
OUR COMMITMENT TO ESG

CRAFTING A BETTER FUTURE FOR OUR ENVIRONMENT, PEOPLE AND COMMUNITIES

Portmeirion Group has a responsibility to our employees, customers, communities and the people that bring our products into their homes, and we work hard to reflect this in everything that we do. We are a purpose-driven business with heritage and community at our core.

Our Crafting a Better Future strategy outlines the Group's commitment to reduce its impact on climate change and develop as a positive force for the environment, the people that work across our operations and our local communities. More information is available at <https://www.portmeiriongroup.com/sustainability>.

We are clear that we must continue to play our part in tackling global pressures such as climate change and support our extended community families whilst continuing to meet the expectations of our investors, stakeholders and customers as they work to deliver their own commitments.



Mike Raybould
Chief Executive

COMMIT 2040

We are committed to achieving net zero emissions across Scope 1 and 2 by 2040, aligning with global efforts to combat climate change. This long-term objective is being pursued through a strategic approach, monitored and realised through various stages.

Energy reduction

Energy consumption across UK operations is being reduced. Key initiatives include the installation of modulating burners on kilns, the retirement of poor energy-efficient processes and improved visibility of consumption data, facilitated by the Sustainability Ambassador scheme.

Targets and measures implemented

Our current objective is a significant reduction in combined energy demand for UK operations by the end of 2025. As of 2024, a 15% reduction has been achieved against the project baseline of 2022. Measures include the retirement of energy-inefficient kilns, increased use of renewable energy and process optimisations.

Renewable energy

In April 2024, all UK operations transitioned to electricity sourced from certified 100% renewable resources. This initiative complements the ongoing contribution of wind-generated energy at our Lake District site. We remain committed to reducing energy consumption through innovative programs, including solar panel installations and heating system upgrades.

Innovation and change to meet environmental challenges

We are actively researching and evaluating potential alternative fuels, including hydrogen. In 2025, the Group will conduct trial firings with hydrogen in collaboration with industry partners. While this initiative represents a significant step forward, the long-term feasibility of a hydrogen network for widespread adoption remains under assessment. In parallel, the Group is implementing a proactive strategy to optimise kiln fill efficiency, thereby minimising the energy consumption required for firing its products.

Waste reduction

The Group has achieved a 6% reduction in production waste generated in 2024 compared to 2023. Of this, 66% is recycled and the remaining waste is repurposed, contributing to our 0% landfill rate. In addition, we are conducting a comprehensive review for opportunities to repurpose our liquid waste. In line with our sustainability strategy, we are also actively investigating ways to promote a more circular economy and promoting the recycling and repurposing of our plastic waste.

OUR COMMITMENT TO ESG CONTINUED

Streamlined Energy and Carbon Reporting (SECR)

From a regulatory perspective the Group continues to report on its annual UK energy use, associated greenhouse gas (GHG) emissions and information relating to our energy efficiency action, in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. In the interests of transparency, we have split out our reporting for our two manufacturing sites – our ceramics factory site in Stoke-on-Trent and home fragrance site in the Lake District.

SECR Methodology Statement

The methodology to calculate energy and GHG emissions data is in accordance with the GHG Reporting Protocol – Corporate Standard and SECR guidelines.

The following data sources have been used for the report:

- **Electricity and Gas** – metered kWh consumption taken from supplier invoices;
- **Transport Scope 1** – emissions have been calculated based on mileage expense claim records and relevant UK Government GHG conversion factors depending on fuel type and assumption of medium sized car; and
- **Transport Scope 3** – emissions have been calculated based on mileage expense claim records, average UK Government GHG Conversion factors and assumption of medium sized car and UK Government Advisory fuel rates.

Stoke-on-Trent (ceramics) GHG Emissions and Energy Use Data	Year ended 31 December 2024	Year ended 31 December 2023
Energy consumption used to calculate emissions	kWh	kWh
Electricity	5,205,389	5,966,898
Natural gas	32,213,386	34,633,526
Transport	102,095	316,487
Total energy consumption (kWh)	37,520,870	40,916,911

	Year ended 31 December 2024	Year ended 31 December 2023
Emissions	tonnes CO₂e	tonnes CO₂e
Scope 1 emissions		
Natural gas	5,892.2	6,670.5
Company owned/leased vehicles	20.9	77.1
Scope 2 emissions		
Electricity	292.2	1,266.4
Scope 3 emissions		
Employee owned car travel (grey fleet)	5.2	12.3
Total SECR emissions (tonnes CO₂e)	3.85	3.66
Intensity metric: tonnes of CO ₂ e per tonne of saleable product*		

Lake District (home fragrance and personal care) GHG Emissions and Energy Use Data	Year ended 31 December 2024	Year ended 31 December 2023
Energy consumption used to calculate emissions	kWh	kWh
Electricity	426,216	440,993
Natural gas	516,515	877,110
Transport	14,105	9,640
Total energy consumption (kWh)	956,836	1,327,743

	Year ended 31 December 2024	Year ended 31 December 2023
Emissions	tonnes CO₂e	tonnes CO₂e
Scope 1 emissions		
Natural gas	94.5	164.8
Company owned/leased vehicles	3.4	2.3
Scope 2 emissions		
Electricity	16.9	92.4
Scope 3 emissions		
Employee owned car travel (grey fleet)	1.8	14.3
Total SECR emissions (tonnes CO₂e)	0.05	0.19
Intensity metric: tonnes of CO ₂ e per tonne of saleable product*		

* Saleable product is the production of that product which excludes by-products of the manufacturing process.

OUR COMMITMENT TO ESG CONTINUED

Reducing CO₂

During 2024, we continued with our external review of our current ESG baseline to inform future strategy for improvements.

↑ 5%*

UK Ceramics – tonnes of CO₂e per tonne of saleable product. This rise is largely due to the reduced product tonnage output in 2024 (vs 2023) despite the use of 100% green electricity.

↓ 76%*

UK Home Fragrance – tonnes of CO₂e per tonne of saleable product. This decrease is primarily due to the use of 100% green electricity on site.

↓ 24%*

UK Operations (exc. Retail) – tonnes of CO₂e per tonne of saleable product. Despite being less efficient, the UK sites consumed 9% less energy in 2024 (vs 2023).

74%

of energy used in UK operations in 2024 was provided by renewable energy.

* 2024 compared to 2023.

Supplier collaboration

Initiatives to reduce emissions across our value chain have recently commenced. Collaborative efforts with suppliers will play a crucial role in achieving our net zero goal, with ongoing evaluations and strategic partnerships anticipated in the coming years.

There is

0% waste

going to landfill from production processes

66%

of the 803 tonnes of waste generated is recycled and usually repurposed into a secondary use with the rest being incinerated (waste to energy). The total volume of waste generated by UK production processes decreased by 6% in 2024 (vs 2023)

SOCIAL IMPACT AND GOVERNANCE

Our focus on social impact (our people, our communities and beyond) and a clear governance structure are key to the success of our organisation.

NURTURING THE BEST

The Group directly employs 659 employees worldwide. We are invested in our people; they are our core asset.

Gender split

The Group strives to eliminate any gender bias in our pay and employment policies and practices; at 31 December 2024, 57.3% of managerial positions held throughout the Group, were held by female colleagues.

As a Group we recognise all forms of diversity in our employees and endeavour to promote a culture of inclusiveness in our workplace to enhance the success of our business.

Learning and development

Learning and development at work is crucial because it strengthens both individual careers and the organisation as a whole, by fostering a skilled, engaged, and future-ready workforce.

Various short sessions have been delivered to colleagues to enhance their learning and develop skills, including topics around time management and train the trainer. Throughout 2024, 1,117 online courses have also been completed.

Apprenticeships are typically designed to help individuals gain the practical skills, knowledge, and credentials needed to become qualified workers in a specific field. We currently have 14 colleagues enrolled on learning programmes

OUR COMMITMENT TO ESG CONTINUED

from level 2 to level 7 across several business functions including sales, operational management and sustainability. We have also identified several colleagues to enrol on an apprenticeship in 2025, to help our colleagues gain the necessary skills and experience to succeed in their chosen career.

Recognition

Key to the retention of our employees is recognising and rewarding their hard work. Our reward strategy aims to provide a package that offers competitive pay and distinctive benefits. We are committed to paying the National Living Wage.

Our UK division operates employee recognition schemes including discretionary incentive schemes, VIP "family and friends" shopping promotions, retirement afternoon teas and long service awards.

The North America division operates annual sales incentive schemes for sales executives and discretionary bonuses for all employees.

Thank you cards are distributed to colleagues across the UK, recognising and appreciating the outstanding contributions of each member of our team.

Our UK division operates Employee and Team of the Quarter Awards to recognise and celebrate employee successes. We believe celebrating success is a vital component to create a positive and motivating work environment.

Engagement

2024 saw the launch of the Culture and Communications Champions across our operational functions, to promote employee engagement by helping to foster a sense of belonging, purpose and pride in the Group.

Particularly, the Champions will help the Group to gather colleagues' voice and relay feedback, provide input to help celebrate successes both within teams and as individuals and work with management to discuss options to improve happiness and morale. Further details of how we have engaged with our employees can be found in the Section 172(1) Statement on page 16.

Health and wellbeing

The wellbeing of our employees is of paramount importance. Through the provision of either private medical insurance or our Westfield Health scheme, all UK colleagues have access to enhanced health and wellbeing services. The goal is to establish a comprehensive support system that meets the various needs of staff at all levels within the business.

Other initiatives which further champion the wellbeing of our teams include having trained Domestic Abuse Champions and Mental Health First Aiders within the workplace, as well as having partnerships with Mind and other local organisations.

OUR COMMUNITY FAMILY

Supporting community fundraising

The Group has a long-standing association with a large number of charities and good causes. In 2024, we made over 100 charity donations to help raise much needed funds for local schools, youth clubs and family support groups.

In addition, our collective fundraising efforts at several staff events have resulted in over £3,000 being raised during the year.

Connecting with local education establishments

In line with our global strategy and community family, we continue to collaborate with Clayton Hall Academy (local to our Stoke-on-Trent site) and have linked with the year 10 students to launch a fantastic project that offers young people a practical insight into the world of work while enhancing their curriculum understanding and knowledge.

Valuable work experience for students within our communities

In conjunction with Staffordshire University first year Product, Furniture, Ceramics BA students, our Stoke-on-Trent design team launched a project for the students to create a new Portmeirion branded mug and handle design. The students conducted competitor research, created a presentation of their proposals and finally made in clay, decorated and in some cases glazed, a prototype sample for review. The winner then came to the Stoke-on-Trent factory to spend a week with the design team to see first-hand how a concept goes from design to production.

Linking with Sandside Lodge School, and as part of their curriculum and careers development, we hosted an on-site tour for the students to meet the Wax Lyrical team and find out about the various roles within the business, as well as seeing the various stages of production. Feedback from the school on the impact on pupils was extremely positive.

OUR COMMITMENT TO ESG CONTINUED

Supply chain

Improving supply chain transparency and supporting our suppliers in applying Portmeirion Group Crafting a Better Future principles across our value chain remains an important part of our strategic plans. We continue to offer support and advice to our suppliers and, during 2024, we carried out an education exercise with our suppliers making them aware of silica controls required in the workplace, to help improve the wellbeing of all of their employees. We continue to carry out semi-announced ethical audits at our suppliers' premises to ensure that, as a minimum, they meet the Portmeirion Group Supplier Code of Conduct, which follows ETI Base Code guidelines.

GOVERNANCE

Our sustainability commitments are underpinned by a clear governance structure. Further details of this structure can be found in The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 Report presented on pages 24 to 28, the Corporate Governance Statement set out on pages 34 to 38, the Section 172(1) Statement on pages 16 to 18, and within Principal Risks and Uncertainties on pages 14 and 15.

THE COMPANIES (STRATEGIC REPORT) (CLIMATE-RELATED FINANCIAL DISCLOSURE) REGULATIONS 2022 REPORT

CRAFTING A BETTER FUTURE – OUR JOURNEY TO COMMIT 2040

Our business and brands have a global footprint and strong history. They are grounded in family values, craft and a commitment to making beautiful products that bring people together and are passed from generation to generation. We must build our global business in a way that evolves this heritage to safeguard the next generation; combining the best of the past with today's innovations and designs to make our business as good as it possibly can be and create a positive legacy for the future - for our employees, communities, customers and the planet.

In 2023, we published our sustainable business strategy and roadmap – *Crafting a Better Future* - which is aligned to our commercial strategy to ensure that sustainability sits at the core of our business model. Underpinning our strategy is a clear governance structure, led by the Chief Executive and supported by the Board, in order to effectively manage the Group's transition to a net zero emissions business by 2040 across our Scope 1 and 2 emissions. More details can be found at <https://www.portmeiriongroup.com/sustainability> and in the Our Commitment to ESG report on pages 19 to 23.

➤ <https://www.portmeiriongroup.com/sustainability>

➤ [Our Commitment to ESG: pages 19 to 23](#)

The Task Force on Climate-related Financial Disclosures ('TCFD') requires companies to identify, measure, quantify and report on the risks and opportunities of climate change.

Our approach to TCFD looks to identify the potential climate related risks and opportunities that may impact our business and the plans we have in place to deal with any risks identified. Risks and opportunities are re-evaluated as the environment we operate in evolves.

GOVERNANCE

The Group's business sustainability strategy and its focus on climate-related matters is led by the Chief Executive and supported by the Board, who are all accountable for the sustainability commitments of the Group. The Board has oversight of climate-related issues through various channels and initiatives: our Business Sustainability Committee (which reviews the risks and opportunities of climate change), a UK multi-departmental Energy Team to assess energy saving opportunities within our operations and a UK monthly utility consumption report containing cumulative energy usage of manufacturing sites and regular SECR reporting. Each of these channels and reporting mechanisms enable oversight and the ability to ensure the consideration and integration of climate issues into business decisions at the top level. Senior management are also part of the British Ceramic Confederation's (rebranded Ceramics-UK) Energy & Emissions sub group which meets with UK ceramic manufacturers of goods from homewares to heavy clay. The group meets on a quarterly basis to discuss developments and issues facing the ceramic industry and how risks can be possibly mitigated.

The Board is ultimately responsible for the risk management framework of the Group which includes the climate-related risks and associated metrics which are reviewed by the Business Sustainability Committee. The risks and opportunities in relation to climate change are identified by senior management and ultimately reported to the Board through various means and channels as detailed above.

The Business Sustainability Committee, set up during 2023, is chaired by the Chief Executive and its membership includes the Group Operations Director, Global HR Director, UK Head of Environmental and global divisional level management covering human resources, operations, production, quality, technical, environmental, finance and governance. The Committee seeks expertise from all departments and functions within the business and is responsible for reviewing and implementing the Group's strategy including its commitment and success to achieving net zero greenhouse gas emissions across Scopes 1 and 2 by 2040, as well as setting KPIs (Key Performance Indicators) and monitoring progress against the KPIs.

As we develop our understanding of the risks and opportunities facing the Group we will consider, where appropriate, enhancements to our current disclosures. Our disclosures follow the recommendations of the TCFD to report on Governance, Strategy, Risk Management and Metrics and Targets and in particular the 8 disclosure requirements as prescribed by the Companies Act 2006.

➤ [For more information on our sustainability strategy and roadmap to Commit 2040 please see pages 19 and 25](#)

➤ [For more information on our Scope 1 and 2 emissions please see pages 20 and 21](#)

THE COMPANIES (STRATEGIC REPORT) (CLIMATE-RELATED FINANCIAL DISCLOSURE) REGULATIONS 2022 REPORT CONTINUED

STRATEGY

Our sustainable business strategy and roadmap – Crafting a Better Future – focuses on three strategic commitments as set out on pages 19 to 23: Commit 2040, Nurturing the Best and Our Community Family. Our Commit 2040 pledge has in particular helped us to identify climate-related risks and opportunities over three time horizons which are defined below:

Short-term:	up to five years
Medium-term:	five to ten years; and
Long-term:	beyond ten years

Our identification, understanding and regular monitoring of our risks and opportunities means that we are able to engage with our stakeholders in a fully transparent manner, whilst being able to track our progress so that we can continue to achieve our climate-related goals. Figure 1 below illustrates our journey to achieving net zero by 2040 based on emissions tracked from our existing ESG exercises as we look to significantly reduce our Scope 1 and 2 emissions over the medium and long-term. Our baseline emissions in 2019 for the Stoke-on-Trent facility was 8.4kt CO₂. Further details on UK operations can be found in Our Commitment to ESG report on pages 19 to 23.

During the year, our senior management team reviewed our risks and opportunities register including a scenario based analysis to ensure it captured the impact of the evolving climate related risks on our business strategy, over relevant time horizons. The risks identified in the Climate Risk Register are centered on the ceramics production function of the Group. The decision to focus on this area is due to ceramic production accounting for the most significant CO₂ emissions and highest raw material requirements for the Group.

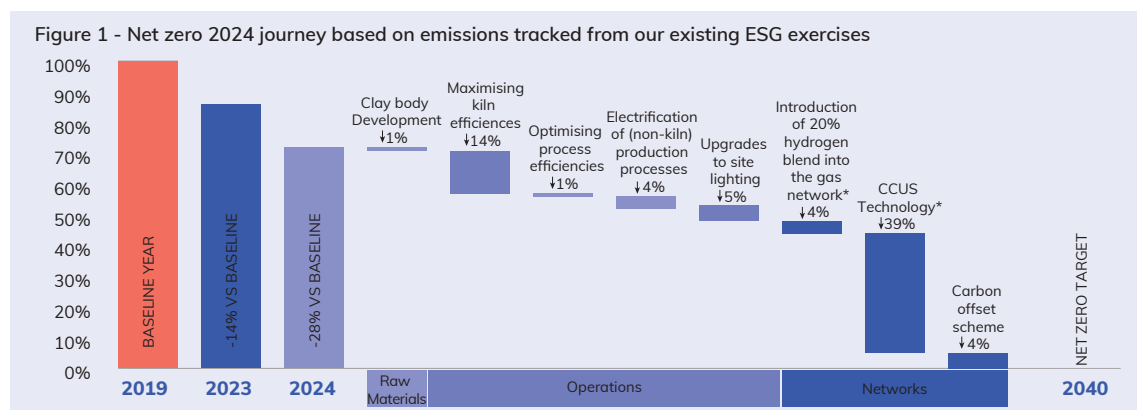
The Group considers transitional risks of climate change a principal risk, therefore our analyses for the current financial year covers only transition risks as they pose varying levels of risk in the short, medium and long-term. Whilst the Group recognises physical risks that may be caused by the effects of climate change leading to extreme weather events such as excessive heat, wildfires, drought, changes in water availability and food security, these risks are expected to manifest more slowly, most likely in the long-term and beyond for the Group. Therefore, the main focus of the Climate Risk Register continues to be transition risks and opportunities.

We believe that a scenario analysis is useful in analysing our climate-related risks and opportunities to better understand the critical dependencies of climate change on our business however, they are not predictions or forecasts. Our strategy and the potential to pursue certain opportunities available to the business may change over time as climate change trends continue to evolve. Therefore, the risks impacting the business may evolve or change over time and the Group will continue to adapt its strategy as required so that we can continue on our journey towards achieving net zero emissions by 2040. A qualitative scenario analysis has been performed in the table below which outlines the risks and opportunities for the Group of a 2°C+ change in global temperatures. Under this analysis, the Group is able to manage the risks that have been identified and it does not impact going concern.

Our material climate-related risks and opportunities are outlined on pages 26 to 27. For each, we have provided an indication of their potential impact and how they have or may affect our business, strategy and financial planning. We have also provided an overview of possible mitigations available to us. This is not an exhaustive list and there may be risks and uncertainties that the Board is not aware of, or are believed to be immaterial, which could have an adverse effect on the Group.

The Group has continued its work to define the roadmap to Commit 2040 as part of the business sustainability strategy.

We approach sustainability projects with a flexible mindset. Rather than a pre-defined budget, we evaluate each opportunity on its own merits as it arises. This allows us to prioritise initiatives that offer the greatest potential impact and align with our overall sustainability goals.



* The successful integration of blended hydrogen into the national grid is subject to numerous policy and technological variables. While Carbon Capture, Utilisation, and Storage (CCUS) technology exists, further evaluation is required to determine its full long-term potential. We are continuously monitoring developments in these areas, and our net zero roadmap is expected to adapt over the short to medium-term in response to this evolving landscape.

THE COMPANIES (STRATEGIC REPORT) (CLIMATE-RELATED FINANCIAL DISCLOSURE) REGULATIONS 2022 REPORT CONTINUED

PRINCIPAL CLIMATE-RELATED RISKS AND OPPORTUNITIES IN CONNECTION WITH THE GROUP'S OPERATIONS

Transition impact: Risk (description)	Scenario	Time horizon	Impacts assuming no mitigation	Mitigation of risk	Opportunities
TRANSITION RISK: MARKET RISK					
Raw Materials -availability of ground based raw materials	Global temperature rises more than 2°C+	Short to medium- term	Increased cost due to fewer alternative suppliers and reduced competition. Potentially longer lead time if we are forced to purchase from markets further from our factories, hindering our ability to make agile decisions.	<ul style="list-style-type: none"> • Researching clay recipe to reduce the energy required to fire it; • investigating ways of securing raw materials closer to production sites; and • working with suppliers to secure long-term supply of materials. 	<ul style="list-style-type: none"> • Collaborative approach with suppliers to develop more energy efficient products; and • substitution of materials that are identified as high risk, broadening our supply options and reducing reliance on existing suppliers.
TRANSITION RISK: MARKET					
Energy price volatility Fuel supply interruptions	Global temperature rises more than 2°C+	Short to medium- term	Forecasting production output and cost of production will be subject to greater uncertainty, with the possibility of factory shutdowns. Efficiencies could be lost due to sporadic shutdowns. Continuous energy interruptions may damage plant and machinery, reducing their value in use.	<ul style="list-style-type: none"> • Implementation of smart technology in non-production areas of the business; • installation of renewable technology systems; and • identifying methods of electrification via renewables. 	<ul style="list-style-type: none"> • Preparation to expand renewable energy capacity in advance of DNO upgrade.
TRANSITION RISK: MARKET					
Supply Chain: Country of manufacture may change to reflect emissions optimisation opportunities	Global temperature rises more than 2°C+	Medium- term	Unable to use supplier due to lack of energy saving initiatives or capabilities. Increasing costs to move to alternative supply.	<ul style="list-style-type: none"> • Review of existing supply chains to identify high risk channels; • collaboration with couriers with a validated carbon offset certification; • engaging with downstream suppliers to commit to the Group's Sustainability Strategy; and • engaging with Ceramics UK and DESNZ to better understand Government policy. 	<ul style="list-style-type: none"> • Educate supply chain in energy saving opportunities.

THE COMPANIES (STRATEGIC REPORT) (CLIMATE-RELATED FINANCIAL DISCLOSURE) REGULATIONS 2022 REPORT CONTINUED

Transition impact: Risk (description)	Scenario	Time horizon	Impacts assuming no mitigation	Mitigation of risk	Opportunities
TRANSITION RISK: POLICY AND LEGAL					
Potential increase in materials and utilities may impact operating capacity Increased threat of imports replacing UK made products (Scope 1 and 2 emissions would be moved to Scope 3)	Committing to net zero	Medium to long-term	Increasing requirements can increase compliance costs and so reduce profitability. Mandatory participation in Emission Trading Schemes.	<ul style="list-style-type: none"> Engaging with Ceramics UK and DESNZ to better understand Government policy; identifying high energy processes/ products and assessing future viability; better understanding of energy efficiencies of new equipment at the capital expenditure stage; and investigating methods of decreasing kiln thermal outputs to mitigate risk of inclusion in Emissions Trading Schemes. 	<ul style="list-style-type: none"> Continue holistic approach to global operations; review energy efficiency of hybrid working; improve visibility of Scope 3 emissions associated with employee commutes; and identify methods to better utilise waste streams.

➤ For more information on our sustainability strategy and roadmap to Commit 2040 please see pages 19 and 25

➤ For more information on our Scope 1 and 2 emissions please see pages 20 and 21

RISK MANAGEMENT

The Board has overall responsibility for reviewing the risk management processes and controls in place within the Group and ensuring that they are appropriate, which includes climate-related and ESG risk. The Group is exposed to a number of climate-related risks across the markets it operates in internationally. Risk management is a key focus of the Board and it is assessed at all Board meetings. The process for identifying, assessing and managing climate-related risks is closely integrated with the Group's overall risk management process.

The Group has a system of internal controls monitored by senior management/Executive Directors for identification of climate risk and for taking appropriate action to prevent, mitigate and manage these risks. The Board and Business Sustainability Committee assess and review the external environment in order to identify any new risks for consideration. As new risks are identified during the normal course of business, these are communicated to the Executive Directors who meet at least monthly to review ongoing trading performance. Changes to climate risks discussed at these meetings are then provided to the Board. Assessment of risks takes place at Board meetings, where a detailed schedule of risks (Group Risk Register) is considered and updated as necessary. Risks are graded against a criteria of likelihood and potential impact in order to identify the key risks impacting the Group, including from a climate risk perspective. Consideration is given to impact, probability of occurrence, the need to add new risks or remove previously identified risks, and finally if the controls in place are sufficient to mitigate the climate related risks to the business. The Group Risk Register also identifies and monitors existing and emerging regulatory requirements related to climate change (e.g. limits on emissions) as well as other relevant factors that may impact the Group and its strategy.

The Board and Business Sustainability Committee will continue to review existing controls in place to mitigate risks. As the climate changes with time, controls that were once appropriate may need adapting or replacing completely. By keeping controls up to date, it will ensure that the Group is protected, as far as possible, from the harmful impact of climate related risks occurring.

➤ For more information on risk management see the Corporate Governance Statement on pages 34 to 38

Data is reviewed annually and tracked against the objectives set out within our Commit 2040 objectives (as part of the Crafting a Better Future strategy).

THE COMPANIES (STRATEGIC REPORT) (CLIMATE-RELATED FINANCIAL DISCLOSURE) REGULATIONS 2022 REPORT CONTINUED

Following the launch of our energy reduction project in 2022, our climate-related KPIs include an interim target of a 30% reduction in energy consumption by 2025. As of year 2, the reduction value was 17%. The target of 30% is expected to be achieved in 2025 though maximising kiln efficiencies.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

From a regulatory perspective, the Group continues to report on its annual UK energy use, associated greenhouse gas (GHG) emissions and information relating to our energy efficiency action, in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Please see pages 19 to 23 for this year's report.

To measure progress against our target to become net zero by 2040, we have KPIs in place and we have identified tonnes of CO₂ per tonne of saleable product as the most suitable metric for reporting emissions (across Scope 1 and 2 emissions) as this removes the influence of externalities not related to operational processes. This metric of using tonnes of saleable product also mirrors that used for determining the Specific Energy Consumption of our processes.

Targets	Time horizon	Our progress so far
Achieve carbon neutrality by 2040 across our Scope 1 and 2 emissions, defining a pathway that focuses on maximising the proportion of our energy use from renewable sources.	Long-term	From April 2024, 100% of electricity used in UK operations is sourced from renewable energy. As of 2024, we have reduced energy usage by 17% since 2022, against a target of a 30% reduction by 2025. These combined initiatives have contributed to the reduction of total CO ₂ emissions across UK operations from 8,798 tonnes of CO ₂ in 2022 to 6,327 tonnes of CO ₂ in 2024.
All new company vehicles will be fully electric where possible.	Short-term	Since 1 January 2023, all new company vehicles are fully electric. Those not electric are due to range requirements or lack of charging infrastructure.
Work with our supply chain manufacturing partners to ensure they support our Commit 2040 plan.	Short to medium-term	Sustainability Code of Conduct drafted and sent out to tier 1 suppliers. This document details the objectives of the Commit 2040 plan and will allow us to identify key focus areas within our supply chains.
Develop the role of Global Energy Teams to drive energy reduction within our operations through innovation and 'green thinking' throughout the Group.	Short-term	The Business Sustainability Committee continues to develop its oversight of the processes designed to reduce energy usage.
Achieve 0% to landfill across entire UK business, building on target already achieved in our Stoke-on-Trent ceramic manufacturing site.	Short-term	As of 2024, waste to landfill for all UK production processes is 0%. Waste streams dashboards are in development to help improve visibility of all waste. Volume of recycled waste increased to 73%.
Eliminate single use plastics throughout our operations.	Short-term	We have implemented the use of repurposed cardboard transit packaging as an alternative to plastic void fill at our Trentham Lakes Distribution Centre. We are actively exploring ways to create a circular economy for any remaining plastic packaging.
Understand our global nature footprint and develop a Group wide biodiversity plan.	Medium-term	We are actively assessing potential biodiversity risks associated with our operations and supply chain. This ongoing evaluation will inform our future strategies for minimising our environmental impact.
Enhance our materiality assessment to understand more about our Scope 3 emissions.	Long-term	The Business Sustainability Committee will be reviewing and updating the boundaries of Scope 3 emissions in 2025.

NON-FINANCIAL AND SUSTAINABILITY STATEMENT

Reporting requirement	Relevant information	Policies and standards
Information necessary to understand the Company's development, performance and position and the impact of its activity relating to:		
1. Environmental matters (including the impact of the Company's business on the environment).	Pages 19-27	Pages 26-27
2. The Company's employees.	Pages 14, 17, 21-22	Page 14
3. Social matters.	Pages 18, 21-23, 53	Pages 21-23
4. Respect for human rights.	Pages 14, 53	Page 23
5. Anti-corruption and anti-bribery matters.	Pages 35, 40, 49, 53	Pages 35, 53
Required information		
6. Description of the Company's business model.	Pages 7-9	
7. Description of policies (and any due diligence process implemented pursuant to those policies) pursued by the Company in respect of items 1 to 5 above and a description of the outcome of those policies.		
8. A clear and reasoned explanation if the Company does not pursue any policies in respect of the above matters.	Not applicable	
9. Description of the principal risks relating to items 1 to 5 above where relevant and proportionate, a description of the business relationships, products and services which are likely to cause adverse impacts in those areas of risk and a description of how it manages such risks.	Pages 14-15	
10. Description of the non-financial key performance indicators relevant to the Company's business.	Not applicable	
11. Where appropriate, references to and additional explanations of the amounts included in the accounts.	The accounts are produced in accordance with UK-adopted international accounting standards and applicable law.	