Net Zero Annual Report

2023 reporting year

Stratech

positive planet

Executive summary

Current footprint: 3,488.5 tCO$_2$e

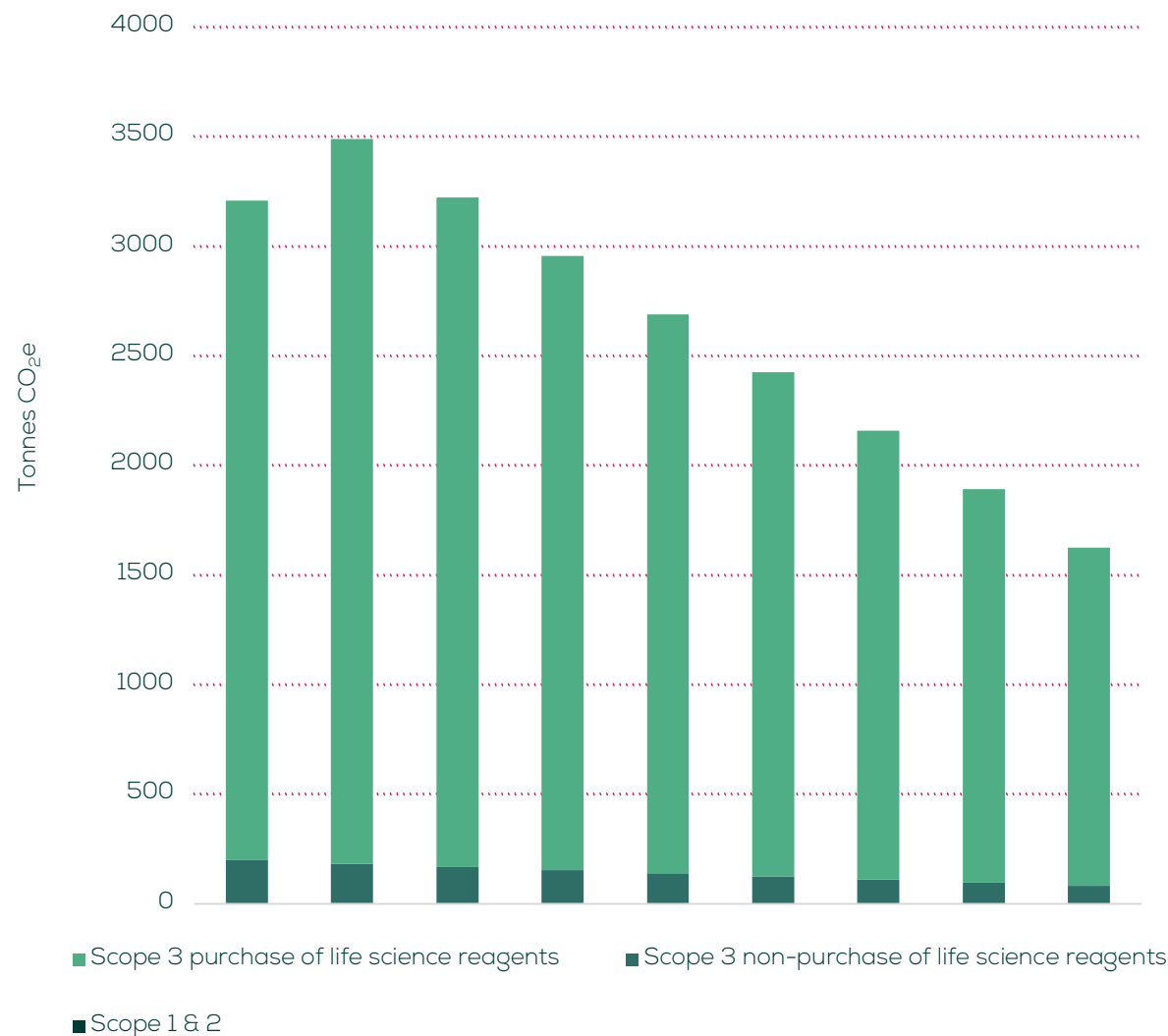**Our highest emitting categories in 2023 were:**

- Purchase of life science reagents
- Purchased distribution
- Commuting and homeworking

We intend to:

- Reduce scope 1 & 2 emissions by 100% by 2030
- Reduce scope 3 emissions by 42% by 2030
- Reach net zero by 2042

*Excluding downstream product emissions

Total carbon reduction targets for measured emissions to 2030

Tonnes CO$_2$e

- Scope 3 purchase of life science reagents
- Scope 3 non-purchase of life science reagents
- Scope 1 & 2

Contents

Measured by Positive Planet

Our why

Why we're taking action

The climate crisis is arguably the most critical challenge of our times. Because **small businesses collectively account for around half of UK business emissions*,** we must play our part in driving emissions down, to prevent catastrophic global impacts on our planet and its people – including me, you, our children, our grandchildren.

Transitioning to net zero is also (rightly) becoming a business choice we must take. Customers are increasingly making choices based on a company's environmental ethos, whilst governments and investors in general are increasingly mandating ever-cleaner companies and practices.

Our Net Zero Roadmap lays out, until 2030, which activities our emissions come from and how we plan to drastically reduce them in line with internationally recognised standards. It also builds on our previous work, which is stated in this report as well as on our website.

Not only do we aspire to reduce Stratech Scientific's emissions to Net Zero by 2042, but we also hope to inspire our customers, supporters, suppliers, industry, and communities to take action.

*british-business-bank.co.uk/research/smaller-businesses-and-the-transition-to-net-zero/

There is now overwhelming scientific evidence of climate change.

Greenhouse gas emissions have climbed to their highest levels in human history. We are not doing enough to respond to this crisis and limit warming to 1.5°C (the Paris Agreement's threshold to avoid the most catastrophic impacts for people and nature).

The latest climate report from the UN's Intergovernmental Panel on Climate Change (IPCC) offers a message of hope, a warning, and a challenge – and businesses have a crucial role to play in changing the course of our planet's future. The report shows that we already have solutions, in every sector, to halve emissions by 2030, in line with a 1.5°C pathway.

Risks and opportunities

Risks

- Supply chain disruptions (due to extreme weather)

- Human health risks (due to extreme weather and pollution)

- Rapidly changing regulations

- Changing customer demands

- Increased insurance costs

- Increased heating and cooling costs

- Reputational risks

Opportunities

- Attract and retain talent and customers

- Develop new offerings

- Attract investment

- Decrease insurance costs

- Optimise efficiencies, reduce costs

- Increased resilience to change

- Brand enhancement

It is **important that we acknowledge both the climate risks to business, and the opportunities presented by embracing environmental sustainability.**

Our carbon footprint

How we measure our footprint

In devising a carbon reduction plan with the goal of achieving net zero, it is critical that we first understand where our emissions come from. To support this, we have partnered with Positive Planet to measure our emissions.

How our carbon footprint is calculated:

Using the GHG Emissions Protocol Standard, business emissions are identified using three scopes of emissions.

Six Greenhouse Gases are calculated as part this emissions report, known as the six Kyoto Protocol GHGs. These gases occur the most often as a result of business activities, with the highest Global Warming Potential. For the purposes of emissions reporting, these gases are simplified and measured in the unit of tonnes of carbon dioxide equivalent (tCO_2e).

We have measured our scope 1, 2, upstream scope 3, and downstream non-product scope 3 emissions.
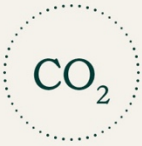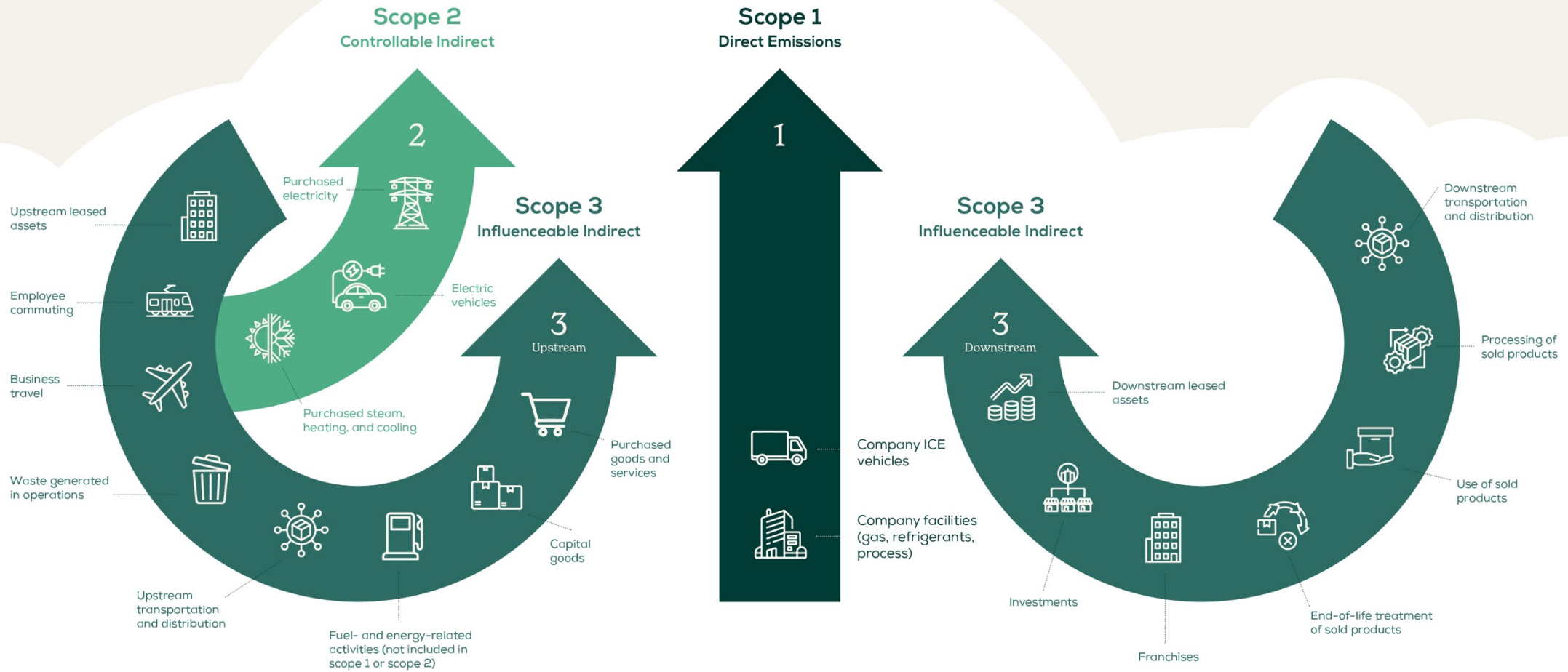
Our baseline and current year: 2022 & 2023

Total emissions
3,488.5 tCO$_2$e
0.4439 kgCO$_2$e/£

Scope 1 & 2
5.3 tCO$_2$e
0.0007 kgCO$_2$e/£

Scope 3 non-purchase of life science reagents
177.9 tCO$_2$e
0.0226 kgCO$_2$e/£

Scope 3 purchase of life science reagents
3,305.2 tCO$_2$e
0.4206 kgCO$_2$e/£

Total emissions

Tonnes CO$_2$e

- ■ Scope 1 & 2
- ■ Scope 3 non-purchase of life science reagents
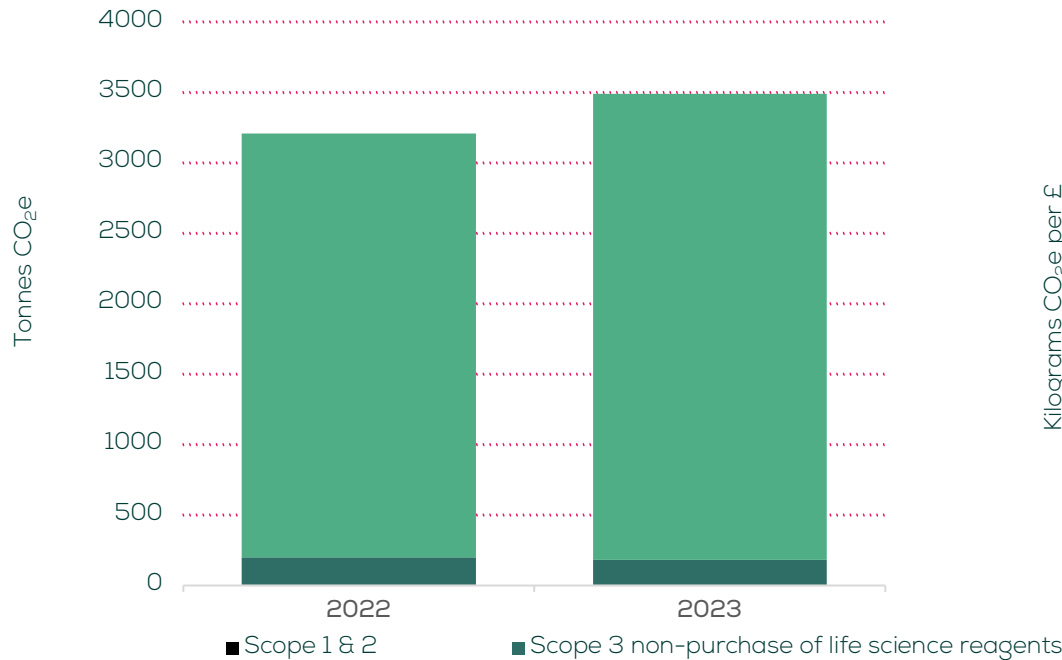
kgCO$_2$e emissions per £ revenue

Kilograms CO$_2$e per £

- ■ Scope 3 purchase of life science reagents
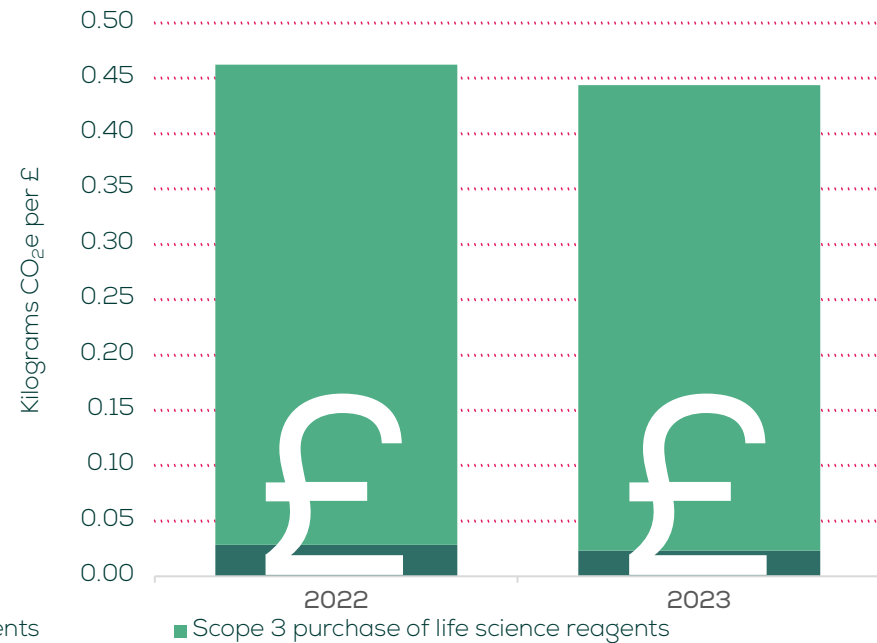
Our reporting year ran from 1 January 2023 to 31 December 2023. Our baseline year ran from 1 January 2022 to 31 December 2022.

Breakdown of all emissions in 2023
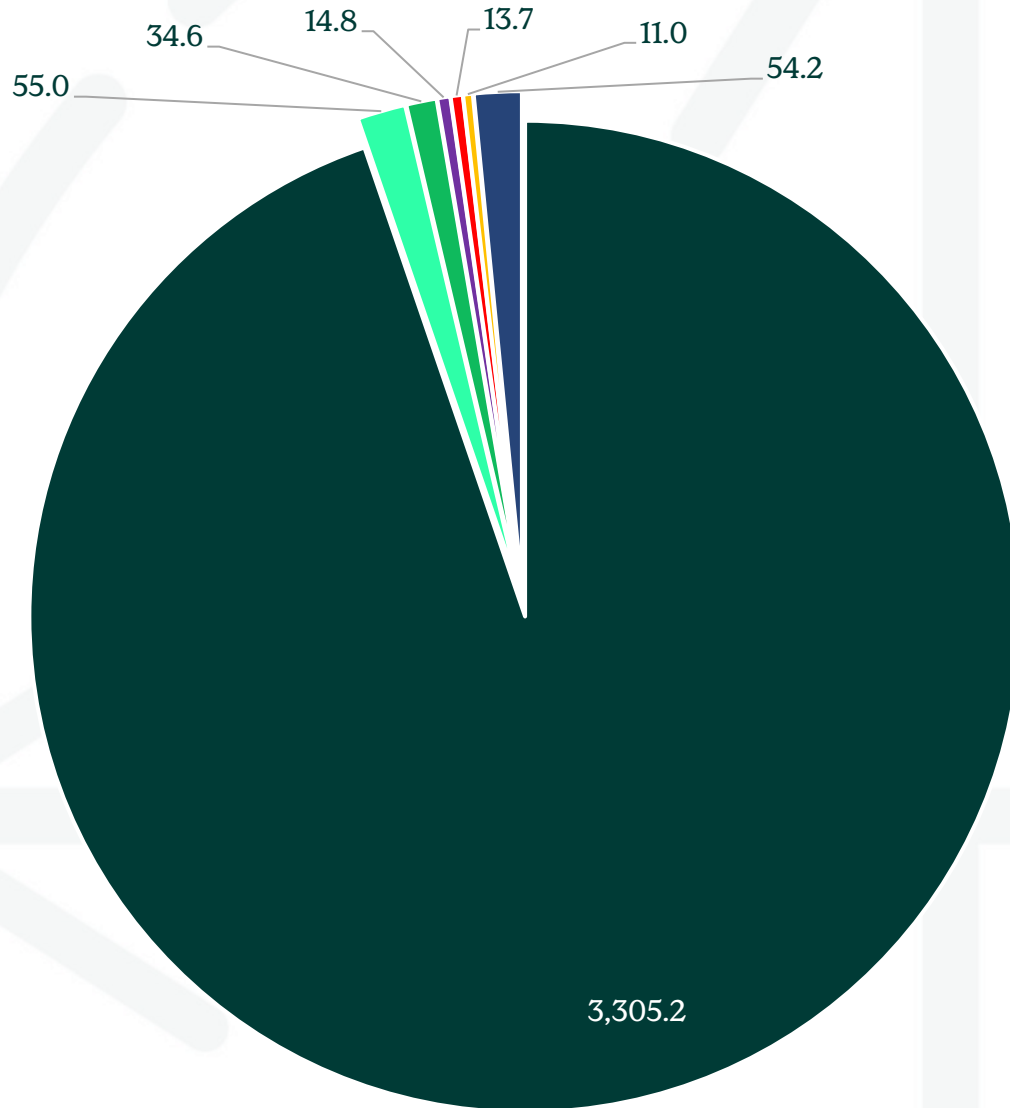
An easier way to view our emissions is by category instead of scopes. We have measured our scope 1, 2, upstream scope 3, and some downstream non-product scope 3 emissions. These categories appear in our footprint:

- Purchase of life science reagents
- Purchased distribution
- Commuting and homeworking
- Business travel and hotel stays
- Fuel- and energy-related activities
- Rent and building services
- Other

Breakdown of **non-reagent emissions** in 2023
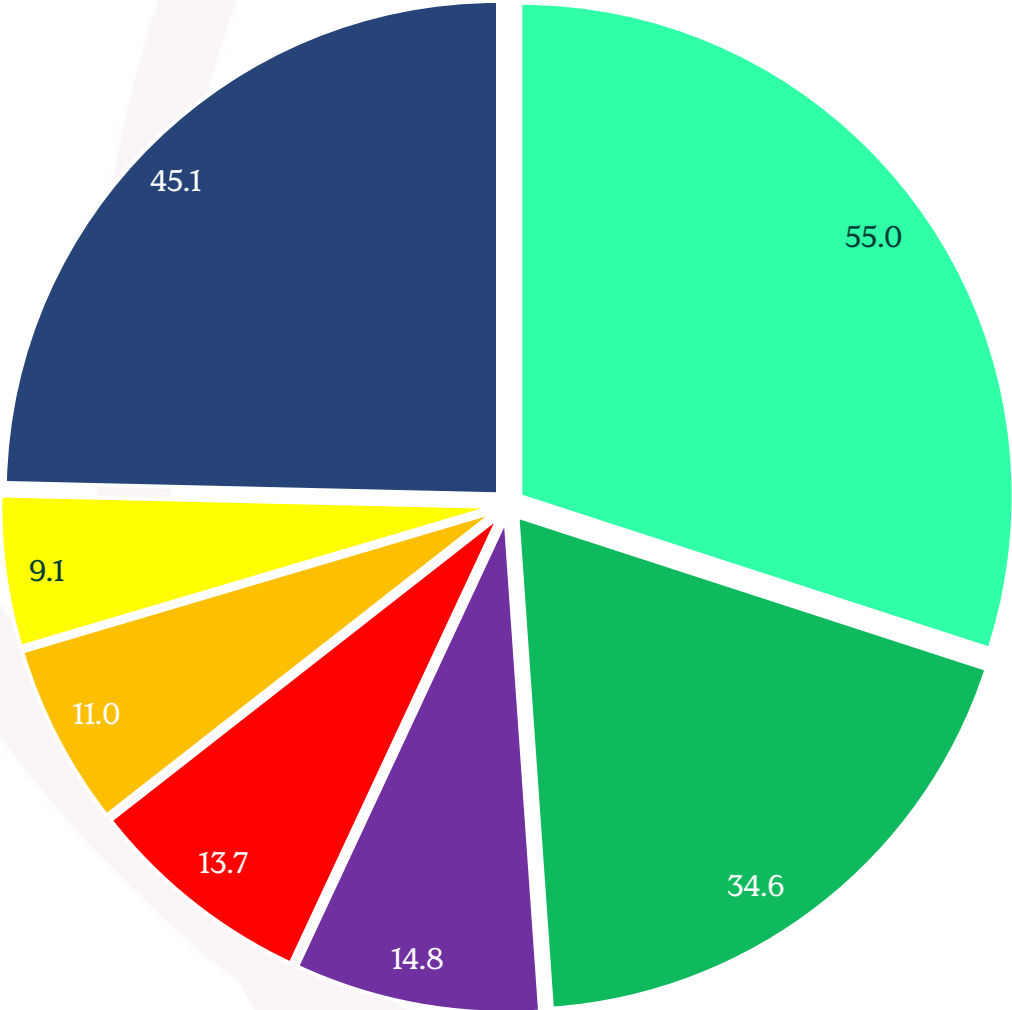
Although measured emissions from purchase of life science reagents may drastically decrease with improved data quality, we still have other significant emissions which we either control or influence. These are important not to discount:

- Purchased distribution
- Commuting and homeworking
- Business travel and hotel stays
- Fuel- and energy-related activities
- Rent and building services
- Purchased equipment and uniforms
- Other

Pie chart values: 55.0, 34.6, 14.8, 13.7, 11.0, 9.1, 45.1

Our net zero targets

What does net zero mean?

To achieve net zero, companies aim to reduce emissions in line with science-based targets (SBTs). These are set by organisations and are "science-based" when they align with the reductions needed to keep global temperature rise well below 2°C, and preferably 1.5°C as per the Paris Agreement. SBTs provide companies with a pathway for sustainably transforming to a low carbon economy.

Current guidance from the Science Based Targets Initiative (SBTi) states that **most businesses should reduce their total emissions across all scopes by 90%** by 2050 at the latest. Carbon removals should then be used to neutralise the residual emissions. Net zero targets must include Scopes 1, 2 and 3.

Scope 1 emissions
Direct greenhouse gas emissions that occur from sources owned or controlled by a company, such as emissions from combustion of fuels in on-site boilers, furnaces, or vehicles.

Scope 2 emissions
Indirect greenhouse gas emissions that result from the generation of purchased electricity, steam or other forms of energy consumed by a company.

Scope 3 emissions
All other indirect greenhouse gas emissions that occur in an organisation's value chain, including emissions from upstream and downstream activities.

What's the difference?

Net zero
When a business has reduced its Scope 1, 2 and 3 emissions by as much as possible, leaving only 'residual' emissions, which cannot be removed. Current guidance from the SBTi states that for most businesses, this means a total reduction in emissions across all scopes by ~90%. Carbon removals should then be used to neutralise the residual emissions.

Carbon neutral
A carbon neutral business has committed to reducing emissions, and in the meantime balances its remaining emissions through carbon removal/ offsetting schemes.

Zero emissions
When no carbon is produced directly from a particular activity, product, or service (such as the running of an electric van or an electric cooker on electricity produced through solar power).

Our net zero targets

1

Reduce scope 1 & 2 emissions by 100% by 2030

2

Reduce scope 3 emissions by 42% by 2030

3

Reduce our total emissions by ~90% by 2042, becoming net zero

All reduction targets are calculated from our baseline year of 1 January 2022 to 31 December 2022.

These targets have been verified and published with the SBTi.

Targeted annual reduction: absolute emissions

We are able to see how much carbon emissions we have to reduce each year by applying each of our carbon reduction targets to our current measured emissions.

The graph shows that to reach our emissions reductions targets, **we must achieve an annual decrease of: 14% of scope 1 & 2 emissions to 2030; and 8% of scope 3 emissions to 2030, then 7% to 2042.**

Absolute carbon emissions progress and reduction targets

Tonnes CO_2e

■ Scope 1 & 2   ■ Scope 3 non-purchase of life science reagents
■ Scope 3 purchase of life science reagents

Targeted annual reduction: absolute emissions intensity

In addition to reporting our annual footprint as an absolute emissions figure, we also report our carbon intensity (in emissions per revenue). It is important that we measure both to accommodate any changes in the size of our organisation.

Although our absolute emissions have grown from 2022 to 2023 due to more purchases of life science reagents, **we are glad to report our carbon efficiency has improved, as shown on the right:**

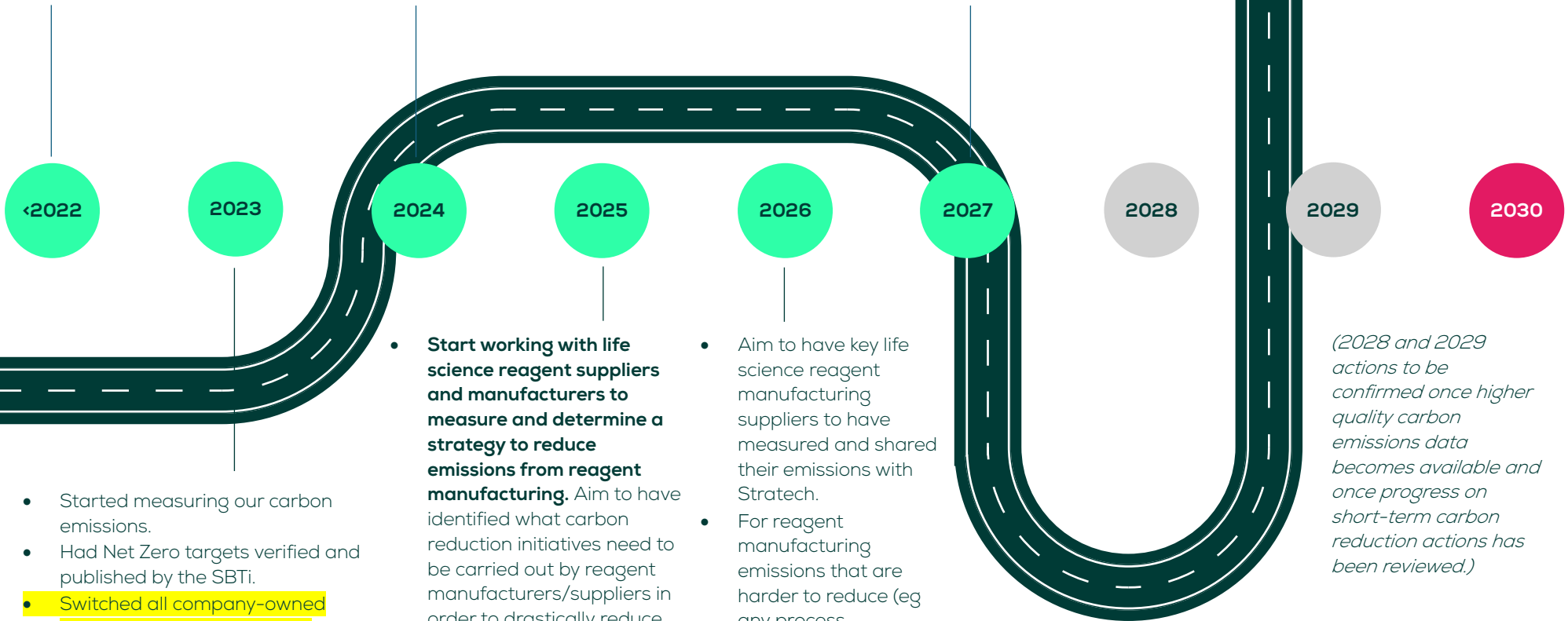## Emissions per revenue progress and reduction targets

Y-axis: Kilograms CO_2e per £

Legend:
- Scope 1 & 2
- Scope 3 non-purchase of life science reagents
- Scope 3 purchase of life science reagents

Our net zero roadmap

Our roadmap

‹2022
- Partnered with low carbon logistics providers with Net Zero targets.
- Become ISO 14001 certified and implemented various sustainability initiatives.

2023
- Started measuring our carbon emissions.
- Had Net Zero targets verified and published by the SBTi.
- Switched all company-owned vehicles to electric or hybrid.
- Implemented logistics software to reduce shipment mileage and packaging.

2024
- Started encouraging the charging of EVs from 100% renewable energy.
- Introduced mandatory sustainability training for employees.
- Considered DHL's Go Green sustainable fuel initiative.
- **Start working with life science reagent suppliers and manufacturers to measure and determine a strategy to reduce emissions from reagent manufacturing.** Aim to have identified what carbon reduction initiatives need to be carried out by reagent manufacturers/suppliers in order to drastically reduce emissions.
- Develop a Sustainable Travel Policy and enable low carbon commuting and business travel where possible.

2025

2026
- Aim to have key life science reagent manufacturing suppliers to have measured and shared their emissions with Stratech.
- For reagent manufacturing emissions that are harder to reduce (eg any process emissions), work with suppliers to determine ways to drastically reduce/ eliminate these emissions.

2027
- Aim to have a reduced emissions intensity from life science reagent manufacturing as a result of the production emissions reduction strategy created in 2025.

2028

2029

2030

(2028 and 2029 actions to be confirmed once higher quality carbon emissions data becomes available and once progress on short-term carbon reduction actions has been reviewed.)

19

Steps we've taken to reduce emissions

Measuring our carbon footprint

In 2022 we committed to measuring and reporting our business' carbon footprint annually, allowing us to understand where our emissions come from and take action to reduce them. We appointed experts Positive Planet to support.

Verified and published targets with SBTi

In 2023 we made a commitment to reduce our emissions and reach Net Zero in line with science-based targets, and in 2024, **we are proud to announce that our targets have successfully been verified and published by the Science Based Targets Initiative**.

Low carbon distribution

We have always been conscious about the distances our purchased life science reagents travel from niche and often one-off suppliers abroad. That's why we choose to work only with couriers and logistics partners with robust Net Zero plans in place. They provide us with emissions data for each one of our deliveries and are actively taking steps to reduce emissions. We also implemented logistics software in 2023 to make packaging and transport efficiencies by combining similar shipments.

Electric company vehicles

In 2022 we switched all of our company-owned vehicles to fully electric or hybrid to reduce scope 1 mobile combustion emissions.

Steps we've taken to reduce emissions (cont.)

Remote-first

Since the Covid pandemic, we have substantially reduced face-to-face customer meetings by switching to remote conferencing. We now operate a remote-first policy and provide support and training to support remote working. Additionally, we have added public transport to our Expenses Policy to encourage reductions in emissions from essential business travel.

ISO 14001

Stratech has always been committed to sustainability and became ISO 14001 certified in 2015. Through this, as well as a Carbon Trust audit, we have implemented behaviour change initiatives such as energy savings posters encouraging employees to turn off lights and PCs. We have also installed recycling bins, a printer toner recycling scheme, and switched to more sustainable packaging for our shipments.

Planting trees

Since 2022 we have funded the planting of over 38,000 trees and 31 projects (avoiding 243 tCO_2e) through our partnership with Ecologi (view here). For every customer order received we plant 1 tree, as well as offering tree planting incentives at exhibitions and pop-ups.

Reducing scopes 1 & 2

Our scope 1 and 2 emissions are relatively small, with only 5.3 tCO_2e (0.002% of our total carbon footprint). However, as we have sole ownership of these emissions, we must concentrate on reducing this figure to zero as fast as possible.

These emissions result from our site electricity and company cars.

We previously switched to a 100% renewable energy tariff to reduce our scope 2 market-based emissions to zero. Although we have only been able to secure a 80% renewable energy tariff this year, we will endeavour to switch back to 100% economically feasible.

In our 2022 measurement we still had fossil-fuel powered vehicles but have since switched to fully electric and hybrid. However, our scope 2 purchased electricity emissions may see an increase.

Going forward, when charging our electric vehicles offsite, we aim to use 100% renewable electricity charging points where possible. We also aim to reduce overall company mileage and may consider driver efficiency training.

Our goal is to remove 100% of scopes 1 and 2 (market-based) emissions by 2030, removing 5.3 tonnes of CO_2e from our current footprint.

Reducing emissions from procurement

The goods and services we purchase contribute the vast majority to our carbon emissions at Stratech Scientific. In fact, 96% of our annual footprint comes from procurement – 98% of which comes from the purchase of life science reagents.

As these figures have been estimated using spend-based data, it cannot tell us much about the emissions of our specific suppliers, but it does tell us that this is an area where we need to focus our efforts – especially our life science reagents purchases.

To measure and determine a strategy to reduce emissions from reagent manufacturing in particular, we aim to start working with our key life science reagent suppliers and manufacturers this or next year, to share this data with us by 2026. This is to identify what carbon reduction initiatives they need to implement to drastically reduce production emissions.

Since our suppliers are often very niche and limited by their production methods, we expect this will require long-term, industry-wide support to reach a 90% reduction in procurement emissions.

However, this makes working with our suppliers all the more fundamental, especially for reagent manufacturing emissions that are harder to reduce. We will aim for these efforts to have a material impact in the form of a reduced emissions intensity from life science reagent manufacturing by 2027.

We're aiming for a 42% reduction in procurement emissions by 2030.

This is an 8% average year-on-year reduction, and will primarily be driven by this supplier engagement strategy. Our targets will keep us on track to reduce emissions in line with the well-below 2°C scenario.

Reducing emissions from transporting and distributing goods

The **transportation and distribution of goods contributed to 30% of our remaining carbon footprint** (excluding the purchase of life science reagents). It is estimated to be responsible for the emission of 55.0 tonnes of CO_2e into the atmosphere.

We are proud to exclusively use suppliers who are making strides to adopt sustainable business and distribution practices – our partners, DHL and FedEx, both have Net Zero targets and are steadily electrifying their fleets. Additionally, they provide us with emissions data for each one of our deliveries – the highest quality of data, which positively impacts our own data quality.

We aim to reduce our transportation and distribution emissions by 42% by 2030, equating to an 8% reduction year-on-year.

We expect to achieve this as our partners work towards their Net Zero targets – especially as we are currently using distribution partners that are among the most sustainable. Unfortunately, we are not able to adopt more sustainable 'slow' shipping, as reagents are time-sensitive products.

Embedding sustainability into our culture

We are responsible for maintaining positive relationships with our stakeholders – whether that's our team members, clients, partners, or our local community. We are proud to be surrounded by so many brilliant and committed individuals, all focused on tackling the climate crisis and ensuring a better future for us all. As an organisation, we aim to inspire positive change in every area of our work.

Building a sustainable workforce
In 2024 we will introduce a mandatory sustainability module to our Staff Skills Training portal. Role-specific green skills will be assessed, and additional training provided where required. We will also introduce sustainability KPIs for relevant roles.

Communication and reporting
We will add a sustainability page to our website and discuss sustainability and our progress in quarterly/annual meetings and end-of-year reports. We will also implement a sustainable travel policy and a sustainable procurement policy.

Encourage sustainable employee travel
Our commuting emissions account for 19% of our total carbon footprint (excluding the purchase of reagents), and business travel for 8%. We are also excited to report that our business travel emissions have been reduced by around half from 2022. To reduce emissions, we will develop a Sustainable Travel Policy and put systems in place to enable and support sustainable travel decisions.

Getting to net zero

Our net zero strategy can be summed up into three major steps:

1. Measure

We will measure our emissions each year and review our priorities for the year ahead each time. During this time, we will place a particular emphasis on gathering supplier-specific data from our suppliers.

2. Reduce

We've already outlined some short to medium term initiatives to begin work on this year. Using future measurements, we should be able to provide more insight into emissions hotspots as data quality improves.

3. Offset & Inset

In the short to medium term, we will invest funds into our own operations to reduce emissions. Once we see we have reduced the emissions that we can control and influence (especially as we approach the original 90% emissions reduction target), we will look to offset or inset the remaining emissions, thus reaching net zero.

Summary

We are proud of our progress to date and our ambitious decarbonisation targets as we aim to become net zero by 2042.

Making a positive impact is part of our compny culture and our roadmap provides feasible steps to help us protect our planet at pace. Engagement is an extremely vital piece of our climate puzzle, and we remain committed to engaging, educating, and inspiring change amongst our colleagues, suppliers, customers, and wider networks.

Whilst we reflect on our accomplishments to date, we look to the future and are excited by further opportunities to instigate change that will benefit our planet and people for generations to come.

Measured by Positive Planet

Appendix – emissions

Measurement results – all in tCO₂e

Total market-based
3,488.5

Total location-based
3,496.5

Scope 1	**2.6**
Stationary combustion	0.0
Mobile combustion	2.6
Fugitive emissions	0.0
Process emissions	0.0

Scope 2	**2.7**
Electricity *(location-based)*	10.7
Electricity *(market-based)*	2.7
Heat & steam	0.0

Scope 3 (upstream)	**3,483.1**
Purchased goods & services	3,364.9
Capital goods	0.0
Fuel & energy related activities	13.7
Upstream transportation & distribution	55.0
Operational waste & water	0.1
Business travel	14.8
Employee commuting & homeworking	34.6
Upstream leased assets	0.0

Scope 3 (downstream)	**0.0**
Downstream transportation & distribution	0.0
(not measured) Processing of sold products	-
(not measured) Use of sold products	-
(not measured) End-of-life of sold products	-
Downstream leased assets	0.0
Franchises	0.0
Investments	0.0

Measured by Positive Planet

Appendix – methodologies

- This report has been prepared for Stratech Scientific in collaboration with our Net Zero Advisory partner Positive Planet.
- The calculation has been completed using the methodologies established and reviewed by Positive Planet.
- All the calculations are based on total emissions considering Global Warming Potential for a 100-year period (GWP100) and expressed in CO2 equivalent (CO2e).
- The factors unless mentioned specifically to be otherwise, are from UK Government Conversion Factor for Company Reporting.
- This procedure is based on one of the most established standards, the Greenhouse Gas (GHG) Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The principles of the widely accepted GHG protocol's Corporate Accounting and Reporting Standard. This translates to - completeness, accuracy, transparency, relevance, and consistency are used for the review and benchmarking of the data.
- Intensity metrics have been calculated utilising the reporting year's reportable figures for the relevant metrics and tCO_2e for both individual sources. Total emissions were then divided by this figure to determine the tCO_2e metric.
- For rebaselining and measurement - any variation between re-calculated footprint and previously reported footprint will be considered as significant if it is more than 5%. In such cases re-calculation of base year should be undertaken.