

Carbon Balance Sheet FY2025

Produced for Stelrad Group PLC

By Inspired

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INSPIRED



Stelrad

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Introduction

This report contains Stelrad Group PLC’s (Stelrad) Carbon Balance Sheet of Scope 1, 2 and 3 emissions for FY2025 (01/01/2025 - 31/12/2025), along with a comparison between Stelrad’s FY2024 and FY2025 emissions.

Until recently, most companies have focused on measuring emissions from their own operations and electricity consumption (Scope 1 and 2), whereas Scope 3 accounts for the Greenhouse Gas (GHG) emissions associated with a company’s entire value chain. This Carbon Balance Sheet reports Stelrad’s full Scope 1, 2 and 3 GHG emissions footprint and:

- 1. Enables Stelrad to identify the material emissions sources in its overall value chain and where it can make the most significant impact on global emission reductions.
- 2. Provides a Scope 1, 2 and 3 GHG inventory which is compliant with the Science-Based Targets initiative (SBTi) near-term criteria and net-zero standard.
- 3. Covers the five Scope 3 emissions categories required in the UK Government’s Procurement Policy Note 006: Taking account of Carbon Reduction Plans.
- 4. Provides a consistent way to report and measure progress year on year.

Key Findings

- Stelrad’s analysed greenhouse gas emissions (Scopes 1, 2 and 3) (location-based) were 351,279 tCO₂e.
- Stelrad’s analysed greenhouse gas emissions (Scopes 1, 2 and 3) (market-based) were 339,851 tCO₂e.
- Stelrad’s analysed greenhouse gas emission (location-based) decreased by 10.0% between FY2024 and FY2025.
- Scope 1 and 2 (location-based) emissions account for 6.6% of the total analysed emissions.
- Scope 1 emissions decreased by 2.6% while Scope 2 (location-based) emissions increased by 10.8%.
- Scope 3 emissions represent 93.4% of the total analysed (location-based) emissions, and decreased by 11.0% between FY2024 and FY2025

- The decrease in Scope 3 emissions was mainly driven by reductions in Scope 3 Categories 1 (Purchased Goods and Services) and 3 (Fuel- and Energy-related Activities), which decreased by 11.5% and 4.5%, respectively.
- Aside from Scope 3 Category 11 (Use of Sold Products), the most significant emissions source is Scope 3 Category 1 (Purchased Goods and Services), accounting for 87.5% of Stelrad’s total analysed (location-based) carbon footprint.
- Emissions embedded in Scope 2 (location-based) and Scope 3 Category 4 (Upstream Transportation and Distribution) also contribute significantly, accounting for 4.3% and 2.3% of analysed emissions, respectively.

- Scope 1 and 2 emissions are within Stelrad’s direct control, with a mix of energy efficiency measures, on-site generation, and green energy procurement enabling reductions in emissions over time.
- Scope 3 emissions will primarily be addressed through engagement with suppliers and customers.
- Improved data were collected for Scope 3 Category 7 (Employee Commuting), with a higher response rate in the staff survey.

Emissions Footprint Summary

This Carbon Balance Sheet contains Stelrad’s full Greenhouse Gas (GHG) emissions inventory for FY2025 (01/01/2025 - 31/12/2025). Although emissions associated with Scope 3 Category 11 (Use of Sold Products) have been calculated, at Stelrad's request, this impact has not been included in Group totals or the emission analysis.

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

Figure 1 provides a breakdown of Stelrad’s emissions by scope for both location-based and market-based reporting, with emission measurements detailed in Table 1.

Figure 1: FY2025 Emissions Breakdown by Scope and Scope 2 Reporting Method.

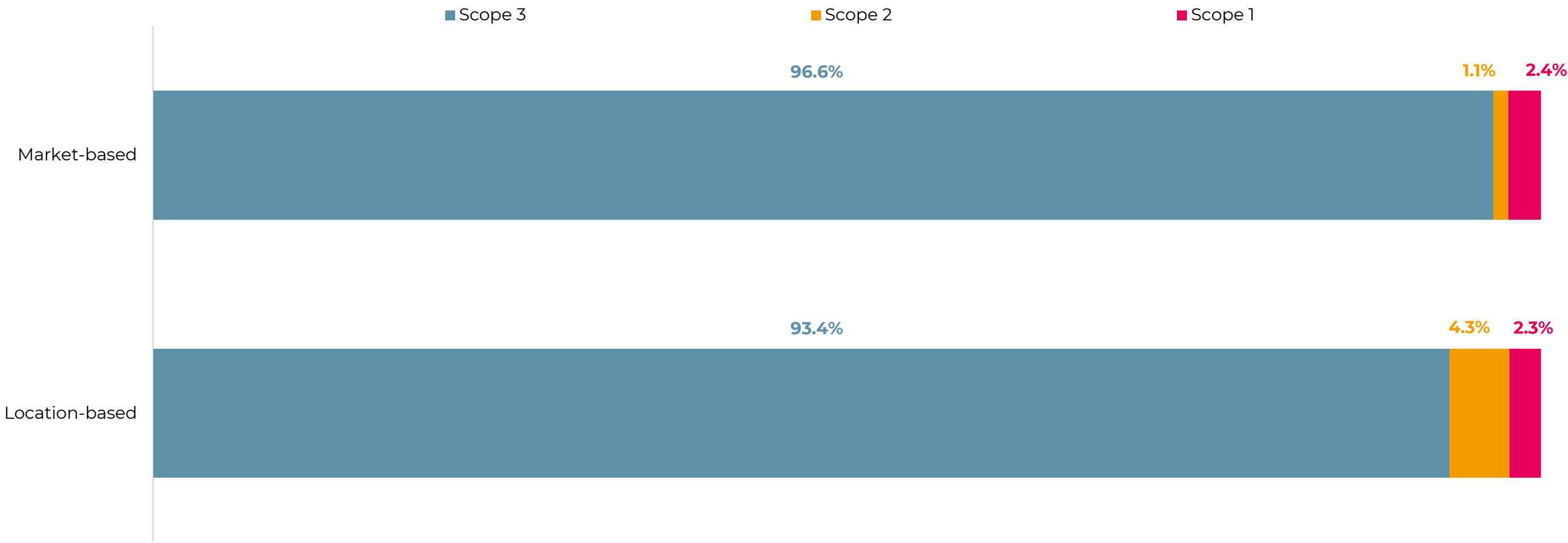


Table 1: Emissions Summary.

Emissions Scope	FY2025 GHG Emissions tCO ₂ e	FY2024 GHG Emissions tCO ₂ e
Scope 1	8,002	8,213
Scope 2 (Location-based)	15,111	13,637
Scope 2 (Market-based)	3,683	4,169
Scope 3	328,166	368,654
Total GHG emissions (Location-based)	351,279	390,504
Total GHG emissions (Market-based)	339,851	381,036

Carbon Balance Sheet FY2025

Table 2: Carbon balance sheet.

Emissions Scope & Scope 3 Category	Greenhouse Gas Emissions Inventory		Operational Analysis	Product Analysis	Comparison
	FY2025 GHG Emissions tCO ₂ e	%			
Scope 1	8,002	2.3%	8,002	8,002	8,213
Natural Gas	7,509	2.1%	7,509	7,509	7,627
Transport	425	0.1%	425	425	514
Other Fuels and Refrigerants	68	0.02%	68	68	72
Scope 2 (Location-based)	15,111	4.3%	15,111	15,111	13,637
Scope 2 (Market-based)	3,683	-	3,683	3,683	4,169
Scope 3	328,166	93.4%	23,437	312,755	368,654
1. Purchased Goods and Services	307,378	87.5%	5,275	302,102	347,297
2. Capital Goods	2,282	0.6%	2,282		2,262
3. Fuel- and Energy-related Activities	6,826	1.9%	6,826		7,145
4. Upstream Transportation and Distribution	7,976	2.3%	7,976	7,976	8,023
5. Waste Generated in Operations	50	0.01%	50	50	99
6. Business Travel	272	0.1%	272		267
7. Employee Commuting	755	0.2%	755		808
8. Upstream Leased Assets	n/a	n/a	n/a	n/a	n/a
9. Downstream Transportation and Distribution	298	0.1%		298	276
10. Processing of Sold Products	n/a	n/a			n/a
11. Use of Sold Products*	35,567,286	-			37,935,746
12. End-of-life Treatment of Sold Products	2,328	0.7%		2,328	2,478
13. Downstream Leased Assets	n/a	n/a			n/a
14. Franchises	n/a	n/a			n/a
15. Investments	n/a	n/a			n/a
Total Emissions (Location-based)	351,279	100.0%	46,550	335,895	390,504
Total Emissions (Market-based)	339,851	-	35,122	325,470	381,036
All tCO ₂ e (Location-based) per Revenue (£m)	1,256		166	1,201	1,344**

GHG Inventory

This follows the GHG Protocol guidance and accounts for all operational and value chain emissions associated with a company. The Scope 3 inventory is divided into the 15 categories established by the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting & Reporting Standard. Not all categories are applicable to every business. All applicable categories have been quantified.

Scope 3 Category 11 (Use of Sold Products)

Emissions associated with the energy consumption of radiators sold by Stelrad have been calculated. 674,097 tCO₂e (1.9%) are from the use of electric radiators, and 34,893,189 tCO₂e (98.1%) are from radiators heated by gas boilers. This impact has not been included in the Group totals or the emission analysis.

Operational Analysis

This section comprises all Scope 1, 2 and 3 emissions associated with the day-to-day running of the business. Therefore, emissions associated with the upstream and downstream aspects of sold products are not included in this section.

Product Analysis

This section contains all emissions associated with the production of the products Stelrad sells. This includes upstream emissions associated with raw materials, processing/manufacturing emissions, upstream and downstream transportation and end-of-life treatment.

*Category 11 (Use of Sold Products) accounts for the energy use of sold radiators. This impact is excluded from the overall totals and emission analysis.

**The FY2024 metric has been restated due to an error in unit conversion (see Restatement Policy pg. 9)

Emissions per Subsidiary

Table 3: Emissions per Subsidiary.

Emissions Scope and Category	Group Total (tCO ₂ e)	Stelrad Ltd (UK) (tCO ₂ e)	Stelrad BV (tCO ₂ e)	Radiators SpA (tCO ₂ e)	Termo Teknik (tCO ₂ e)	Hudevad (tCO ₂ e)	Caradon Polska (tCO ₂ e)
Scope 1	8,002	967	1,241	2,006	3,697	38	51
Natural Gas	7,509	872	1,141	1,974	3,510	5	6
Transport	425	85	100	31	140	33	35
Other Fuels and Refrigerants	68	10	-	0.5	47	-	10
Scope 2 (Location-based)	15,111	1,049	1,337	1,957	10,747	3	18
Scope 2 (Market-based)	3,683	3	9	3,671	0	0	0
Scope 3	328,166	42,989	33,490	36,120	213,976	1,002	589
1. Purchased Goods and Services	307,378	39,151	30,427	31,873	205,031	724	171
2. Capital Goods	2,282	807	276	509	660	2	29
3. Fuel-and Energy-related Activities	6,826	573	668	1,058	4,495	14	18
4. Upstream Transportation and Distribution	7,976	1,818	984	1,916	2,880	89	290
5. Waste Generated in Operations	50	9	4	14	23	0.1	0.1
6. Business Travel	272	104	42	70	51	4	0.3
7. Employee Commuting	755	137	172	339	50	39	18
8. Upstream Leased Assets	n/a	-	-	-	-	-	-
9. Downstream Transportation and Distribution	298	49	37	207	6	-	-
10. Processing of Sold Products	n/a	-	-	-	-	-	-
11. Use of Sold Products*	35,567,286	12,138,875	6,671,027	3,909,612	11,223,432	551,975	1,072,363
12. End-of-life Treatment of Sold Products	2,328	340	880	136	778	130	64
13. Downstream Leased Assets	n/a	-	-	-	-	-	-
14. Franchises	n/a	-	-	-	-	-	-
15. Investments	n/a	-	-	-	-	-	-
Total All Scopes (Location-based)	351,279	45,005	36,069	40,084	228,420	1,043	658
Total All Scopes (Market-based)	339,279	43,959	34,741	41,797	217,673	1,040	640
All tCO ₂ e (Location-based) per Revenue (£m)	1,256	424	556	960	1,835**	168	-**

*Category 11 (Use of Sold Products) accounts for the energy use of sold radiators. This impact is excluded from the overall totals and emission analysis.

**No metric is displayed for Caradon Polska as the turnover for Termo Teknik includes the combined turnover with Caradon Polska. Therefore, Termo Teknik's metric includes Caradon Polska's emissions to show the combined metric for both entities.

Emissions Analysis

The most significant source of analysed Scope 3 emissions is Category 1 (Purchased Goods and Services), accounting for 87.5% of total location-based emissions. 98.3% of emissions associated with purchased goods and services are attributable to the procurement of raw materials. Where available, supplier-specific product carbon footprint data has been used to calculate impact. These supplier-specific factors are consistently lower than material average factors, resulting in a more accurate assessment of emissions and increased environmental performance. When material details were unavailable, virgin production was conservatively assumed. As recycled materials typically have lower carbon intensities, an improved understanding of raw material composition would enhance calculation accuracy. Stelrad should also continue to gather supplier-specific carbon data for purchased materials and integrate this information into procurement decisions.

Table 4: Top 5 Emissions Categories (location-based).

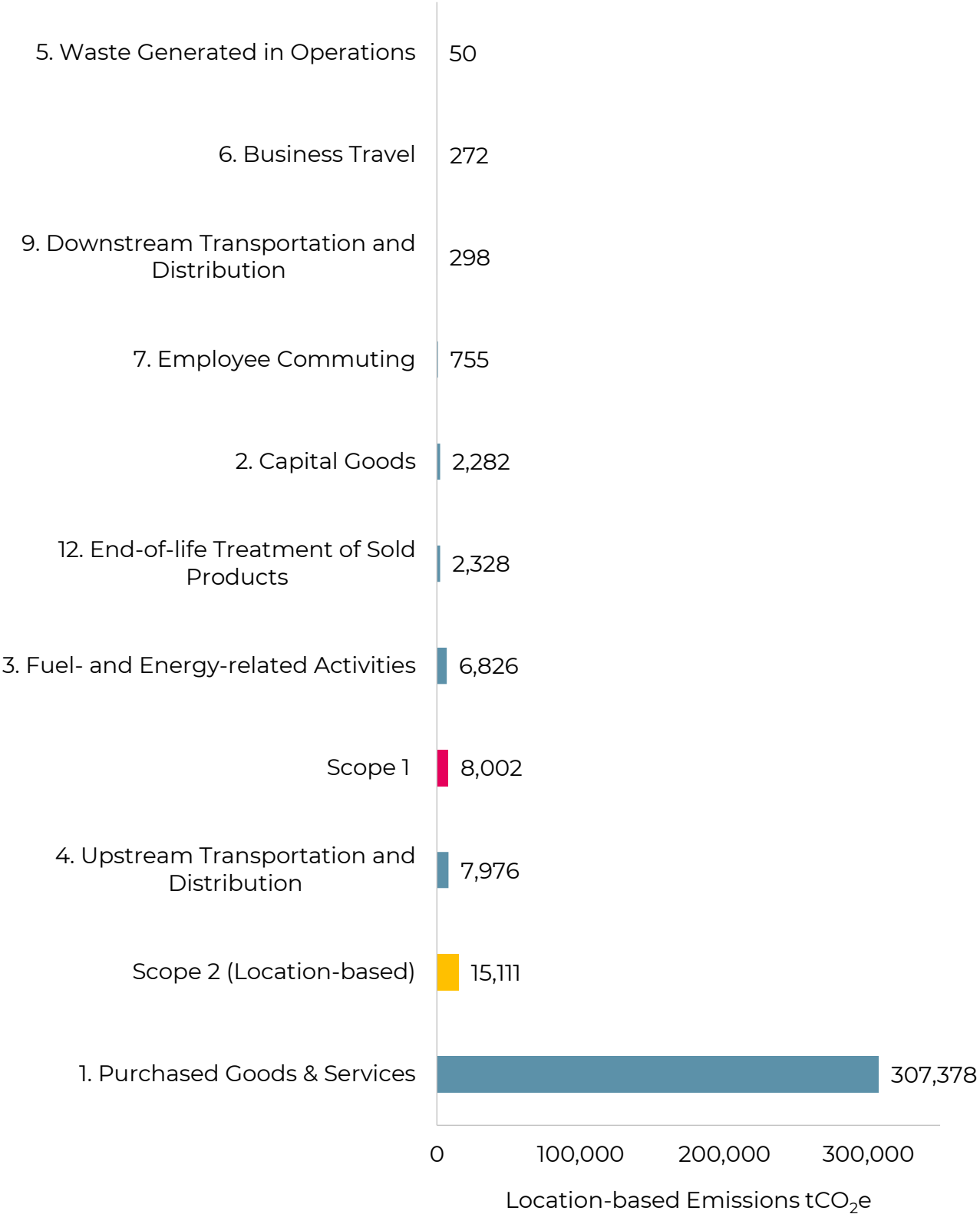
Materiality Rank	GHG Emissions Scope/Category
1	1. Purchased Goods and Services
2	Scope 2 (Location-based)
3	4. Upstream Transportation and Distribution
4	Scope 1
5	3. Fuel- and Energy-related Activities

Scope 2 (location-based) emissions are the second-largest contributor to the analysed emissions, accounting for 4.3% of total location-based emissions. Of these, 63.9% are attributable to electricity consumed by Termo Teknik. Termo Teknik accounts for 53.2% of Stelrad's total electricity use, with this impact further amplified by Turkey's carbon-intensive electricity grid. Stelrad should prioritise initiatives to increase Termo Teknik's efficiency and reduce electricity consumption. The feasibility of on-site generation should also be explored to reduce reliance on carbon-intensive electricity grids.

Emissions associated with Scope 3 Category 4 (Upstream Transportation and Distribution) represent another significant source of impact, accounting for 2.3% of total location-based emissions. All land transport was conservatively assumed to be carried out using diesel-fuelled HGVs, which may overstate actual emissions where alternative transport methods are used. Termo Teknik, Radiators SpA and Stelrad Ltd account for 36.1%, 24.0%, and 22.8% of upstream transport emissions, respectively. These entities should be prioritised for improved data collection, including more granular logistics information and opportunities to transition to lower-carbon transport options.

Scope 1 emissions represent 2.3% of Stelrad's analysed (location-based) impact, with 93.8% attributable to natural gas. Natural gas consumption by Termo Teknik accounts for 46.9% of Stelrad's total gas-related emissions. Manufacturing processes are the primary consumers of natural gas, accounting for 99.8% of Termo Teknik's annual gas use. Stelrad should prioritise exploring alternative fuels for manufacturing processes and implementing measures to improve fuel efficiency, with a particular focus on Termo Teknik's operations.

Figure 2: Emissions by Scope and Category.



Year-on-year comparison

This is the fourth year Stelrad has quantified its Scope 1, 2 and 3 GHG inventory. Overall, Stelrad’s (location-based) emissions decreased by 10.0%, driven by a decrease in Scope 3 Category 1 (Purchased Goods and Services) emissions. Stelrad’s Scope 1 emissions decreased by 2.6% between FY2024 and FY2025, while Scope 2 (location-based) emissions increased by 10.8%.

Figure 3: Stelrad’s FY2024 vs FY2025 (location-based) GHG emissions footprint.

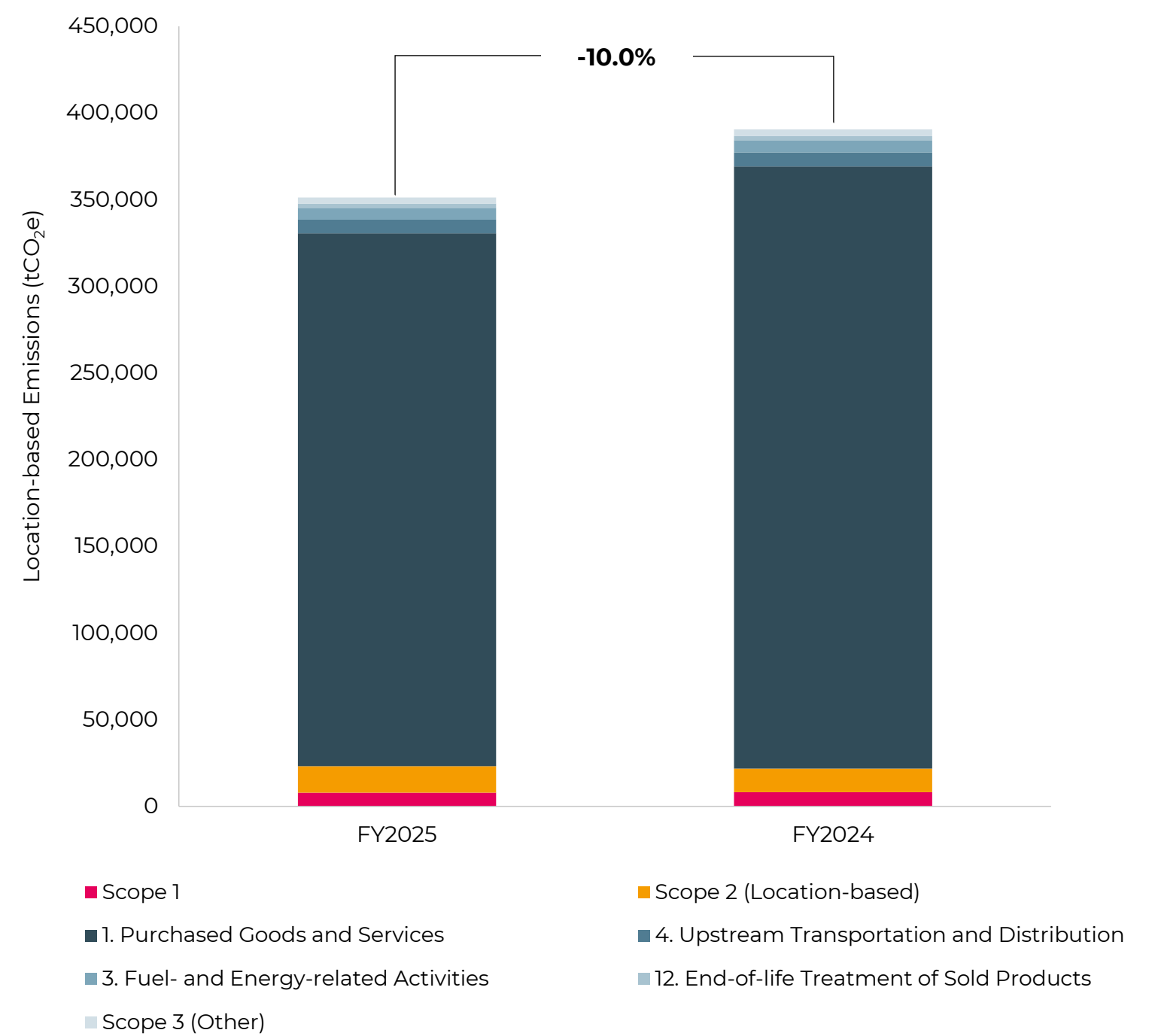


Table 5: Explanation of FY2024 to FY2025 changes.

GHG Emissions Scope/Category	% change	tCO ₂ e change	Explanation
Scope 1	-2.6%	-211	Driven by a 1.9% decrease in natural gas consumption
Scope 2 (Location-based)	+10.8%	+1,475	Increased use of company-owned electric vehicles, with Scope 2 transport emissions increasing by 237.2%, alongside higher international emission factors (except UK)
Scope 2 (Market-based)	-11.7%	-486	Continued transition to fully renewable electricity tariffs across the Group, coupled with transition from Carbon Database Initiative (CaDI) international emission factors to the Association of Issuing Bodies (AIB) international emission factors.
1. Purchased Goods and Services	-11.5%	-39,920	The majority of the impact is associated with steel procurement. Total weight of steel reduced by 9.5%
2. Capital Goods	+0.9%	+21	Although capital spend reduced by 12.0%, the emission factor for 'other manufactured goods' increased by 14.1%
3. Fuel- and Energy-related Activities	-4.5%	-319	Mainly driven by the decrease in natural gas consumption
4. Upstream Transportation and Distribution	-0.6%	-47	45.1% decrease in spend on logistics and 6.7% decrease in third-party mileage, offset by a slight increase in transport-related emission factors
5. Waste Generated in Operations	-49.5%	-49	All waste diverted from landfill in FY2025
6. Business Travel	+1.8%	+5	Although the impact of staff-owned cars reduced by 60 tCO ₂ e, air travel and hotel stays increased by 57 tCO ₂ e and 5 tCO ₂ e, respectively
7. Employee Commuting	-6.5%	-53	Increased participation in the staff survey resulted in a greater variety of lower carbon transport methods (Radiators SpA's response rate increased from 57.4% to 98.3% and emissions reduced by 67 tCO ₂ e)
9. Downstream Transportation and Distribution	+8.3%	+23	Radiator SpA emissions increased by 54 tCO ₂ e due to increase in delivered weights and distances travelled
12. End-of-life Treatment of Sold Products	-6.0%	-150	Total weight of sold products decreased by 6.0%

Methodology

The following table sets out the applicability of each category, the data sources, and an overview of the methodology followed for Scope 1, 2, and 3 calculations. Unless stated otherwise, all conversion factors are sourced from the UK Government (DESNZ) GHG Conversion Factors for Company Reporting, version 1.0 2025, and include Scope 3 Well-to-Tank (WTT) and Transmission and Distribution (T&D) losses.

The Greenhouse Gas Protocol Value Chain methodology is followed in all cases. WTT refers to the emissions associated with extracting raw materials (e.g., oil and gas), processing them into fuels, and transporting them to the point of use (e.g., the fuel tank or the power station). T&D losses represent the electricity consumed and lost in the network between the power generators and the consumers.

Where data were available for only 11 months of the reporting period, the activity data for these months were extrapolated to estimate the missing month and to allow calculation of the annual impact.

Emissions from Category 11 (Use of Sold Products) has been calculated per subsidiary but excluded from the GHG inventory due to its low accuracy and decision-usefulness.

Restatement Policy

In line with the Greenhouse Gas (GHG) Protocol and the Science-Based Targets initiative (SBTi) guidance, Stelrad will recalculate baselines and historical emissions when significant changes occur in the company's structure or methodology to maintain data integrity over time.

A ±5% variation in baseline target boundary emissions due to the following changes will trigger a restatement:

- Structural Changes: Ownership or control transfers of emissions-generating activities.
- Methodological Changes: Updates in calculation methods or improved accuracy of emission factors affecting base-year emissions significantly.
- Error Discovery: Significant errors, or a series of cumulative errors that are collectively significant.

Stelrad may also adjust for changes of less than 5%, particularly for significant structural changes. This policy will evolve in line with updates from the GHG Protocol and the SBTi.

Stelrad's FY2024 carbon intensity metric relating to all tCO₂e (Location-based) per revenue (£m) has been restated due to an error in unit conversion. The metric was previously reported as tCO₂e per £'000 of revenue, resulting in an overstatement by a factor of 1,000. The corrected figures are presented in the annual comparison tables.

Table 6: Methodology, Data Sources, Quality Rating and Recommendations.

Emissions Category	Data Source(s)	Method Comments	Data Quality Rating	Data Recommendations
Scope 1	- Gas invoices for the UK sites. - Gas consumption data for all international sites. - Company car data in litres of fuel (diesel and petrol). - Other fuels (LPG and diesel) data in litres.	- The Scope 1 CO₂e emissions data has been calculated using the GHG Protocol – A Corporate Accounting and Reporting Standard (World Business Council for Sustainable Development and World Resources Institute, 2004); Greenhouse Gas Protocol – Scope 2 Guidance (World Resources Institute, 2015); ISO 14064-1 and ISO 14064-2 (ISO, 2018; ISO, 2019a); Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance (HM Government, 2019). - Natural gas and company car mileage consumption were converted to tCO₂e using the relevant emissions factors from the DESNZ 2025 version 1.0 emissions factor database. - Quantity of LPG (litres) provided and converted to tCO₂e using the relevant emissions factors from the DESNZ 2025 version 1.0 emissions factor database.	High	Track mileage alongside fuel consumption for all company vehicles to support the introduction of carbon reduction initiatives.
Scope 2 – Location-based	- Electricity invoices for the UK sites. - Electricity consumption data for all international sites. - Total kWh of consumed and sold self-generated electricity. - Consumption data (kWh) of electric company cars.	- The Scope 2 CO₂e emissions data has been calculated using the GHG Protocol – A Corporate Accounting and Reporting Standard (World Business Council for Sustainable Development and World Resources Institute, 2004); Greenhouse Gas Protocol – Scope 2 Guidance (World Resources Institute, 2015); ISO 14064-1 and ISO 14064-2 (ISO, 2018; ISO, 2019a); Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance (HM Government, 2019). - A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). - Government Emissions Factor Database 2025 version 1.0 has been used, utilising the published kWh and kgCO₂e emissions factors. - Where available, electricity consumption for global operations was converted to emissions using country-specific conversion factors based on local grid supply from the Association of Issuing Bodies (AIB) database. - Consumption of self-generated electricity has been included with 0 tCO₂e/kWh operating impact.	High	Install half-hourly meters across all locations to provide greater oversight of consumption.
Scope 2 – Market-based	- Electricity invoices for the UK sites. - Electricity consumption data for all international sites. - Total kWh of consumed and sold self-generated electricity. - Consumption data (kWh) of electric company cars.	- A market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice). It derives emission factors from contractual instruments, including any contract between two parties for the sale and purchase of energy, bundled with attributes related to energy generation, or for unbundled attribute claims. - Market-based emissions are reported in tCO₂ only. - Market-based emissions in this report have been calculated using the Renewable Energy Guarantees of Origin (REGO) backed electricity contract emissions factors of 0 tCO₂/kWh, and a country-specific residual grid emissions factor for sites in Italy, sourced from the Association of Issuing Bodies (AIB) database. - Consumption of self-generated electricity has been included with 0 tCO₂e/kWh operating impact.	High	- Determine and assess fuel mix for all electricity providers. - Move to renewable contracts where feasible - Ensure all renewable electricity supplied is supported by a renewable electricity certificate.

Table 6 continued

Emissions Category	Data Source(s)	Method Comments	Data Quality Rating	Data Recommendations
1. Purchased Goods and Services	- Operational expenditure and description of purchase. - Quantity and weight of purchased goods. - Supplier-specific EPDs.	Hybrid method - Where supplier-specific emission factors per tonne of steel were available, these were used. - The weight of other purchased materials was converted into emissions using the DESNZ 2025 factors for virgin material use. Spend-based method - Operating expenditure converted into £ value for the year of conversion factor using average currency exchange rates and the Bank of England inflation calculator. - Emissions calculated using converted spend and spend-based emissions factors from DEFRA	Medium	- Prioritise the recording of commodity data for all purchased goods. - Provide details of material origin and composition (i.e., recycled content). - Continue to engage with suppliers to gather supplier-specific metrics.
2. Capital Goods	Capital expenditure data, bucketed into categories.	Spend-based method - Capital expenditure converted into the £ value for the year of conversion factor using average currency exchange rates and the Bank of England inflation calculator. - Emissions calculated using converted spend and spend-based emissions factors from DEFRA. - Where data was available for only 11 months of the reporting period, the total emissions calculated for these months were extrapolated to estimate emissions for the missing month.	Low	- Prioritise the recording of commodity data for all capital goods. - Engage with suppliers to gather supplier-specific metrics.
3. Fuel- and Energy-related Activities	Electricity, gas, transport and other fuel consumption data from Streamlined Energy and Carbon Reporting (SECR).	Average-data method - Includes WTT and T&D losses from direct (Scope 1) and indirect (Scope 2) energy consumption. - For natural gas, other fuels and transport fuel consumption, the WTT emissions factors as published by the UK Government were applied to calculate Category 3 emissions. - For electricity consumption, the T&D, WTT – generation and WTT – T&D emissions factors were applied to calculate category 3 emissions. - These losses from other sources are included in their respective categories. - Where available, county-specific factors were applied to the fuel and energy consumption.	Medium	See Scope 1 and 2 recommendations.
4. Upstream Transportation and Distribution	- Origin and destination countries. - Mileage data and weight of transported goods by transport mode. - Spend on postage and freight.	Distance-based method - Mileage, km or tonnage per km data converted to tCO₂e using relevant emissions factors from the DESNZ 2025 emissions factors conversion database. - For consistency, where only origin and destination data were available, distances were estimated using calculations from the previous reporting year. - It was assumed transportation took place via diesel-fuelled HGVs or container ships. Spend-based method - Spend on postage and freight services converted into the £ value for the year of conversion factor using average currency exchange rates and the Bank of England inflation calculator. - Emissions calculated using converted spend and spend-based emissions factors from DEFRA.	Medium	- Record distance (or origin/destination) and weight data, alongside transport methods for deliveries. - Where spend is the only available data, provide greater granularity of transport method. - Engage with suppliers to assess the feasibility of low-carbon transport methods

Table 6 continued

Emissions Category	Data Source(s)	Method Comments	Data Quality Rating	Data Recommendations
5. Waste Generated in Operations	Categorised waste weight from waste notes.	Waste-type-specific approach DESNZ 2025 emissions factors for specified types of disposed material and specified disposal routes (recycling, energy recovery/combustion, landfill) used to calculate emissions.	Medium	Investigate ‘other disposal’ methods to more accurately determine end fate.
6. Business Travel	- Travel and accommodation spend. - Business travel mileage for some flights, train and taxi travel.	Distance-based approach - Mileage data was provided for some flights, train and taxi travel and was converted to tCO₂e using the relevant emissions factor from the DESNZ 2025 emissions factor database. Spend-based approach £ value for the year determined using average currency exchange rates and converted to the year of the conversion factor using the Bank of England inflation calculator. - Assumptions were made on the average cost of a mile per transport mode to estimate the total distance travelled by each transport mode. - Assumptions were made on the average cost of a hotel stay to estimate the number of nights of hotel usage. - Distances and hotel stays were converted to emissions using DESNZ 2025 emissions factors. - Emissions for flights calculated using converted spend and spend-based emissions factors from DEFRA.	Medium	- Ensure distance (or origin/destination) data is recorded for all business travel. - When hotels are booked, record the location and number of rooms per night. - Ensure class of flights (e.g., business class) is recorded.
7. Employee Commuting	- Employee commuting questionnaire results. - Full-time employee (FTE) number.	Distance-based approach - An employee survey was used to collect data on distance travelled, transport mode(s), and frequency of travel, alongside working from home hours. - The survey results were converted to tCO₂e for each employee who responded, using relevant emissions factors from the DESNZ 2025 emission factor database. - Results were extrapolated to account for the full number of employees.	Medium	- Encourage staff participation in the survey. - Take the survey regularly to capture seasonal changes in commute and working from home behaviours.
8. Upstream Leased Assets	n/a	Under the operational control approach, any assets leased by Stelrad are included in Scope 1 and 2 calculations.	n/a	n/a
9. Downstream Transportation and Distribution	- Quantity and weight of products sold. - Distance travelled or origin and destination countries by transport mode. - Customer spend on freight.	Distance-based approach - The weight of product, distance travelled and transport mode were used to calculate emissions of known journeys. - It was assumed transportation took place via diesel-fuelled HGVs or container ships. - For consistency, where only origin and destination data was available, distances were estimated using calculations from the previous reporting year. Spend-based approach - Spend on transportation services converted into categorised £ value for the year of conversion factor using average currency exchange rates and the Bank of England inflation calculator. - Emissions calculated using spend-based emissions factors from DEFRA.	Low	Ensure all subsidiaries record data relating to deliveries controlled by customers, including locations, weight of product transported and transport method.

Table 6 continued

Emissions Category	Data Source(s)	Method Comments	Data Quality Rating	Data Recommendations
10. Processing of Sold Products	n/a	Stelrad sell products directly to the end user, no processing required.	n/a	n/a
11. Use of Sold Products	Quantity, kW and item name of products sold.	Average-data based approach - For product categories that consume energy during use (i.e., electrical or gas radiators), product lifetime kWh consumption was calculated using estimated average product wattage, estimated daily hours use per day, number of days used per year and estimated product lifespan. - A 33-year lifespan was assumed, based on the information provided by Stelrad. - Total kWh consumption was calculated by multiplying each product's lifespan kWh consumption by the number of units sold. - It was assumed that radiators were used in the country they were sold, using country-specific conversion factors where available.	Low	- Continue to measure the impact of product use. - Engage with customers to get a better understanding of product use patterns. - Provide greater granularity of energy consumption, particularly for radiators with efficiency considerations.
12. End-of-life Treatment of Sold Products	- Quantity, weight and item name of products sold. - Product packaging weight and type.	Average-data based approach - Weight of different material components of sold products provided for Stelrad Ltd and Stelrad BV. - For remaining subsidiaries, the total mass of radiators being disposed of was used to calculate the weight of steel, plastic, paper/card and other (e.g., paint) using a 96.2%, 0.7%, 2.7% and 0.6% split, respectively. - The disposal method was assumed using average UK recycling rates for steel, plastics and paper. - DESNZ 2025 emissions factors for specified types of disposed material and specified disposal routes (recycling, energy recovery/combustion, landfill) used to calculate emissions.	Low	- Provide material and packaging breakdown for all product types. - Engage with customers to get a better understanding of disposal behaviours. - Track any returned products that are subsequently not disposed of by customer.
13. Downstream Leased Assets	n/a	No assets are leased by Stelrad to third parties.	n/a	n/a
14. Franchises	n/a	No franchises associated with Stelrad.	n/a	n/a
15. Investments	n/a	No financial investments or joint ventures.	n/a	n/a

Glossary

Adjusted Spend: Adjusting the provided spend values to the year of the relevant spend-based database. This adjusted value is used to calculate the associated carbon emissions.

Carbon Dioxide (CO₂): A greenhouse gas that enters the atmosphere through burning fossil fuels (coal, natural gas, and oil), solid waste, trees and other biological materials, and also as a result of certain chemical reactions (e.g., cement production).

Carbon Neutral: Carbon neutral means an organisation has purchased an equivalent number of compensatory measures, such as carbon offsets and green energy certificates, to neutralise their GHG emissions.

Carbon Offsets: Investing in voluntary carbon offsets funds low-carbon projects that replace high emitting alternatives. Carbon offsets can be used to compensate for the emissions produced by a company.

Embodied Emissions: Embodied emissions are emissions associated with the cradle to gate manufacture of products, for example emissions produced through extraction of raw materials, transportation of material and manufacturing processes.

Fluorinated Gases: Hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride, and nitrogen trifluoride are synthetic, powerful greenhouse gases that are emitted from a variety of household, commercial, and industrial applications and processes.

Greenhouse Gas (GHG): Gases that trap heat in the atmosphere.

GHG Protocol: The Greenhouse Gas Protocol is the most widely used standard for calculating greenhouse gas (GHG) emissions.

Global Warming Potential (GWP): GWP is a measure of how much energy the emissions of 1 ton of a gas will absorb over a given period of time, relative to the emissions of 1 ton of carbon dioxide (CO₂). The larger the GWP, the more that a given gas warms the Earth compared to CO₂ over that time period.

Kyoto Protocol: The Kyoto Protocol operationalises the UN Framework Convention on Climate Change by committing industrialised countries and economies in transition to limit and reduce greenhouse gas (GHG) emissions in accordance with agreed individual targets. Seven GHGs are required to be reported under the Kyoto Protocol: Carbon dioxide (CO₂), Methane (CH₄), Nitrous oxide (N₂O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulphur hexafluoride (SF₆) and Nitrogen trifluoride (NF₃).

Location-based Emissions: Methodology to calculate Scope 2 emissions using the average grid emissions factor of a region.

Market-based Emissions: Methodology to calculate Scope 2 emissions using emissions factors specific to the contractual instruments in place.

Methane (CH₄): A greenhouse gas emitted during the production and transport of coal, natural gas, and oil. Methane emissions also result from livestock and other agricultural practices, land use, and the decay of organic waste in municipal solid waste landfills.

Net-zero: Net-zero requires a concerted effort over time to eliminate GHG emissions, with compensatory measures as a final step for any emissions that can't be reduced. The SBTi net-zero standard requires a 90% reduction in emissions prior to any residual offsets, up to 10% of the baseline, being offset using carbon removal offsets.

Nitrous Oxide (N₂O): A greenhouse gas emitted during agricultural, land use, and industrial activities; combustion of fossil fuels and solid waste; as well as during the treatment of wastewater.

SBTi: The Science-Based Targets initiative (SBTi) is the internationally recognised body for validating emissions reduction targets that align with the latest climate science.

Scope 1: Emissions from gas usage and transportation fuels (under the company's control).

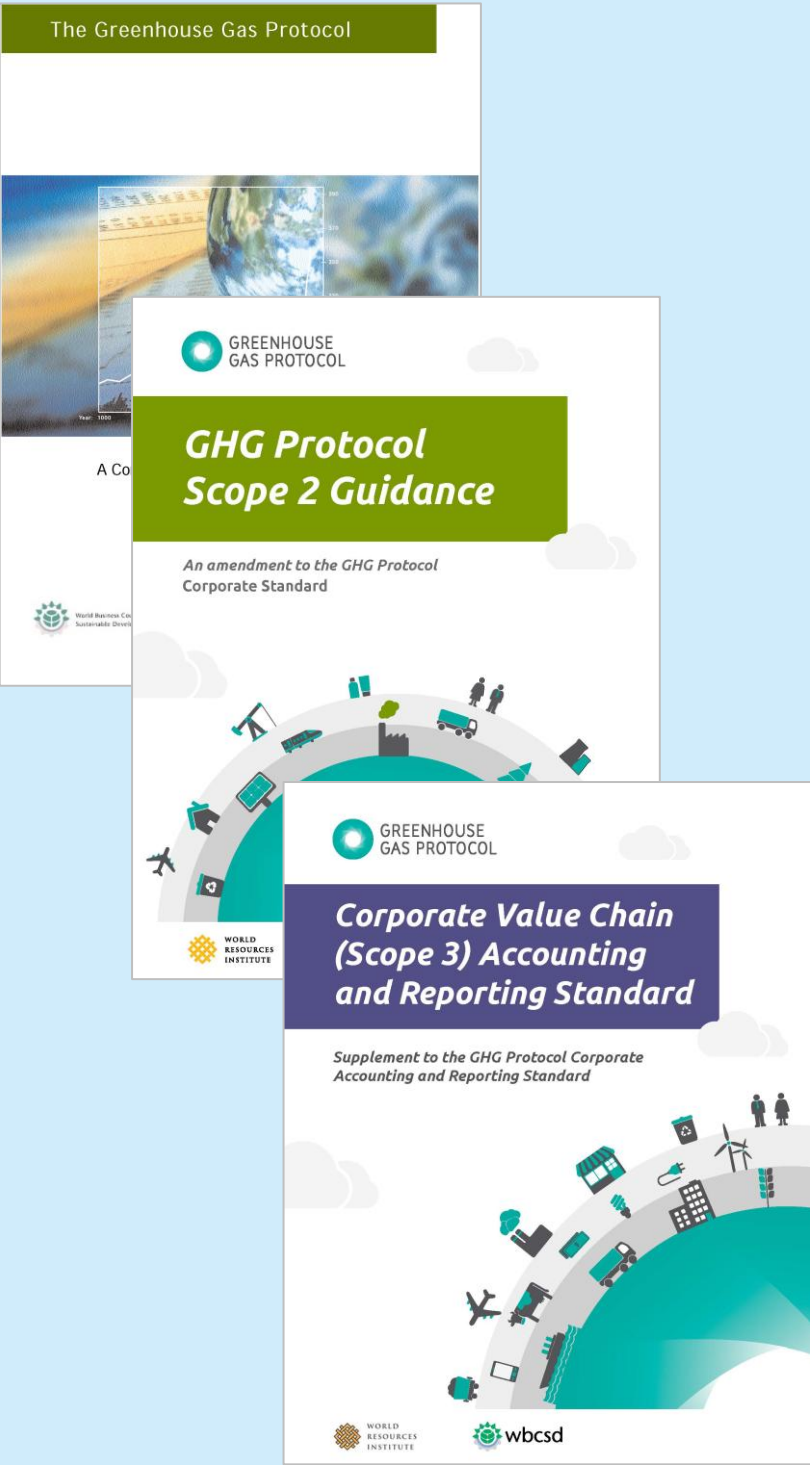
Scope 2: Emissions associated with the consumption of purchased electricity. These emissions are presented on both a location-based (using country average electricity emission factors) and market-based (taking into account any purchased renewable generated electricity) approach.

Scope 3: Company's value chain emissions, divided into 15 categories, as established by the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting & Reporting Standard.

Sulphur Hexafluoride (SF₆): A greenhouse gas that is primarily used in electrical transmission and distribution equipment.

tCO₂: Tonnes of carbon dioxide gas released into the atmosphere. This metric is often used when reporting electricity emissions factors.

tCO₂e: Greenhouse gases have different global warming potentials and are converted to a carbon dioxide equivalent for ease of comparison and reporting.



GHG Protocol – Data Types

The Greenhouse Gas Protocol is the primary, internationally accepted method for companies to account for their operational and value chain emissions.

According to the GHG Protocol, calculating emissions requires the use of two types of data: activity data and emission factors. “Activity data” is a quantitative measure of an activity that results in GHG emissions (for example, litres of fuel consumed, or kilograms of material purchased). An “emission factor” is a factor that converts activity data into GHG emissions data (for example, kgCO₂ emitted per litre of fuel consumed, or kgCO₂ emitted per kilogram of material produced).

When considering which activity and emissions data to use, two types of data can be used in Scope 3 calculations:

Primary data is from specific activities within a company’s value chain. It includes data provided by suppliers or others that directly relate to specific activities in that company’s supply chain. For example, when calculating emissions for Scope 3, Category 5 – Waste Generated in Operations, the weight of waste collected by the disposal company, segregated by waste stream and disposal route.

Secondary data is not from specific activities within a company’s value chain. This includes industry average data (for example, from published databases, government statistics, literature studies and industry associations), proxy data and other generic data that isn’t specific to your business. For example, when calculating emissions for Scope 3, Category 7 – Employee Commuting, if actual employee commuting patterns are unavailable, Office for National Statistics commuting data can be used instead.

There is a range of methods that can be used for calculating Scope 3 categories, the most common methods include:

- **Supplier-specific:** Using supplier-specific emissions factors for goods/services (primary data).
- **Hybrid:** Using a combination of supplier-specific emissions factors (primary data) and industry average emissions factors (secondary data).
- **Average-data:** Using industry average emissions factors (secondary data) based on quantities of goods/services used. For example, DESNZ annual emission factors (kgCO₂e/t).
- **Spend-based:** Using industry average emissions factors (secondary data) based on spend on goods/services used. For example, DEFRA spend emissions factors (kgCO₂e/£).

IV: Quality Review

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1	25/02/2026	Tyler Leyland Jones	Initial Issue
2	25/02/2026	Tyler Leyland Jones	Updated Scope 1, Scope 2 and Scope 3 – Category 3 emissions
3	27/02/2026	Tyler Leyland Jones	Some formatting and text updates
4	01/04/2026	Matthew Brock	Text updates relating to Scope 3 – Category 11

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