

Shaping a sustainable future Our environmental strategy

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Our journey to net zero

A few words from Mark Stanway, CEO



"The continual increase in global temperatures has had a huge impact on our climate; the weather is more unpredictable; water is becoming scarce in some parts of the world and our planet's biodiversity is threatened. All over the world, damage that we are causing is visible. We now need to accelerate our plan and deliver on our commitment for lifelong change.

Achieving net zero is a global resolve, a race that is a vital step towards managing climate change to sustain our quality of life in the future. Eliminating our greenhouse emissions is key to solving our climate emergency by limiting global warming to safer levels, but it is not going to be easy. We all have a role to play as individuals and businesses: being more mindful of our energy consumption, the way we travel and the food we eat, by rethinking our waste, saving on material usage, using sustainable energy, and increasing efficiencies.

While our responsibility towards building a sustainable future is central to the long-term success of our business and contributes to long-term economic growth that benefits our communities, reaching net zero by 2045 requires ambition, determination, and investment. It also requires meaningful collaboration with our customers and our supply chain: working differently to realise the transformations needed will be key to frame and respond to the challenges ahead. Our customers, shareholders, employees and our wider community expect us to play our part on this journey to a low carbon future, by putting in place measures to minimise our impact on the natural world, reduce our consumption of resources and energy, and cutting right back on the waste and pollution we are responsible for. That is the Radius vision for net zero.

We have set ourselves clear targets and are fully committed to achieving them . In this document, we give an overview of our environmental action plan, what we are doing, why, and the difference we are making.

I am confident that we can all act together for change, as one common goal unites us in this journey."





Where are we now?

We already meet the requirements of ISO 14001:2015 Environmental Management System – a key part of which is having an environmental policy in place. We do recognise however, that this only supports our compliance obligations and doesn't push us to exceed those requirements or do more.

That's why we are now focused on more ambitious and far-reaching environmental goals. This is in response to growing concern about climate change and the environmental impact from many of our customers and the wider public; the likelihood that environmental standards will become far more stringent over time also means we must look ahead and adopt a more proactive approach.

Initially, our focus is on moving towards a 'complianceplus' approach; in the longer-term our ambition is to reach 'environmental excellence'.

What does 'compliance-plus' mean?

- Creating realistic programmes for action based on a deepened understanding of the impact of human activity on the environment, a holistic view of our own impacts, along with targeted action. This includes everything from our manufacturing processes, our fleet, and our sites.
- 2. Formal Board-level responsibility for monitoring environmental performance against SMART targets and ensuring the environmental perspective is included within the decision-making process.
- 3. Allocation of resources (including finance, people, space, time, communications) to put plans into action and ensure a collaborative effort across the business.

After that, we will look beyond our own activities and strive for 'environmental excellence'.

- Working collaboratively in our value-chain, including suppliers and customers, to find and seize environmental opportunities. This could mean anything from tackling potential wastage at order stage to improving the efficiency of our fleet.
- 2. Influencing the entire product life-cycle: beyond the manufacturing process, we will use our expertise and continue to work with customers to reduce the environmental impact of our products once they have left our gates.
- 3. Be transparent about our environmental performance: As well as communicating our product performance through eco-branding, we are also communicating our environmental progress and credentials internally and externally.

4 **Our environmental goals**

Like so many other companies around the globe, we have taken inspiration from the 17 United Nations Sustainable Development Goals (UN SDGs) in defining our environmental goals. These were created in 2015 as the blueprint to achieve a better and more sustainable future for all, by addressing global challenges of poverty, inequality, climate change, environmental degradation, peace and justice. The 17 SDGs are an interconnected approach to achieving sustainable development by 2030.

We are focused on the following 5 United Nation's Global Goals, as these represent where we can best deliver measurable benefits to both society and the planet.



Reducing our impact on the climate and strengthening our resilience to a changing climate. How we use resources, including energy and raw materials, and how we dispose of waste. Our contribution to the UK's green industrial revolution, and how our own innovative projects help reduce our environmental impact.

Our usage of water, and how we impact local and international water courses/bodies. Encouraging vertical and horizontal cooperation, collaborating with our suppliers, customers, and internal and external stakeholders to develop solutions and share information to help us all achieve our environmental goals.

13 CLIMATE ACTION



As fossil fuel activities increase, so do atmospheric greenhouse gasses and temperatures, leading to a greater risk of extreme weather events such as storms and droughts, ocean acidification and reduced biodiversity, and an impact on human and ecological systems.

The two most common responses are either carbon neutral or Net Zero. Carbon neutral means that any CO_2 released into the atmosphere from a company's activities is offset by an equivalent amount being removed through other activities – effectively one cancelling out the other. Net Zero is simply reducing the emissions produced – with the goal of getting to zero. Both routes have their advantages and disadvantages, however, as most of our customers

are aiming for Net Zero, we are too. We are one of only 4,062 companies and institutions globally, who have currently committed to the international gold standard for taking action against climate change, the Science Based Target initiative (SBTi). Through the SBTi, we are developing a pathway and plan to set emissions reduction targets rooted in climate science. These targets are necessary to meet the Paris Agreement, with the ambition to limit global warming to 1.5°C. Our next stage is to gain approval of our targets from the SBTi within the next two years. Many of our customers also adhere to the SBTi; it also allows targets that accurately reflect our carbon performance.



"To offset all of our 2019 carbon emissions, we would need to plant almost 5,000 acres of trees; an area 5 times larger than Sherwood Forest"

What are we doing?

- Our biggest impact is our HGVs; it's also our biggest challenge. We are currently working with our transport partner and our customers to optimise fuel and load utilisation to effectively drive less and deliver more. We are also considering low carbon alternatives such as CNG or hydrogen lorries and working with industry experts to explore the feasibility of medium to long term transition of our fleet of lorries.
- We are scheduling a transition of our fork lift truck fleet away from to traditional fossil fuels to low carbon Hydrotreated Vegetable Oil (HVO). HVO is a diesel substitute made from biomaterials such as waste cooking oil, feed crop and agricultural by-products.
- We already purchase renewable energy through the UK
 REGO scheme for our production sites, equating to over 99%

of our electricity usage. We will also transition our depots Livingston and Newton Aycliffe to renewable energy by 2030.

- We purchase large volumes of polyethylene resin and our suppliers have a significant impact. Producing and transporting a tonne of resin creates 1.9 tonnes of carbon and the volume of resin we purchase contributes hugely to our emissions. We are working with our resin suppliers on their emission performance.
- We have set up an internal Carbon Committee of managers from across our business who meet bi-monthly to review our carbon reduction activities and identify further ways to reduce our impact via new products, initiatives, working practices and opportunities.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

If the global population reaches 9.6 billion by 2050, the equivalent of almost three planets could be required to provide the natural resources needed to sustain current lifestyles. It is therefore vital that we use resources as efficiently as possible and limit the environmental harm arising from production, usage, and disposal.

Produced from the extraction of fossil fuels, the polymers we use in the manufacture of our products are predominantly virgin materials (as imposed by the industry standards we abide by). These polymers have a direct impact on the depletion of natural resources and their conversion, or "cracking", is an extremely energy intensive process, generating a significant amount of embodied carbon, before the polymers even arrive at our gate.

In order to minimise our impact on the depletion of natural resources, reduce our upstream emissions and the volume of waste we produce, it is paramount that we use our resin in the most efficient and sustainable way. Our in-house recycling and reprocessing facility ensures that we are able to reclaim materials to manufacture alternative products for specific applications; in 2021 we reprocessed 1,170 tonnes of PE, allowing us to save on materials and reduce our environmental impact.



"Our Kg of waste produced per good tonne is on a downward trajectory. The percentage of that waste going to landfill is also reducing. Our goal is to find a beneficial use for ALL waste by 2025."



What are we doing?

- Our use of resin is our biggest environmental impact so we are focused on responsible consumption and improved resin efficiency. In practical terms, we intend to reduce waste by 15% by 2025 (from a baseline set in 2019).
- We are finding ways to make our electricity usage more efficient – and therefore minimising any burden on the green energy infrastructure and on local energy generation. We are also exploring options for generating our own energy, including the potential for capturing energy within our production processes.
- We are tackling non-resin waste from our production lines and offices - everything from coffee cups to packaging to timber. We are also working with our waste service suppliers to better understand our role in the waste hierarchy, and what we are sending to landfill. We are aiming to find beneficial uses for all waste by 2025.

- We are helping our customers to achieve their waste reduction goals though collaboration on the waste hierarchy, including polyethylene recycling, improved order optimisation and excavation practices.
- Better waste handling will help us to reduce contamination and improve health and safety. We have made great progress through communication, signs and continual assessment.







Only 16% of current UK rivers meet Good Ecological Status requirements. Industry discharge is one of the main causes of stagnating health of water courses.

Our operations have several impacts: we take in water for cooling during pipe production; we discharge water into the foul sewer system; our storm drains can harm local freshwater systems, but crucially, polyethylene pipes and fittings are integral to developing and building resilient water systems.



"Only 16% of current UK rivers meet Good Ecological Status requirements. Industry discharge is one of the main causes of stagnating health of water courses."

What are we doing?

- Our water utility customers are heavily regulated by AMP7 or PC21 price control frameworks which include goals for carbon, water efficiency, and resilience; we are therefore working closely with our customers on green product innovations and improvements which actively improve water efficiency.
- We are acknowledging and actively addressing the part we play in evolving the protections that safeguard our local waters. This includes working with outside parties such as the local water caretakers to better manage our water impact at all our sites.
- Aligned with Operation Clean Sweep, we are improving the resin handling process to ensure more efficient clean-up of resin spills, better protection of drains, and smarter resin



handling. Part of a global initiative, led by the British Plastic Federation in the UK, we have committed to utilising best practice technology, systems, and behaviours to limit pellet loss impacting our local waters.

 Finally, we are also building understanding of our water consumption by installing more water sub-meters to locate water hotspots that present opportunities for efficiency gains in 'first-use' water usage.







Innovative, new ideas and approaches can deliver new ways to mitigate our impact on climate changes and achieve our environmental goals. We must think and operate differently, embed sustainable innovation in our corporate culture in order to find solutions to the challenges we face.

By investing in green process and product innovation, we can gain competitive advantage and increase our resilience for the long-term; this will lead to progress towards our environmental goals, accelerating our transition to a low-carbon economy.



"To achieve Net Zero, we must achieve a 4.5% linear reduction each year against a 2019 baseline, around 4.1kgCO₂e per good tonne produced."

What are we doing?

- From a green process perspective, we are increasing ٠ efficiency; reducing inputs such as energy and raw materials; better utilising by-products (such as waste or heat); scrapping less and reducing downtime.
- Our green product actions include choosing the least ٠ environmentally harmful materials, building in recyclability and re-usability into product design and where industry standards allow, removing single use plastics from packaging.
- We are fostering a green culture for innovation, initially by upgrading the internal resources used in innovation and knowledge-building, as well as linking eco-innovations to economic benefits. For example, we are helping our innovators to better optimise our products, and spot green opportunities.
- Understanding is vital to our progress, so we are implementing an employee training program which explains our environmental goal and what everyone can do to contribute. Our next step is to train in-house 'sustainability champions' who will offer advice and guidance and help to embed the environmental concepts important to our strategy.



Looking forward

Throughout this document, you will have seen how Radius Systems is creating a culture of environmental responsibility across our business. But we also recognise that we still have much to do and there are many challenges ahead of us. To help us continue to innovate, evolve and make progress towards our environmental goals, we welcome input and support from all.

Want to know more?

If you have questions about the contents of this document, or you would like to improve your understanding of the Radius Systems environmental strategy, please contact: environment@radius-systems.com



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