

Executive summary



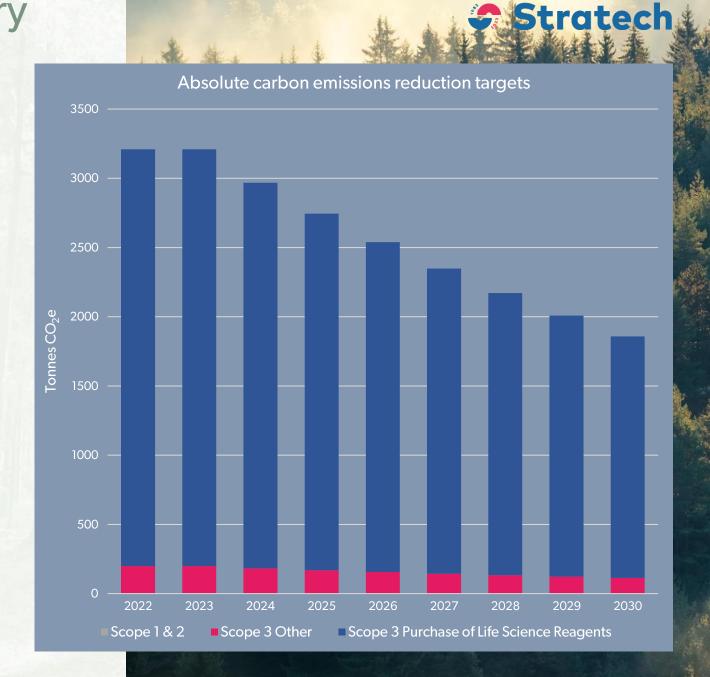
3,209.3 tCO₂e

Our highest emitting categories in 2022 were:

- Purchased life science reagents
- Purchased distribution
- Commuting
- Business travel

We intend to:

- Reduce scope 1 & 2 emissions by 100% by 2030
- Reduce scope 3 emissions by 42% by 2030 (7.5% annual reduction)
- Reach net zero by 2042



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Our why

Why we're taking action

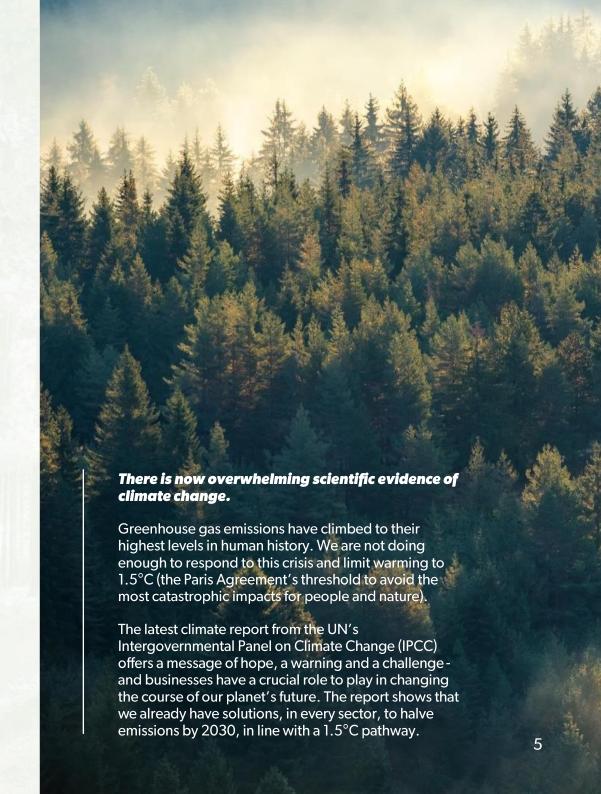
The climate crisis is arguably the most critical challenge of our times. With **small businesses collectively account for around half of UK business emissions***, Stratech has made the choice to proactively drive down its emissions to assist in the prevention of the predicted catastrophic impact on our planet and its inhabitants.

By listening to our customers, we know that they are increasingly making purchasing choices based on a company's environmental ethos and commitment to Net Zero. In addition, our government and regulations are mandating ever-cleaner companies and practices.

Transitioning to net zero is therefore a business choice we must take.

We are proud to announce our provisional net-zero and carbon reduction targets aligned with the year 2042, with the possibility of accelerating our timeline. To initiate our net-zero journey, we have formed a strategic partnership with Positive Planet, a leading sustainable business advisory. Together, we will measure our emissions and create a roadmap for Stratech to achieve net zero. This comprehensive plan will be unveiled in the coming months.

 $^{{}^*\} british-business-bank.co.uk/research/smaller-businesses-and-the-transition-to-net-zero/$



Risks and opportunities

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

Risks

- Supply chain disruptions (due to extreme weather)
- Human health risks (due to extreme weather and pollution)
- Rapidly changing regulations
- o Changing customer demands
- o 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
- o Increased resilience to change
- Brand enhancement



Our carbon footprint

How we measure our footprint

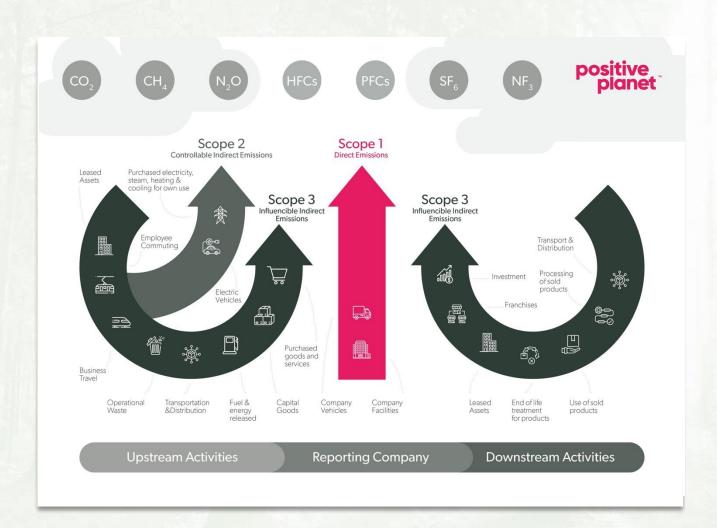
In devising a carbon reduction plan with the goal of achieving net zero, it is critical that we first understand where our emissions come from. To support this, we have partnered with Positive Planet to measure our emissions.

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 (tCO₂e).

We have measured our scope 1, 2, upstream scope 3, and downstream non-product scope 3 emissions.



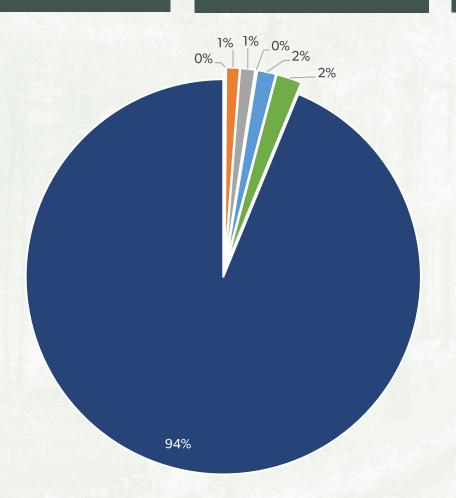
Our baseline and current emissions: 2022

Total emissions **3,209.3 tCO₂e**

Scopes 1 & 2 2.9 tCO₂e Scope 3 purchase of life science reagents

3,010.3 tCO₂e

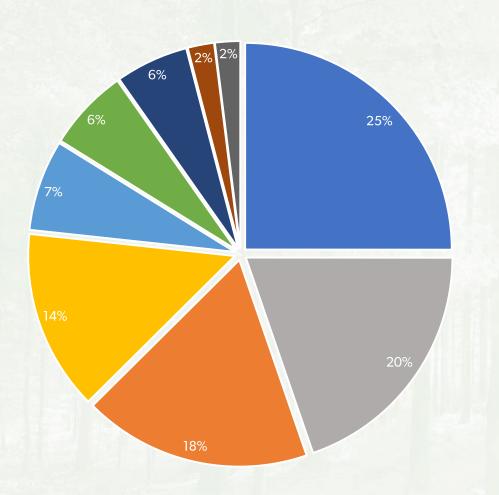
Scope 3 other purchased goods & services
196.1 tCO₂e



The purchase of life science reagents currently accounts for 94% of our measured emissions. However, we are using low quality spend data and estimated emission factors. We expect this figure to significantly decrease when we are able to access higher quality data from supplier or industry specific emission factors.

- Utilities & Property
- Business Travel
- Commuting
- Homeworking
- Distribution
- Other Purchased Goods & Services
- Purchase of Life Science Reagents

Emissions excluding life science reagents: 2022



We are expecting emissions associated with the purchase of life science reagents to drastically decrease with improved data quality. Therefore, it's important not to discount remaining emissions which are significant despite not seeming it in our 2022 measurement.

- Distribution
- Commuting
- Business Travel
- Finance & Business Services
- Digital & Marketing
- Property & Equipment
- Other Business Expenses
- Homeworking
- Utilities & Property

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).

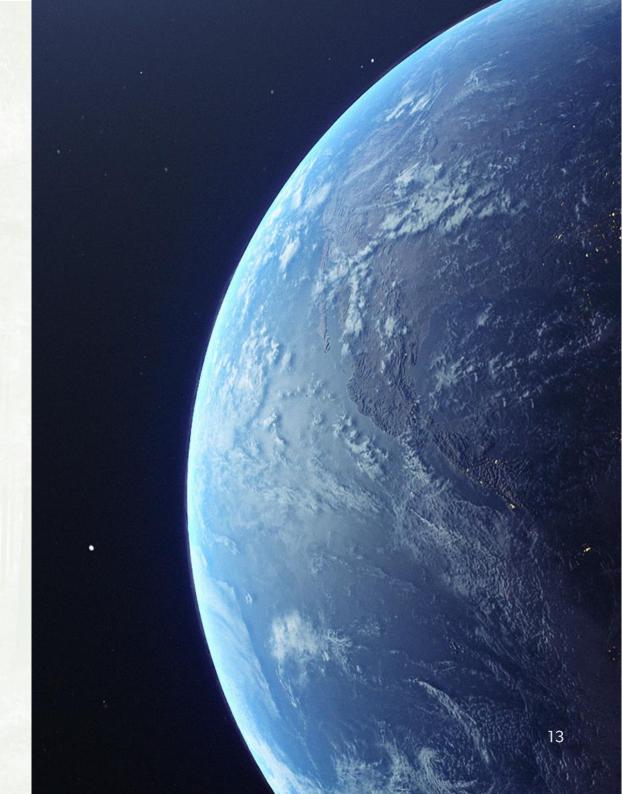
Our net zero targets

We aim to:

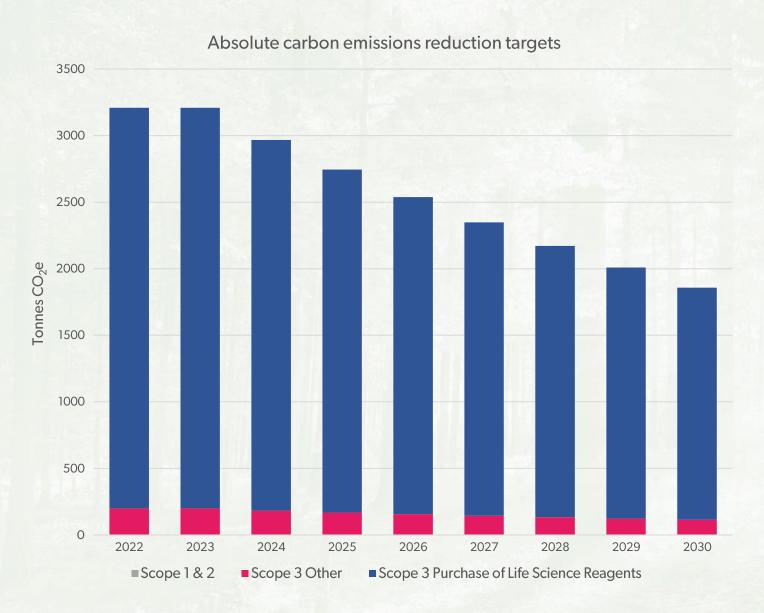
- Reduce scope 1 & 2 emissions by 100% by 2030.
- Reduce scope 3 emissions by 42% by 2030 (a 7.5% annual reduction).
- Reduce our total emissions by ~90% by 2042, becoming net zero.

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

We are aligning to the SBTi's Net Zero targets where possible.



Targeted annual reduction



We have projected our emissions reduction targets to 2030.

To keep on track with our Net Zero 2042 targets, we must achieve a 7.5% annual reduction in scope 3 emissions from 2024 to 2030.

Our net zero roadmap

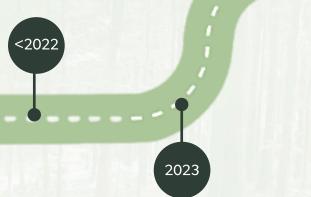
Our roadmap so far...



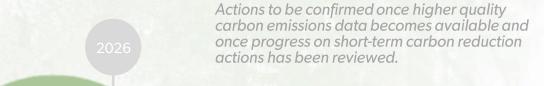
- Introduce mandatory sustainability training for employees.
- Consider DHL's Go Green sustainable fuel initiative.
- Improve procurement data quality via research.

2024

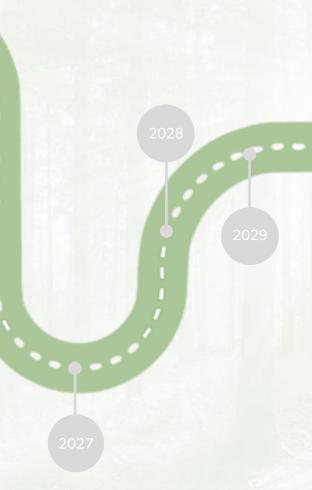
- Partnered with low carbon logistics providers with Net Zero targets.
- Switched to a 100% renewable energy tariff.
- Become ISO 14001 certified and implemented various sustainability initiatives.



- Started measuring our carbon emissions.
- Committed to an SBTi Net Zero target.
- Switched all company-owned vehicles to electric or hybrid.
- Implemented logistics software to reduce shipment mileage and packaging.







Steps we've taken to reduce emissions

Measuring our carbon footprint

In 2023 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 us.

Committed to SBTi

In 2023 we made a commitment to reduce our emissions and reach Net Zero in line with science-based targets. Our targets are currently being verified 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.



Remote-first

Since the Covid pandemic, we have substantially reduced faceto-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

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

100% renewable energy

We switched to a 100% renewable energy tariff to reduce our scope 2 market-based emissions to zero. We also take steps to reduce our energy consumption.

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. We expect to see reductions in our 2023 measurement.

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 tCO₂e) 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, accounting for only 2.9 tonnes CO_2e . 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 leased company cars. In our 2022 measurement we still had fossil-fuel powered vehicles but have since switched to fully electric and hybrid. Therefore our 2023 scope 1 emissions should be reduced. 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.

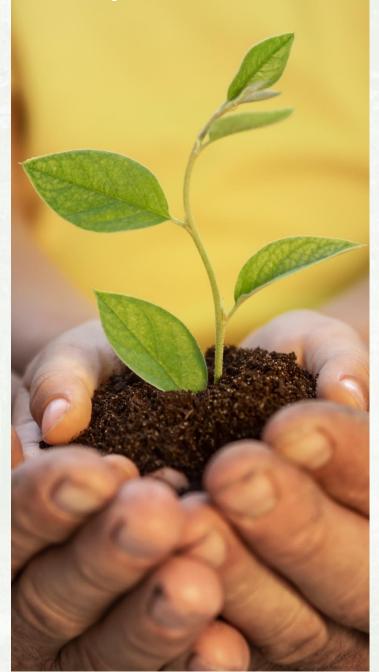
Our goal is to remove 100% of scopes 1 and 2 (market-based) emissions by 2030, removing 2.9 tonnes of CO₂e from our current footprint.

Reducing emissions from procurement

The goods and services we purchase are the majority contributor to carbon emissions at Stratech Scientific. In fact, 94% of our annual footprint comes from the purchase of life science reagents.

This figure has been estimated using spend-based data and available emission factors. This means 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.

In 2024 our key aim is to **improve procurement data quality** so that we can have a much better picture of our overall emissions. This may principally be through online research and industry engagement.



Once data quality is improved, our aim is to **reduce procurement emissions by 42% by 2030** from our baseline year. This is a 7.5% reduction year-on-year and will keep us on track to Net Zero by 2042.

To achieve this, we will start to develop a sustainable procurement policy and supplier engagement strategy with the aim of launching them from 2025.

Through this initiative we want to collect supplier-specific emissions data and encourage suppliers to take steps to reduce emissions where possible. Since our suppliers are often very niche and limited by their production methods, we expect this will require long-term, industry-wide support.



The transportation and distribution of goods contributed to 25% of our remaining carbon footprint (excluding the purchase of life science reagents). It is estimated to be responsible for the emission of 49.5 tonnes of CO_2e into the atmosphere.

We are committed to reducing transportation emissions and will continue to work with low carbon couriers and logistics partners. Our partners, DHL and FedEx, both have Net Zero targets and have already taken steps to electrify their fleets. Additionally, they provide us with emissions data for each one of our deliveries which leads to high quality data for our own footprint.

We are aiming to reduce our transportation and distribution emissions by **42% by 2030**, this would require a 7.5% reduction year-on-year and result in a reduction of $28.7 \, tCO_2e$. We expect to achieve this as our partners work towards their Net Zero targets.

Embedding a sustainability culture

We are responsible for maintaining positive relationships with our stakeholders – whether that's our team members, customers, 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.

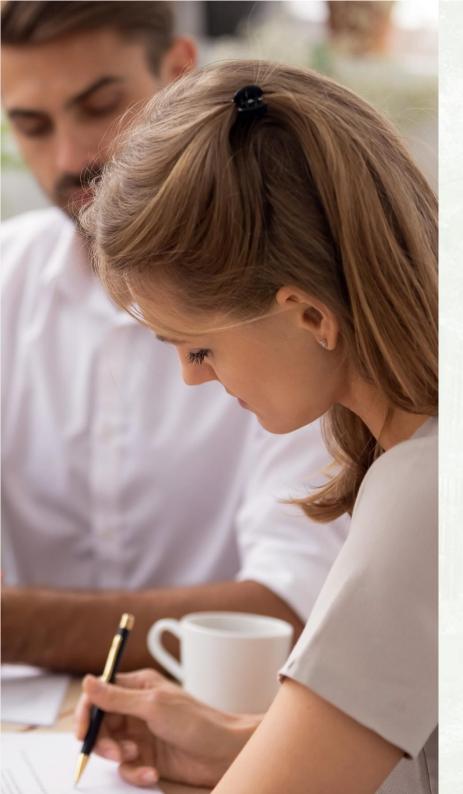
Communication and reporting

We will add a sustainability page to our website and communicate our Net Zero progress to customers and stakeholders. Sustainability and our Net Zero progress will also be discussed in company meetings and end-of-year reports.

Encourage sustainable employee travel

Our commuting emissions account for 20% of our total carbon footprint (excluding the purchase of reagents), and business travel for 18%. To reduce emissions, we will develop a Sustainable Travel Policy and put systems in place to enable 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 and improving data quality.

2. Reduce

By focusing on our carbon hotspots, we have outlined short to medium term carbon reduction initiatives. As we gather further years' emissions data we will refine our reduction actions.

3. Offset

Offsetting does not form a part of our short-term Net Zero plan, however, will start to be important once we have reduced emissions as much as we possibly can. Once we have achieved our 90% carbon reduction target, we will need to offset residual emissions to achieve Net Zero. We currently support offsetting initiatives for every order received, but these do not contribute to our carbon reductions or Net Zero targets.

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 company 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.

