Carbon Emissions Reduction



This statement aims to provide a transparent and accountable overview of Invertek Drives Ltd's ambition to reduce its carbon emissions footprint. It describes our current targets, priorities of action and our current performance. IDL has signed up to the science based targets initiative SBTi.

Our Commitment

Invertek Drives Ltd (IDL) is committed to achieving Net Zero emissions by 2040, in line with the Science Based Carbon targets Initiative.

Baseline emissions footprint:

| Baseline year 2020 | Total (tCO2e) |
|---------------------------------------|---------------|
| Scope 1 | 114.31 |
| Scope 2 | 136.29 |
| Scope 3 (business car travel only) | 2.41 |

Additional details on baseline emissions calculations

IDL has been reporting verified Scope 1 and 2 emissions data since 2020, and so this Carbon Reduction Plan uses 2020 as the baseline.

Scope 1 and Scope 2 emissions have been reported in accordance with (UK) SECR requirements. IDL has participated in the Carbon Disclosure Projects CDP and Ecovadis since 2021. IDL reports emissions data on its UK-based operations. It reports Scope 1 (direct energy, including logistics/distribution fleet) and 2 (indirect energy) emissions, plus some elements of business travel from Scope 3.

IDL is currently developing a methodology for calculating robust scope three carbon emissions, with a future aim of reducing these emissions once we have a better understanding of the scale of our scope three carbon emissions.



Current emissions reporting:

| Reporting year 2024 | Total (tCO2e) |
|---------------------------------------|---------------|
| Scope 1 | 113.16 |
| Scope 2 | 108.67 |
| Scope 3 (business car travel only) | 31.41 |

In 2024, there was a substantial increase in business car travel compared with 2020 for a number of different reasons, including the COVID-19 pandemic, stay-at-home policies, and an increase in colleagues who participate in business travel.

Emissions Reduction Targets

To continue our progress to achieving Net Zero by 2040, we have set the interim targets for December 2030 as follows:

| Carbon & Renewable Energy | 2020 Baseline (tons CO2 equivalent) | 2030 Target (tons CO2 equivalent) | |
|--|--|--|--|
| Scope 1 Emissions Target: Reduce by 20% by 2030 | 114.31 | 91.448 | |
| Actions: Upgrade boilers, smart meters installed with half hourly monitoring, lag any remaining unlagged pipes, operate and optimise BMS. Purchase renewable energy from supplier. | | | |
| Scope 2 Emissions Target: Reduce by 40% by 2030 | 136.29 | 81.774 | |
| Actions: Increase use of self-generated solar generation by 25% by 2030. Purchase renewable energy from supplier. | | | |
| Scope 3 Emissions Target: Company van & cars fully electric by 2030 | 2.41 | 0 | |
| Actions: Obtain all travel & transport scope 3 emissions data by Dec 2025. Measure all other scope 3 emissions reliably by 2028. Set target to reduce scope 3 emissions, a minimum of 10% by 2030. | | | |
| Waste | 2024 Baseline (Total & Percentage Recycled) | 2030 Target (Total & Percentage Recycled) | |
| Scope 3 Emissions Target: Reduce total non-hazardous waste generation by 15% by 2030 (Note zero waste to landfill achieved) | 144.59 tonnes of waste | 122.9 tonnes of waste | |
| Scope 3 Emissions Target: Achieve 90% recycling of overall waste stream | 86% | 90% | |

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Note: The above are absolute targets set against a strategic business plan to expand and produce more drives, making the targets challenging to achieve.

United Nations Sustainable Development Goals

In September 2015, the "Sustainable Development Goals (SDG)" were adopted by the United Nations to realise a sustainable society "leave no one behind", and efforts to address social issues on a global scale have been expected, and the situation related to CSR has changed dramatically. Invertek Drives Limited recognises that contributing to the sustainable development of society through corporate social responsibility initiatives is an essential management issue for a company to achieve sustainable development.

SDG 13 Climate Action – Our carbon emissions reduction statement specifically addresses SDG 13



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Carbon reduction initiatives

IDL is part of Sumitomo Heavy Industries, Ltd. It operates under an ISO 14001 certified Environmental Management System.

IDL has policies and processes to ensure compliance with environmental regulations, assess environmental impact and risks and regularly monitor environmental performance. We have an Environmental Policy Statement covering all employees, contractors, suppliers, and partners.

IDL sources and sells with integrity through an ethical, sustainable supply chain. We deliver as efficiently as possible and respect the interests of our customers, staff, and stakeholders. The organisation continuously strives to improve and increase its environmental and social sustainability.

Sustainability vision

IDL's vision is to be 'secure, safe and sustainable' in everything we do to support our customers. We believe that sustainability and social responsibility deliver a range of strategic benefits, helping to drive efficiency, encouraging upskilling and innovation, and creating new business opportunities.

IDL has an active, dedicated Environmental Team which coordinates the environmental management programme, including the carbon task force and the waste working group.

IDL, as a technical organisation, reviews the application of sustainable working methods, standards, and skills across the organisation and in the products that are developed.



Energy

Most of the Scope 1 and 2 emissions reported are from direct fuel use, electricity consumption and international flights.

Emissions from energy utilisation are being reduced through a combination of ongoing initiatives, such as, on-site renewable energy generation, energy efficiency measures such as use of a BMS, submeters and monitoring software to optimise and reduce energy consumptions.

The organisation has an arrangement with a third-party electrician to provide expert advice on infrastructure upgrades and optimisation. The organisation purchases only renewable energy.

Biodiversity and climate resilience

IDL is very aware of the natural landscape in which we are located. We are committed to protecting and enhancing local biodiversity through responsible land management and environmental stewardship. Over recent years we have planted trees, hedgerows and wildflowers.

We recently created a number of swales around our buildings to manage surface water in a sustainable manner that are resilient to heavier rain downpours.

Logistics, Travel & Transport

International flights are critical to IDL's global business and respond to customer demand. IDL is working with customers to reduce its flight footprint, using third party logistic companies which can optimise their transport, provide carbon data and where practicable, are committed to decarbonisation of the transport fleet.

IDL staff do travel to visit customers, sites and attend conferences and exhibitions.

The organisation is committed to a 100% EV fleet. IDL has one electric van for local journeys. All but one of the company cars are electric, and the one remaining car is a hybrid, due to end its lease over the next 12 months, when it will be replaced with a fully electric car. IDL uses 100% electric fleet of forklift trucks.



Waste

IDL ensures that its Waste electrical and electronic (including (IT) waste is handled according to the WEEE Regulations, with plastics shredding and extraction of rare minerals.

IDL has active waste reduction objectives, which are managed by a site-wide team to drive improvement. This has included installing additional separated waste streams, new waste bins, and communication campaigns. A general waste compactor is on site, and new balers have been purchased. Staff feedback has demonstrated significantly increased awareness and compliance.

IDL has continued to make excellent progress in reducing the footprint of our logistics packaging. We are also committed to phasing out single-use plastics.

We have largely reduced using bubble wrap, foam padded envelopes, plastic adhesive tape and nylon strapping. These have been replaced with paper-based products, including the significant reuse of our cardboard waste.

We use large cardboard shipper boxes which can be stacked, reducing the storage space needed. Our waste wood and metal are given to a local company.

Procurement

IDL has a sustainable procurement policy and adopts best practices in sustainable procurement. It examines and assesses suppliers' sustainability credentials, and criteria such as the ability to supply carbon data and commitments to decarbonisation were factors in the change of third-party logistic contract.

IDL is committed to complying with all international requirements associated with procurement, such as REACH, Rohs, Conflict Minerals and more recently, the focus has been on packaging, PFAS and the Carbon Border Adjustment Mechanism.

IDL is committed to making opportunities accessible to a wide range of suppliers, particularly small and medium enterprises in our local community. A local cardboard supplier was recently awarded a contract.