

Robust strategy. Resilient performance.

Stelrad Group plc
Sustainability Report 2023

Reporting clear progress in sustainability



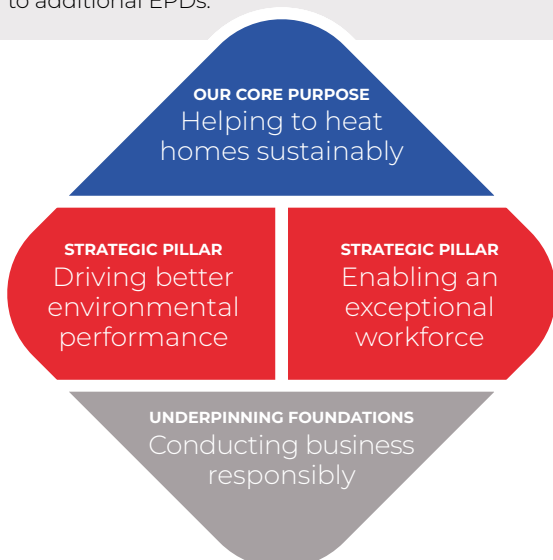
Trevor Harvey
Chief Executive Officer

Highlights of 2023

- Expansion of Scope 3 carbon emissions measurement from the UK to cover the whole Group (see page 07).
- Incorporation of Radiators SpA into our expanded set of sustainability metrics, and development of Group sustainability targets (see page 03).
- Development of Group policies covering sustainable procurement, the environment, information security and anti-corruption and bribery (see page 56 of the Annual Report 2023).
- Verification and publication of our first Environmental Product Declarations (“EPDs”) (see page 04).
- Reduction in lost time severity rate of 15% towards our long-term goal of zero harm (see page 10).

Next steps for 2024

- Further development of metrics and targets, in line with international frameworks.
- Development of an action plan for packaging changes, aiming to drive improvement on our key packaging metrics.
- Launch of a low-carbon radiator series in the UK, utilising low-carbon steel.
- Further measurement of lifecycle impacts, leading to additional EPDs.



2023 was our first full year operating Fit for the Future, the strategic sustainability programme we developed in 2022. Sustainability is central to achieving our core purpose, and I am delighted with the progress we have made since establishing key governance structures and the metrics needed to drive Stelrad's future progress in this area.

We calculated Scope 3 emissions at Group level for the first time last year (see page 07) and set a carbon intensity target for the future. Achieving that target as markets recover and production volumes increase will require us to minimise increases in our operational carbon emissions through reducing the impact of the steel we purchase, investing in our manufacturing processes and using more renewable energy. In 2023, we made progress towards this objective by increasing the percentage of energy use from renewable sources, from 8.7% in 2021 to 41.5% in 2023.

We developed additional sustainability-related policies to strengthen our approach in key areas (see page 56 of the Annual Report 2023) and we will continue to develop these further over the coming years. A good example is the expansion of our supplier auditing process across all of Stelrad's business units. This ensures a consistent approach and comparable standards across the Group.

We are also enabling our customers to make sustainable choices.

We published our first environmental product declarations detailing the environmental impact of our products. This was developed in response to customer requests and reflects our determination to promote sustainability and increase customer satisfaction by working in partnership with stakeholders throughout our value chain.

In 2024, we will be launching a low-carbon radiator range in the UK, enabling Stelrad's customers to reduce the carbon impact of the products they buy, whilst contributing to the decarbonisation of our supply chain and the mitigation of climate change more widely.

Within Stelrad's operational facilities, we made good progress on safety in 2023 with reductions in all key metrics, notably a 15% reduction in lost time severity rate and a 7% reduction in all safety incidents. This is especially pleasing, as it took place in the year when we integrated Radiators SpA into our Group safety processes and identified important opportunities for future improvement. Safety will continue to be a key focus for 2024 as we strive for zero harm, prioritising further improvements to foster a safe and supportive working environment.

After making clear progress last year, we remain committed to maintaining momentum throughout 2024 and beyond, building on the foundational improvements we have established and ensuring we fulfil our core purpose, helping to heat homes sustainably.

Trevor Harvey
Chief Executive Officer
8 March 2024

Our Fit for the Future framework covers a variety of strategic issues as shown in the table below. These were determined through an in-depth consultation process with a wide range of the Group's key stakeholders. These were then further developed to ensure the framework matches the structure, capabilities and processes of the Group.



Driving better environmental performance

1 Decarbonisation of heating

Description – Reducing the amount of carbon produced by domestic and commercial heating systems

Objective – Ensure we maintain a coherent offering suitable for lower carbon heating systems, regardless of the heat source

2 Energy and carbon

Description – Managing business activities that consume energy and emit greenhouse gases into the atmosphere, contributing to climate change

Objective – Target improvements as part of a long-term journey to net zero carbon emissions, within our operations and our wider value chain

3 Upstream lifecycle impacts

Description – Managing the environmental impact of a product in the extraction, processing and distribution of raw materials

Objective – Understand and quantify our indirect impacts, and engage elements of our value chain to minimise these impacts

4 Packaging

Description – Managing the lifecycle environmental impacts of the packaging used to protect products during transportation

Objective – Develop an approach to packaging products that is fit for the future, environmentally and commercially



Enabling an exceptional workforce

5 Training and development

Description – Developing the skills needed to maintain and enhance our market position

Objective – Review and strengthen existing training and development programmes

6 Diversity and inclusion

Description – Enhancing the presence of differences such as gender or ethnicity within the workplace, and ensuring that all people share a sense of belonging

Objective – Be representative of the communities in which we operate and broaden the diversity of our population

7 Employee engagement

Description – Understanding the motivations of employees and working to foster an engaged workforce

Objective – Develop employee engagement programmes with ongoing two-way communication

8 Employee wellbeing

Description – Supporting employees' mental, emotional and physical health

Objective – Provide and foster a safe and supportive working environment that promotes personal wellbeing



Conducting business responsibly

9 Health and safety

Description – Protecting the health and safety of the workforce during all business-related activities

Objective – Aim for continuous improvement in accident frequency rates by nurturing a positive safety culture throughout the business

10 Supply chain management

Description – Identifying and managing issues within the supply chain, and promoting the improvement of standards

Objective – Engage with suppliers to optimise sustainability in our supply chain

11 Corporate governance and ethics

Description – Ensuring the system of rules and processes fosters ethical business practices and supports the needs of all stakeholders

Objective – Maintain high ethical and corporate governance standards and a culture of accountability

Sustainability Report 2023 *continued*

Sustainability metrics

We present here our key sustainability metrics, with further metrics shown on page 15. We have added metrics for Scope 3 carbon emissions and the recycled content of packaging materials this year. These additional metrics reflect historical focus areas where we have improved our data collection.

The inclusion of data from Radiators SpA led to historical recalculation to provide a consistent baseline for comparison. Where 2021 data for Radiators SpA is unavailable, this is shown as "n/a". Intensity metrics were also affected by a change in methodology to ensure greater consistency.

In 2023, further reductions in our Scope 1 and 2 carbon emissions were achieved and these are now 63% lower than the 2021 baseline, although a market-driven production volume reduction was a clear contributory factor. Our main underlying improvement was driven by the increased use of renewable energy, which rose to 41.5%. This contributed to an emissions intensity figure that is now 42% below the 2021 baseline. Scope 3 emission reductions of 16% were also achieved, driven by a reduction in purchased goods.

On packaging, our use of recycled content increased significantly, driven by the shrink film used in Termo Teknik. Unfortunately, we used more plastic per tonne of product due to changes in the mix of products and production locations, and an increase in transit distance.

Metric	2023	2022	2021
Driving better environmental performance			
Total market-based Scope 1 and 2 emissions (tCO ₂ e)	12,122	14,827	32,757
Market-based Scope 1 and 2 emissions intensity (tCO ₂ e/t)	0.10	0.11	0.18
Total Scope 3 emissions (tCO ₂ e)	445,479	531,456	n/a
Energy from renewable sources (%)	41.5%	39.5%	8.7%
Plastic packaging intensity (kg/t)	12.1	11.4	n/a
Recycled content of packaging material used (%)	68.1%	60.5%	n/a
Enabling an exceptional workforce			
Training days per employee	2.9	2.6	n/a
Voluntary labour turnover rate	8.0%	7.3%	n/a
% of women in workforce	10.5%	11.1%	n/a
Conducting business responsibly			
Lost time frequency rate ⁽¹⁾	8.82	9.19	10.94
Lost time severity rate ⁽¹⁾	54.06	63.45	49.27
% of key suppliers with up-to-date audits	64.3%	19.7%	n/a

(1) Any incident resulting in an employee not being able to attend work the following day is regarded as a lost time incident. Definitions of these key metrics are available on page 12.

We managed to increase our training days per employee from the high level seen in 2022 and also kept our voluntary labour turnover at similar levels.

The percentage of women in the workforce also declined (see page 09 for more detail).

We saw improvements in our key safety metrics, reflecting our ongoing focus in this area (see page 10 for more detail).

Following development during 2022, our enhanced supplier auditing process is now embedded across the Group. 64% of suppliers have been audited, ahead of the initial target of 55% – demonstrating significant buy-in from our suppliers.

Sustainability targets

The following table outlines our ambitions for a selection of our key sustainability metrics.

Metric	Ambition
Market-based Scope 1 and 2 emissions intensity (tCO ₂ e/t)	45% reduction from 2021 by 2030
Energy from renewable sources (%)	45% by 2030
% of key suppliers with up-to-date audits	Above 75% by 2030

Our carbon reduction target focuses on achieving a 45% intensity reduction from the 2021 baseline by 2030. We continue to monitor emissions and, longer term, we aim to set an absolute reduction target aligned with science. Conscious of the market-driven reduction in production volume, we do not feel that is appropriate at this point.

Increasing the share of renewable energy in our mix will be a key enabler to further carbon reductions. Our target of 45% by 2030 is reflective of the significant increases we have already made, and the relative difficulty of further increases.

Finally, we aim to maintain a position where at least 75% of key suppliers have been audited within agreed timescales. Each of these targets will be kept under review.

In addition to the above, we aim to maintain a performance above important thresholds on a further selection of our key metrics, including the recycled content of packaging, voluntary labour turnover and training days per employee. Two of these metrics have been included in our executive remuneration scheme for 2024 (see page 75 of the Annual Report 2023).

Our focus for improving safety and women's representation will be strengthening our culture and processes, developing targeted initiatives to encourage female representation and progressing towards doing zero harm.

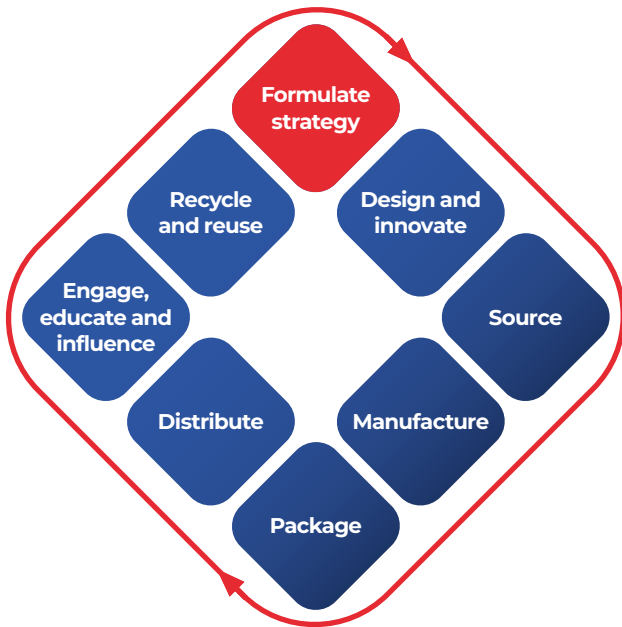
There is significant ongoing work on understanding the potential impact of any changes to our packaging. As these initiatives progress, we will look to set long-term targets.



Driving better environmental performance

Our approach to driving better environmental performance focuses on a number of areas, including our energy and materials usage, the impact of our products over their lifecycle and the decarbonisation of heating.

In 2023, our understanding of our environmental impacts increased further, with the completion of additional lifecycle assessments (“LCAs”), the publication of our first environmental product declarations (“EPDs”), and the collection of Group-level Scope 3 carbon emissions data. This helps us to identify targeted actions to improve our environmental performance across all stages of our business model, as we outline below.



1. Formulate strategy

Environmental considerations feature strongly in our strategy. Our key objectives are outlined on page 14 of the Annual Report 2023 and are closely aligned to environmental factors. The strategic importance of the environment reinforces the need to properly understand our impacts. In 2023 we took important steps to increase our understanding by calculating our Group-wide Scope 3 emissions for the first time and publishing our first EPDs.

Our Scope 3 emissions analysis has confirmed the significant impact of raw materials. Purchased goods and services account for 91% of the total carbon emissions of our value chain with the biggest contribution from steel and steel components. More information on our approach to sourcing steel is described on page 05. Other major contributors to our overall carbon footprint include our use of energy in our operations and the transportation of products and raw materials. The following sections outline some examples of how we are working to reduce our environmental footprint in these areas. More information on our Scope 3 emissions is shown on page 07 and is also published in our carbon balance sheet on our corporate website.

We also published our first EPDs, covering standard panel radiators in Europe and Scandinavia. These were published to ensure that we provide full information to our customers, enabling them to easily assess the environmental impact of our products on their projects. The EPDs reinforce the finding from our Scope 3 analysis that the greatest impact comes from our raw materials, with c.80% of the carbon footprint of our radiators attributable to module A1 – raw materials. The studies also emphasise the benefit of the recovery and recycling of steel at the end of life of the radiator, which significantly reduces the full lifecycle impact of our products – benefits that would not be possible if alternative, harder to recycle materials were used.

2. Design and innovate

We are always looking to bring innovative products to market, and we believe that innovation is key to our business. This is especially important as we develop our higher heat output product portfolio, prioritising products that are particularly suited to the heating systems of the future.

This year saw two significant developments to our product offering. Firstly, we utilised the capabilities of Radiators SpA to expand our offering of electric radiators in new markets including the UK. These products can contribute to the elimination of fossil fuel-using heating systems, and we expect sales of these products to increase over the coming years.

The second development was the launch of the Green Series in the UK. This series has been developed in partnership with a key steel supply partner and uses steel certified to be responsible for 90% lower carbon emissions than standard. Our engagement with this scheme offers us and our customers the opportunity to directly contribute to decarbonising the steel industry by funding carbon reduction projects. The Green Series will be available for purchase from April 2024.

3. Source

The results from our existing LCAs and our Scope 3 emissions measurement emphasise the importance of the materials that we use, and how we conduct our sourcing processes. We regularly audit our key suppliers, aiming to raise standards across the supply chain. To further strengthen our procurement activities, in 2023 we developed a sustainable procurement policy. This policy applies to all employees within the Group and aims for our procurement activities to result in the best combination of whole-life costs and benefits by considering appropriate environmental, social and economic factors in all purchasing decisions. The policy outlines our procurement principles and details our objectives in the areas of human rights, labour standards, environment, energy and carbon, materials and resources.

Our sustainable procurement objectives include proactively tackling modern slavery and labour exploitation, protecting nature, reducing the energy use in our supply chain, increasing the use of low and zero emission transport methods, seeking reductions in materials consumption, reducing usage of single-use plastic, and increasing the use of clauses in procurement contracts that encourage positive environmental or social outcomes.

Steel makes up c.96% of the weight of our products, and our steel sourcing activities are key. The spotlight on steel purchasing shows some of the methods we are taking to increase sustainability in this area.

Driving better environmental performance *continued*

Spotlight on steel purchasing



We proactively engage with our key steel suppliers to understand their decarbonisation plans, given the environmental impact of the steel supply and the significance of steel to Stelrad's products. Alongside tracking their progress, we encourage our key steel suppliers to accelerate their decarbonisation plans, and we plan to increase our work with steel partners on investigating options for lower-carbon steel. The launch of the Green Series in the UK is a good example of how this can contribute to our offering whilst increasing investment in the decarbonisation of the steel industry.

The full decarbonisation of the steel supply chain is a long-term process. In the short term, we are actively reducing the impact of the steel we buy. This includes promoting greater efficiency in materials usage and using lower gauge steel. In 2023, 17.8%, or 19.6kt, of our steel purchases were classified as lower gauge, an increase from 16.3% in 2022. This growth is partially attributable to increased purchasing in the UK and changes made in Radiators SpA in 2023 to reduce the steel gauge used on our column products by 5.5%.

4. Manufacture

The environmental impact of our manufacturing is relatively small in comparison to other elements of the supply chain, but it is still an area of focus, and one where we have greater control. We measure our carbon impact through our two key sustainability metrics of Scope 1 and 2 carbon emissions and emissions intensity. Since our baseline in 2021, both of these metrics significantly reduced. Emissions intensity has reduced by 42%, driven primarily by increasing the amount of renewable energy purchased and by efforts to reduce energy usage and increase energy efficiency. Gross emissions reduced even further, by 63%, due to market-driven reductions in production volumes. Any future recovery in market conditions may increase absolute emissions.

We have focused on reducing Scope 3 emissions in the areas in which we have the greatest influence, including employee commuting. In 2023, we completed a number of initiatives designed to encourage more environmentally friendly commuting. These include investments at Continental Radiators to install eight electric car charging points, and to improve site access for bicycles, as well as the implementation of a cycle to work scheme in the UK. This is in addition to our ongoing provision of buses for employees in Turkey. These actions should reduce the number of internal combustion cars visiting our sites.

Beyond energy and carbon, our water usage reduced by 7.1% from 2022. The amount of waste we generated fell 13.1% to 7,547 tonnes, and we continue to divert virtually all waste from landfill, achieving 97.7% in 2023. In 2024, we intend to increase the detail of the mapping of our waste streams, improving our understanding of the types of waste generated and how it is processed.

Spotlight on energy usage



A key method to decarbonise operations is to reduce the use of fossil fuels. Improving efficiency in our manufacturing operations, supported by significant investment, continues to be a key focus for us, including adapting existing processes to run on electricity rather than fossil fuels. One example of this took place in Italy in 2023, where the heat shrink oven was replaced with an electric version. This machine was used in packaging our products and consumed approximately 13,600m³ of natural gas each year. It is estimated that the replacement will reduce energy consumption by 124MWh each year – c.1% of the site's total natural gas usage in 2023. A further example is in the UK, where our LPG-consuming forklift trucks will be replaced with electric versions in 2024.

The impact of such initiatives is shown by the increase in the proportion of energy derived from electricity. In 2021, this was 48%, and this has increased to 52% in 2023. The reduction in our carbon impact from using electricity rather than fossil fuels is increased when we utilise renewable electricity. We are targeting 45% of our energy use from such sources by 2030.

5. Package

Packaging is an essential part of our offering, as our products are heavy and bulky and can be damaged if packaged incorrectly. Over the last two years we engaged in a significant project to understand the packaging we use and identify opportunities to reduce its environmental impact without compromising the quality of protection. This is supported by two key sustainability metrics, measuring the recycled content of packaging that we use and the intensity of plastic used in our packaging.

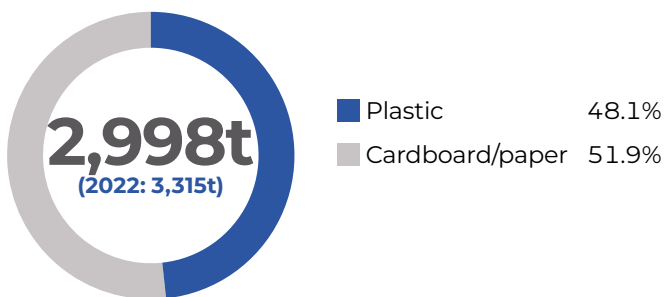
Our improved packaging data helps us to identify key areas of focus and any potential for sharing best practice. Our use of packaging is greatest in Termo Teknik to ensure that products are not damaged when shipping from Turkey. This includes using materials such as polystyrene and bubble wrap, which are harder to recycle and have a greater environmental impact. This partly explains the increase in plastic packaging intensity seen in 2023, with a greater proportion of products manufactured in Turkey.

Although there are definite possibilities for improvement, there are many positive aspects of our packaging use. 94% of our cardboard and paper and 16% of our plastic is made from 100% recycled material, and 94% of our packaging is, in turn, recyclable. Our key sustainability metric measuring recycled content increased to 68.1%, driven by changes to plastics used for bags, bubble wrap and shrink film.

We have also identified a number of actions to improve performance against these metrics in future, including removing plastic bags from some of our hardware packs, reducing the gauge of shrink wrap and polystyrene used on some products and altering the grade of plastics used to increase recyclability. Some of these improvements are already in place; others will be delivered in the near future.

In 2023, we used 2,998 tonnes of packaging material, down 9.5% from 2022 due to reduced production volumes. This is broken down by material type as shown below:

Packaging used (2023), by material type



6. Distribute

Our distribution activities deliver products from our six manufacturing and warehousing facilities to c.40 different countries. Increased efficiency is a key aim, and we are flexible in our approach to ensure we maximise vehicle utilisation rates, deliver in full pallet loads where possible and minimise the cost and energy involved. Final distribution to customers is routinely managed with route optimisation software.

We also promote the efficient use of hauliers through back-haul arrangements wherever suitable. We have specific arrangements with major customers to reduce empty running of vehicles and increase optimisation. Additionally, our use of third party hauliers further increases flexibility and the potential for back loads. We are also addressing

the carbon impact of our own car fleet and aim for all vehicles across the Group to emit less than 50g CO₂e per km. Currently, 45% of cars in the Group meet this standard with a significant increase in low-emission vehicles used in Europe compared to 2022.

7. Engage, educate and influence

To continue to contribute to the decarbonisation of heating, we educate and inform our customers and other value chain participants. We engage in communication campaigns explaining how radiators can be used in a variety of scenarios and with a range of heat sources.

Achieving our goals is made easier through developing partnerships with key influencers, and we are strengthening our industry involvement, for example, with trade associations. A key activity for us is the design of heating systems and the spotlight on partnerships below outlines how we have approached this in our key UK market.

Spotlight on partnerships

Over the years, we have formed a variety of different partnerships with agencies, heat source manufacturers and other value chain participants. The objective of these was twofold – the production of more accurate and efficient heating designs, enabled through better data sharing, and, secondly, the improved generation of leads and additional business for Stelrad.

In response to the growth of alternative heating systems such as heat pumps, we further increased our engagement with this market, in part by forming a partnership with Renewable Energy Domestic Designs (“REDD”). REDD provides a heating and plumbing design service to a variety of sectors, with a focus on the new build housing sector. It is also involved in designing the heating systems of the future, including contributing to the Energy House 2.0 facility at the University of Salford. REDD now handles c.50% of the queries we receive for heating systems, with a large proportion of those designs incorporating alternative heat sources to gas boilers.

8. Recycle and reuse

It is estimated that the lifecycle of our radiators is in excess of 30 years. Steel is 100% recyclable and benefits from one of the highest recycling rates of all materials. The benefit of this recyclability is quantified in our EPD, where benefits from recycling at the end of life equate to c.52% of the carbon footprint of the initial product.

We are also working to improve the circularity of the packaging we use. We aim to both improve the recyclability of our packaging, primarily by replacing hard to recycle plastics with alternatives such as cardboard, and increase the recycled content of the packaging we use – this is monitored as part of our key sustainability metrics. In 2023 we increased the recycled content of our packaging from 60.5% to 68.1%.

Driving better environmental performance *continued*

Streamlined Energy and Carbon Reporting

The table below summarises our energy usage and associated emissions for the Group during 2023.

Our chosen intensity metric is tCO₂e per tonne of product produced. The results of this intensity metric are as follows, showing the change relative to our baseline year of 2021:

Scope 1 and 2 intensity	2023	2022	2021	Baseline variance
Market-based	0.10	0.11	0.18	(42.4)%
Location-based	0.18	0.20	0.17	5.8%

		2023			2022			YoY variance
		UK	Non-UK	Total	UK	Non-UK	Total	
Consumption (MWh)	Scope 1	6,539	36,506	43,045	7,359	44,631	51,990	(17.2)%
	Scope 2	6,349	39,399	45,749	6,899	45,653	52,552	(12.9)%
	Total	12,889	75,905	88,794	14,258	90,284	104,542	(15.1)%

		2023			2022			YoY variance
		UK	Non-UK	Total	UK	Non-UK	Total	
Scope 1		1,234.6	6,838.3	8,072.9	1,377.8	8,282.3	9,660.1	(16.4)%
Scope 2	Market-based	3.1	4,046.3	4,049.3	0.5	5,166.2	5,166.7	(21.6)%
	Location-based	1,314.8	12,613.4	13,928.2	1,334.1	15,707.3	17,041.4	(18.3)%
Total Scope 1 and 2	Market-based	1,237.7	10,884.5	12,122.2	1,378.4	13,448.5	14,826.8	(18.2)%
	Location-based	2,549.4	19,451.7	22,001.1	2,711.9	23,989.6	26,701.5	(17.6)%
Scope 3 category 1		88,114	336,999	425,113	52,572	447,425	499,997	(15.0)%
Scope 3 category 4		1,103	7,625	8,728	2,474	11,789	14,263	(38.8)%
Other Scope 3 emissions		1,978	9,660	11,638	1,962	15,234	17,196	(32.3)%
Total gross Scope 3 emissions		91,195	354,284	445,479	57,008	474,448	531,456	(16.2)%
Total Scope 1, 2 and 3 emissions	Market-based	92,433	365,168	457,601	58,386	487,897	546,283	(16.2)%
	Location-based	93,744	373,736	467,480	59,720	498,438	558,157	(16.2)%

Reporting methodology

Our emissions are reported on a consolidation, operational control approach, as defined by the GHG Protocol. All emissions have been calculated following the GHG Protocol's Corporate Accounting and Reporting Standard. All seven greenhouse gases defined by the Kyoto Protocol have been accounted for and reported on a tonnes of carbon dioxide equivalent (tCO₂e) basis.

Where available, country-specific emissions factors have been utilised for our global operational emissions. Residual emissions factors have also been used for non-renewable energy reported under market-based calculations and, where possible, these have been sourced for our countries of operation.

Purchased goods and services account for 90.9% of Stelrad's total location-based emissions. Other significant emissions categories include upstream transportation and distribution (1.9%), fuel-related emissions (0.9%) and end-of-life treatment of sold products (0.7%). All other categories are either not applicable, or account for 0.5% or less of Scope 3 emissions.

Indirect use of energy by sold products is optional to report in category 11. This would include the indirect energy use of boilers, which, if included, would represent more than 99% of total emissions. This is therefore not included in our inventory. More details can be found in our Carbon Balance Sheet Report, published on our website at stelradplc.com/sustainability/driving-better-environmental-performance/.



Enabling an exceptional workforce

Our people are fundamental to the success of our business, and we are proud of our culture of collaboration and teamwork. We are passionate about providing a workplace that fosters an encouraging and inclusive environment where everybody can thrive and contribute to our future growth. We support all areas of our workforce, with particular focus in the areas of employee engagement, training and development, wellbeing and equality, diversity and inclusion. Outside of our business, we invest in community initiatives tailored to local needs across our different geographical sites. To help us monitor our progress, we report our key sustainability metrics of training days, voluntary labour turnover and women in the workforce on page 03.

Our people

Our geographical footprint is shown on page 3 of the Annual Report 2023. Across the Group, we employ a total of 1,414 people, with 1,206 of those outside the UK. Given this geographic span, we have a diversity of cultural norms as well as a breadth of differing statutory requirements. Our culture, with its emphasis on respect, integrity, service, stewardship and excellence, bridges and values the rich heritage of our people and the diversity we have within our business. Our strategy of local-led implementation ensures we are delivering for our employees in each country and our flat management structure assists us in maintaining close working relationships across the Group.

Training and development

We have a highly skilled and experienced workforce with a deep understanding of our industry. Our people are at the heart of everything we do. We offer a wide range of training and development opportunities that are relevant to our industry because we know that our success depends on our collective ability to grow, learn and adapt. We measure the number of training days provided as a key metric and this increased in 2023.

Manufacturing excellence

As a manufacturing-led business, the majority of our workforce are operatives, and we provide opportunities for people to develop their skills with extensive on the job training. For example, within our manufacturing plants, we maintain a competency matrix which identifies the range of skills required for each task within the manufacturing process. Individuals are developed across the competency matrix through a detailed programme of training and assessment. This is complemented by external market insight, technical skills and knowledge development received through partnerships with various suppliers and subject matter experts.

Underpinning this is our commitment to supporting all employees with a continuous health and safety training programme. For example, in Continental Radiators, all managers participated in training on “creating a socially safe working environment” in the last year.

Leadership excellence

Leadership is developed at several layers in the organisation. This year in Continental Radiators, a bespoke leadership programme was delivered to 36 employees, with the aim of developing leadership skills across the current and emerging leadership populations. The participants were from production, logistics, maintenance and engineering, and all

were presented with a diploma to recognise their successful completion of the programme. Connected to this was a one-day leadership event for all managers in manufacturing and supply chain, aiming to ensure that management and operatives are aligned. For 2024, a follow-up programme is scheduled for other employees who are enthused to participate, along with an advanced class for participants who have potential for further development.

Future focus

We continue to invest in developing employees of the future. This takes a number of formats, including internship and apprenticeship schemes across the Group. Within the UK we currently have four apprentices in place, with one apprentice having recently been shortlisted for the Heating & Plumbing Award for “Apprentice of the Year”. In Continental Radiators, we participate in “Procestechiek & Maintenance Limburg” (“PML”), which is a formal platform to address the shortage of operators and maintenance technicians in the industry. We also offer scholarships and internships in both Turkey and Continental Radiators.

Employee engagement

Reflective of our business model, our approach to employee engagement is decentralised and tailored to local workforces. We listen to and communicate with our employees through multiple approaches, including employee feedback schemes, team meetings, employee magazines and employee dinners. Whilst these differ in each location, the focus is on establishing ongoing two-way dialogue with all employees to ensure that they have a voice in the workplace. This is reinforced through formal employee representation partnerships, and we have well-established, positive relationships with trade union partners across our main sites.

The success of this approach to two-way employee engagement, supported by paying competitive salaries, providing meaningful work and investing in our people, is reflected in maintaining our voluntary labour turnover rate of 8.0%. A more detailed review of employee engagement at Board level is shown on page 90 of the Annual Report 2023.

Equality, diversity and inclusion

As an international group, we recognise and enjoy the benefits of working with a diverse group of colleagues. We are proud to have a diverse and inclusive workforce which reflects the communities in which we operate, and we are committed to providing an environment where everyone feels valued and respected.

Our Group Equality, Diversity and Inclusion Policy guides and shapes our approach to embedding equality, diversity, and inclusion into our key people processes. The employee lifecycle process provides a structured framework for this, whilst providing the appropriate flexibility for actions to be developed in different areas of the business that reflect the decentralised business model, the different legislative requirements and the cultural norms in each of the jurisdictions in which we operate.

This year, in line with the new Board diversity disclosure listing rule, we are reporting on the composition of the Board and Executive Management in relation to gender and ethnicity. Details of this can be found on page 72 of the Annual Report 2023. In addition, we continue to voluntarily report on gender pay statistics in the UK, with a full report available on our website.

Enabling an exceptional workforce *continued*

Gender

Consistent with the demographics of the wider manufacturing sector, the majority of our workforce is male, although female representation in sales, general and administration ("SG&A") positions remains higher, at 29.3%. We are pleased to have appointed Annette Borén to the role of Chief Financial Officer this year, increasing the diversity within our talented Executive Management team. We recognise that further increasing the representation of women in our business and in leadership roles is important to our future success, which is why the percentage of women in the workforce is a key sustainability metric.

All employees



SG&A



Management



Board



Men ■ Women ■

Spotlight on gender diversity

In Continental Radiators, we participated in Girls' Day, a national event focused on introducing girls to science, technology and manufacturing at a young age. The event attracted approximately 179 girls who completed four hands-on activities in the company of career guides – female technical employees from supportive companies. Denise Sweelssen, our Operations Director, and Sandra van Os, one of our operatives, participated as guides in the event. The career guides help the attendees on the activities whilst discussing their roles, why they chose a technical career and how they overcame obstacles.

Additionally, our management and human resources teams in Radiators SpA attended a training course addressing the increased importance of language as it relates to gender identity, raising awareness and understanding of this important issue.

Wellbeing

We continued to develop our health and wellbeing support with a focus on physical and mental wellbeing. This is underpinned by detailed policies and resources that support employees' wellbeing, including workplace physicians and nurses, external specialist services, preventative medical examinations and an Employee Assistance Programme.

Activities to promote improved wellbeing this year include the construction in Turkey of a spacious and modern catering area and break areas within the factory site.

Spotlight on supporting education



This year we participated in a range of career development activities, including providing work experience and hosting open days and school leaver days across the Group. In the UK, we continued to support the Advanced Manufacturing Engineering (BTEC) programme at Sheffield College as part of the Employer Skills Academy. Additionally, in September, the UK opened its doors to the community as part of Make UK's National Manufacturing Day, showcasing potential careers and providing "through the keyhole" tours of the business to local schools.

In Continental Radiators, we participated in a festival with Zuyd Hogeschool that connects students with local companies for traineeships and job opportunities. Additionally, we provided a tour and information session for 56 local school children aged eleven and twelve. The students were able to witness first hand the range of valuable and interesting occupations available in manufacturing.

Construction is also underway on a larger and more modern employee changing room. In the UK, six of our senior managers were trained as mental health first aiders, aiming to raise awareness of mental health in the workplace and to equip participants with the skills to promote mental wellness and identify and provide support as appropriate.

Community

We remain committed to ensuring that each of our businesses fosters strong, tailored relationships with its local community. We are proud of the positive impact that we made to our local community this year, including supporting education, charitable donations and local sponsorships and partnerships.

In 2023, Radiators SpA was one of the first 500 contributors to a fundraiser to support Project Autism FVG. The purpose of the project is to enable severely autistic children who are currently housed in an institution to live together with their families in a newly constructed inclusive village. In addition, Christmas gift packs were given to all employees and to the parish of Moimacco for distribution to local families in need of support. In the UK, the Social, Charity and Community forum continued its fundraising work and provided sponsorship to a number of employee fundraising events in the year. Additionally, in September, 47 of our UK employees embarked on a 14-mile sponsored walk to raise funds for Cancer Research UK and the Bluebell Wood Children's Hospice. As well as supporting physical and mental wellbeing, the event raised a total of £5,600, which will be split between the two charities.



Conducting business responsibly

Conducting business responsibly is a key foundation in everything we do and underpins all our business activities. Our approach is guided by a strong culture and a clear set of values overseen by the Board. Our strengths in corporate governance, safety, supply chain management and labour standards enable our progress in other elements of sustainability and corporate strategy.

Health and safety

Our number one priority is to keep our employees and contractors safe and healthy, and we aim for zero harm across all our operations. During 2023, our key priorities were to maintain long-term progress in our sites in the UK, Continental Radiators and Termo Teknik, whilst fully incorporating Radiators SpA into our health and safety processes. Our performance at Group level registered some highlights, with lost time severity rate (“LTSR”) falling significantly, and our lost time frequency rate (“LTFR”) reducing by 4%. However, our total incident rate remained at similar levels to 2022. A key stand out is the performance of our Turkish site, where significant investment in process automation and operator training, coupled with providing videos to support work instructions, led to a material improvement in safety performance. LTFR in Turkey more than halved, from 7.7 in 2022 to 3.4 in 2023, resulting in a site where performance had been comparatively lower becoming the best performing site on safety in 2023.

2023 saw the UK set a new record of 971 days without a lost time incident (“LTI”). Unfortunately, three LTIs were recorded in the UK since the record ended in March. The incorporation of Radiators SpA into our safety metrics and processes has identified a number of opportunities for improvement. LTFR in Italy was seven times higher than in the rest of the Group, and reducing this will be a key focus in 2024. Our expectation is that this will improve as our safety culture and processes become embedded.

Fatality rate

2023	0
2022	0
2021	0

Lost time frequency rate



Lost time severity rate



Total recordable incident rate



Definitions of these metrics are available on page 12.

Spotlight on safety



Manual handling is one of the main safety risks we face. Our products are heavy and can cause injuries if handled incorrectly. One of our main safety strategies is therefore to identify manual handling within our processes and act to reduce this. We utilise many tactics, including redesigning workflows, rearranging production, utilising handling equipment such as cranes and forklifts and investing in automated handling equipment.

The last of these tactics has been instrumental to the improvement in safety performance of Termo Teknik. For example, we identified points within the production process where radiators were being lifted from a platform to floor level. We invested in high-speed robots to conduct this activity instead. These robots utilise a radiator grip attachment specifically designed for this process and, between them, can handle up to eight million radiators, at a weight of c.160kt, a year. There are plans to extend this approach in other areas during 2024.

Corporate standards

We maintain high standards, ensuring we respect fundamental principles of human rights and comply with all applicable laws and regulations. This approach is enacted locally but supported by a range of Group policies.

During 2023, we expanded our suite of policies, ensuring greater consistency. This included updates to our Group Code of Conduct, which sets the standards of behaviour which every employee is expected to uphold. We also developed new Group policies covering information security, anti-corruption and bribery, sustainable procurement and the environment. These new policies must be observed by all employees and any individual working on our behalf. Local policies must not fall below the Group standards.

One way in which we assess and communicate our corporate standards is through the EcoVadis platform, which all our manufacturing sites are members of. In 2023, we achieved improvements in many areas and have been rewarded with EcoVadis silver medals in the UK and Continental Radiators and bronze medals in Radiators SpA and Termo Teknik.

Supply chain management

Our high standards also extend to our suppliers. In 2022 we developed a process for auditing and assessing our suppliers in a range of areas including health and safety, human rights, the environment and product quality. We continued to develop this process in 2023, rolling it out across the Group. At the end of the year, we had completed audits on 64% of our key suppliers and we have a target of reaching and maintaining this above 75% of our key supplier base by 2030.

TCFD Report

This is the third report in which we make disclosures against the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”). We can report further progress towards full alignment with the publication of Group Scope 3 emissions (see page 07) and the introduction of several sustainability targets (see page 03). These targets include a carbon emissions intensity reduction target. The remaining gap in our disclosure is on strategy resilience and scenario analysis. This is yet to be completed as we wish to ensure any scenario analysis is as meaningful and relevant as possible. This necessitates more work on building organisational knowledge and capabilities. This omission means that we are not compliant with the UK Government’s Climate-related Financial Disclosures (“CFD”) regulations as we are yet to provide disclosures against requirement F: an analysis of our business model, taking into account consideration of different climate-related scenarios.

Our future focus is on expanding our metrics, including quantifying the financial impact of, and exposure to, climate-related risks and opportunities. We will also investigate conducting climate-related scenario analysis.

Governance

The management of climate-related risks and opportunities follows the same structures as the governance of broader sustainability issues. The diagram shows the main parties involved in the governance of sustainability and their main roles and responsibilities.

Central to this governance is the sustainability steering group. This group comprises cross-functional leadership in the form of the Group Chief People Officer, Group Sustainability Manager, Group Finance Director, Group Operations Director and Group Strategic Marketing Director. During 2023, the terms of reference for this group were developed, which firmly set out its scope and purpose. Responsibilities include conducting a periodic review of strategy and prioritisation, and communicating, co-ordinating and managing resources across the Group. These activities are led by our Group Sustainability Manager.

One function of this governance structure is the management of climate-related risks and opportunities. Emerging climate-related risks are monitored by both the working group and the steering group with details of the risk, its potential impact, and any potential mitigation actions fed into the Group Sustainability Manager. These risks and opportunities are recorded on a climate-related risk and opportunity register, with ownership for the risk or opportunity being assigned to a member of senior management, often a member of the steering group.

The climate-related register is reviewed every six months, firstly by both the working group and the steering group, and then by the Audit & Risk Committee, alongside business unit registers. Climate change is included as a principal risk for the Group. This ensures that climate risks are incorporated into the wider risk management framework, and that significant emerging or evolving climate risks are reviewed and assessed by the Audit & Risk Committee on an ongoing basis. When key issues arise, these will be raised and discussed with the rest of the Board.

Strategy

We have a clear business strategy (outlined on page 14 of the Annual Report 2023) which is supported by our core purpose, helping to heat homes sustainably. Ensuring that we position ourselves effectively for the potential impacts of decarbonisation of the heating industry forms a key part of our strategy and is strongly linked to the climate risk related to alternative technologies, and the opportunity for differentiation of our offering which are outlined on the following pages. An example of how we are addressing this strategically is shown in the discussion of new products on page 18 of the Annual Report 2023.

Climate-related risks have the potential to impact our strategy delivery in a number of ways. The introduction of electric radiators into our product offering in more markets in 2023 was a response to the decarbonisation of heating. In future, legislation and market dynamics may have a direct impact on costs, potentially affecting our ability to grow market share. Further, sustainability considerations form part of the evaluation of potential acquisition opportunities.

We give details of the elements of our Fit for the Future sustainability framework on page 02, which sets the framework for how we are addressing our climate-related risks and opportunities. The identified risks and opportunities are shown on pages 13 and 14, where we also show the potential impacts these would have on our business and strategy. In future years we expect to conduct scenario analysis to support our understanding of how climate-related risks and opportunities will impact Stelrad’s business resilience, strategy and financial planning.



Risk management

Our wider risk management processes are explained in detail on pages 48 to 54 of the Annual Report 2023. Climate change is included at the Group level as a principal risk, with the detail of risks being captured in a climate-specific risk and opportunity register. This register captures the transitional risks associated with adapting to a lower carbon economy, the physical risks associated with climatic temperature increases and any opportunities that may arise and from which we may gain commercial advantage.

Emerging climate-related risks are identified as part of day-to-day operations and are actively sought by the Group Sustainability Manager as part of twice-yearly reviews of the register. The chief responsibility for identifying risks falls to the members of the sustainability working group, who benefit from both active involvement in sustainability workstreams, and exposure to local issues.

Our climate-related risks and opportunities are assessed in terms of the likelihood of the risk arising over three different time periods. Short term covers the next financial year (2024), medium term covers up to five years (to 2029) and long term considers the impacts beyond this. These time periods are consistent with the recommendations outlined in the draft European Sustainability Reporting Standards ("ESRS"). Likelihood of occurrence is expressed in levels from one to three, with level one meaning that the risk or opportunity is unlikely to occur in the period and level three suggesting that the risk is more likely than not to happen.

Likelihood is assessed in conjunction with the potential impact if a risk does occur. This impact is defined based on the likely financial or reputational damage or gain that could result, with the highest impact relating to events that could halt our ability to service our customers for a period.

Following this assessment, mitigation and realisation actions are developed to avoid or reduce the risk, or to ensure we take advantage of the opportunity. The management of the risk or opportunity and the implementation of the

agreed actions are assigned to a specific member of senior management, often a member of the sustainability steering group, who is then responsible for ensuring that risks are maintained within an acceptable level as defined by the Board. This owner is responsible for updating on any changes as part of twice-yearly reviews of the register.

The following pages provide details on the main climate-related risks and opportunities that have been identified through this process.

Metrics and targets

The key metrics we use to monitor our strategically material sustainability issues are shown in the glossary below, with our performance shown on page 03, and further metrics included on page 15. These include a range of metrics focused on energy use and carbon emissions, as well as measurements of resource use such as water and materials. These metrics address our material issues and relate to identified risks enabling us to identify potential areas of targeted action.

Our key metrics include our full Scope 1, 2 and 3 emissions. High-level carbon data is presented on page 07, and a brief discussion of the main impacts is shown on page 04. A key point is the proportion of our value chain emissions that are accounted for by the sourcing of steel. Our exposure to this sector is a key consideration for us, and some examples of our interaction with our steel suppliers are shown on page 05.

We present climate-related sustainability targets for the first time on page 03, showing our ambitions to reduce carbon emissions intensity by 45% and increase renewable energy as a percentage of our energy mix to 45%. The potential inclusion of climate-related targets in the executive remuneration scheme will continue to be assessed for future years.

We will continue to focus on improving the quality of our data and metrics. Priorities over the coming years are to quantify the financial impact of, and exposure to, climate-related risks and opportunities, and to develop long-term, absolute carbon reduction targets in line with climate science.

Sustainability metrics glossary

% of suppliers with up-to-date audits: The proportion of suppliers who have been the subject of an audit within agreed timescales – one year for the most important category of supplier, two years for the second most important category.

% of women in workforce: The percentage of the workforce that are female.

Energy from renewable sources: The percentage of energy used by the business that comes from renewable sources. Either through self-generation of energy or supported by Guarantee of Origin certificates or similar.

Fatality rate: The number of fatalities reported due to work-related injury or illness for every 1,000,000 hours worked.

Lost time frequency rate: The number of lost time incidents for every 1,000,000 hours worked.

Lost time severity rate: The number of days lost due to incidents over the year per 200,000 working hours.

Market-based Scope 1 and 2 emissions intensity: Greenhouse gas emissions from operations, shown as tonnes of carbon dioxide equivalent per tonne of product produced. A market-based calculation shows the emissions from the generators from which the reporter contractually purchases electricity and/or contractual instruments, rather than a statistical average for the location of operations.

Plastic packaging intensity: The weight of plastic used in our packaging divided by the weight of product produced. Shown as kilograms of plastic per tonne of product.

Recycled content of packaging material used: A weighted average based on material usage of the recycled content included in our packaging material.

Total market-based Scope 1 and 2 emissions: The total emissions of greenhouse gases from operations, as defined to the left, shown as tonnes of carbon dioxide equivalent.

Total recordable incident rate: The number of recordable incidents, including those that result in time lost, for every 200,000 hours worked.

Total Scope 3 emissions: Greenhouse gases emitted from 15 categories of activity that take place within the supply chain, excluding our operations.

Training days per employee: The total number of days utilised for training divided by the average number of employees during the year.

Voluntary labour turnover rate: Shows the number of employees who voluntarily left during the year divided by the average number of employees during the year.

TCFD Report *continued*

Climate-related risks and opportunities

Failure to meet stakeholder sustainability expectations or our previous commitments.

Category	Timeframe	Impact
Transition risk	Medium and long-term risk	Medium
Description	Impact	Mitigation/realisation actions
<p>There is a growing awareness from stakeholders of a company's sustainability performance, especially around climate and achieving carbon reductions. This includes examination of performance against previously stated commitments. There is a risk that these expectations are not met.</p>	<ul style="list-style-type: none"> Customers may move their business to competitors with more developed carbon strategies, resulting in losses of market share and revenue. Stelrad's access to capital may worsen, making it more difficult or costly to invest and impacting the Company's valuation. 	<p>An appropriate governance structure exists to ensure that sustainability matters are prioritised according to materiality and that we meet stakeholders' climate expectations.</p> <p>This includes managing interfaces with major stakeholders, ensuring that perceptions are accurate.</p>

Increased cost of business due to a combination of legislation and market dynamics.

Category	Timeframe	Impact
Transition risk	Medium and long-term risk	Medium
Description	Impact	Mitigation/realisation actions
<p>Climate change may result in suppliers developing lower carbon alternatives, for example through using green hydrogen. These may come at a higher cost.</p> <p>Sustainability targets are also leading to the introduction of legislation, both reporting (e.g. the ISSB sustainability standards) and trade (e.g. the EU carbon border adjustment mechanism). This legislation is designed to encourage companies to reduce their environmental impacts and increase transparency in reporting. This trend is likely to continue and may differ by region, affecting some competitors more than others.</p>	<ul style="list-style-type: none"> Legislation may result in increased input costs, including of raw materials, energy and transport. Cost drivers may lead to changes to the relative competitiveness of radiators against alternatives. Legislation that requires additional data gathering and reporting may impact on the required level of resourcing. 	<p>We continue to monitor legislative changes and ensure that appropriate responses are developed. Any internal process changes that are required will also focus on efficiency improvements.</p> <p>We develop the skills and partnerships necessary to understand market changes in a timely manner and implement appropriate responses. Partnerships with key suppliers and trade bodies are especially important.</p>

An increase in the use of alternative technology.

Category	Timeframe	Impact
Transition risk	Medium and long-term risk	High
Description	Impact	Mitigation/realisation actions
<p>The drive to reduce carbon in heating may lead to new heat emitting technology entering the market, or an increase in market share of existing competing technology.</p> <p>This could be driven by consumer behaviour and could be intensified by policy or legislation.</p> <p>The future changes may also support us, leading to the opportunity for differentiation described on the next page.</p>	<ul style="list-style-type: none"> Any increase in the presence of competing technologies may reduce the relative share of radiators and may impact on Stelrad's market share and profitability. 	<p>We continue to monitor legislative changes and assess these for their likely impact on product choices.</p> <p>We maintain strong relationships with customers and specifiers to ensure the positive attributes of radiators are understood and incorporated.</p> <p>Where appropriate, alternative technologies will continue to be brought to market as part of our offering.</p>

Differentiation of Stelrad's product and service offering.

Category Opportunity	Timeframe Medium-term opportunity	Impact Medium
Description	Impact	Mitigation/realisation actions
<p>The drive to reduce carbon in heating may also lead to changes that could benefit us, including an increasing demand for higher output products. There is also the opportunity to bring new technology to market as part of our offering.</p> <p>The buying decision on heating products is likely to encompass broader considerations, leading to greater opportunity for differentiation.</p>	<ul style="list-style-type: none"> • Opportunities for development of our product and service offering and differentiation. • Diversified or increased revenue streams through growing market share and from new products. 	<p>Realising this opportunity requires that we have an offering that meets the changing demands of customers. To this end, we will continue to focus on increasing our technical capability, as well as adapting and optimising our product offering. An example is the extension of our electric radiator offering in 2023.</p>

Increased severity and frequency of extreme weather events.

Category Physical risk	Timeframe Medium and long-term risk	Impact Medium
Description	Impact	Mitigation/realisation actions
<p>The severity and frequency of extreme events with the capability to cause damage is increasing. These events include intense rainfall, flooding, heatwaves and droughts.</p>	<ul style="list-style-type: none"> • Damage or disruption to our production facilities may reduce our ability to fulfil customer demand. • Disruption to global supply chains may reduce our ability to move product and materials. • Extreme heat may necessitate changes to working practices to maintain worker welfare, which may impact on productivity or cost. • Prolonged periods of heat may create drought conditions, reducing access to water in our operations. 	<p>All facilities have reactionary processes in place to adapt to acute events.</p> <p>Proactive defences (such as fire prevention or flood defences) are regularly assessed for adequacy.</p> <p>Production volume can be flexed across the Group if specific facilities have issues.</p> <p>Many inputs are sourced from multiple suppliers across different regions, reducing the risk if specific supply routes are disrupted.</p>

Sustainability Report 2023 *continued*

Sustainability metrics table

The below table shows our wider set of sustainability metrics, referring to Sustainability Accounting Standards Board ("SASB") metrics where relevant. The inclusion of data from Radiators SpA has led to recalculation of previous years' data. Where historical data is not available, this is shown as not available ("n/a"). This table has been expanded since 2022, with a broader set of metrics being measured and reported.

	Unit of measure	SASB reference	2023	2022	2021
Energy and carbon					
Total energy consumed	GJ	CG-BF-130a.1	319,657	376,349	456,302
Grid energy	%	CG-BF-130a.1	58.5%	60.5%	91.3%
Renewable energy	%	CG-BF-130a.1	41.5%	39.5%	8.7%
Energy consumed from renewable sources	MWh	n/a	36,889	41,273	10,999
Fuel consumed from renewable sources	MWh	n/a	—	—	—
Purchased electricity from renewable sources	MWh	n/a	34,942	39,084	8,866
Self-generated renewable energy	MWh	n/a	1,947	2,189	2,133
Global Scope 1 emissions	kgCO ₂ e	EM-IS-110a.1	8,072,896	9,660,097	12,144,248
Global market-based Scope 2 emissions	kgCO ₂ e	n/a	4,049,320	5,166,732	20,612,994
Global location-based Scope 2 emissions	kgCO ₂ e	n/a	13,928,224	17,041,370	20,216,233
Global Scope 3 emissions	tCO ₂ e	n/a	445,479	531,456	n/a
Market-based Scope 1 and 2 emissions intensity per tonne	kgCO ₂ e/tonne	n/a	102	110	176
Market-based Scope 1 and 2 emissions intensity per net revenue	kgCO ₂ e/£m	n/a	39,333	42,041	n/a

Driving better environmental performance

Energy consumption and carbon emissions reduced, largely due to reduced production volumes. However, the increased proportion of renewable energy achieved despite a drop in self-generated energy was also key in a further reduction of Scope 2 emissions and intensity.

Water and waste

Total water withdrawn	m ³	EM-IS-140a.1	101,298	109,044	n/a
Water usage in areas of water-stress	%	EM-IS-140a.1	37.2%	36.8%	n/a
Water intensity per tonne	l/tonne	n/a	849	808	n/a
Water intensity per net revenue	m ³ /£m	n/a	329	309	n/a
Total waste generated	tonnes	EM-IS-150a.1	7,547	8,687	n/a
Waste intensity	kg/tonne	n/a	63.3	64.4	n/a
Waste sent to landfill	%	n/a	2.3%	1.2%	n/a

The reductions in water and waste reflect reduced production output, which also contributed to the intensity figures increasing or remaining similar, due to reduced efficiency at lower volumes.

Materials

Low-gauge steel purchased	%	n/a	17.8%	16.3%	n/a
Packaging material used	tonnes	n/a	2,998	3,315	n/a
Plastic packaging material	%	n/a	48.1%	46.2%	n/a
Plastic packaging intensity	kg/tonne	n/a	12.1	11.4	n/a
Recycled content of packaging material used	%	n/a	68.1%	60.5%	n/a

Our overall packaging material reduced due to lower production volumes, with the increase in plastic intensity occurring as a result of changes in product and factory mix.

	Unit of measure	SASB reference	2023	2022	2021
Training and development					
Training days per person	days	n/a	2.9	2.6	n/a
Number of apprentices	FTE	n/a	4	5	4
Training provision was increased from the already high level achieved in 2022, with increases in Continental Radiators, Radiators SpA and Termo Teknik.					
Labour practices					
Voluntary employee turnover	headcount	n/a	112	113	n/a
Voluntary turnover rate	%	n/a	8.0%	7.3%	n/a
Absence rates	%	n/a	5.3%	7.4%	n/a
Voluntary employee turnover was maintained at a relatively low level, while absence rates fell significantly. Both results are reflective of the success of our employee engagement and safety practices.					
Workforce characteristics					
Total employees at period end	headcount	n/a	1,414	1,454	1,287
Permanent employees at period end	headcount	n/a	1,413	1,440	1,263
Temporary employees at period end	headcount	n/a	1	14	24
Full time employees at period end	headcount	n/a	1,379	1,416	1,248
Part time employees at period end	headcount	n/a	35	38	39
All employees – female	%	n/a	10.5%	11.1%	n/a
All employees – male	%	n/a	89.5%	88.9%	n/a
Management – female	%	n/a	22.2%	18.9%	n/a
Management – male	%	n/a	77.8%	81.1%	n/a
Health and safety					
Workers covered by ISO 45001 certified management systems	%	n/a	73.5%	74.6%	n/a
Lost time frequency rate	rate	n/a	8.8	9.2	10.9
Lost time severity rate	rate	n/a	54.1	63.5	49.3
Total days lost	days	n/a	705	898	743
Total recordable incidents	number	n/a	76	82	112
Total recordable incident rate	rate	EM-IS-320a.1	5.8	5.8	7.4
Total fatalities	number	n/a	—	—	—
Fatality rate	rate	EM-IS-320a.1	—	—	—
All safety metrics showed a positive result, with total incidents reducing by 7% and LTFR by 4%.					
Business and supply chain ethics					
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	£m	RT-EE-510a.2	—	—	—
Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	£m	RT-EE-510a.3	—	—	—
% of key suppliers with up-to-date audits	%	n/a	64.3%	19.7%	—

Enabling an exceptional workforce

Conducting business responsibly



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