduce carbon. We will continue to keep an open mind and review new options as they arise.

- **Commuting**

The vast majority of our employees currently commute by car. By 2050 only cars older than 15 years will still be non-electric. Where this is the case, we will consider taking actions to share the responsibility with the employees concerned.

To encourage the transition to greener vehicles the Group has adopted incentives to promote the switch to electric cars such as providing charging posts at our sites, and tax efficient car leasing schemes through Octopus Energy.

- **Business miles in private vehicles (Scope 3 shared)**

We currently have a relatively small footprint in this area. After 2040 we will only authorise business miles in private vehicles where the private vehicle is electric.

- **Waste Processing (Scope 3 shared)**

Waste processing currently amounts for a very small proportion of our overall emissions.

We will diversify our supply chain to open up new possibilities and work with all our partners to reduce the amount of waste in our supply chain. We will continue to keep an open mind and review new options as they arise to reduce waste.

We will continue to look for further opportunities to segregate new recyclable streams from our general waste.

- **Water / Sewage processing (Scope 3 shared)**

Although water use /sewage processing currently amounts for the least proportion of our overall emissions due to the fact that most of our business units don't use water in their processes, we will ensure water is not wasted by applying our objective of ***Reduce Consumption, Reduce Waste.*** We will continue to identify ways to share the responsibility for any residual carbon emissions.

Summary

As it is our intention to continue to grow the business, which means overall emissions are likely to increase as we grow, we have used our intensity ratio in this report to compare and project carbon emissions going forward. We use Added Value as our intensity ratio as we believe this number best reflects business output.

During 2025/26 (FY26) we continued to grow the business in terms of sales values (and consequently Added Values which increased by 142% on our base year). This meant that we breached our targets in terms of absolute carbon (see graph 1), however when the intensity ratio is taken into account, we have remained below our predicted target in terms of tCO2e/£1M added value (see graph 2).

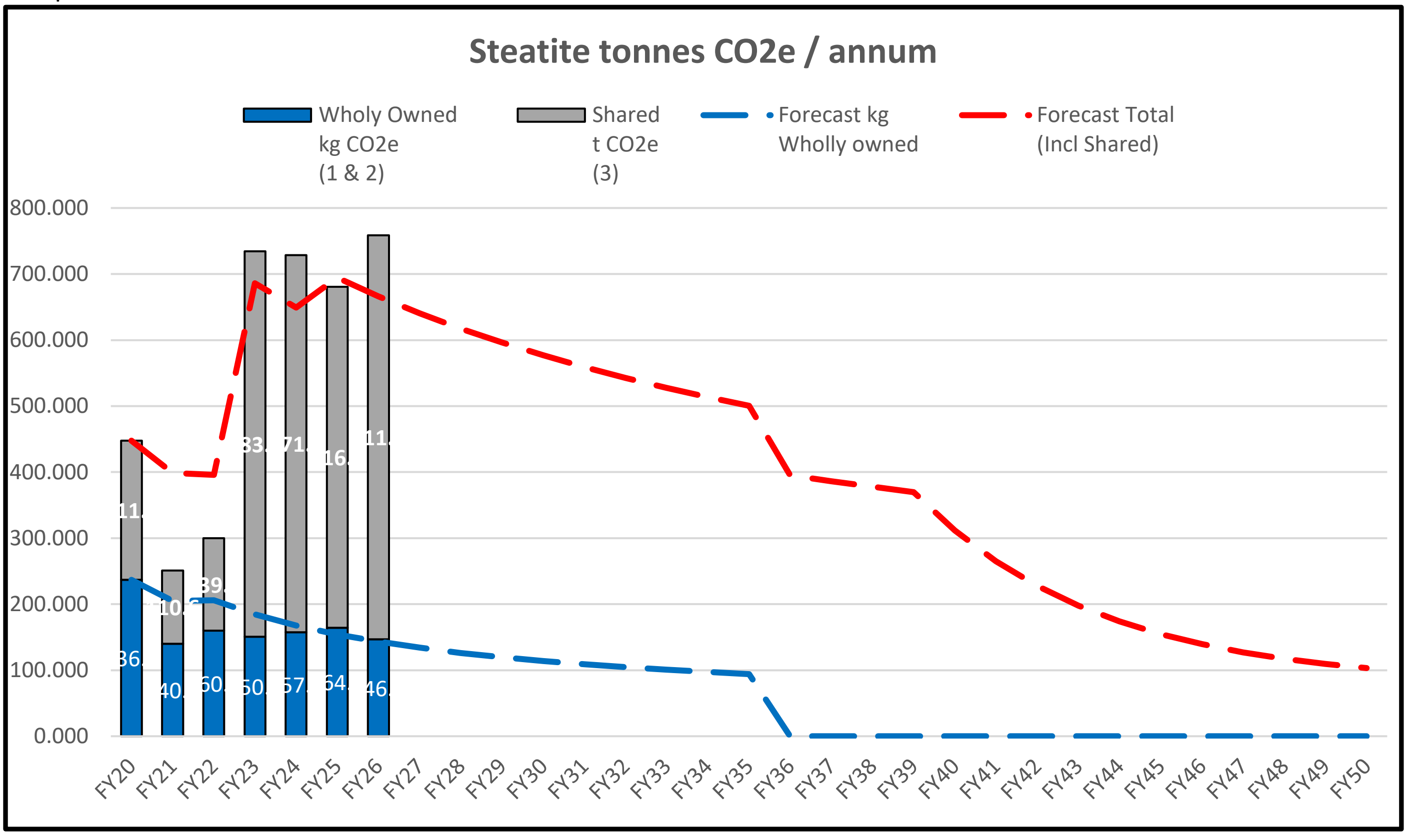
We expect our overall emissions to fall to 559.119 tCO2e in terms of absolute carbon, or 29.113 tCO2e/£1M Added Value by FY 2031 (31/03/31)

Progress against our targets can be seen in the charts below:

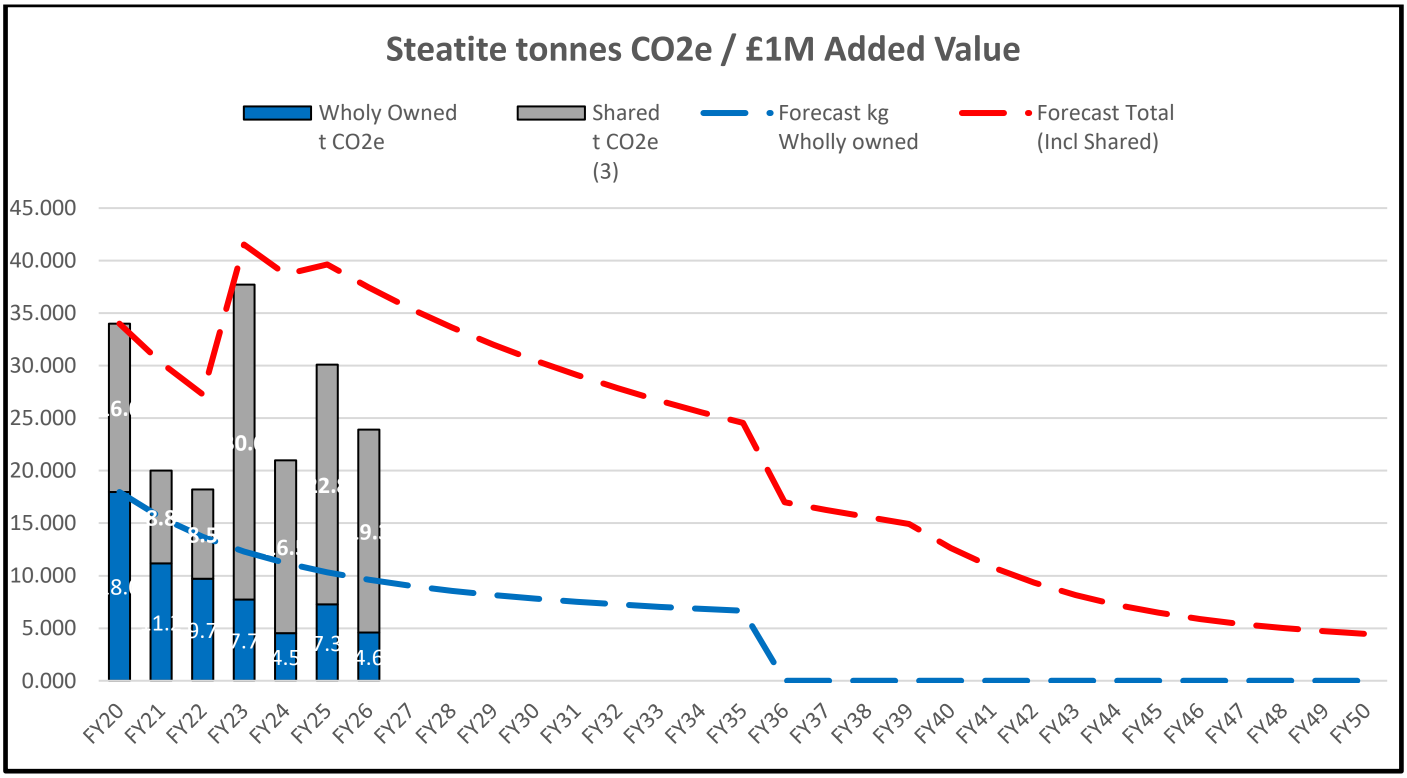
The first chart shows absolute carbon in tCO2e, the second chart includes the intensity ratio and shows t CO2e/£1M Added Value.

The step change in 2035 is when we move from gas to electric heating (if there is no viable low carbon alternative to gas), and the levelling out of the target in FY22 is when 38.88 tC02e from a company that was acquired after the baseline year was added into the plan.

Graph 1



Graph 2



Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the FY20 baseline.

Since 2020 we have introduced:

- FY20. 39% (9) of fleet either Hybrid or EVs up from 18% in FY19 (No EVs)
- FY21. 44% (7) of fleet either Hybrid or EVs
- FY21. LED lighting projects at both Crewkerne and Redditch
- FY21. 4-day working introduced at Crewkerne to save on warm up times for space heating
- FY22 62% (8/13) of fleet either Hybrid or EVs
- FY23 66% (8/12) of fleet either Hybrid or EVs
- FY23. Office refurb at Crewkerne. Gas heating replaced with air source in offices
- FY24. 75% (9/12) of fleet either Hybrid or EVs
- FY24. Miles in company vehicles reduced by 62% from Base year (FY20). CO2e reduced by 85%
- FY25. 80% (8/10) of fleet either Hybrid or EVs
- FY26. Installed destratification fans for Redditch warehouse

Improvements medium term:

We are committed to replacing gas heating with electric by 2035 (if there is no other green alternative to gas) this would reduce our scope 1 emissions by 69.159 tonnes by 2035 when the grid becomes green.

We operate an Environmental Management system certified to IS014001 by UKAS accredited certification body and it is intended to align our carbon accounting with IS014064-1, although this has not yet been completed.

Declaration and Sign Off:

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard[1] and uses the appropriate Government emission conversion factors for greenhouse gas company reporting[2].

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard[3].

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Signed on behalf of the supplier

Signed	Position	Date
[signature]	Managing Director	23/07/26

[1] https://ghgprotocol.org/corporate-standard

[2] https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting

[3] https://ghgprotocol.org/standards/scope-3-standard