



**UNDER
CONSTRUCTION...**

**IMPACT
REPORT**

IT TOOK US 130 YEARS TO GET HERE...

Since 1895, our business has weaved its way through constant change. Steel plays a crucial role in infrastructure, safety, and the systems that keep society functioning. Now, our products are designed to secure boundaries; physical ones, at least.

We're aware that the process of making and processing steel has an environmental cost. However well we manage our operations, manufacturing remains resource-intensive. It consumes energy, generates emissions, and contributes to wider material flows that the planet is struggling to absorb.

Global temperatures continue to rise. The Summer of 2025 was the hottest on record for the UK, intensifying the climate crisis. Shifting geopolitics and economic pressures have begun to dampen momentum for sustainable business practices. It is critical that as an industry, we push harder rather than pull back.

This isn't something we can ignore. Nor is it something we have simple answers for. What we can do is take responsibility for understanding our impacts and finding practical ways to reduce them over time.

Since joining the Van Merksteijn group, we've had the opportunity to reassess and renew our approach- to take a harder look at where we stand, and how we move forward with integrity. It hasn't been easy, and the next three years look like they will bring more, certainly where regulation is concerned.

Our goal is to focus on what we can improve- from how we source materials, to how we continually improve product and service quality. Our heritage rests in operational excellence, we have always known how to reduce waste, now we need to reduce our emissions. My vision remains central: **that as one team, our customers' needs remain at the heart of everything we do.**

We operate in a sector where sustainability progress often takes time. But that's not an excuse to delay action. We're starting by getting the basics right: improving data quality, working closely with suppliers, investing in efficiency, and setting targets we can track. We need collaboration between manufacturers, suppliers and customers to cut emissions, reduce waste and improve access to product data.

This report is a reflection of where we are today. It's not perfect. It's a start. We see it as part of an ongoing effort to become more accountable- both to our team, our stakeholders and the environment we rely on.

‘What we can do is take responsibility for understanding our impacts and finding practical ways to reduce them over time...’

Andy Dawson
Managing Director



About This Report



Basis For Preparation

With this first report, entitled ‘Under Construction’, we’re using the VSME reporting standard, and publishing it alongside our annual financial report for the same period. The VSME reporting standard covers the same sustainability issues as the ESRS for large organisations, but it’s proportionate to our business size. We’re not sharing this to tick a box, or to present a perfect picture. It’s voluntary, so its designed to help us make better decisions, hold ourselves to account, and give our customers and partners a clearer view of where we stand and where we’re trying to get to.

We’re disclosing environmental, social and governance performance using basic VSME module datapoints. Additional and comparative information outlined by the VSME comprehensive module, is planned, from the second year of reporting. This report is prepared on an individual basis, so it’s limited to Siddall & Hilton Products activities only.

Digital datapoints are provided in XBRL format, which can be used by our stakeholders, to help satisfy needs for free and open sustainability information.

2025 Progress Highlights

This year we undertook a benchmarking initiative against the BS 8900 standard for sustainable organisational development. This rigorous assessment helped us to identify key areas for enhancement, which are being integrated into our governance practices. By doing so, we aim to continue to build an even more responsible, transparent and inclusive approach to our operations.

This year we have put in place several practices to improve our energy efficiency, through the appointment of our Engineering Manager, as Energy Champion, working on various improvement projects detailed in the Environmental section of the report. We also appointed a new Quality Manager, to further improve product safety and quality, which will have direct benefits for our resource efficiencies and ensure optimal customer service.

GHG emissions reductions are a significant component of our strategy, with sizeable reductions in our market-based emissions achieved this year, along with building the capability of our team through the delivery of Carbon Literacy training. We’ve partnered with West Yorkshire Combined Authority and SME Climate Hub to help us set science based targets, report on, and deliver our decarbonisation efforts.

Our Supply Chain team are working closely with our suppliers to partner our joint ESG ambitions. Our lobbying efforts in conjunction with our Van Merksteijn colleagues, continue to contribute to a change in the scope of the CBAM regulations for finished goods; helping to raise the awareness of fair emissions-based competition as the CBAM regs expand in 2028.

Responsible Business



Our Contribution to the UN Sustainable Development Goals

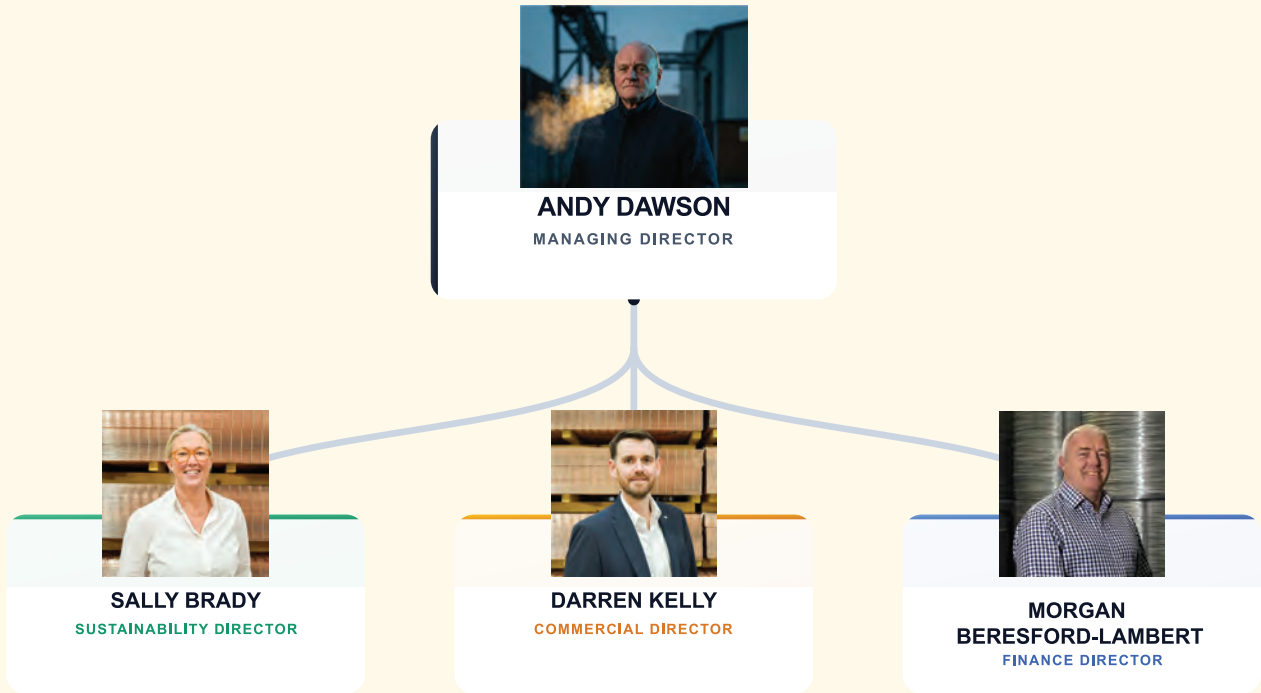
Our pyramid highlights how we are embedding sustainability principles into our culture, to ensure that sustainability becomes a shared value, influencing decision-making at every level. Our sustainability strategy is underpinned by the United Nations Global Compact’s principles in the key areas of human rights, labour, the environment and anticorruption. These principles, alongside the UN’s Sustainable Development Goals (SDGs), continue to guide us.

The three core pillars of our strategy – **Thriving People, Responsible Business, Better Planet** – highlight 3 focus areas that will help us deliver our vision across the business:

‘Hand-in-hand as one team – we all put our customers needs at the heart of everything we do, working collaboratively, responsively, innovatively, whilst maintaining our values of will to win, freedom to and being frank.’

We link our impacts to the 3 SDG’s that we can have the most impact on.

BOARD STRUCTURE



1. We value integrity and strong governance because they are essential to running a sustainable business. We are committed to ethical behaviour, transparency and accountability across our operations, decision-making and reporting. Our governance structure and oversight routines help ensure responsible management at all levels and a strong culture.
2. We regularly review our practices and processes to stay aligned with regulatory requirements and recognised standards.
3. Our Code of Conduct sets clear expectations for professional and ethical behaviour, including respect, equality, anti-bribery, confidentiality and health and safety.



Our Materiality Assessment

Horizon scanning: risks and opportunities

As part of our governance routine, we undertake horizon scanning to identify emerging sustainability risks, regulatory developments, and stakeholder expectations that could affect the business. These insights are used to prioritise material ESG issues.

Our materiality assessment accounts for how we impact the environment and society, and how addressing these impacts in turn affect our company’s finances.

We’ve broadly followed CSRD guidance, but it’s not mandatory for us; it gives us a framework to work within. We mostly worked with internal stakeholders to determine our risks and opportunities, both to people and planet, as well as our business. External stakeholder input will be added in 2027. We will continue to review materiality ratings at least annually, and work on validating this with stakeholders input.

We identified 26 material topics where we have impacts and faced meaningful risks or opportunities.

Green Transition Regulations and Climate Change Mitigation

Because greenhouse gas (GHG) emissions, coupled with green transition regulations, were identified as the most material environmental topics in this report, we are working toward aligning our climate transition plan with regulatory requirements, ensuring we are tracking and managing emissions as a critical component of our sustainability strategy.

We continue to monitor the development of the EU and UK Carbon Border Adjustment Mechanisms (CBAM), which will directly affect parts of our supply chain and our operations. While we support the principle of carbon accountability, we’ve also expressed concerns via our group and trade networks, about the complexity and cost burden CBAM could place on smaller manufacturers. Our position, is that effective carbon regulation must balance rigour, with practical implementation for SMEs operating in complex, cross-border supply chains.



Digital Ethics and Cyber Security

We’ve embraced AI to support innovation and productivity. To guide responsible adoption, we’ve appointed an AI lead, and established an internal policy, framework and training programme.

Our approach to AI use is people-first, and decentralised within our teams. This ensures employees are supported to apply AI tools ethically, consistently, and in line with our values.

We recognise that responsible digital innovation must be underpinned by strong cyber security and data protection practices. We therefore carry out regular reviews of our systems, risks and controls to ensure that technology is used securely and responsibly as our digital capabilities evolve.

During 2026, we are working towards achieving Cyber Essentials certification, to further strengthen our resilience, and provide assurance throughout our value chain partnerships.

We’re confident we meet the standard, and the ‘badge’ will demonstrate this.

Supply Chain Resilience

We continue to develop a structured, risk-based approach to supplier oversight and audit.

Product Safety and Quality

We are strengthening product safety and quality by transitioning from paper-based SOPs and training records to a fully digital knowledge management system. This will improve version control, accountability, and accessibility across the business, while enhancing forward and backward traceability of raw materials and finished products through improved labelling standards and data integration.



Better Planet

Protecting Planetary Boundaries- By Design

The systems that support life on Earth: climate, freshwater, biodiversity, soil, are under increasing pressure. Scientists describe these as planetary boundaries: natural limits that help maintain a stable and safe environment for society to thrive.

Several of these boundaries have already been exceeded.

As a manufacturer of perimeter protection systems, boundaries are core to what we do. Our steel mesh is used to secure infrastructure, manage land, and support the safe functioning of public and private spaces.

We're now applying that same boundary mindset to our environmental responsibilities: recognising the need to operate within limits, reduce our impacts, and contribute constructively where we can.

That starts with transparency: understanding our energy use, material footprint, and emissions. It continues through practical action- improving efficiency, reducing waste, and working with suppliers to better understand the carbon embedded in our materials.

We're not claiming to solve planetary-scale problems. But we are serious about doing our bit.

In a world facing real and measurable environmental limits, protection needs to mean more than just physical security. It also means operating responsibly, within boundaries that matter.

Product Lifecycle

This year we are building our cradle-to-gate life cycle assessment which will be reported as EPD for our high security fencing range. This will provide the basis for continual product improvement, and assist our customers to achieve benchmarking and environmental credits at tender.

As ISO 14001 now places greater emphasis on life cycle perspective, the outputs of this product development work, will complement our Environmental Management System implementation.

We believe that the environmental impacts data of mesh products will have greater currency over the coming years, and as such, investment here ensures we can meet the demands of an increasingly data intensive value chain.

We continue to welcome customer feedback to support our ongoing investment in product innovation.

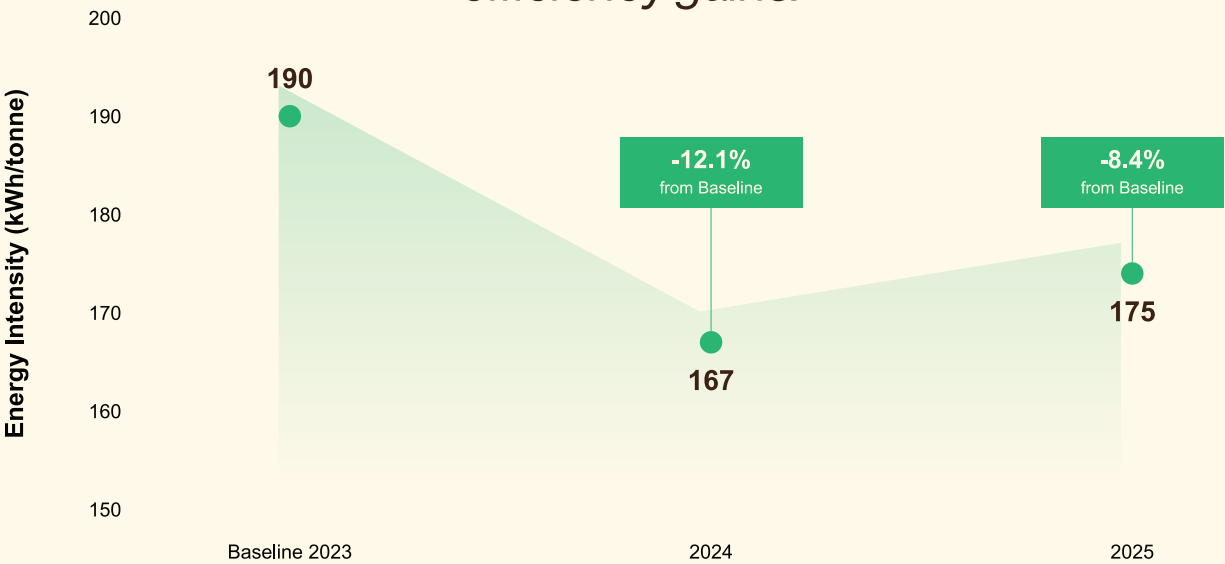
Reducing our energy use has always the first and best step to take even before sourcing renewable, to lower the need for energy in our processes. The most sustainable energy is the energy we don't use.

We've been actively improving energy efficiency across our operations for many years, with a range of measures to reduce energy demand and invest in system performance.

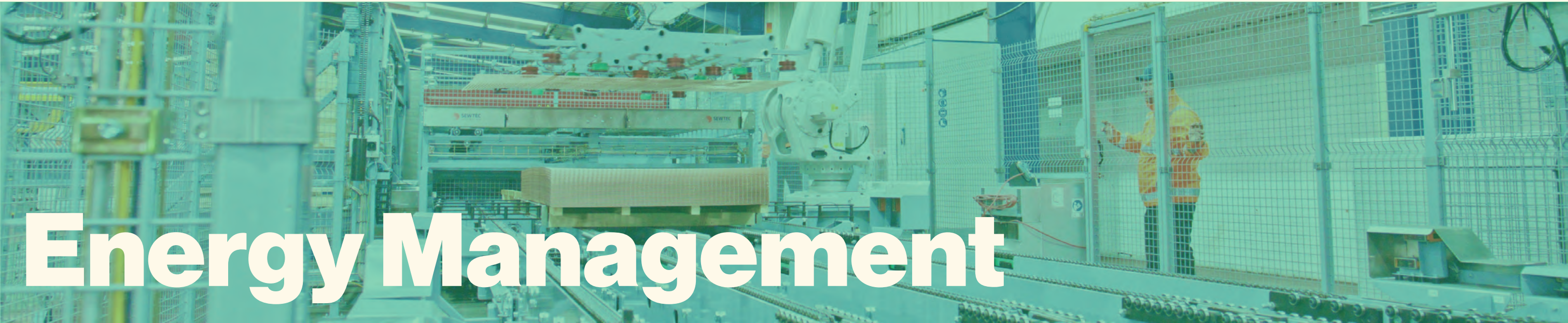
Up to now, we have delivered targeted energy improvements focused on upgrading ageing equipment and enhancing building controls. Degraded heating systems have been replaced with higher-efficiency solutions. All onsite lighting has been upgraded to LED, reducing electricity consumption and improving lighting performance. Space heating systems upgrades and optimisation, and new and fast-acting roller shutter doors have all been installed to further reduce heat loss. Occupancy sensors operate in offices and low-use areas.

In 2025, further efficiency improvements included the installation of high-efficiency transformers, compressors operating at reduced system pressure, and voltage optimisation to minimise electrical losses. Heating systems were upgraded with improved interlocking and control, and internal factory roller shutter doors were installed to reduce heat loss and improve thermal separation.

“Energy management initiatives have begun to deliver measurable improvements. Energy intensity reduced by approximately 8% compared to the 2023 baseline, indicating genuine operational efficiency gains.”



Energy Management



The UK government targets are, to reduce all emissions by at least 81% by 2035. Whilst there is no statutory duty to do so, we believe we have a part to play in the achievement of the West Yorkshire Climate and Environment Plan, which sets out to deliver a net zero carbon region by 2038. We are proud to contribute to this ambition, measuring our emissions using GHG Protocol accounting standards.

In 2023, we made a public commitment to cut emissions, with SME Climate Hub:

- **Halve our emissions before 2030**
- **Cut our emissions to zero before 2050**
- **Share our progress on a yearly basis**



*100% of the electricity supplied is renewable, backed by certificates of renewable energy guarantees of origin. Emission factor compliant with the GHG Protocol Scope 2 guidance and to be used for the 'market-based' method.

Progress So Far...

Year	Scope 1 (tCO2e)	Scope 2 (tCO2e)		Scope 3 Selected Categories (tCO2e)	Total S1 + S2 (Location Based) Emissions(tCO2e)	Cumulative S1 + S2Reduction vs Baseline (%)
		Market Based	Location Based			
2023	192.33	324.56	324.56	-	516.89	
2024	188.33	360.90	360.90	-	549.23	6%
2025	143.88	77.11	302.00	23,819.52	445.88	-14%

SCOPE 1

In 2024, we moved a portion of our owned vehicles to electric, and we have work to do in our leased FLT fleet. BioLPG sourcing has been explored this year, as an interim solution before electrification can be achieved within existing fleet renewal contracts. In October 2025, we transitioned from natural gas to biomethane, supported by Renewable Gas Guarantees of Origin. As a result, emissions associated with on-site gas combustion have been materially reduced from that date. In accordance with the GHG Protocol, CO₂ emissions arising from biomethane combustion are classified as biogenic; however, these biogenic emissions are not yet separately disclosed within our current reporting framework. Residual CO₂e combustion gases (CH₄ and N₂O) remain included within Scope 1 reporting. As the transition occurred late in the reporting year, the full-year impact of this change will be reflected in our 2026 Scope 1 emissions performance.

SCOPE 2

In March 2025, we moved to sourcing renewable electricity, matching 100% of our operational consumption (on an annual basis), so our emissions this year include some conventional supply. We’ve sourced our electricity from a supplier that can guarantee the renewable source with energy attribute certificates.

In 2026 we will see **zero scope 2** market emissions, in accordance with GHG Protocol guidance. To reduce our location-based emissions further, we are exploring on-site renewable generation via PV panels on our buildings.



Emissions intensity is 0.04tCo2e/tonnes

Our combined Scope 1 and 2 emissions intensity (location-based) for the reporting period was 0.04 tCO₂e per tonne of production.

SCOPE 3

We are tracking our emission for business travel and employee commuting. We provide electric vehicle charging infrastructure, EV and cycle-to-work salary sacrifice schemes and cycling facilities. In 2026, we will expand our inventory to include employee commuting and business travel emissions. Steel purchases represent the most material upstream emission source due to the carbon intensity of steel production.

The current Scope 3 inventory represents an important first step in building transparency across the supply chain. As data availability improves, the scope and accuracy of the inventory will continue to develop.

ZZZ

Further details on calculation methodology and data sources are provided in the Reporting Methodology and Framework appendix.

Looking forward, the company's approach to Scope 3 decarbonisation will focus on increased supplier engagement and improved product-level data transparency. Key initiatives include:

- **Collection of embedded emissions data aligned with the EU Carbon Border Adjustment Mechanism (CBAM) to improve traceability of upstream steel production emissions.**
- **Supplier-specific Environmental Product Declarations (EPDs) to replace industry-average proxy emission factors with verified product carbon footprint data.**
- **Development of a Scope 3 decarbonisation pathway for purchased steel products, informed by supplier production routes, recycled content and emerging low-carbon steel technologies.**

Progress in these areas will rely on collaboration across the value chain, working closely with suppliers, customers and industry partners to improve data quality, transparency and opportunities for emissions reduction. This collaborative approach will enable more accurate carbon reporting and support long-term supply chain decarbonisation.



During 2025, we focused on improving waste segregation, training our teams and increasing the types of waste we recycle, in partnership with local waste management suppliers, and new 'Binrastructure'.

We're using continuous bin liners which are made using a special 3-ply formulation of PE giving them incredible strength up to 4 times that of standard bags, and can lower the thickness by up to 50% compared to standard bags without compromising the strength. With the continuous liners, our teams only take the length that they actually need to surround & capture the waste, so there is no excess liner and every bag is 100% full. These two elements combine to save 70-80% of the plastic used with bin liners and the associated carbon footprint.

We're also partnering with Compost-IT, for weekly collections of our food waste. Compost-IT connects business food waste to local growers, such as community garden schemes, local market gardens and farmers in West Yorkshire, as well as anaerobic digestion facilities which produce biomass energy to feed the national grid.

Don't throw it, Compostit



**Steel waste generated from our
operations is 100% recycled,
supporting circular material use.**

*We know this is just the beginning. There is a long way to go,
but we see the potential not only for our waste, but for our
product lifecycle to be increasingly circular.*

Circular Economy and Waste



Water

Water use within our direct operations is limited and currently not considered a material risk. However, we acknowledge the wider importance of water conservation within the West Yorkshire region and across the upstream steel supply chain, where water intensity and associated environmental pressures are significantly greater. Through responsible procurement and supplier engagement, we seek to contribute to improved water stewardship beyond our operational boundary. We've also achieved accredited water literacy training within our sustainability team.



Water Literacy
Programme

Biodiversity

While biodiversity impacts are not considered material within our own operational boundary, we acknowledge the indirect connection created through timber procurement for pallet production. All timber used for pallets is sourced from third-party FSC-certified suppliers, ensuring traceability and alignment with internationally recognised sustainable forest management standards.

We collaborate with the Yorkshire Wildlife Trust to develop shared approaches to local biodiversity issues and to support action by encouraging our team to volunteer at local YWT reserves. There is more work to be done in supporting our teams to act for nature, whilst balancing operational demands.



Yorkshire
Wildlife Trust



Thriving People

Our people are central to the safe, reliable and high-quality manufacture of our products. As a UK-based manufacturing business, we rely on a skilled and experienced workforce, and we recognise that fair treatment, meaningful work and continuous development are essential to long-term success.

During the 2025 reporting period, Siddall & Hilton employed an average of 56 full-time equivalent (FTE) employees, all based in the United Kingdom. All employees are engaged on permanent contracts, providing stability for both our workforce and our operations.

Workforce profile



TOTAL TEAM

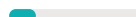
56

FTE



GENDER SPLIT

Male  80%

Female  20%



CONTRACTS

100%

Permanent



LOCATION

UK Based

100% of Workforce

We recognise the gender imbalance common within manufacturing and engineering sectors. We remain committed to providing fair access to employment, training and progression opportunities for all employees, regardless of role or background.

Retention, experience and succession

Retaining skills, experience and operational knowledge is a key priority for the business. During 2025:

- 9 employees left the business
- Workforce numbers remained stable across the year
- Resulting in an employee turnover rate of 16%

This level of turnover reflects both natural workforce movement and the realities of a competitive labour market. We continue to invest in succession planning, skills transfer and structured onboarding to ensure continuity, as experienced employees approach retirement and new colleagues join the business. Equipping our workforce to navigate disruptive technologies is an increasing focus alongside knowledge retention.

We believe fair work is fundamental to building a safe, sustainable and engaged workforce. This commitment is reflected in our status as a Real Living Wage Employer and our alignment with the West Yorkshire Fair Work Charter.

All employees receive pay that meets or exceeds the applicable real living wage, with pay frameworks regularly reviewed to ensure fairness, consistency and competitiveness.



Our approach aligns with the Fair Work Charter principles of security, wellbeing, fulfilment, employee voice and opportunity. Employee voice is actively encouraged through open communication, consultation and constructive dialogue between managers and teams, ensuring employees feel listened to and involved in decisions that affect their work.



Training and development underpin both employee wellbeing and operational resilience. During the reporting period:

- **Employees received an average of 17 hours of training per person**
- **Training covered health and safety, operational competence, quality, environmental awareness and digital capability**

We believe safe behaviour is driven as much by culture as by procedures. Refresher training is provided where risks change or new equipment is introduced, and employee feedback is encouraged to help identify hazards early and reinforce shared responsibility for safety.

To align our strategy with internal capabilities, we continue to broaden our training offer. This includes Carbon Literacy training, and cyber security awareness training delivered in partnership with West Yorkshire Police.

Fair pay,
fair work
and
employee
voice

Health & Safety

Health and safety is fundamental to how we operate as a manufacturing business. Our work involves heavy materials, automated machinery and physical processes, requiring constant attention, competence and engagement across the organisation.

**97.7% of all reported
H&S issues were
closed during the year.**

Safety Performance



WORK-RELATED
ACCIDENTS

8

Recorded



ACCIDENT RATE
FREQUENCY

6.23

While we are encouraged that no fatal or life-altering injuries occurred, any workplace accident is one too many. Each incident is formally recorded, investigated and reviewed to identify root causes and preventative actions. Learning is shared with relevant teams to reduce the likelihood of recurrence and reinforce safe working practices.

Protecting people, everyday

Community and wider impact

Alongside our internal workforce commitments, we recognise our responsibility to the communities in which we operate. Through our CSR activities, we support local organisations including Yorkshire Wildlife Trust, Overgate Hospice (Elland) and The Welcome Centre (Huddersfield), contributing through fundraising and employee engagement.



Yorkshire
Wildlife Trust





Our Outlook for 2026-2028

The progress reported this year provides a clearer baseline from which to move forward. As our data quality improves and key systems mature, our focus is shifting from establishing foundations to embedding sustainability into everyday decision-making across the business.

Strengthening management systems and sustainability governance

Building on our 2025 benchmarking against BS 8900, we will continue to strengthen governance, accountability and cross-functional ownership of sustainability topics, ensuring responsibilities are clearly defined and supported at all levels of the organisation.

In 2026, we will integrate our ISO 9001 Quality Management System with ISO 14001 Environmental Management System accreditation. This integration will formalise the progress already made on energy management, emissions control and lifecycle thinking, and ensure environmental considerations are embedded consistently within operational planning, risk management and continual improvement processes.

Climate Mitigation: Further reductions

The next phase of our climate strategy will focus on addressing remaining emissions sources, including fleet decarbonisation and exploration of on-site renewable electricity generation.

Energy efficiency will remain a priority. Following a 8% reduction in energy intensity compared to our 2023 baseline, we will expand machine-level monitoring and real-time energy dashboards across key production assets to better manage variability as production volumes change.

Addressing Scope 3 emissions and value chain impacts

During 2026, we will continue to refine our Scope 3 emissions inventory, prioritising steel purchases.

This work will be supported by supplier engagement and data collection.

Our aim is not only to improve reporting, but to strengthen supply-chain resilience, CBAM compliance, and support our customers' own decarbonisation journey.

Product-level sustainability and data transparency

A key focus for the next phase of our journey is product-level environmental insight. In 2026, we will complete a cradle-to-gate life cycle assessment and Environmental Product Declaration (EPD) for our high security fencing range.

This will:

- **Provide verified environmental impact data to support customer tenders and benchmarking**
- **Form the foundation for future product improvement**
- **Support our Scope 3 emissions accounting**
- **Align with ISO 14001’s increased emphasis on lifecycle perspective**

We expect product environmental data to play an increasingly important role in procurement decisions across our sector, and this investment positions us to respond to data-driven value chain expectations.

Preparing for risks and future resilience

While emissions reduction remains central to our strategy, we are increasingly aware of the physical impacts of climate change. Over the coming years, we will begin to develop a structured climate adaptation approach, considering risks such as extreme weather, supply-chain disruption, and impacts on employee wellbeing and safety.

People, skills and responsible digitalisation

Our future progress depends on our people. Alongside ongoing commitments to fair work, safety and wellbeing, we will continue to invest in skills development to support digitalisation, cyber resilience, product quality and manufacturing efficiency.

In 2026, cyber security training delivered in partnership with West Yorkshire Police will strengthen behavioural and organisational resilience, while ongoing succession planning will help retain critical skills and knowledge as our workforce evolve coupled with cyber essentials accreditation achievement.

Looking ahead

This report marks an important step in improving transparency and accountability. Over the next three years, our focus will be on deepening data quality, embedding robust systems, and translating sustainability commitments into measurable operational and product-level outcomes.

Progress will not always be linear, but we are committed to moving forward with integrity, collaboration and a clear understanding of where we can make the most meaningful difference.



APPENDIX

Reporting Period

This report covers the period 1 January 2025 – 31 December 2025.

Organisational Boundary

The report applies to Siddall & Hilton Products only, covering all operational activities under direct control during the reporting period.

Reporting Framework & Methodology

This report has not been subject to independent external verification or assurance. The information presented is based on internally collected data and management estimates where applicable

Disclosures are mapped, where applicable, to relevant data points under the Voluntary Sustainability Reporting standard for SMEs (VSME), to support transparency, consistency and comparability.

UK Government emission conversion factors applied where relevant.

Emissions are reported in alignment with the GHG Protocol Corporate Accounting and Reporting Standard, including:

Scope 1 – Direct emissions from owned or controlled sources (e.g. gas combustion, fleet vehicles).

Scope 2 – Indirect emissions from purchased electricity (reported using both location-based and market-based methods).

Renewable electricity reported under both location-based and market-based methodologies.

Scope 3 (selected categories) – Includes purchased steel goods, waste and water.

Scope 3 Category 1 emissions associated with purchased steel wire products were calculated using a mass-based method, based on invoiced purchase quantities from suppliers during the reporting period.

Where available, **supplier-specific Environmental Product Declarations (EPDs)** were used and the reported cradle-to-gate Global Warming Potential (GWP) values for modules A1–A3 were applied directly to the corresponding purchase volumes.

Where supplier-specific EPD data was not available, emissions were estimated using a proxy emission factor derived from the World Steel Association life cycle assessment (LCA) eco-profile for global wire rod. The proxy factor applied was **2.23 tCO₂e per tonne of wire rod (cradle-to-gate, modules A1–A3)** representing the global industry-average climate change impact associated with steel rod production and hot rolling processes.

The wire rod proxy captures emissions associated with:

- raw material extraction
- upstream material processing
- steelmaking processes (EAF and BOF routes)
- rolling processes up to the production of wire rod

Downstream processing undertaken by suppliers, including wire drawing, coating or fabrication into finished wire products, was not explicitly modelled due to limited availability of supplier-specific life cycle data.

Production route information (e.g. **electric arc furnace (EAF), basic oxygen furnace (BOF) or DRI-EAF**) is recorded where available; however, production route data is incomplete across suppliers and therefore was not used to differentiate proxy emission factors in the current reporting period.

The applied proxy factor represents a **conservative estimate of upstream steel emissions**, as a significant proportion of the company's steel supply is understood to be produced using EAF steelmaking routes with high recycled content, which typically exhibit lower emissions than the global industry average.

Future reporting periods will prioritise:

- collection of **supplier-specific EPD data**
- improved identification of **steel production routes and geographic origin**
- alignment with **CBAM embedded emissions reporting**
- integration of supplier product carbon footprint data

These improvements are expected to enhance the **accuracy and representativeness of Scope 3 emissions** estimates and support the company's long-term supply chain decarbonisation strategy.

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23. [\[C03.300\] - Environment - Transition plan for undertakings operating in high climate impact sectors](#)