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CARBON MANAGEMENT PLAN

Introduction

Management of Linecross is aware that all of its activities associated with the development, manufacture, distribution and use of its products can have a direct or indirect influence on the environment, in particular our carbon emissions contributing to global warming. Decarbonisation is a priority within the company.

This Carbon Management Plan (CM Plan) sets out our ambitions for 2030, and a roadmap for progress. Reducing carbon emissions is not just about our commitment to the environment. The same processes we use to identify carbon emissions reductions will also identify and realise financial savings through improved efficiency in the procurement and operation of our machinery, buildings and transport. The actions outlined within this Plan form part of our efficiency plan to reduce consumption and provide value for money.

The 2022 carbon footprint was calculated to be 9,471 tonnes of carbon dioxide equivalent (tCO₂e) and covered Scope 1,2 and 3 emissions. This includes electricity, gas and gas oil consumption, transport (fleet), water and wastewater consumption, and waste disposal; as well as raw material use, employee travel, and product freight emissions. Of this, material use accounted for 7,243 tCO₂e.

Linecross has offsets and deductions totalling 570 tCO₂e from on-site solar power generation and closed-loop recycling of raw material waste. This gives a net emissions level excluding material of 1,658 tCO₂e in the baseline year of 2022.

Linecross has set a target to reduce its net annual carbon footprint excluding material by 1,658 tCO₂e by the end of financial year 2030, to a baseline of 0 tCO₂e net emissions excluding material, or 7,243 tCO₂e including material use. This represents being carbon neutral excluding material use, and is a reduction of 18% of gross carbon emissions, or 100% of net carbon emissions excluding material use.

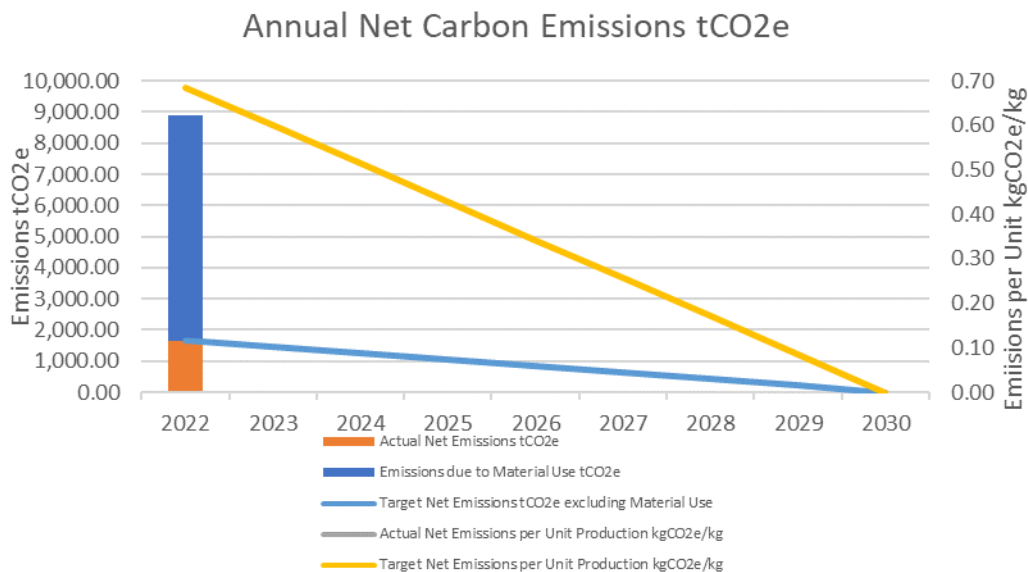
Material use has been excluded from the 2030 target as the majority of raw materials used are specified by customers and cannot be changed within the product lifecycle without significant re-validation programmes. Linecross will work closely with customers on future projects to consider emissions and other environmental factors as part of the raw material selection criteria.

In spite of this, Linecross are targeting a reduction in our material use emissions to 6,321 tCO₂e by 2030, which represents converting all material usage at the 2022 baseline year quantities to utilise closed-loop recycled material.

An additional target has been set to achieve overall net zero for gross tCO₂e including material use by 2050, although a road map to achieving this is still to be defined.

The following graph demonstrates the 2030 target:

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Carbon Management Performance to Date

Although Linecross commenced the carbon management plan in 2023, the business has been implementing energy saving measures since the start of the 2020's. Linecross participated in ESOS Phase 2 in 2019 which created a starting point for understanding and addressing carbon emissions for the business.

Since the ESOS Phase 2 review, Linecross has installed PEV solar panels at both sites that generate circa 13% of the company's annual electricity requirements. The entirety of the company car fleet has been converted to either petrol hybrid or fully electric vehicles, and a number of electric vehicle chargers have been installed at both sites.

The key challenges facing the business regarding carbon reduction are the raw materials used and the energy intensive machinery required to process these. During 2023, energy monitoring systems were installed on all key machines to allow further analysis of energy usage and the development of further targeted actions to reduce energy usage and improve operational efficiencies. A new electricity supply contract was agreed from October 2023 which guarantees 100% renewable electricity supply for both sites. Energy reduction teams were implemented at both sites during Q4 of 2023 and are working on detailed action plans to reduce energy consumption in 2024.

Raw material usage comprises over 75% of the business's tCO₂e emissions, as all most materials currently used are hydrocarbon derived polymers. Linecross is actively working on development projects with a number of key customers to switch to recycled or bio-based alternative materials, in order to reduce the environmental impact of raw materials.

The carbon emissions calculation for 2023 shows an increase in total emissions compared to the baseline year of 2022. There were two key drivers for this increase:

- Electricity WTT was added to the calculation, as this was omitted in 2022.
- Product transport freight emissions increased by 476 tCO₂e, mainly affected by an increase in tool freight linked to customer projects and the introduction of new raw materials and bought-out components from Europe and China.

These increases will be addressed alongside other reduction opportunities as part of the activities to achieve our 2030 targets.

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Management and Delivery of the Carbon Management Plan

In order to ensure that there is effective and ongoing ownership of the Carbon Management Plan, it is important to have a fully defined governance structure. The Senior Management Team will take overall responsibility for delivery of the Carbon Management Plan.

Progress against the plan will be monitored during monthly Senior Management Team meetings, with the entire staff engaged in delivering projects.

Communication and Progress Reporting

Linecross's carbon footprint for 2022 and the targets for 2030, alongside the projects being deployed to deliver the carbon reduction targets, will be communicated to the wider business through training for all current staff and as part of the induction process for all new staff.

The CM Plan will be published on the Linecross website www.linecross.co.uk.

The CM Plan will also be reported on www.smeclimatehub.org.

Progress will be reported annually, with yearly updates to the Carbon Management Plan. The carbon footprint for the business will be calculated each year using the latest available data.