Report

Environmental Social Governance

2025

Forsyths
established 1890

Introduction from our Managing Director

“We are proud of our record as a business that for 135 years has seen many changes in engineering practices and we are keen to focus on securing our heritage for many years to come. To achieve this, we must focus on the impact our operations have on the environment to ensure the continued supply of the raw materials we use and to ensure the world thrives and quality of life is preserved and enhanced for the generations to come after us.

Our business has grown and broadened its experience into exotic metals like titanium and super duplex whilst maintaining the highest quality of workmanship. It is this constant drive for diversity and reinvestment in our people that has underpinned our continued success. Over the years technology has changed but grassroots traditions have been retained as a base to ensure continuous high standards of quality.

There can be little doubt that we are seeing more severe variation in weather patterns from flood through high temperatures and wildfires. Anything mankind can do to minimise its impact on this worsening situation has to be a good plan. There has been a global focus on the reduction in generation of the major gasses that hold significant amounts of heat in the atmosphere and increase global warning. For our business, like many other manufacturing companies, a reduction in carbon emissions makes good business sense because it combines energy efficiency and selection of lower emitting fuels. Undoubtedly over the past 3-5 years our supply chain has realised that a structured and active programme of carbon literacy and GHG reduction is central to business strategy, to be responsible, to comply with legal requirements and ever-heightening customer focus on accountability and ethics.

I am pleased that we are able to bring to you in 2025 our first Environmental Social Governance (ESG) report. ESG is a much wider scope than just GHG reduction in that it looks at who is accountable in a business for the way in which it operates, sets policies and reviews risks and opportunities – the governance. Allied to this are the important social aspects where a company defines its values and policies on gender, diversity, equality, equity, labour, welfare and ethics. Finally having robust metrics that set a baseline for environmental performance and reference international targets that define the improvement required is an essential aspect that should be shared publicly for others to see our challenges and benefit from our learnings. ESG is a truly important part of brand identity and I hope that you enjoy reading about what we have achieved so far.”

Richard E Forsyth

Managing Director

What is Environmental Social Governance?

Environmental Social Governance (ESG) is the new way to describe Sustainability – it has four main areas

- **Environment**
- **Labour, Welfare, Health & Safety**
- **Business Ethics**
- **Sustainable Procurement**

A framework to evaluate a company's sustainability and ethical impact

Environmental

Carbon emissions
Climate change impact
Waste disposal
Energy use & fuel choice
Pollution
Raw materials use

Social

Gender
Human Rights
Community engagement
Discrimination
Equality, Equity, Diversity
Culture and Values

Governance

Policy setting & review
Stakeholder awareness
Executive compensation
Risk management
Ethics
Certification

1.0 Climate related risk and opportunity: a formal reporting framework

For this report we have followed the current UK standard on climate related risk: the Task Force on Climate Related Financial Disclosure, and also the basis of upcoming UK legislation due to be introduced for the largest companies during 2025 that follows the International Financial Reporting Standards (IFRS) enhanced risk assessment for ESG which has two parts: S1 and S2. In Europe this type of reporting is already mandatory via the Corporate Social Responsibility Directive (CSRD) whereas the UK is moving more slowly towards legislation but has indicated this is an essential way for businesses to take climate impact more seriously by identifying material business areas impacted by climate change and adding in a second materiality based on financial risk, hence a double materiality approach.

The TCFD is a framework, formed by the Financial Sustainability Board to encourage the uptake of climate risk and opportunity measurement and disclosure in the private sector. In 2017 it outlined guidance through 11 disclosure recommendations regarding governance, strategy, risk management and climate targets. It requires businesses to map risks and opportunities and assign a financial value to enable a carbon emissions strategy that will limit the global warming trajectory to as close to 1.5C as possible.

There is still much uncertainty around the trajectory for global temperature rise, but the consensus is that we will miss our target of a maximum average temperature rise of 1.5C beyond which we start to lose the ability to predict the impact of changes to people, financial prosperity and our planet. This so-called triple bottom line indicates that there are three ways we can influence business success that leads to supply chain prosperity by engaging with people and minimising our impact on the planet. By reporting openly and transparently what our carbon emissions are now and how we see a path to net zero it is our hope that we demonstrate to other businesses that a solution is within grasp and particularly so if we attach financial value to the consequences and rewards of our changing climate.

2.0 Governance

Governance
Organisations are recommended to establish and disclose appropriate internal governance processes for climate-related risks and opportunities.

Disclosure recommendations
a) Describe the Board's oversight of climate-related risks and opportunities.
b) Describe management's role in assessing and managing climate-related risks and opportunities

Key Risks and Mitigations in Forsyth's business

The Board regularly reviews risk and incorporates climate risk and Environmental Social Governance risks into the matrix.

Role of the Board in Identifying and Managing Risk

The Board is responsible for setting the structures and review in place so that risks are identified, considered and appropriate actions are taken to limit any negative impact to Forsyth's.

The Board is kept informed of key risk and actions through regular reporting as indicated in the diagram below. The relevant ESG reporting categories are shown in grey. The dark blue boxes indicate the management structure at Forsyth's.

Formal risk reporting to the board covers the key ESG areas with clearly defined scope, opportunities for training and improvement and appropriate metrics and mitiagtong actions.

There are monthly board updates for key ESG metrics, some of which are included at the end of this report

We have developed policies and achieved significant external certifications to ensure that our operations are safe and ethical. The following priority sustainability objectives form the basis of our sustainability policy

- **Promote sustainable business models and practices**
- **Limit our environmental impact**
- **Uphold the highest standards of governance**
- **Keep our staff members healthy and safe**
- **Be a responsible employer and client**
- **Engage positively with communities & stakeholders**

Employees

- We are committed to the well-being and continual development of our people and to training our workforce. Employees are appreciated, valued and given regular feedback to fully understand their role and how they contribute to the business.
- We support the development of those new to the workforce by offering various work experience placements and mentoring programmes. Attracting and retaining enthusiastic and motivated people is key to Forsyth's success.
- All employees are recognised and rewarded on the basis of their performance, effort, contribution and achievements.
- We expect our employees to act with integrity towards one another and exercise a high standard of business practice and workmanship.

Customers

- Build long term relationships with all our customers and other stakeholders by understanding their objectives as they evolve over time and meeting their needs.
- Give fair value, consistent quality and reliability.
- Have the highest professional and ethical standards and will be honest, open and transparent in all our dealings with customers.

Suppliers

- Create and maintain strong relationships with key suppliers and contractors.
- Choose suppliers that share our ethos in relation to employment practices, quality and environmental controls.

Health & Safety

- Achieve and maintain the highest standards of health and safety and provide a safe and healthy working environment for all our activities. We have a current and effective written Health & Safety Management System (OHSMS) that is regularly reviewed and updated.

Environment

- We have implemented an Environmental Management System and policy appropriate to our business.
- We are aware of our environmental impact as a business and have taken and continue to take appropriate steps to mitigate that impact, including setting environmental objectives and targets, implementing procedures and providing training so employees and contractors understand their environmental responsibilities and can seek to improve our environmental performance.
- Key to this is meeting net zero targets for GHG emissions.

Climate Risk

A climate risk report has been produced for our operations and supply chain to determine the potential impact in the period up to 2050.

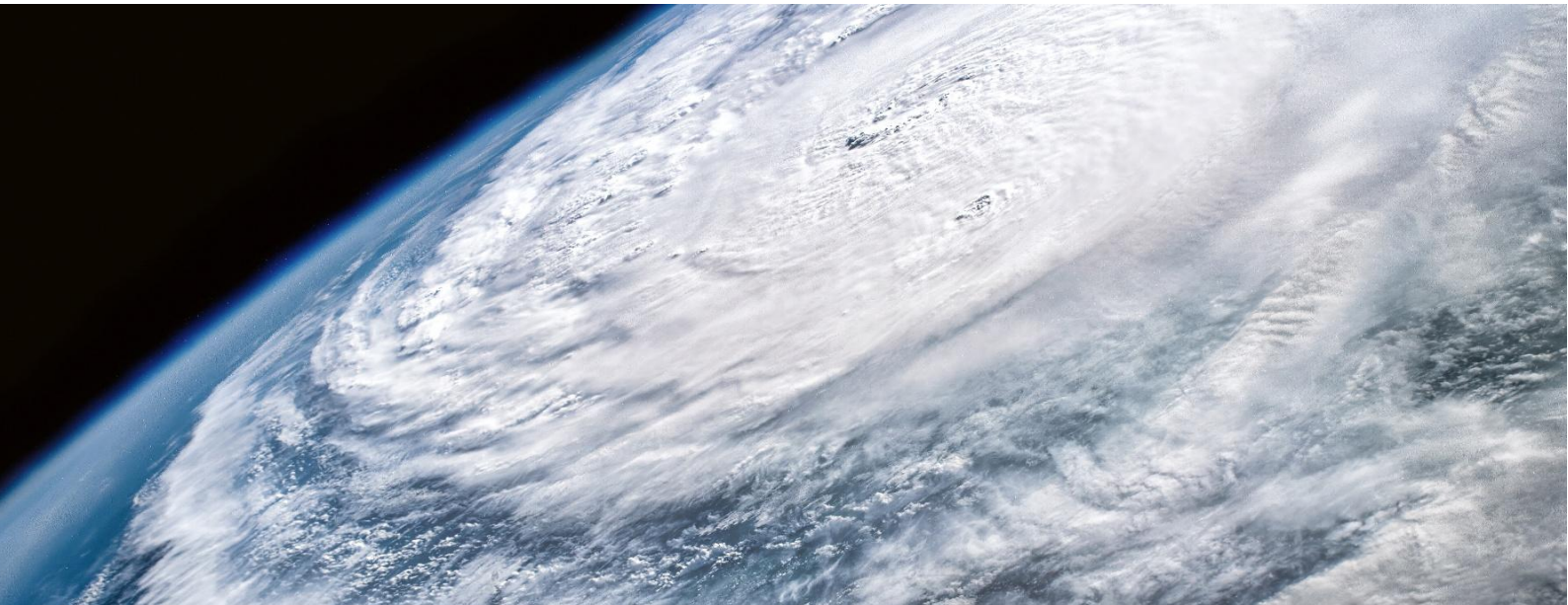
Reference has been made to the scenario analysis contained within the UK Climate Change Risk Assessment sector briefings (Sector briefings - UK Climate Risk)

Theme	Significance for Forsyth's
Business	The impact to business could be a need to modify working environments in production areas in particular: **Risk is reduced worker productivity in higher temperature workplaces and worker recruitment or retention** Low carbon businesses and those with strong Environmental, Social Governance achievements will be better placed to appeal to the increasing customer demand for strong environmental and ethical businesses that are on a fast-track net zero pathway **Opportunity: To create a stronger ESG presence to gain business or press for higher margins for low carbon products**
Buildings & Infrastructure	There is no specific risk to buildings Infrastructure risk could come from flooding and impact on road and rail network **Risk: Low to Moderate for access to reliable road / rail networks if we see the worst flooding and temperature scenarios**
Health & Wellbeing	This category relates to health in general and would only impact Forsyth's if the recruitment pool was significantly affected by poor health: **Risk considered very low**

The report considered a number of key areas:

Transportation & Logistics, Business Risk, Production, Utilities, Health, ICT and Telecommunications, Water, Legislation

The full report is available on request.



United Nations Sustainable Development Goals (UNSDG's)

The 2030 Agenda for Sustainable Development, adopted by the UN in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries. These goals have also been linked to the **triple bottom line** benefit of sustainable action which impacts: **People, Prosperity and the Planet**. This principle recognizes that sustainable benefit should be shared across supply chains and that it is possible to find solutions that improve company financial margin in the long run whilst minimizing environmental impact.

In this first ESG report Forsyth's use these UN goals to highlight key areas where we have focused our efforts so far.

Goals 7 and 12: We already procure electricity that is below the national grid average emissions and will continue to look for opportunities to be energy efficient and opt for lower emissions fuel

Goals 9 and 17: Through partnerships within our supply chain we constantly seek innovation in manufacturing and technology

Goal 13: We have for the first time calculated our full scope 1-3 carbon footprint

Learn more: [THE 17 GOALS | Sustainable Development]

4.0 Metrics and Targets

Metrics and targets
It is recommended that organisations disclose the metrics and targets they use to assess and monitor climate-related risks and opportunities.

Disclosure recommendations
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Forsyth's engaged a specialist consultancy to calculate the carbon footprint of the whole supply chain from procurement of purchased goods and services through operations and included the impact of sold goods and services. Data analysis followed the GHG protocol for all three scopes: Scopes 1 and 2, operational carbon footprint and scope 3, supply chain carbon footprint.

Data gathered was a hybrid set based on the GHG protocol hierarchy which specifies four levels of data that can be captured: 1) Supplier specific, 2) Hybrid, 3) Industry average and 4) Spend-based.

For scopes 1 and 2 detailed invoiced electricity and gas consumption and owned transportation data was available together with the relevant carbon conversion factors and will therefore be highly accurate. Scope 3 data is notoriously difficult to measure in the supply chain so as a first pass estimation the spend-based analysis method has been used. The method is approved by the Department of Energy Security and Net Zero (DESNZ) within its Streamlined Energy and Carbon Reporting emissions and is based on a model developed by the University of Leeds available as open source on the DESNZ website.

Forsyth's are using a baseline year of 2024 as a springboard to enable us to track progress to net zero by 2050 for operational emissions.

A series of carbon and wider Environmental Social Governance activities provide an engaging set of activities to drive business emissions downwards to net zero and to engage its supply chain to follow a similar path. The net zero target is for operational emissions over which Forsyth's has direct influence. Scope 3 emissions targets are much more difficult to set and achieve and we have selected out transportation as something tangible where we can engage with our supply chain partners.

The in-depth analysis will be maintained until we hit our net zero target and will enable our investors and other stakeholders to understand our desire to be as open and comprehensive in our analysis of carbon with a view to establishing a robust financial impact of the required technological changes to get to net zero and the benefits of a clear set of metrics to map progress.

The full carbon report is available on our website

Spend-based accounting model

The model was developed for the UK government by the University of Leeds and in use for almost 20 years. It was last updated in November 2022. The model provides spend-based carbon emissions for 110 standard industry classification categories

The limitation of scope 3 spend-based analysis is that it gives an estimated average figure for each category. Therefore it is useful for an initial mapping of scope 3 but will not easily show an improvement in those emissions over time.

Where a spend-based estimation indicates a contributing factor has a high percentage it is Forsyth's aim to engage with those supply chain partners and request more detailed carbon footprint data if they can provide it and that value once ratified will be substituted for spend based assessment in future calculations.

GHG emissions reporting boundaries

Carbon footprint has been mapped from the supply of goods and services to delivery to customer.

The map below shows outside the dotted line the items that have been excluded primarily because data is not readily available and Forsyth's would have very little ability to influence supply chains beyond the scope boundary.

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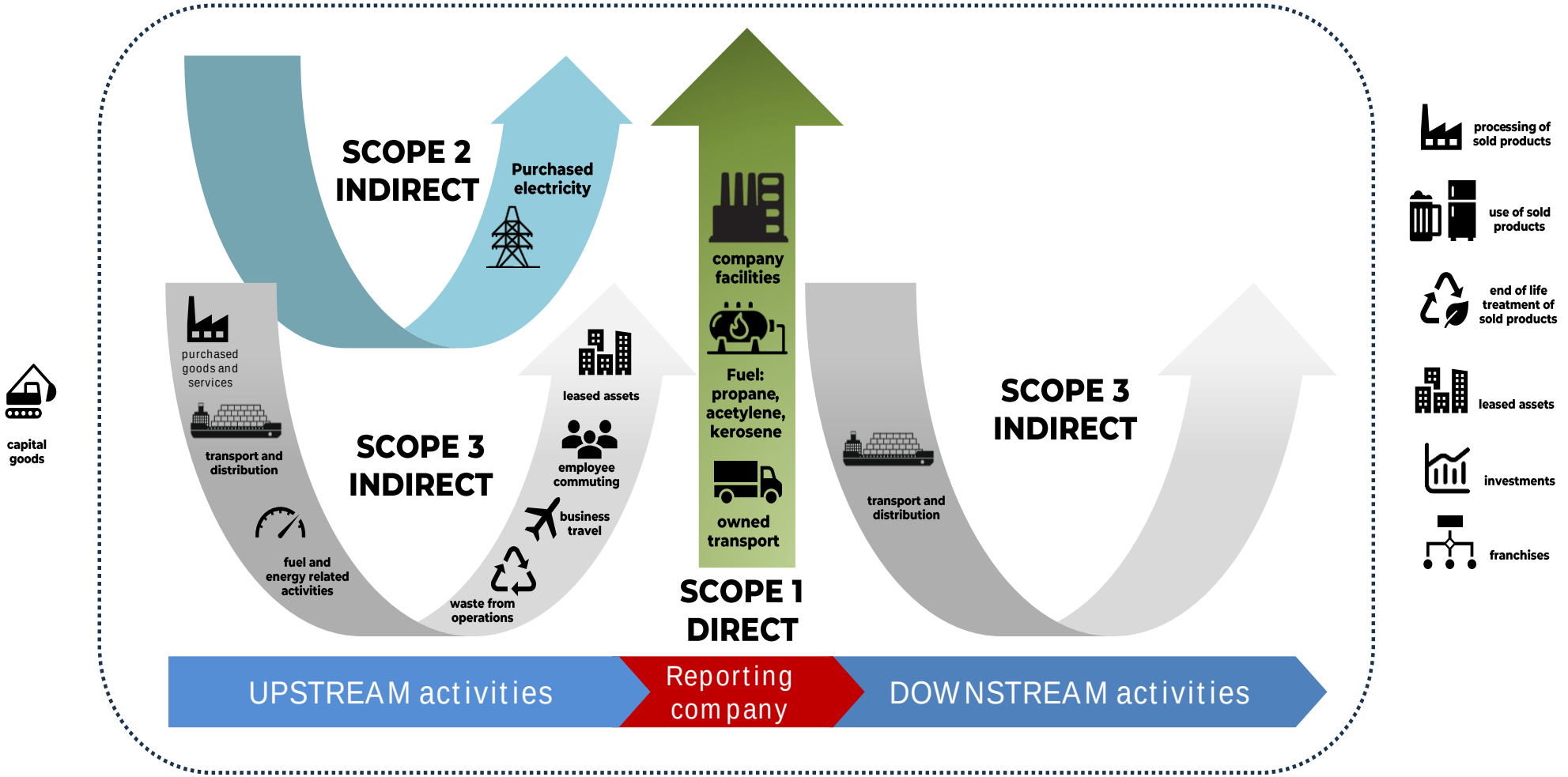


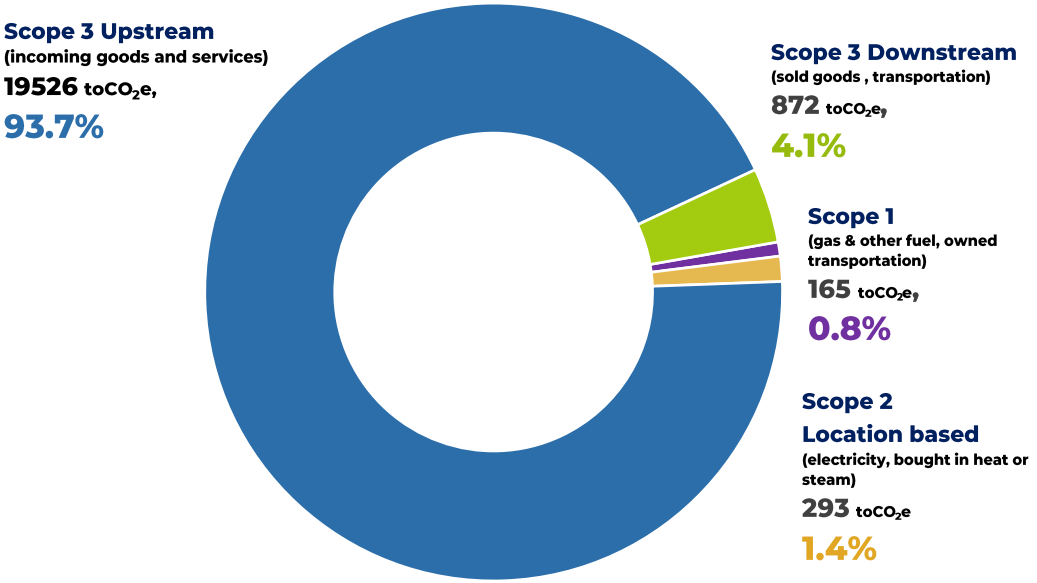
Carbon Footprint Data: Scopes 1-3

Calculations include full emissions for the generation and transportation of all the fuel sources in addition to the use of those fuels which is the kWh or litres invoiced. Generation emissions are referred to as Well to Tank and losses during transmission to us are called Transmission and Distribution losses.

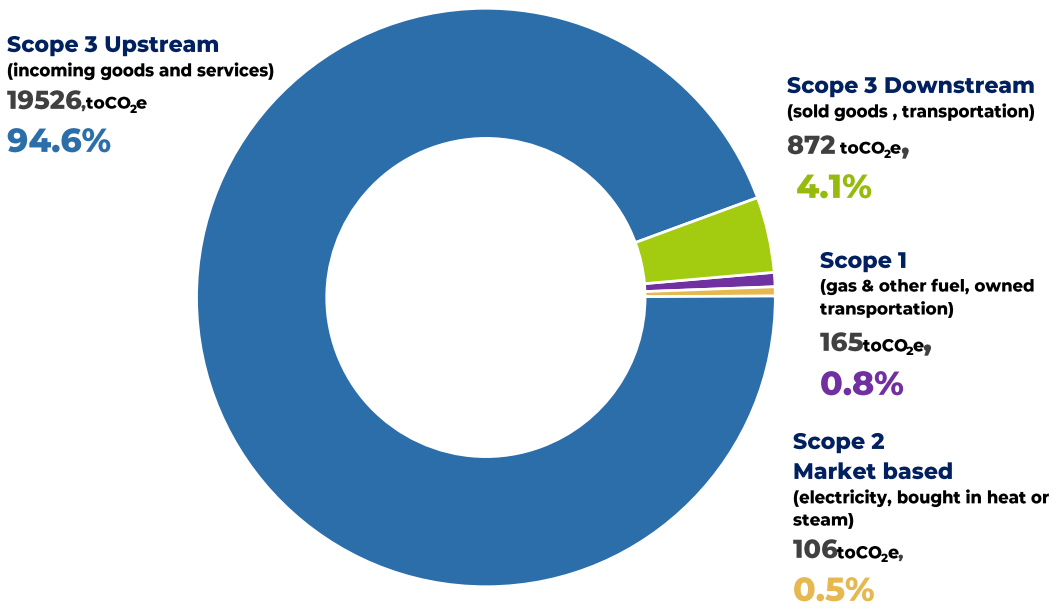
See Appendices for full explanation of location and market based electricity factors: essentially location based is the average electricity factor for the grid; market based reflects the exact fuel mix specifically contracted for supply to a business.

Forsyth's have a contract for electricity (Market-based) that is lower than the grid average (Location based).
The only improvement that could be made to this carbon neutral zero emissions electricity contract would be to select a contract with a greater proportion of original green generation. It is likely, however, that this would be very expensive and not attractive for the business. Bearing in mind that the grid is decarbonising to be net zero by 2035-40, the strategy for scope 2 reduction is sound in selecting a cost-effective carbon neutral supply now and by default becoming net zero for scope 2 when the grid reaches that target.

Carbon footprint analysis for operations and supply chain
LOCATION based factors



Carbon footprint analysis for operations and supply chain
MARKET based factors



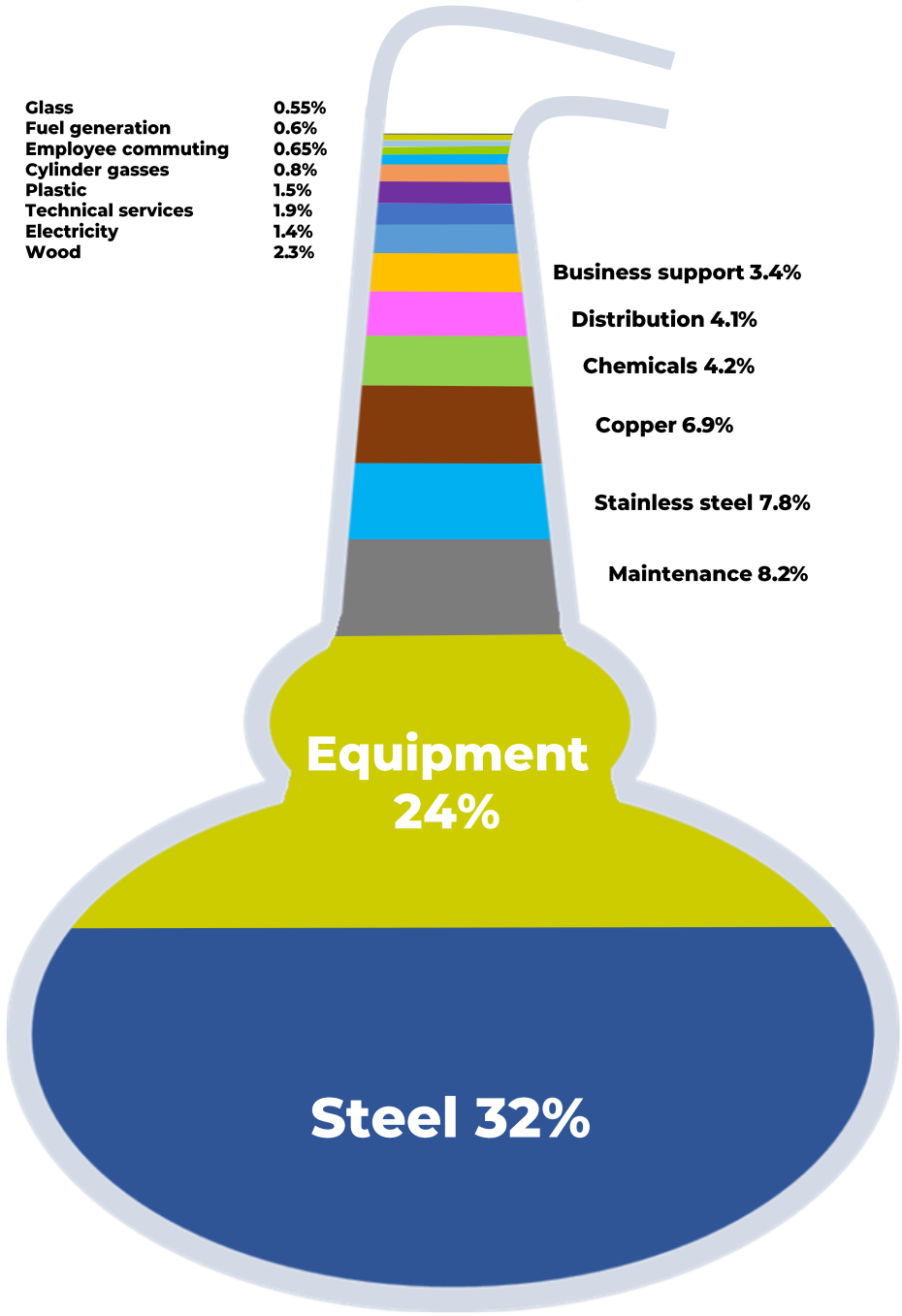
Overall carbon footprint apportionment for Forsyth's

Combining emissions from all 3 scopes into the major contributing categories enables a map to be made of the overall contribution of various parts of the supply chain to the final products made.

For illustration purpose only this has been represented in the form of a still.

The major impact is the embedded emissions associated with the incoming metals: steel, stainless steel, copper and also the installation, maintenance and fabrication activities.

Electricity and Gas are minor components in terms of overall emissions because of the embedded carbon in metals bought in for processing.



Net Zero or Carbon Neutral?

Net zero is the gold standard chosen by Forsyth's

Carbon Neutral:
A company purchases carbon credits from activities in which external operators have removed CO_2 from the atmosphere and have had these verified as credits usually offered in tonnes CO_2e for others to buy. This does not in fact reduce any of your carbon emissions and is simply a mathematical way to balance out emissions and removals.

Net Zero:
This is a status where CO_2 emissions have definitely been reduced and not just balanced out. A net zero strategy can involve becoming lean in terms of efficiency, green in terms of selection of low or zero emission fuels and mean if any activities can be stopped. The latter 'mean' category is exceptionally difficult to find for most businesses. It is also likely that technology does not yet exist for companies to become entirely net zero.

There are many business leaders who have announced net zero targets believing that they can buy carbon credits to get to that position. That would be a carbon neutral target not a net zero target and frankly not relevant in the context of the entire global population and businesses needing to make real reductions in carbon at source not rely on the mitigating actions of others.

Forsyth's have set a carbon net zero targets

Operational (scope 1 and 2) emissions to be net zero by 2050

Scope 3 to be net zero by 2050, focussing initially on transportation

No more than 10% of these reductions should be reliant on the purchase of carbon offsets (credits) in line with the principles of science-based target guidelines

Key metrics of our performance

Alignment with international codes for ethical business

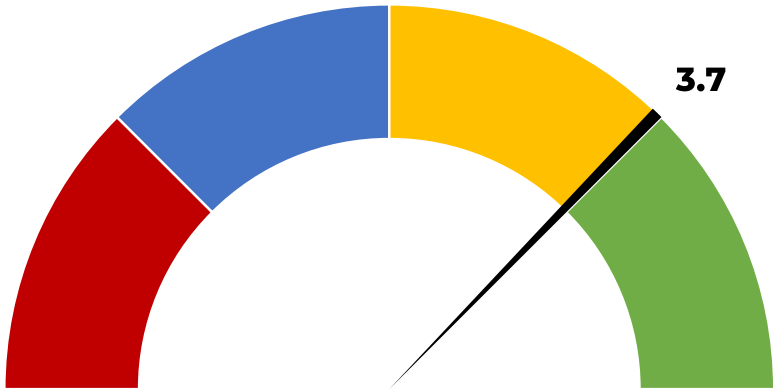
Forsyth's share ESG data with its customers via the Suppliers Ethical Data Exchange (SEDEX) which is based on the Ethical Trade Initiative (the ETI base code). Within the SEDEX system there are two features that give recognition of good performance. The alignment between management lead policies understanding by workers at the sites is tested in a SEDEX members Ethical Trade Audit (SMETA): Wrights have had successful 2 pillar audits covering Health and Safety and Labour Standards.

and

Sedex also scores companies for Environmental Social Governance performance across 15 business areas to create a **Management Risk score**

Living accommodation is not relevant for our business so is not scored.

Each parameter is weighted as shown on the table (right) and the sum of all scores is presented as an overall **Management Risk score** out of a maximum 5 points.



Forsyth's is pleased to score above average at 3.7/5

Sedex Management Score weighting	
25.0%	Health and Safety
12.0%	Freely chosen employment
10.1%	Environment
9.2%	Discipllne and grievance
8.9%	Wages
7.6%	Discrimination
6.0%	Management systems
6.0%	Working hours
4.4%	Regular employment
3.2%	Children and young workers
2.8%	Business ethics
1.6%	Profile
1.6%	Workplace impact
1.6%	Freedom of Association
0.0%	Living accommodation

Materiality analysis as determined from SASB IFRS S1 and S2 reporting requirements.

The IFRS has developed two standards for ESG reporting which are being adopted by the UK during 2025. Our sector is Industry machinery and goods Overview - SASB SASB-PDF – Issued IFRS Standards

Industry description for this category: Industrial machinery and goods industry entities manufacture equipment for a variety of industries including construction, agriculture, energy, utility, mining, manufacturing, automotive and transportation. Products include engines, earth-moving equipment, trucks, tractors, ships, industrial pumps, locomotives and turbines. Machinery manufacturers use large amounts of raw materials for production, including steel, plastics, rubber, paints and glass. Manufacturers also may machine and cast parts before final assembly. Demand in the industry is tied closely to industrial production, while government emissions standards and customer demand are encouraging innovations to improve energy efficiency and limit air emissions during product use.

Sustainability Disclosure Topics & Metrics

Topic	Metric	Category	Unit of Measure	IFRS reference	Unit description	2024
Greenhouse Gas Emissions	Gross global Scope 1 emissions	Quantitative	Metric tons (t) CO_2-e	FB-AG-110a.1		165
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	FB-AG-110a.2		We have a full scope 1-3 carbon footprint and net zero goals. Scope 1 is a small part of our operations and will be reduced through efficiencies and as lower emissions fuels become available we will introduce them
	Fleet fuel consumed, percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	FB-AG-110a.3		2401 6%
Energy Management	(1) Operational energy consumed, (2) percentage grid electricity (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	RT-IG-130a.1	Operational energy consumed (GJ)	584
					% grid electricity	100
					% renewable	32%
Workforce Health & Safety	1) Total recordable incident rate (TRIR), 2) fatality rate 3) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	Quantitative	Rate	RT-IG-320a.1	Incident rate (TRIR) a) Employees b) Contractors Near Miss Frequency rate a) Employees b) Contractors METHOD: (occurrence count × 200,000) / total number of hours worked by all employees in the year reported. Represents total number of hours for full-time workers working 40 hours/ week for 50 weeks per year	A: 7.4 B 0: A: 1.2 B: 0 Fatality rate: 0
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	RT-IG-440a.1		We have a robust supplier code of conduct that requires compliance with a range of ESG subjects.

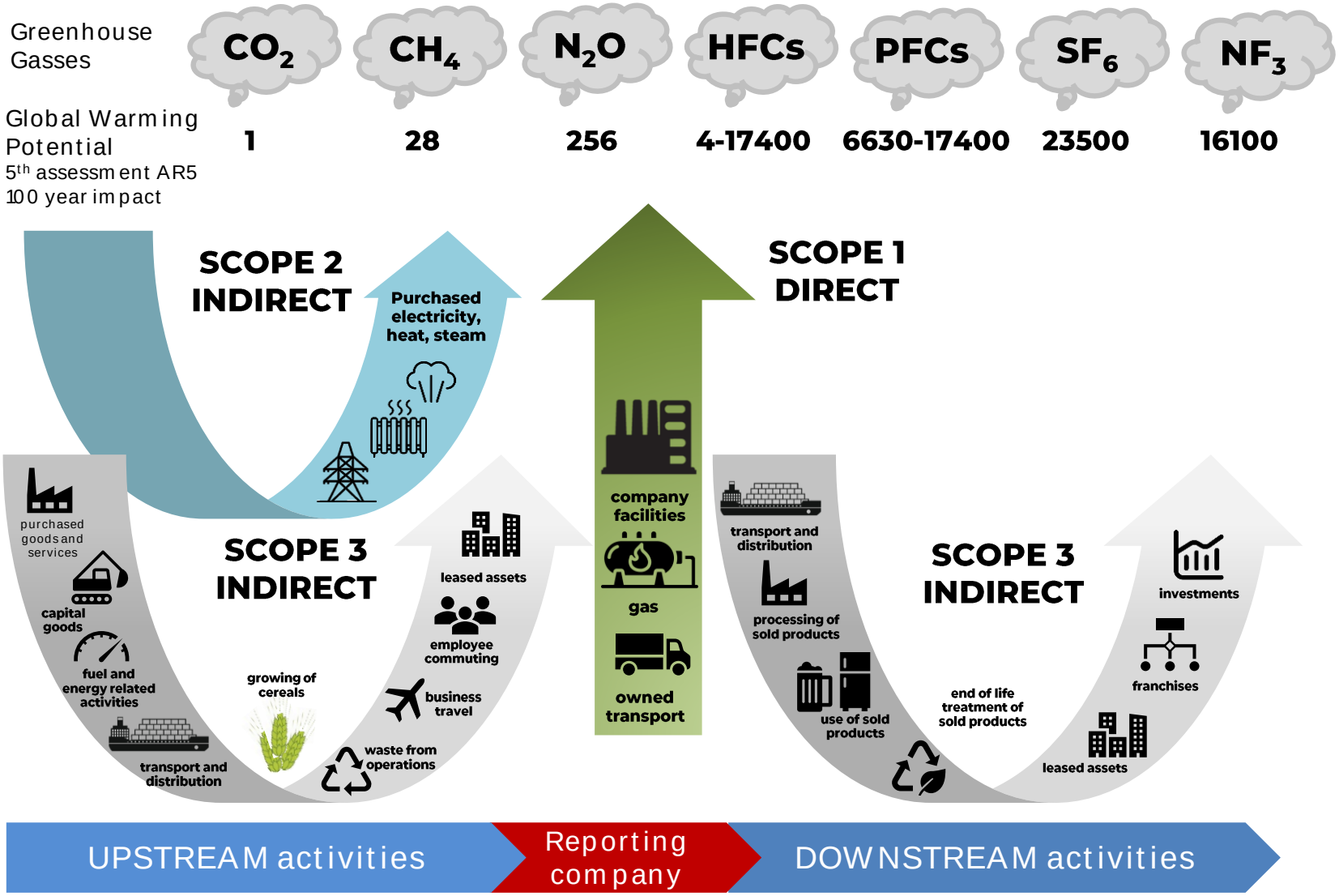
Activity metrics

Activity Metric	Category	Unit of measure	Code	2024
Number of employees	Quantitative	Metric tonnes (t)	RT-IG-000.B	254

We are not reporting the following categories in the materiality assessment for these general industries because our business does not operate the equipment types covered: Fuel Economy & Emissions in Use-phase; Remanufacturing Design & Services. Under Activity metrics we do not report Number of units produced by product category because we do not sell products by units we generally make whole installations and thus have chosen to report GHG emissions more in line with the requirements of the food industry

Carbon Footprint Scopes Explained

Carbon Footprint is a generalised term that converts all seven greenhouse gasses into an equivalent based on global warming potential.



Picture redrawn by Maltdoctor Ltd based on GHG Protocol Guidelines

There are seven gasses that need to be considered in calculating a carbon footprint. Each has a global warming potential (GWP) factor which differs slightly depending on the report you consult, but overall, the relative warming potential is the same.

Refer to the Glossary in Appendix 2 for an explanation of scopes in more detail.

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