Halma

Sustainability Review

Introduction

Introduction

Welcome to the Halma plc Sustainability Review for 2025. This year, we have expanded this report, previously published as our 'Emissions Reduction Report', to house information and examples on how we are driving growth in sustainability and supporting our people, as well as continuing to provide details of our progress on protecting our environment via sustainable design and emissions reductions*.

Highlighting our first sustainability pillar, in the **Drive Growth in Sustainability** section of this review you'll find examples of how our companies are seeking opportunities to grow, driven by our purpose, long-term growth drivers and evolving sustainability demands, that aim to increase and broaden the benefits enabled by our products and services.

In that section, we also focus on highlighting climate change-related growth opportunity examples, where our companies are increasingly motivated by climate change and using their strengths to identify solutions that are related to the adaption of their existing products, the development of new products, and the exploration of growing new markets such as those linked to the energy transition.

The examples we give are supplementary to our TCFD Statement in our 2025 Annual Report and Accounts where we also explain how we are identifying, monitoring and responding to potential climate-related risks.

Due to our operating model, with our many companies working across three different sectors, we know that we have the potential to create a diversity of solutions within our second and third sustainability pillars - **Supporting our People** and **Protecting our Environment**.

In the support of this, at Group level we provide centralised guidance and insights to our companies while setting out clear expectations. For example, we require each Halma company to have an individual Sustainability Action Plan (SAP), making clear the goals and actions they have in place to reduce their Scope 1 & 2 emissions and promote diversity, equity and inclusion within their workplaces. Increasingly, these plans include details of Scope 3 decarbonisation activities, sustainable design and supply chain engagement as well.

In the **Supporting our People** section, you'll find information on our progress in 2025 towards building diverse and inclusive businesses and fostering employee engagement, wellbeing and development. This information is reproduced from our 2025 Annual Report and Accounts. More detail and multimedia content around people and culture is available at www.halma.com/our-people-and-culture.

In the **Protecting our Environment** section, we outline how Halma companies have further reduced Scope 1 & 2 emissions and exceeded our 2025 renewable electricity target (see pages 22 to 24). In addition, we continue to see good progress on Scope 3 and sustainable design, as we illustrate on pages 25 to 29.

It perhaps goes without saying that due to the scale and diversity of our operations, one single report couldn't hope to represent the entirety of our companies' many diverse sustainability-related initiatives and activities. Therefore, the information contained in this report is by no means exhaustive but instead acts as a companion piece for our 2025 Annual Report and Accounts including our TCFD disclosures, as well as more quantitative and qualitative ESG data available at www.halma.com.

We hope that through this document, alongside others detailed above, we can make clear our commitment to sustainability while highlighting interesting examples and corresponding data for context.

Constance Baroudel
Chief Sustainability Officer
June 2025

* Our approach to our sustainability reporting suite continues to evolve as we prepare for new upcoming mandatory reporting requirements. More information is available in our 2025 Annual Report and Accounts.

Contents

Approach

Our approach to sustainability

A single approach and a diversity of solutions

At Halma, sustainability has always been at the core of our purpose-driven strategy for growth. Our sustainability-related growth is anchored in our continued focus on acquiring and growing companies in the safety, environmental, and healthcare markets that are addressing real-world problems that enable their customers to provide safer environments, protect life-critical resources, and deliver better healthcare.

Central to this approach is our strength in numbers, with each of our entrepreneurial operating companies empowered to develop their own individual approaches for contributing to our Group wide sustainability goals.

The result is a 'diversity of solutions' - a diversity that ensures our sustainability strategy remains agile and adaptable.

Our three-pillar approach starts with **driving growth in sustainability**. We believe that continuing to encourage our companies to identify and pursue sustainability-related opportunities to grow their products and markets will allow us to accelerate our progress and broaden the benefits that our companies already enable through their products and services.

Our second sustainability pillar is driven by our purpose and cultural DNA – **to support our people** as we grow – our employees, suppliers and the communities we operate in. Within this pillar, our key focus area is diversity, equity and inclusion.

Our third pillar – **to protect our environment** – is vitally important to Halma, not only because it is the right thing to do, but also as it will support our future growth. Priority focus areas include sustainable product design and reducing our carbon emissions.

An overview of the three pillars of our sustainability strategy can be seen on the right with further details available in our 2025 Annual Report and Accounts.

Our three sustainability pillars

We drive growth in sustainability by:
- Seeking organic and inorganic growth opportunities driven by our purpose, long-term growth drivers and evolving sustainability demands that aim to increase and broaden the benefits enabled by our products and services.

We support our people by:
- Improving the lives of employees, suppliers and community members.
- Focus areas: diversity, equity and inclusion.

We protect our environment by:
- Reducing our environmental footprint in our operations and wider value chains.
- Focus areas: reducing greenhouse gas emissions and sustainable design.

Drive growth in sustainability

Overview

Organic growth opportunities

Halma companies know their markets and customers best, which is why our sustainability approach focuses on bottom-up, company-led identification and management of sustainability growth opportunities. Because of our diversified portfolio, this results in a variety of different outcomes.

In practice, some of our companies are growing existing sustainability-related markets further, some are developing new products for sustainability-related markets, and others are pivoting their existing products for alternative uses in sustainability-related sectors. For many companies, leveraging innovation and digital technologies will be key to solving sustainability challenges.

Acquisition growth opportunities

At the Group and sector level, we also continue to be excited by acquisitions that deliver on our purpose and long-term growth drivers and additionally have significant, long-term sustainability growth opportunities.

For example, Halma's recent acquisition, Lamidey Noury Medical, is a company renowned for its excellence in designing and producing electrosurgical instruments. These instruments are essential in minimally invasive procedures because they allow for more precise and controlled interventions, reducing the risk of complications and improving patient outcomes.

Not only does this acquisition align well with our purpose, but clearly supports the third UN Sustainable Development Goal to ensure healthy lives and wellbeing.

Monitoring growth

Defining and measuring sustainability-related growth will continue to be a challenge, given our Sustainable Growth Model is already driven by our purpose to create a safer, cleaner, healthier future for everyone, every day. Therefore, separately identifying and measuring opportunities can be difficult, and we are conscious of adding to the reporting burden on our small and medium-sized companies.

We are therefore focused on building a variety of flexible approaches to measurement and reporting of opportunities over time. This year, using outputs from the annual strategic planning process, we were able to assess, aggregate and review the financial potential of our products and markets climate-related opportunities – more detail can be found in the TCFD statement and in the climate change examples on pages 10 to 12.

Examples of driving growth in sustainability

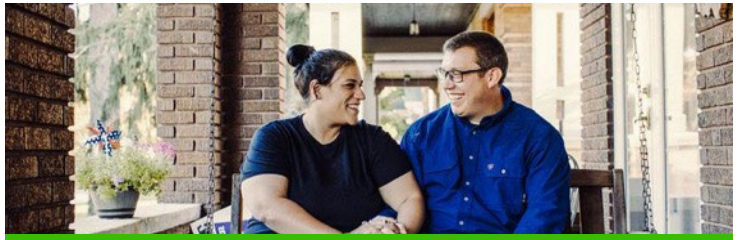
Our sustainability growth model is built upon our long-term growth drivers:

- A growing need to improve the safety and efficiency of vital industry and infrastructure
- Increasing demand for better healthcare
- The growing need to protect life-critical natural resources
- Global efforts to address climate change, waste and pollution

The following slides focus on specific ways in which we drive growth in areas that support efforts to address climate change. However, a broader snapshot of the ways in which we drive growth across all areas of sustainability can be found in the following case studies.

How Halma's technologies are helping to close the women's health gap

Preventing water leaks



Protecting people from hazardous gases

Tackling the water crisis

Helping patients see again

Enabling a greener power grid

Climate change examples

Climate change

The effort to address climate change is a key long-term growth driver for Halma.

On balance, while climate change presents various potential risks to Halma, as set out in our latest TCFD Statement, the low carbon transition and the need to adapt to changing climates continues to present potential opportunities for our companies to drive growth while expanding positive impact.

As a group of companies operating in varied market niches there are many ways in which our companies can engage with this growth driver - responding to climate-driven opportunities in their markets in an agile, entrepreneurial way.

The following pages and our TCFD Statement give some illustrative examples[1] of some of the approaches our companies could take in the future, as well as examples of those who are already pursuing climate-related growth opportunities. Broadly, these revenue and profit growth opportunities can be grouped under the following three categories.

Enabling transition: Providing products and services that enable, support or reduce costs for customers and industries transitioning to a low-carbon economy.

Monitor and Measure: Providing products and services that enable businesses to monitor, measure and adapt to the increasing effects of climate change.

Low footprint: Providing products with a low or reduced carbon footprint serving customer demand for reduction in supply chain emissions .

> “Our approach supports and inspires a diversity of solutions across both climate-related growth opportunities and emissions reductions activities.”
>
> **Constance Baroudel,** Chief Sustainability Officer

1. As explained more fully in our TCFD disclosures, no opportunities are expected to be material in their own right, and a material aggregate opportunity is only expected to arise over the medium to long-term (3-10+ years). These examples are given for illustrative purposes only, and are not selected based on size of company or opportunity.

Climate change examples

Enabling transition: Providing products and services that enable, support or reduce costs for customers and industries transitioning to a low-carbon economy.

The safety of the energy transmission and distribution network is crucial as we transition to low-carbon power grids and infrastructure. Several of our companies create solutions to keep people, equipment, and the environment safe as well as supporting the transition to low-carbon fuel sources.

Supporting the transformation of networks to low-carbon power grids

- **Crowcon and Sensit** provide hydrogen detection to keep workers safe as hydrogen is increasingly blended into natural gas supplies. Crowcon sensors are now being installed into electrolysers (the mechanisms that generate hydrogen) to ensure no dangerous build-up of hydrogen occurs while system is running. This is helping make a renewable but potentially volatile source of alternative energy safer to manage and thereby aiding the energy transition.
- **OsecoElfab's** rupture disc products are specially designed for industrial customers who are transitioning away from SF6, a potent greenhouse gas, to alternative gases within gas insulated switchgear used for electricity transmission. **Sentric** also addresses the challenges of working with high voltage switchgear with specialised solutions designed to uphold strict safety protocols.
- **FirePro's** fire suppression systems use a non-pressurised condensed aerosol technology which does not contain ozone depleting substances or fluorinated greenhouse gases to extinguish fire without causing damage to the environment, while protecting people, renewable energy infrastructure, energy storage systems and key equipment from various fire hazards. Featured in this podcast.

Supporting growth in the wind energy sector

- **Firetrace and Apollo** manufacture automatic fire detection and suppression systems for the wind energy sector, among others, detecting or stopping small fires where they start in areas where electrical fires are more likely to occur and therefore limiting the damage caused by a fire.
- **Deep Trekker** produces submersible robots that can monitor and maintain critical underwater infrastructure. Designed to support sectors including aquaculture, maritime, and energy, Deep Trekker robots, as well with their latest unmanned surface vessel deployed solutions are increasingly used by off-shore wind farms. So, as the market for this alternative energy source grows, so too will demand for Deep Trekker's products.

Supporting the transition to electric transport

- **WEETECH's** technology tests cable harnesses used in electric vehicles to ensure the high voltage cabling is compliant with safety standards. Automated high voltage testing also protects workers testing cable harnesses.

Helping customers reduce energy consumption

- **BEA** helps to reduce customers' heat loss and energy use, while enhancing safety through their LZR®-WIDESCAN technology. With this technology, sensors allow industrial doors to close more quickly when it is safe to do so.

Supporting the circular economy

- **Ocean Insight's** recycling solution detects types of aluminium enabling it to be sorted into different grades within milliseconds. This application increases speed and reduces recycling costs, supporting the transition to a more circular economy.

Climate change examples

Monitor and measure: Providing products and services that enable businesses to monitor, measure and adapt to the increasing effects of climate change.

Our companies' monitoring and measuring technologies are used in a variety of climate-related contexts, from aging water networks to earth orbiting satellites.

- **HWM**'s acoustic leak detection monitors 'listen' for leaks in water pipes, enabling prioritisation of maintenance, helping preserve water supplies, reducing water wastage and preventing contamination - particularly pertinent in the context of increasing water stress.
- **HWM** and **Minicam Group** help increase the resilience of wastewater networks as extreme weather events increase and intensify due to climate change. **HWM's** SpillSens and RadarSens are intelligent sensors that use orientation technology, similar to smartphones or radars, to monitor for unexpected changes in wastewater levels due to flooding or blockages, alerting operators of the changes and so preventing potential spillages into the environment. **Minicam Group** offers different solutions for pipeline inspection, maintenance, and rehabilitation. Their technology helps extend the life of ageing wastewater networks by assessing the condition of pipes and therefore enabling quick repairs and reducing blockages.
- **Labsphere** is a leading supplier of broadband radiance reference sources, and onboard and field test targets for earth observation imagers used on earth observing Earth Orbiting Satellites (EOS). Approximately 25-30% of the EOSs are dedicated to environmental monitoring and climate change research. These satellites play a critical role in tracking various climate variables such as atmospheric composition, sea and land surface temperatures, ice sheet dynamics, and greenhouse gas concentrations.

Low footprint: Providing products with a low or reduced carbon footprint serving customer demand for reduction in supply chain emissions.

Whether it is focusing on low carbon materials, more climate friendly packaging or reducing a product's emissions in use, many of our companies are investigating ways to reduce the overall carbon footprint of their products.

- **Medicel** has been trialling sustainable design within their portfolio of advanced injection systems for the cataract market. Actions have included commissioning of lifecycle assessments to identify impact hotspots as well as testing application of fundamental design principles to product and packaging, including use of innovative packaging materials. In addition, they re-designed two products to be considerably smaller and lighter, using less packaging, supporting reduced waste generation and increased shipping efficiency.
- Another axis where **BEA** is helping improve customers' energy usage is their switch from analogue to digital radar ARTEK technology in their IXIO and EAGLE products significantly reduced lifetime energy consumption and embedded carbon emissions, contributing to their Scope 3 decarbonisation plan. The new technology offers technical benefits and sets a precedent for eco-design specifications in future products. See case study on page [29].

Case study: Sentric Safety Group

According to the 2024 IEA outlook report[1], the global energy sector added nearly 2.5 million jobs in 2023 bringing total employment to over 67 million workers. This growth was driven by record levels of investment across various energy sources following the global energy crisis. Notably, the same report indicates the clean energy sector accounted for 61% of this growth, as many global economies prioritise the shift to clean energy and seek to diversify energy sources to meet both energy security and decarbonisation objectives.

To manage the increasing diversity of energy sources, the power grid of the future needs an upgrade to become smarter and safer. The UK's National Grid[2] is proposing a substantial investment of up to £35 billion over the next five years to March 2031 to nearly double the amount of energy that can be transported around the country, whilst also creating an additional estimated 55,000 jobs.

In this dynamic landscape, several of Halma's safety companies play a crucial role by providing technologies that safeguard the new infrastructure and protect the growing number of people who run and maintain it daily. One such company is The Sentric Safety Group, which supports the energy transition across various sectors through their trapped key interlock (TKI) solutions.

A trapped key interlock (TKI) is a safety device that prevents unsecured access to unsafe locations by trapping a key in one position until a specific action, such as isolating a hazard, is completed. Sentric's TKIs are fully customizable and can be integrated to meet a customer's unique needs, ensuring the protection of people and the prevention of operational losses and damage. They are also highly durable and suitable for industrial environments.

Sentric's success with this product range lies in its applicability across multiple industries, including various renewable energy sectors, which represent an increasing proportion of the company's revenue. Notably, the offshore and onshore wind energy market presents a continued growth opportunity for Sentric. Wind energy is the second fastest-growing sector in renewables globally and is expected to almost double in size by 2030[3].

Safety systems designed by Sentric create safe working conditions for a turbine's maintenance crew. Their TKI ensures that once a worker has shut down an operation for inspection, it cannot be restarted accidentally. This means maintenance crews can access the areas they need to keep the turbine operational and know they are protected while doing their jobs.

The transferability of this technology is growing across other sectors, including solar power, hydropower, geothermal energy, and biomass energy, where the most hazardous risks, such as high voltage machinery, working from heights, or confined environments, can be carefully controlled using bespoke strategies.

Beyond sustainable energy, Sentric is also supporting other industries that will form part of a more sustainable future. Two examples are railway safety, helping to keep workers in the most hazardous parts of rail depots safe, and waste and recycling facilities.

1. https://www.iea.org/reports/world-energy-employment-2024/executive-summary
2. https://www.riiot3.nationalgrid.com/
3. https://www.iea.org/energy-system/renewables/wind

Support our people

Employees

Building a culture of inclusion and belonging

A workforce strengthened by many perspectives, experiences, and backgrounds has been and will continue to be critical to our success. Our commitment to building inclusive businesses is not only a contributor to high engagement but also yields wellbeing, productivity and positive morale.

For the past five years, we have been working towards achieving 40-60% gender balance on our company boards. We are pleased that our companies continue to make progress in this area, with our company boards now comprising 33% women, up from 31% last year. This is an improvement of 14% percentage points since we started tracking this metric in 2020.

At the executive level, we continue to grow the number of women in senior leadership positions, with women comprising 50% of Halma's Board and 60% of the Executive Board (as at 31 March 2025), far exceeding the FTSE Women Leaders 40% recommendation. Additionally, with Carole Cran becoming Group Chief Financial Officer (CFO) in April this year, we now have women in the three key roles of Chair, Senior Independent Director, and Group CFO.

As a result of this long-standing commitment to gender balance we have been awarded for a second year, a Balance in Business (BIB) Award in the Trailblazer Exco & D/Rs FTSE 100 category. We have also been recognized by BIB on its Roll of Honour celebrating previous award-winning companies that continue to inspire and set a benchmark for others to follow. This is an important recognition, reminding us to continue building on this momentum and ensure progress does not halt.

Through our flagship campaign for International Women's Day this year we highlighted how investing in women's health is crucial for creating a positive impact on society, bridging the gender health gap, and empowering women to take control of their health.

For Black History Month, we highlighted notable Black individuals' contributions in healthcare, safety, and the environment. We are committed to amplifying voices from diverse communities and increasing racial and ethnic minority representation in leadership. We aim for 20% of senior management to be from under-represented ethnic groups by December 2027. As at 31 March 2025, 18% of the Executive Board and their direct reports are from under-represented communities. We count only those who are ethnic minorities in their regions of operation.

In line with the Parker Review's updated definition, focusing solely on the Executive Board and their UK-based direct reports, this percentage is 21%.

To enhance diversity and inclusivity, we used social media and direct sourcing to reach a broader talent pool. This resulted in more women and diverse hires than last year, and remains a solid platform for building a strong referral network for future talent.

We also continued supporting caregivers through our gender-neutral parental leave, which enabled more than 200 new parents this year to look after their newborns, and over 900 since 2020. Further, more of our companies added flexible work options for better work-life balance. For example, Navtech now offers hybrid working and compressed work weeks, while Apollo allows employees to buy additional leave as part of their growing suite of benefits.

Employees

Employee engagement

We monitor employee engagement and satisfaction through annual employee surveys, and this marks our ninth cycle. This year, we are using a new employee listening tool, which integrates with our new unified people platform. The survey questions have been simplified but still measure the key drivers of employee sentiment and engagement. The scoring system has been changed to a Net Promoter Score, consistent with customer satisfaction metrics.

This year we maintained a strong response rate of 83% and stable engagement score of 73%, which is a 1% increase from last year. The survey feedback shows a consistent belief with Halma's DNA across the Group, with high scores for collaboration and management support. It's also pleasing to see that people feel strongly that Halma and their company's values align with their own, and that colleagues of all backgrounds are welcomed. Both these engagement drivers scored ahead of the industry benchmark.

Gender Pay Gap

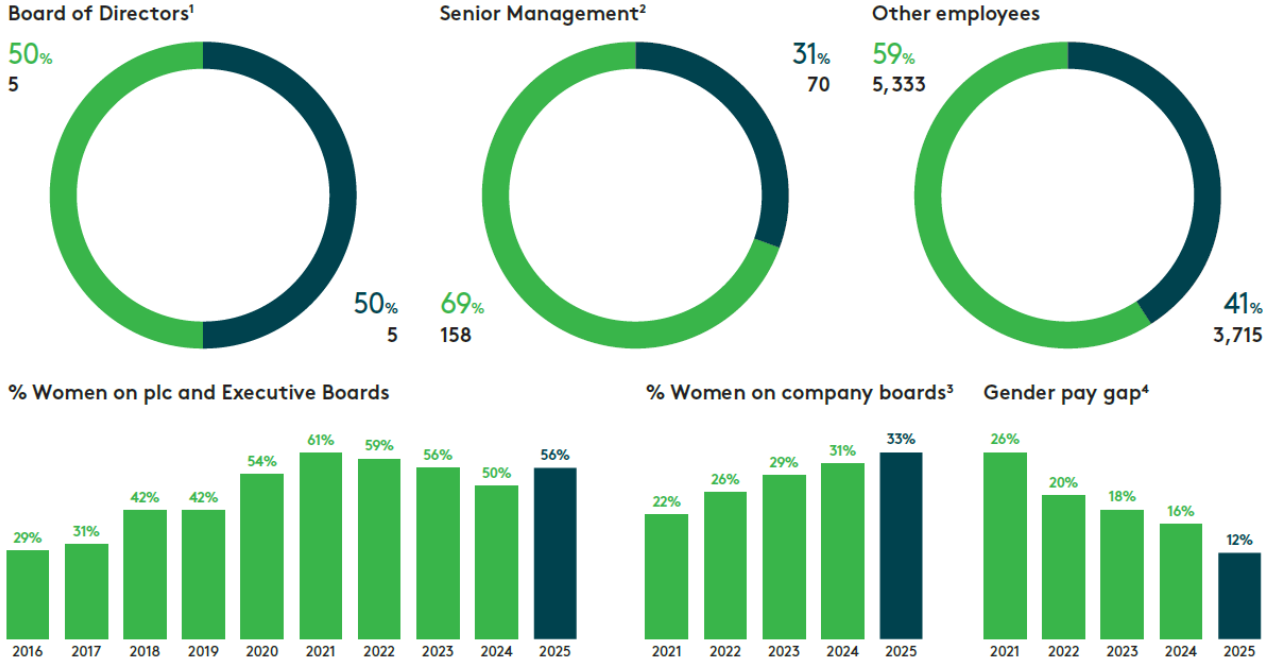
For the fifth year we are voluntarily reporting the Gender Pay Gap figure, based on combined data for the employees in two of our largest regions – the UK and USA.

We are pleased to report a mean (average) pay gap of 12% as at 31 March 2025, marking a reduction of almost 4% from the 31 March 2024 figure of 15.7%. We are also encouraged to see the steady year-on-year reduction from 25.9% in 2021, when we started publishing this figure, which is real evidence of a progression in culture across the UK and US employee base. Despite this progress, we acknowledge there is still work to do.

We have a gap in favour of men as we have more male senior leaders, who are in higher paid roles, alongside having more women in hourly paid positions. However, we continue to see improvement in representation of women at senior levels, which is one reason for the reduction in the gap.

Our gender diversity

Figures at 31 March 2025



1 Includes non-executive Directors.
2 Defined as Executive Board members who are not appointed to the Board, Divisional Chief Executives and Directors of our companies.
3 This includes companies that have been in the portfolio for longer than three years as at 31 March 2025.
4 Mean Gender Pay Gap for all US and UK employees. Rounded to whole percentage numbers.

Employees

Fostering employee wellbeing

A critical part of building a healthier, more resilient workforce is ensuring they're safe physically, emotionally and mentally. In 2024 we offered webinars and resources to help staff manage these increasingly vital concerns and break stigma. During World Mental Health Day, we hosted an online seminar 'Healthy Minds at Work' in partnership with our Employee Assistance Programme.

In the UK, we used the YuLife app to encourage exercise and mindfulness through friendly competition. Winners received yearly wellness coaching subscriptions further reinforcing healthy habits, which have steadily increased since its launch in 2024, with mindfulness being the largest increase. Walking is also an improved habit with the current step count for those participating being 87% above the NHS UK national average.

China began offering weekly exercise classes and recreational programs at Shanghai Family Park to cultivate social connection. Halma India supported physical, mental, and financial wellness through knowledge webinars, live sessions, and team-building activities. It also launched an annual health check-up benefiting over 250 employees across the region. This continued emphasis on nurturing a healthy workforce and people-focused policies and programmes, has earned Halma India a Great Place to Work® designation for a second consecutive year. Additionally, in the 2026 financial year, the region will introduce a flexible platform that offers personalised employee benefits designed to enhance overall employee wellbeing.

During the 2025 financial year, we introduced a medical benefit improvement for our US employees – Mercer Health Advantage – that offers additional support for some of our most vulnerable cases. Under this solution, medical care high-risk cases are supported by a cross-functional team with diverse expertise, to ensure increased employee care and the improvement of employees' health outcomes.

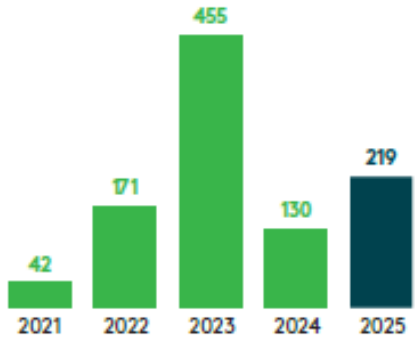
We continue to ensure that all our UK companies pay a Real Living Wage as set by the Living Wage Foundation.

Health and safety

Looking after the wellbeing of our people is critical to our business and a key priority for all our leaders. The Group's Accident Frequency Rate (AFR) for the year was 0.07. While it is relatively low, it is higher than last year and greater than our target of 0.02. We continue to promote the importance of health and safety and the role that everyone has to help maintain a safe workplace. There were no work-related fatalities in 2025 or in prior years and details of the number of days lost to preventable work injuries during the year and the prior four years are set out in the graph. In line with the increase in the AFR, the days lost to preventable work injuries has increased by 89 days.

219

Days lost to preventable work injuries



Employees

Promoting career development and advancement opportunities

We strive to cultivate leaders in our decentralised model, build high-performing inclusive businesses, and create promotion opportunities within the Group. During the year, 230 leaders participated in leadership development programmes, which included over 100 days of face-to-face sessions and individual coaching for more than 100 leaders. Mentoring was encouraged with over 70 active mentors involved in developing others. Additionally, over 500 people are actively engaged on online platforms for blended learning, with on-the-job experiences being increasingly introduced to the programmes.

Our focus on nurturing leaders has led to 8 promotions onto company boards this year, including two Managing Directors who were formerly participants in our Catalyst graduate scheme. Recognising the success and growing demand for our programmes, we will increase investment in leadership development by introducing three new programmes in 2026.

Our Catalyst programme focused on early careers also continues to cultivate young talent and the next generation of business leaders. We're proud that at 31 March 2025, there were 10 former Catalysts sitting on company boards. In the current cohort, 50% are women and 36% are from an ethnically diverse background reflecting our commitment to diversity across all levels of the organisation.

Suppliers and communities

Our suppliers

Our companies consistently engage with their primary suppliers through activities such as audits, and encourage adherence to the high ethical standards outlined in our Code of Conduct. We anticipate greater sustainability-related supplier engagement from our companies as they begin identifying and implementing their Scope 3 decarbonisation actions and work towards compliance with EU due diligence regulations which will come into effect for the Group in the medium term.

Apollo is one example of a Halma company that is more advanced in terms of developing a supplier sustainability programme, targeting their largest materials suppliers. Apollo have defined clear criteria they are expected to meet which includes reporting emissions and having a net zero plan in place. This is supported by the inclusion of sustainability within supplier performance evaluations and regular performance feedback. A focus for 2026 is to support companies with further toolkits to enable supplier engagement on Scope 3.

More generally, multiple individual Halma operating companies such as **Sofis**, **Palintest**, **BEA, Minicam** and **Fortress** are developing internal capabilities and processes towards sustainable supplier due diligence. To this end, a sustainable supply chain working group has been set up with several of our largest companies with the intent to develop common frameworks.

We continue to enable access to Ecovadis as a platform to support continued engagement with suppliers on sustainability and to gain a better understanding of supplier sustainability risk and maturity.

Our communities

Our companies regularly support their communities through tailored initiatives and we're amplifying this through the Impact the Future Fund initiative.

This new initiative builds on previous global fundraising campaigns, Gift of Sight and Water for Life, aiming to boost employee engagement and support communities around the world driven by the passion of our people. Our companies choose local non-profit partners and apply for annual grants to support causes they care about. They must offer support through technology, people, or skills and show they can build long-term relationships, creating value for both our companies and Halma. 75% of our companies and Hubs in China and India are participating with the potential to positively impact dozens of communities globally in the coming year.

Protect our environment

Overview

Protecting our environment is vitally important to Halma, not only because it is the right thing to do, but also as it will support our future growth. Our work in this pillar focusses on:

- Reducing operational emissions
- Sustainable design and scope 3 reductions

As set out in our latest TCFD Statement, we have not identified our Scope 1, 2 or 3 emissions as a material risk to the Group. Yet because we recognise that our activities still have an impact on climate, particularly within our wider value chain, we are working towards Net Zero across our entire operations – aiming for Net Zero for Scope 1 & 2 by 2040 and Scope 3 by 2050.

Expectations of Halma companies

We require all our companies to reduce their negative environmental impacts and support people in their operations, supply chains and communities. To achieve this, we require each company to update their individual Sustainability Action Plan (SAP) annually.

This bottom-up approach ensures Halma companies have the autonomy to identify their own mid-term goals and near-term actions to reduce emissions and encourage sustainable design, while contributing to Halma Group goals.

As a Group, we make clear our minimum Scope 1 & 2 requirements for each company. These currently involve all Halma companies implementing energy efficiency measures and contributing towards our renewable electricity targets.

Further to this, for Halma companies that we have identified as having a higher potential to contribute to our Group's overall sustainability goals, we conduct additional monitoring of progress and set more challenging minimum requirements. For some this has resulted in the creation of individual bottom-up Scope 3 decarbonisation plans during 2024/2025.

For more information on our internal approach to executing on sustainability see page 62 of our 2025 Annual Report and Accounts.

Sustainability Action Plans focus on:	
Reducing operational emissions	Sustainable design and Scope 3 reductions
Energy efficiency	Sustainable product design
Renewable energy sources and electrification	Supply chain engagement

Associated Group targets:	
Scope 1 and 2	Scope 3
Net Zero: 2040	**Net Zero: 2050**
80% renewable electricity by 2025 **42% reduction in absolute emissions from 2020 - 2030**	**66% reduction in Scope 3 emissions per £m adjusted operating profit from 2025 - 2035**

Reducing operational emissions

Overview

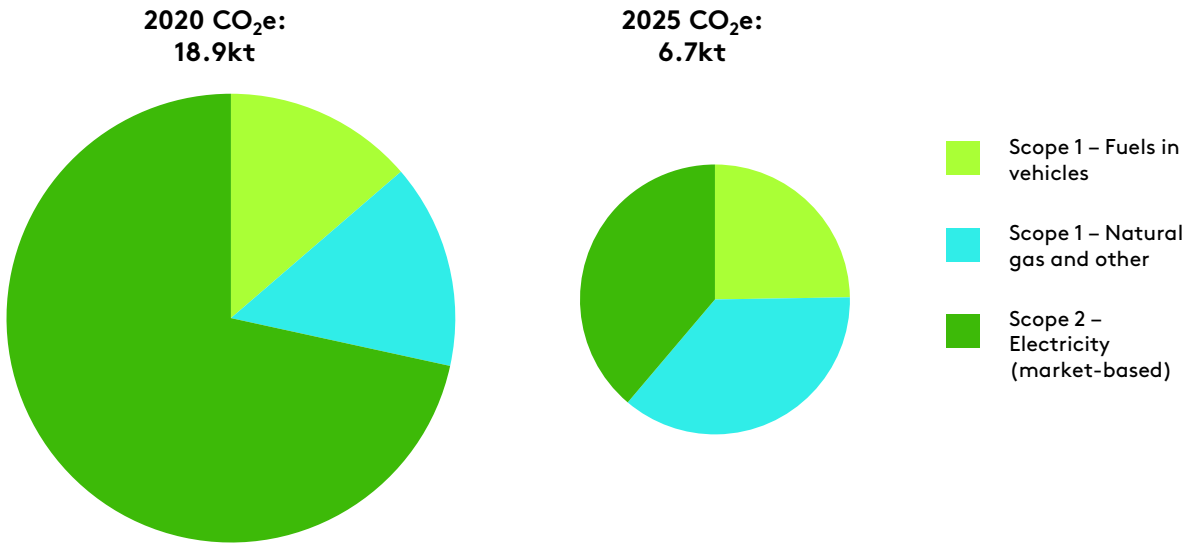
Our Scope 1 & 2 emissions profile is relatively simple, consisting of three key emission sources as shown on the image on the right. At approximately 18 ktCO_2e in our 2020 baseline year, our Scope 1 & 2 emissions are relatively low due to the asset-light nature of our operations, and only around 1% of our total baseline greenhouse gas footprint in 2025.

The progress we have made since our baseline year in terms of the absolute emissions and profile of these emissions is largely due to the ongoing move towards renewables across our operations.

We are working towards Net Zero in our own operations by 2040, and our companies are clear on the expectation to continue to accelerate towards this. With electricity consumption contributing the bulk of our emissions, each of our companies are working via their own Sustainability Action Plans to both reduce overall electricity consumption via energy productivity initiatives and mitigate emissions through purchasing and generating renewable electricity.

A high-level summary of our Scope 1 & 2 emissions is provided here. See our ESG Basis of Preparation document for full details on calculation and reporting methodologies, and our ESG Data Supplement document for further detailed reporting metrics.

Overview of our key Scope 1 & 2 emission sources



Scope 1 & 2 emissions (tCO2e)	2025	2024[3]	2020[3]
Scope 1: Combustion of fuel and operation of facilities[1]	4,128	3,933	5,328
Scope 2 (Location-based)[2]	11,204	10,721	13,278
Scope 2 (Market-based)[2]	2,599	4,605	13,558

Footnotes included in Appendix (i)

Reducing operational emissions

Summary of Halma Group Scope 1 & 2 targets

Our performance against our targets for Scope 1 & 2 emissions, energy productivity and renewables have continued to improve year-on-year, as detailed in the table below.

Scope 1 & 2 key goals and performance		2025	2024	2020 Baseline
Annual: At least 4% annual energy productivity improvements from 2022 baseline[1]	*% improvement*	26%	19%	N/A
Short term: Achieve 80% renewable electricity by 2025[2]	*% renewable*	86%	71%	8%
Medium term: Reduction in emissions by at least 42% by 2030 from 2020 baseline (aligned with 1.5ºC Science-based Target guidance)[3] **Long term:** Net Zero by 2040[4]	*% reduction*	64%	55%	0%

Footnotes included in Appendix (ii)

Key levers for Scope 1 & 2 to reach Net Zero

Our companies have set their own supporting targets and actions as part of their Sustainability Action Plans to reach Scope 1 & 2 Net Zero by 2040. These plans highlight some of the key actions at a company-level which are supported at a Group-level through various levers.

Company-level:

- Company-level Sustainability Action Plans & targets, including:
  - Improving energy productivity
  - Purchasing and generating renewable electricity
  - Transitioning vehicle fleet to zero-carbon
  - "Electrifying everything" and pursuing low/zero carbon heating
  - Utilising inflection points (such as premise moves)

Group-level:

- High level target and ambition setting
- Promote reductions as far as practically possible via governance, resources, support, training, sharing platforms and challenging our companies
- From 2040, to counterbalance any residual emissions with carbon removal instruments according to SBTi guidance (after emission reductions to as close to zero as possible).

Some of the challenges we expect to face in meeting our Scope 1 & 2 decarbonisation plans include the fact that most of our premises are leased rather than owned. Also, due to the decentralised nature of our business, contracts and suppliers are managed at the individual company level.

Reducing operational emissions

Delivering on renewable energy

We exceeded our renewable electricity target (80% renewable by 2025) over the last year, with increases in renewable energy purchases having the greatest impact.

As of 2025, renewable electricity grew to 86% of electricity consumed from a baseline of 8% in 2020 (2024: 71%). Electricity generated by on-site solar grew by 26% year-on-year and represents 5% of Group renewable electricity (2024: 6%).

Four additional Halma sites are reporting the use of onsite renewable energy this year which means that a total of 20 Halma sites now benefit from the generation of on-site solar energy.

Our overall renewable electricity consumption continues to be dominated by renewable electricity tariffs (largely backed by Energy Attribute Certificates (EACs)) and unbundled EACs, accounting for 95% (2024: 94%) of the total.

Avire US installed 125kW of solar panels at their Rath Communications facility in Wisconsin. The panels are expected to provide for 98% of power demand during summer months. (Picture credit: Rath Communications)

Delivering on energy productivity

This year we saw a c.30% increase in revenue (cumulative from our 2022 baseline adjusted to remove the effects of currency movements and acquisitions) while energy consumption (adjusted on the same basis) increased by c.4%.

While many companies have already capitalised on savings from low-hanging opportunities such as LED lighting, many are now starting to explore more nuanced opportunities for energy savings through process optimisation and machinery and equipment upgrades and replacement at end of life.

For example, **Alicat** installed moisture sensors within their drying equipment and replaced their machine shop cleaner with a new model that uses less water and electricity. **Sentric** upgraded their HVAC system with a predicted 40% efficiency gain compared to the old configuration, and **Labsphere** replaced their machine shop propane cooling with commercial grade heat pumps.

Following the latest round of energy audits carried out to comply with the UK government's Energy Savings Opportunity Scheme (ESOS), we have shared these UK audit findings with other interested Halma companies via a webinar session and resources. We have also submitted an ESOS action plan detailing a number of the initiatives our UK businesses plan to take in the coming years.

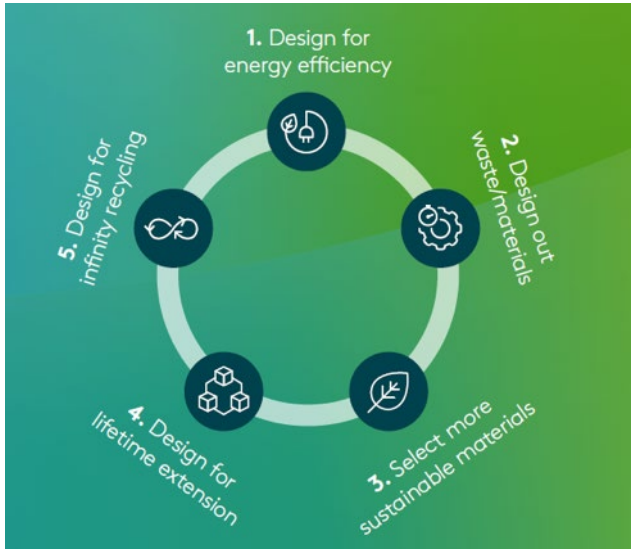
Sustainable design

Sustainable design is an important aspect of our sustainability approach at Halma and we encourage our companies to consider sustainable design principles throughout their diverse range of product portfolios. The potential benefits associated with this may include:

- Meeting customer needs and differentiation.
- Minimising the impact of our products throughout their lifecycles.
- Enhanced efficiencies and cost savings.
- Linked to the above, supporting reduction in our Scope 3 emissions.

This year we have created and delivered webinars and training to our companies on Sustainable Design, Sustainable NPD and Lifecycle Assessments. We encourage the sharing of best practices across the Halma network. We have also been considering sustainable design opportunities as a key aspect of our bottom-up Scope 3 decarbonisation process.

Our Sustainable Design Principles



Application of Sustainable Design Principles at Halma

Design for energy efficiency

Nuvonic designs and manufactures UV lamps and systems for water treatment. They have developed an active strategy to shift their product portfolio to low pressure amalgam lamps, which is twice as efficient as the medium pressure alternative, with a longer lifespan.

Keeler replaced arc light bulbs (typical in an ophthalmoscope) with an LED alternative. As a result of this they are now evaluating the opportunity to use a smaller battery due to reduced energy requirements.

More sustainable materials

Medicel has been trialling the use of more sustainable materials in their products and packaging. **Suntech** has redesigned the packaging for their Vet40 blood pressure monitors to eliminate the need for foam inserts through the introduction of innovative single cardboard baffles.

Design out waste

Apollo identified the opportunity to optimise the shape and reduce the size and associated waste of printed circuit boards in a key product range. **Novabone** has identified the opportunity to use waste by-product to develop a first-of-its-kind wound care patch.

We also have companies, such as **Ramtech** and **MST** using subscription models to enable customers to rent rather than buy their products.

Design for infinity recycling

Crowcon fixed detector products have all been designed to be fully disassembled at end of life to encourage and enable recycling.

Scope 3 emissions and targets

Our Scope 3 baseline and 2025 update

Our Scope 3 emissions comprise around 99% of our total Scope 1, 2 & 3 footprint in 2025.

We published our 2020 Scope 3 baseline in 2023. This was a highly complex exercise due to the decentralised nature of our business, requiring a screening exercise followed by collation of data and estimates across more than 45 separate companies.

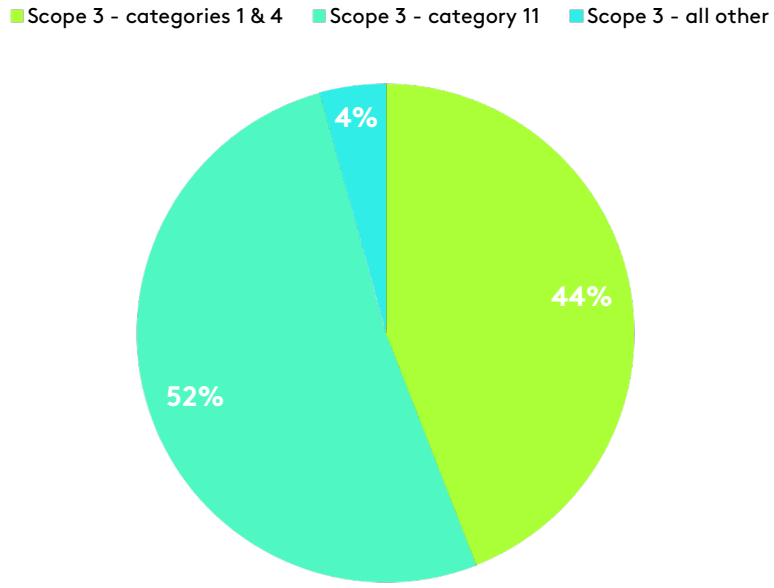
In this process we identified two main Scope 3 categories relevant for Halma:

Category 1 & 4: purchased goods and services	Emissions are generated by the purchase of goods and services across our supply chain. We largely rely on the spend-based method to estimate these emissions. We have included upstream transportation and distribution emissions in this category as our data does not enable us to fully separate these two categories.
Category 11: emissions from the use of products[1]	Emissions from use of sold products ("in-use emissions") almost all arise when our customers use electricity to run our products. While our products are generally relatively small power consumers, long lifetime assumptions drive the scale of the baseline.

In 2024 we developed a methodology for making a high-level annual estimate of Scope 3 emissions, in an effort to avoid undue cost and effort for limited useful additional information provided for our stakeholders. This methodology was used again in 2025. We recognise the limitations in this approach, but we believe the most effective allocation of our resources is to create company-level decarbonisation plans that our companies can implement with conviction.

During 2026, we plan to undertake a revised bottom-up exercise to re-estimate our 2025 Scope 3 emissions. The results of this exercise will provide an updated baseline for our Scope 3 interim target.

Key sources of Scope 3 emissions 2025



The calculation and reporting methodologies we used for both our baseline and our 2025 estimate can be found in our ESG Basis of Preparation document available at www.halma.com.

1. Approximately 56% of product use emissions relate to one company, comprising c.1% of Group revenue, whose products have high energy usage to meet customer needs. As expected, supply chain emissions are larger than in-use emissions for most of our other companies.

Scope 3 emissions and targets

Scope 3 category	2025 emissions estimate (tCO_2e)	2024 emissions estimate (tCO_2e)[1]	Methodology - See notes in Appendix (iii)
1 & 4: Purchased goods and services (incorporating upstream transportation and distribution)	431,518	415,989	Hybrid bottom-up / scaling approach
2: Capital goods	4,806	3,660	2024 estimate scaled by capex
3: Fuel and energy-related activities not in Scope 1 & 2	1,073	1,583	Calculated annually
5: Waste generated in operations	1,906	1,872	Calculated annually
6: Business travel	20,390	16,240	Calculated annually
7: Employee commuting	12,407	11,881	2024 estimate scaled by employee numbers
11: Use of sold products	509,324	513,831	Hybrid bottom-up / scaling approach
12: End of life treatment of sold products	427	398	2024 estimate scaled by revenue
Total estimated Scope 3 emissions	**981,851**	**965,454**	

Scope 3 targets

Our Scope 3 estimate continues to confirm our assessment that Scope 3 emissions are not expected to constitute a material risk for Halma. However, in order to provide a strong direction internally and show commitment externally, we have set our ambition to reach absolute Net Zero for our Scope 3 emissions by 2050.

This long-term ambition encompasses all categories of Scope 3, and we expect that we will aim for the greatest amount of decarbonisation possible before any use of offsets.

In order to support our long-term Net Zero target, we have set an interim target to reduce total Scope 3 emissions by 66% per £m of economic value added (Adjusted Operating Profit[2]) by 2035 from a 2025 baseline. This target is aligned with the SBTi's non-sector specific emissions reduction trajectory. We do not intend to seek SBTi validation of this target. The 2025 footprint disclosed above will be re-presented upon completion of our planned bottom-up re-estimation exercise in 2026.

1. This year, improved data and methodologies, as well as the inclusion of acquisitions and disposals, led to a 16% reduction in estimated 2024 emissions from category 11 and a 3% increase in estimated 2024 emissions from supply chain compared to previously disclosed figures. Given the magnitude of these changes, we have re-presented our 2024 comparative figures
2. Adjusted to remove the amortisation and impairment of acquired intangible assets, acquisition items, restructuring costs, and profit or loss on disposal of operations. Adjusted operating profit may also be adjusted for constant currency where this is deemed to be material to performance.

Delivering on Scope 3

Our multiyear approach to bottom-up decarbonisation planning

Our formal transition plans remain under development as we continue to work with our companies on bottom-up decarbonisation planning. This section outlines our current direction of travel and what we have learned from our continued progress this year.

Our ambition is to establish near-term decarbonisation planning at the company level, where most feasible and relevant to:

- Ensure initial real-world emission reduction actions are underway
- Understand key decarbonisation levers and challenges and identify the key dependencies and assumptions that will underpin our transition plans.

In 2024, five companies, representing a significant portion of our 2024 estimated emissions, created initial high-level Scope 3 decarbonisation plans to 2030 utilising Group guidance and tools.

In 2025, using the learnings from the first five companies, we engaged with a larger group of companies, covering the majority of estimated 2025 emissions. This engagement included working with companies to understand and improve 2024 and 2025 emissions estimates, identify emissions hotspots, and prioritise initial near-term actions, suppliers and products for further decarbonisation planning.

We currently expect to continue to support the companies above to further develop their near-term decarbonisation plans while expanding engagement to additional companies, on a case-by-case basis, from 2026 onwards.

Whilst this is still a work in progress, for illustrative purposes, a selection of the key levers identified by some of the companies are highlighted below:

- Sustainable product design, including:
    - Research and development into alternative technologies, modes and models (see BEA case study on page 29)
    - Component optimisation using smaller, modern componentry. For example, **PeriGen** designed their dual-gang wall plates resulting in a c.50% reduction in overall weight of plastic and componentry.
    - Integration of lifecycle assessment into design. A number of companies including **HWM, Keeler, Apollo, Ramtech, Firepro** and **Advanced** are working towards the development of life cycle assessments and/or product carbon footprints to measure embodied carbon and support the integration of lifecycle impact into design considerations, as well as in certain cases, responding to customer interest.
    - Design for energy efficiency (for examples, see page 25)
- Supplier sustainability programmes and commitments. As part of our bottom-up decarbonisation planning process, some companies have started to prioritise suppliers for engagement based on actual or potential Scope 3 reduction opportunities (see examples on page 19).
- Transport modes and logistics optimisation. For example, **HWM** is investing in localised production and service capability of core product to reduce freight costs and emissions.

In 2025, training was offered to the Managing Directors and Board Members Responsible for Sustainability across all Halma companies with a focus on levers to reduce Scope 3 emissions. This training reached 112 individuals and 44 companies overall.

Delivering on Scope 3

Case study: BEA product strategy delivering quantifiable gains

Halma company, BEA, specialises in automatic door sensor technology. Anticipating future market trends of component suppliers, BEA pivoted from analogue to digital radar ARTEK technology within their IXIO and EAGLE products in 2024. This change significantly reduced lifetime energy consumption of these offerings.

Although the typical energy needs of door sensor technology is relatively low, the continuous use of these products results in significant energy consumption over their lifetime. The IXIO sensor, BEA's most sold product in the EU, saw a 15% reduction in lifetime energy consumption, while the EAGLE ARTEK's lifetime energy consumption dropped by 59%, contributing to reduced emissions.

The ARTEK technology also offers technical benefits, such as eliminating manual antenna adjustments and quickly adjusting the detection field, supporting customer adoption. A future challenge for BEA is developing low energy sleep modes for their sensors to limit energy consumption during periods of minimal activity, such as overnight, while maintaining high standards for safety and security.

BEA's pivot to digital radar technology addressed supply chain issues and led to significant sustainability benefits, supporting their overall Scope 3 decarbonisation plan. In its first year, the company achieved an 8% reduction in embedded carbon emissions per sensor, due to the implementation of ARTEK technology on additional products within the IXIO product family.

BEA's commitment to measuring sustainability and energy efficiency at every step of the new technology development process has set a precedent for eco-design specifications in future products.

Appendix

Appendix (i)

Footnotes for Scope 1 & 2 emissions data table

1. Included in Scope 1 are GHG emissions from direct fuel combustion at our sites, refrigerants, and from fuel use in our company-owned or leased vehicle fleet.
2. Scope 2 represents emissions from electricity purchased for our own use. Market-based is net of market instruments.
3. Our Scope 1 & 2 (market-based) GHG emissions for the year ended 31 March 2020 form the baseline for our Science-based target. Given the acquisitive nature of Halma, we have chosen to apply a 5% prior years threshold for the structural change trigger of acquisitions and disposals. We also apply a 5% threshold for error adjustments for prior years. This year the threshold for recalculation was not exceeded.

See our ESG Basis of Preparation document for full details on calculation and reporting methodologies, and our ESG Data Supplement for a full breakdown of Scope 1, 2 & 3 GHG emissions.

Appendix (ii)

Footnotes for Scope 1 & 2 GHG and Energy Performance Table

1. Revenue/energy consumed. Annual straight-line increase from 2022. Due to the inclusion of this metric in remuneration, it is calculated on a different basis to Scope 1 & 2 emissions and renewable electricity percentage. Revenue is adjusted to a constant currency basis, and both revenue and energy are adjusted to exclude all acquisitions in the current and prior period. This target was set using the EP100 initiative minimum commitment (to double energy productivity over 25 years).
2. Current year renewable % reflects the full year impact of acquisitions and disposals made during the period. Comparative figures are not updated for the impact of acquisitions and disposals made in subsequent periods.
3. From 2020 baseline. Market-based calculation of Scope 2 emissions. This target is aligned with guidance from the Science Based Targets initiative (SBTi) and is an absolute measure aligned with the non-sector specific 1.5-degree emissions pathway. We do not intend to seek SBTi verification of this target.
4. Market-based calculation of Scope 2 emissions. Our Net Zero target is aligned with guidance from the Science Based Targets initiative (SBTi). We will reach Net Zero by reducing emissions as much as is feasible before using carbon removal instruments. We do not expect to utilise carbon offsets.

See our ESG Basis of Preparation document for full details on calculation and reporting methodologies, and our ESG Data Supplement for a full breakdown of Scope 1, 2 & 3 GHG emissions.

Appendix (iii)

Notes & 2025 methodologies for key Scope 3 categories

We created a 2025 estimate of both use of sold products and purchased goods and services (including upstream transport & distribution) by combining:

- a more granular modelling approach to a limited data set from several of our operating companies who have engaged with creating Scope 3 decarbonisation plans during 2024 and 2025
- a high-level scaling of our 2024 emissions for the remaining companies

Category 1 & 4: The granular approach for several companies included applying spend-based emissions factors (sourced from EORA) to the top 20 suppliers of these companies for both 2025 and the comparative 2024 year. The implied updated average emissions factor for the top 20 suppliers was then scaled to the remaining spend for each of these companies. The emissions from companies with more granular modelling methods comprised approximately 36% of our estimated 2025 footprint for category 1 & 4. The approach for the remaining companies involved scaling 2024 emissions by the growth in inflation-adjusted operating costs (excluding people costs and adjusted for currency movements) over the period. High level estimates using average emissions from our existing portfolio, were applied to acquisitions made in 2024 and 2023 (as these were not included in our 2020 estimate), and then scaled to 2025. For practical reasons, acquisitions are included in our figures in the first full year after acquisition.

Category 12: The granular approach for several companies included applying fully-loaded electricity grid emissions factors (sourced from IEA), on a regional basis where available, to energy used by key product categories. The granular modelling comprised approximately 82% of our estimated 2025 footprint for category 12. The approach for the remaining companies involved scaling 2024 estimated emissions by growth in revenue, adjusted for internal estimates of price increases and currency movements, over the period. High level estimates using average emissions from a similar company in the existing portfolio, were applied to acquisitions made in 2024 and 2023, and then scaled to 2025. For practical reasons, acquisitions are included in our figures in the first full year after acquisition.

Key limitations and assumptions within this hybrid approach include: emissions estimation for the majority of companies is dependent on inflation and price increase assumptions and does not include updated 2025 spend-based or grid emissions factors and therefore may not reflect the results that could be expected from a full bottom-up modelling exercise; improvements in data quality and modelling are expected to continue to impact our estimates; limitations and assumptions from our 2020 estimate continue to be relevant as for the majority of companies, 2024 emissions were scaled from 2020 data.

See our ESG Basis of Preparation document for full details on calculation and reporting methodologies, and our ESG Data Supplement for a full breakdown of Scope 1, 2 & 3 GHG emissions.