



Carter Thermal Industries Group

# Environmental, Social and Governance Report

2024 - Issue 1



# **Environmental, Social and Governance Report**

The Environmental Social and Governance Policy aims to guide our future ESG initiatives. We are dedicated to pursuing all actions and objectives in a transparent and measurable fashion.



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01

# Introduction

Central to all our endeavors are the planet, our people, and the local communities where we operate.

This Environmental Social and Governance Policy seeks to inform our ESG efforts moving forward. We are committed to ensuring any and all actions or targets are worked towards in a transparent and measurable manner.

Across the Carter Thermal Industries Group, we are dedicated to making a positive impact on the world we operate within. Our new ESG Policy underscores this commitment to both responsible business practices and sustainability.

This ESG policy serves as our roadmap for a sustainable future. It guides our decisions, encourages innovation, and reinforces our dedication to a better world.



*Chris Hufflett*

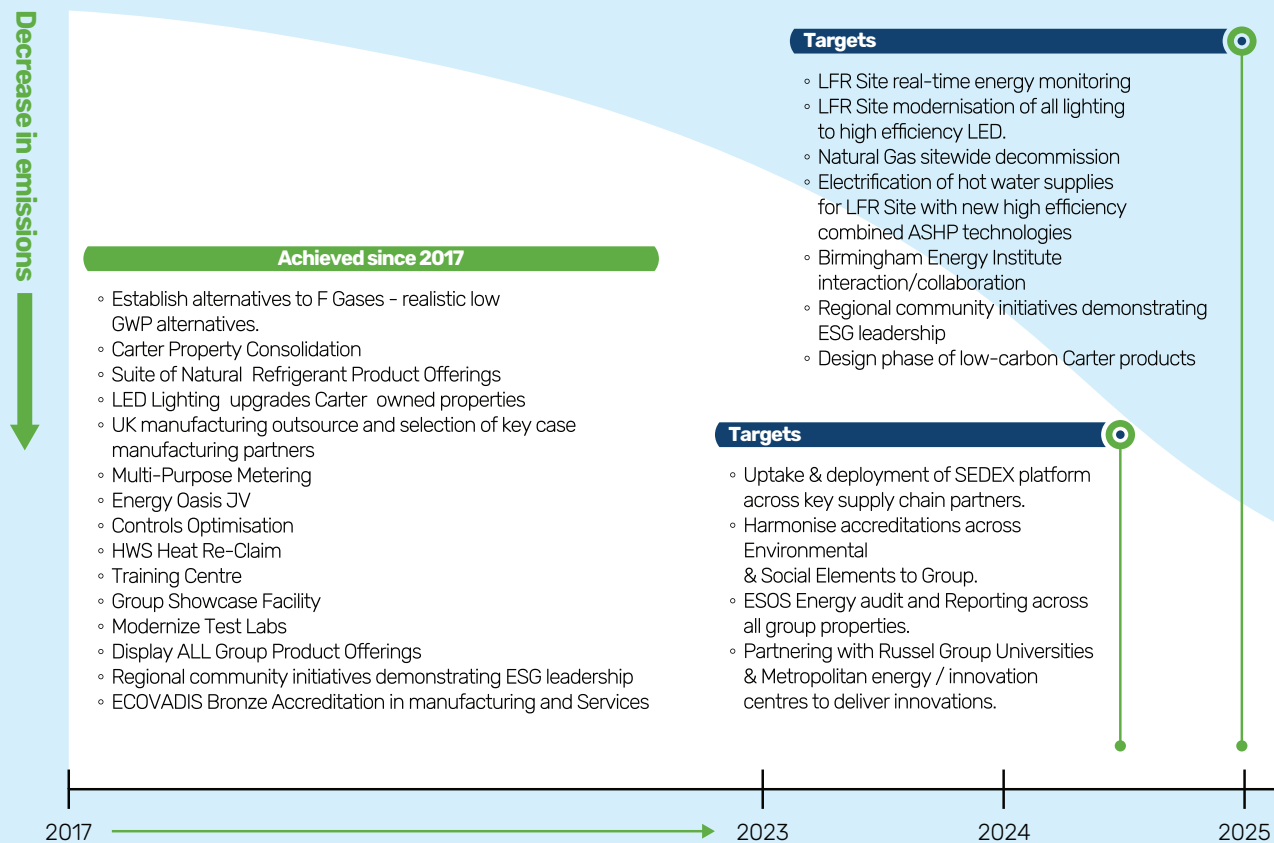
**Chris Hufflett - Group CEO**



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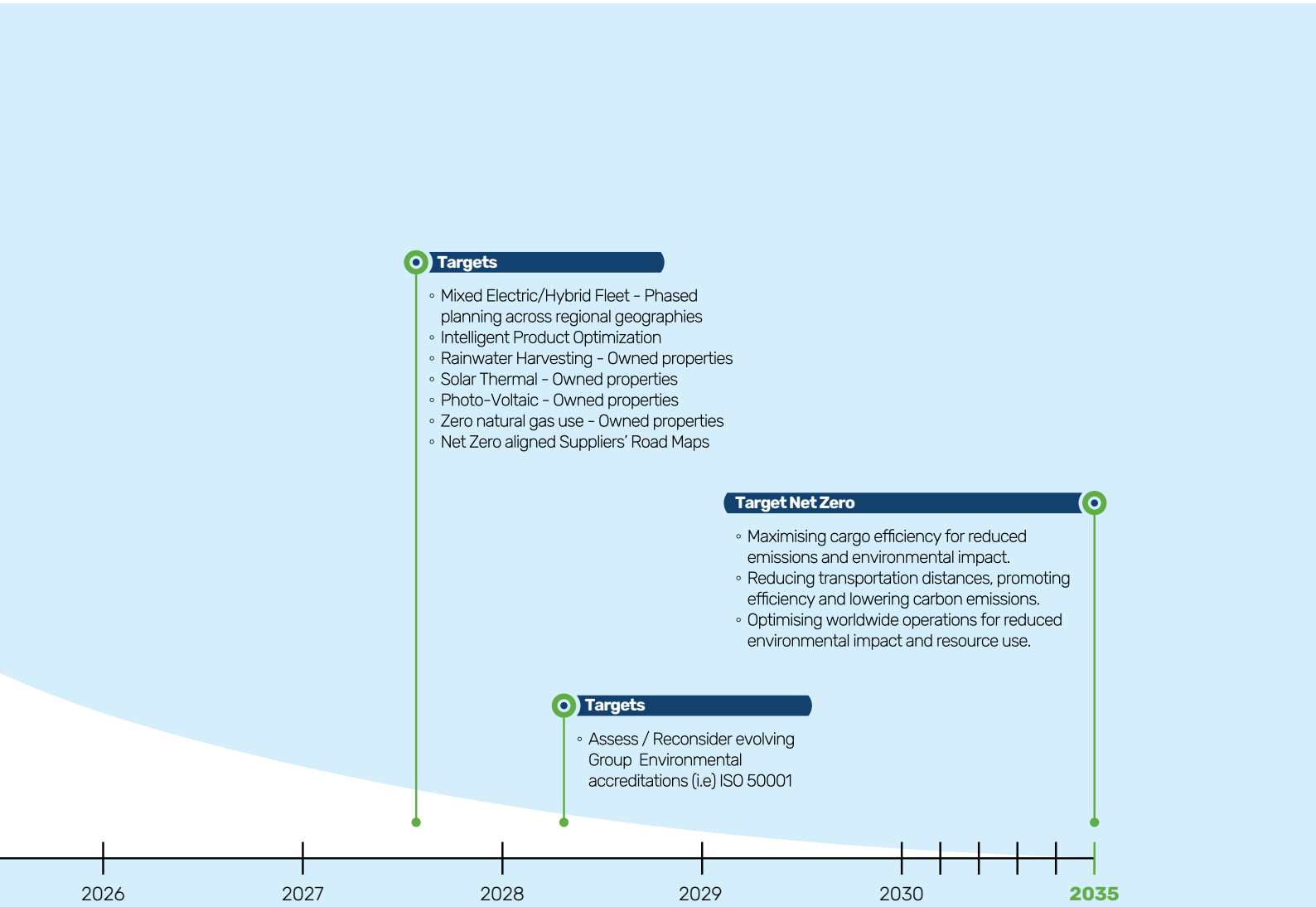


Since 2017 we have been developing, evolving and refining our approach to sustainability. We continue to publish our own roadmap which we share with all stakeholders across our business including staff, shareholders, supply chain partners and customers.



Our priorities and actions fall into four categories:

-  HSQE - Utilities - Facilities
-  Fleet
-  Supply Chain
-  Applications



**net zero**  
supporting a sustainable built environment

02

# Core Business Values

## OUR VALUES

### 1 **Honesty and Integrity**

We prioritize honesty, transparency, respect, and fairness in all interactions with clients and colleagues. We communicate clearly, follow through on promises, and take full responsibility for any challenges or concerns.

### 2 **Ability**

We're dedicated to excellence. This means attracting and developing the best talent, going above and beyond in all we do, staying passionate about our work, continuously improving, and learning from every experience, even when we stumble.

### 3 **Positive Energy**

We believe it is vital to have real energy, determination, and drive at every level and in all roles. Collaboration, open communication, and idea sharing are key to promoting shared goals and ensuring sustainability.



Aligned to our strategic aims as well as our core business values, we see three key "Pillars of Responsibility"



## Environment Care

We are actively reducing our carbon footprint in our operations, conserving resources, and striving for eco-friendly operations to ensure a healthier planet.



## Social Empowerment

Our aim is to improve social inclusion, equal rights and opportunities both within our business operations and within the communities we operate within.



## Ethical Excellence

We continue to drive the highest possible ethical standards in our business dealings through improved transparency, integrity and fair practices.

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# Climate Change and the Environment

As a group of businesses, we have invested heavily into our premises since 2019. Key to these investments have been the construction of a purpose designed “Net Zero” training centre, decarbonization solutions showcase area and showroom as well as product demonstration and training facilities. We are also sponsors of the World Refrigeration Day initiative and have been since its inception in 2019.

Our business has aligned itself with the United Nations Sustainable Development Goals. Through our operations and business activities we have specifically aligned ourselves to Goals 7, 8, 9, 10, 11 & 17.

Details of this can be found here:

<https://cartersynergy.com/contributing-to-the-united-nations-sustainable-development-goals/>

We have established a baseline for our own internal emissions (Scope 1 & 2) in 2020 and have to date continued to improve and reduce these emissions, year on year. Our reviews mean that we consider our Scope 1 & 2 targets to be Net Zero targets which are aligned to a 1.5c Global Warming Figure.

As we look forward toward the end of this decade, we are working strategically to continue this trend and to significantly reduce our energy consumption and carbon impacts. We have registered our business with Eco Vadis and have to date achieved a “Bronze” status in both 2021 and 2022.



Contributing to the Sustainable Development Goals. A blueprint to achieve a better and more sustainable future for all.



## Reduction % from 2020 Baseline to 2022

Direct emissions (scope 1)  
Natural Gas, FLT & Company Car Fuel

↓ **24.55** %

Indirect emissions (scope 2)  
Purchased Electricity

↓ **57.56** %

Total Emissions tCO2e

↓ **29** %

Intensity metric (total emissions)  
tonnes of Co2e per turnover (£000s)

↓ **34.78** %

Intensity metric (total emissions)  
tonnes of co2e per average employee

↓ **15.69** %

Total energy consumption (kWh)

↓ **32.50** %

### As a group, we have established key future targets including:



Strategically look to source all electricity from renewable sources wherever possible and to do so across group by 2025.



Carry out full assessment of our key premises to scope the future use of Solar installations with the aim to cover at a minimum, 50% of our daily electrical consumption. Our current target is to have completed these assessments by the end of 2024.

**ESOS**  
**2024**

To achieve group ESOS accreditation within 2024.



To continue with the full replacement of all lights within our group premises to low power LED by 2025.



**SCOPE 3**

To have established & calculated our Scope 3 Emissions by 2025.



**NEUTRAL**

To ensure all group premises are carbon neutral by 2030.

# 04

## Social Governance and Responsibility

We have established the below points as the key areas of priority in our review of Social Governance and Responsibility.

- Anti-discrimination including equity, diversity and inclusion.
- Labor relations & practises internally & within key supply chain partners.
- Customer security and privacy.
- Product quality & safety.

As a business we have supported and encouraged our staff to engage with and support charitable or volunteer works. These have been focussed on the delivery of STEM related subjects to young people as well as in supporting key charity partners in the delivery of employment opportunities & training of disadvantaged young people in our core communities.

Additionally we are proudly working with the Institute of Refrigeration to host the Women in Refrigeration, Air Conditioning and Heat Pump day at our head office in June of 2024.



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### Our key future Targets Include:



To develop a method of supply chain accountability / compliance in the areas of human rights, ethics, sustainability & diversity. To this end we have at the end of 2023 begun working with SEDEX and have a key target to implement this across the top 10% of our supply chain by the end of 2025.



To engage with our key supply chain partners to provide training & education in social responsibility, Net Zero, Decarbonisation & sustainable futures. To further both our own ambitions and their own in achieving meaningful change.



We aim to deliver key sustainability, inclusivity & diversity training to all management staff by 2025.



To continue to monitor & report on staff wellbeing across our group of businesses through the use of surveys and personal development plans.



To establish benchmarks for equality and diversity across group.



To further develop our internal training facilities to improve the quality of our own staff & to support the ongoing education & development of our customers and suppliers.

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# ESG and our Value Chain

Our group believes strongly that true value is created through collaboration and robust partnerships.

As we have developed both our Net Zero strategy and roadmap, we have developed a new approach to our key supply chain partners. This new approach will, from 2024 be underpinned by our membership of the SEDEX platform and through their network we will look to establish, audit and hold to account all key suppliers on key metrics.

These will include areas such as the sourcing of their raw materials, the treatment and conditions for their staff and how they manage this down their supply chain to their adherence to good practices and international standards. We are fully committed to evaluating and understanding any risks from our value chain.

A low-angle photograph of a modern glass skyscraper. The building's facade is composed of large glass panels and dark metal frames, reflecting the sky and surrounding greenery. In the foreground, several branches of a tree with vibrant green leaves are visible, partially obscuring the building. The sky is a clear, bright blue. The overall composition is dynamic, with strong diagonal lines from the building's structure and the tree branches.

From 2024, we'll use SEDEX to audit and ensure supply chain partners meet standards for sourcing, staff treatment, and international compliance as part of our Net Zero strategy.

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## ESG and our customers

We have worked extensively with key customers to both understand and deliver on their expectations and ambitions for greater transparency, sound labour practices and environmental stewardship.

Since 2013 we have developed and supplied natural refrigerant solutions and tailored our offerings to support our customers need to decarbonize their estates.

We continue to actively build & research a comprehensive portfolio of “Applied solutions” based on industry leading systems and manufacturers.





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# Key Achievements

We believe we have achieved significant progression internally in a number of areas since the development of our group roadmap towards sustainability and ultimately towards the creation of this policy.



## 2017 – 2020

- Creation of sustainable solutions & services to our customers. This includes an expansive portfolio of natural refrigerant solutions, plant and innovative partnerships with key supply chain partners.
- Consolidation of our group properties.
- LED lighting upgrades to premises as well as multi-purpose sub metering of properties to measure, monitor and demonstrate improvements to our energy use.
- Development of an in house ESG focused group and development of a branded Carter Net Zero” approach to our customers.



## 2020 – 2023

- Achieved and maintained ECOVADIS bronze across our group.
- Development of a group Net Zero training centre including the use of heat reclaim systems.
- Modernization of our test laboratory facilities.
- Significant improvements to our fleet including switching to either hybrid or all electric.



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# Roles and Responsibilities

Our Chief Executive Officer, Group Financial Director and group Chairman have ultimate responsibility for overseeing our ESG approach and policy. Our dedicated in house ESG team supports this with a coordinated approach to various initiatives across our businesses. Our Health & Safety, Quality and compliance teams are all part of the wider ESG team.

This policy and all associated aspects of our group approach are monitored, reported on and reviewed bi-annually with an expectation that this and all associated policies will be formally updated annually.



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[www.cti-ltd.co.uk](http://www.cti-ltd.co.uk)

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