Strix
TECHNOLOGY

Our Sustainability Journey

Update Report 2022

Innovative & Sustainable Technology

Company overview

Mission mission:

Innovating safety and design for a sustainable future.

Our vision:

Establishing a world-leading innovative and sustainable technology business.

Strix is a global leader in the design, manufacture and supply of kettle safety controls and other components and devices involving water heating and temperature control, steam management and water filtration.

Strix has developed a broad range of products across our 3 core categories:

Kettle Controls £85.1m sales

Strix's core product line is safety controls for small domestic appliances (primarily kettles) and remains the leader within the kettle controls market. The Group has a reputation for quality, highest performance and safety. Increased emphasis has also been placed on developing products which reduce environmental wastage through minimising energy losses during in-use consumption, as well as reducing the use of precious metals within the core components.

Water Category £21.4m sales

Strix offers a multi-brand product portfolio (Aqua Optima, LAICA, HaloPure and astrea brands as well as customer own brands) meeting all consumer water filtration and sterilisation requirements through the delivery of water bottles, jugs, filters and other related appliances. Given increased consumer focus on health-conscious choices and in reducing plastic waste, Strix is able to offer sustainable products that allow consumers to make healthier choices for themselves and the environment. Strix's filtration technology was also developed for industrial sterilization systems through the HaloPure brand.

Domestic Appliances £12.9m sales

Strix's innovative appliances utilise temperature and steam management technologies that offer convenient, simple and sustainable solutions. The product portfolio includes instant flow water heaters and baby milk heaters. LAICA brings a further range of products in the living and health & wellness segments.

2021 highlights:

	Chinese factories	Group emissions intensity ($tCO_2e/£m$)	Energy consumption intensity (kWh/£m)	Waste recycled	Product vitality	Lost time accidents 3-year average. Per 200,000 hours	Women in the workforce
2020		56.4	110.9	97.5%	23.5%	1.5	60%
2021		63.2	127.4	98.2%	27.8%	1.6	60%

Energy usage and emissions reflect the dual running of manufacturing facilities prior to decommissioning of the old plant as the new plant was commissioned over the year.

Chief Executive review

Having set our first set of sustainability led KPIs, including net zero scope 1 and 2 emissions, we are focusing on delivering these targets whilst also working on ever more ambitious goals, in line with Strix's vision to be a world leading innovative and sustainable technology business.

Mark Bartlett
CEO

Furthering the journey

Strix has always had sustainability at its core, be it through targeting reduction of the energy consumption of kettles or ensuring safety in heating devices. In 2020, we started along the road to further promote such values through developing a set of metrics to measure our core sustainability factors. This allowed us to establish a range of KPIs and associated targets to drive our sustainability agenda forward. The most prominent target being net zero scope 1 and 2 emissions by 2023, significantly ahead of the Paris 1.5°C commitment and will clearly mark Strix out as a leader in environmental sustainability. To reflect the promotion of our sustainability agenda we have upscaled our corporate strategy through new strategy statements:

- **Mission:** Innovating safety and design for a sustainable future.
- **Vision:** Establishing a world-leading innovative and sustainable technology business.

Progress in 2021

Sustainability is a long and windy road and progress will not be linear. We saw this in 2021 with progress in many areas such as gender equality and health & safety whilst others such as water consumption and emissions took a step backwards due to dual running of manufacturing facilities prior to decommissioning of the old plant as the new plant was commissioned over the year. The sustainability highlight for 2021/2 was our commitment to net zero scope 1 and 2 emissions, with contracts for renewable electricity signed for China and Isle of Man, as well investing in a solar array in China to supply over 10% of the new plant's energy requirements, saving over 600 tCO_2e a year.

This provides confidence in achieving our targets as part of our commitment to our sustainability journey. On the human side, the new facility in China significantly improves employee conditions and has been accompanied by enhanced training programmes to upskill employees to support the new plant and automated production lines. In the Isle of Man there has been a similar focus on training with new on-line modules and improvements to the working week to assist work-life balance.

We reported under the TCFD (Task Force on Climate-related Financial Disclosures) for the first time in 2021, ahead of the requirement for AIM listed companies as part of our strategy for 'best-in-class' governance.

Looking forward

Having set an ambitious range of targets the key is to ensure that the internal plans are in place to deliver them. Some of these, such as net zero scope 1 and 2 emissions are well advanced and will be achieved through a number of large initiatives. Others, such as health & safety or waste & recycling, are the culmination of a multitude of smaller initiatives and continuous improvement, requiring input and action from across the group at all levels. A good example of the complexities and interaction can be seen in our drive to automation with 73% of assembly lines now fully automated (67% in 2020). Automation is positive for quality (30% improvement seen in 2021) and health & safety but has consequences for additional energy usage and employee upskilling requirements.

Whilst emissions are clearly not the only element of our sustainability strategy, they are important. For 2022 and 2023 we are working on analysing our scope 3 emissions, those generated outside of our organisation, these include the upstream supply chain, through distribution, in-use emissions, particularly important for heating devices such as kettles, to end-of-life. This is a complex process, particularly given the breadth of Strix's portfolio. We anticipate an iterative process to eventually reveal a 'cradle-to-grave' inventory of our carbon footprint. Along with life cycle analysis this will provide a complete picture of the interaction of Strix products and the environment.

These actions could not be undertaken without buy-in across the whole group. Indeed, it is the willingness to embrace our sustainability agenda by all employees which has enabled us to move forward at such speed.

2022 full sustainability report

It is our intention to release our full year 2022 sustainability report earlier in 2023, around the time of the financial report and accounts. This will ensure more timely release of the metrics used by many stakeholders in evaluating our sustainability credentials and update on the progress achieved in the year. To reflect this, the 2022 intermediate report is somewhat more condensed. Greater discussion of the actions undertaken will be presented in the full year report.

KPIs and Targets

Table highlights Strix key sustainability KPIs and performance against pre-pandemic 2019 levels.

KPI	Measurement	Units	2021	2019	Delta	Target
Climate action	Scope 1&2 emissions (absolute)	tCO_2e	7,546	6,099	+23.7%	Net zero scope 1&2 emissions by 2023
	Scope 1&2 emissions (intensity)	tCO_2e/£m	63.2	63.0	+0.3%	
Resource intensity	Energy consumed	MWh	15,215	12,160	+25.1%	5% intensity reduction
	Energy intensity	MWh/£m	127.4	125.5	+1.5%	
Waste & recycling	Waste generated	tonnes	1,879	1,456	+25.1%	3% intensity reduction a year
	Waste intensity	tonnes/£m	15.7	15.0	+4.6%	
	Recycled waste	%	98.2	96.9	+1.3%	
Clean water and sanitation	Water consumption	m^3	46,110	36,429	+26.6%	Grow the water business at a minimum of 2x Group revenue growth
	Water intensity	m^3/£m	386	376	+2.7%	
	Water category growth*		c.8%			
Health & safety	Lost time accident rate	Per 200,000 hrs	0.6	2.2	-73%	Reduce lost time accidents rates on a three-year rolling basis
	Lost time accident – three-year average	Per 200,000 hrs	1.2	2.2	-45%	
Gender equality	Women in Senior management	%	26.6	19.5	+36%	Further embed diversity thinking throughout the organisation
Innovation	R&D	£k	5,324	4,439	+20.0%	Continuous reduction in precious resources including the increased use of recycled materials
	R&D/Sales	%	4.5	4.6	-0.1%	

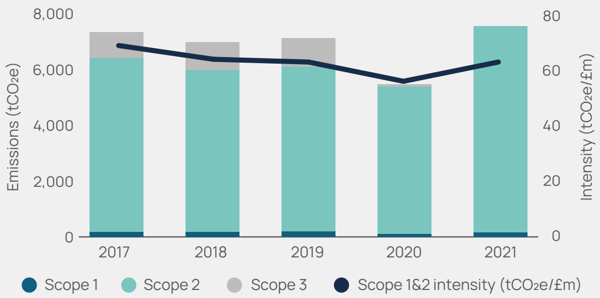
growth in revenues from FY 2020 to FY 2021

Performance and discussion

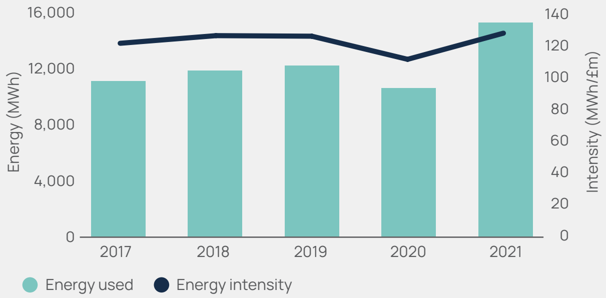
Emissions & energy

In light of the climate crisis, we at Strix are committed to playing our part in achieving the Paris goals to limit global warming to below 1.5°C. As a manufacturing business, energy usage and internally generated emissions are a key area where Strix can participate in the decarbonisation agenda.

Group emissions



Energy usage



Energy usage and internally generated emissions (scope 1 and 2) increased in the year as did intensity. Key was the lack of COVID shutdowns seen in 2020 and the opening of the new Chinese manufacturing facility which has 2.5x the footprint of the old plant. The commissioning also required dual running of the older facility for much of the year to avoid disruption to customer schedules as activities were transferred. The impact is highlighted by China energy consumption increasing 46% in the year (+30% on pre pandemic levels), accounting for 87% of group. In addition to the decommissioning of the old plant, LAICA was also included for the first time although, with much of the manufacturing outsourced, the impact is relatively small. Our reported scope 3 emissions remained low due to continued curtailment of business travel.

The highlight for 2021 was the commitment to net zero scope 1 and 2 emissions by 2023. A number of initiatives were undertaken to progress this including £600k of investment for solar installation in China which will supply around 10% of the energy required and the signing of long-term renewable electricity contracts for China, Italy and the Isle of Man. Progress has continued in 2022 highlighted by an additional solar installation in China, internally generated power is now expected to account for 13% of total energy used in the new manufacturing plant. Work has started to review Strix 'difficult to mitigate' emissions to look for innovative methods to minimise the use of offsets. Another target set out in 2021 is to reduce energy intensity (MWh/£m) by 5% a year. Whilst 2022 will benefit from the closure of the old manufacturing facility aspects such as increased automation which improves quality, efficiency and health & safety and reduces waste will also increase electricity requirements and hence provide a headwind.

Scope 3 emissions are important, particularly in key Strix products such as kettle switches which operate within an energy intensive heating device. A key project for 2022 is to commence analysis of these emissions. This is an intricate and iterative process which will develop over a number of years as we peel back the levels of complexity. Combining this with life cycle analysis will enable us to generate a full picture of our products' interactions with the environment. In turn, this is expected to lead to internal actions and partnering with our supply chain, both upstream and downstream, to lower emissions and increase circularity.

> The highlight for 2021 was the commitment to net zero scope 1 and 2 emissions by 2023.

Performance and discussion continued

Waste & recycling

Total waste generated increased during the year due to the growth of the business but importantly waste intensity declined by 5% ahead of our target for 3% per annum reduction. We continue to produce zero hazardous waste whilst recycling reached a new record at over 98%. Waste continues to be a focus to reflect both its financial and environmental costs. Whilst an inherent part of our manufacturing processes ,the focus on automation will drive down overall rates whilst the attention to re-use/recycle ensure that minimal waste is actually occurs, with none sent to landfill.

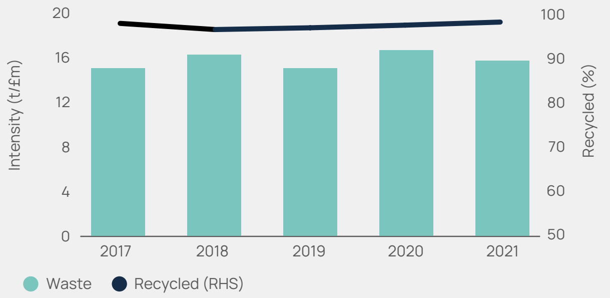
Water usage

Strix does not operate in any region exposed to water shortage issues although it remains a focus reflecting the considerable volumes required, particularly for testing. 2021 water usage increased due to the dual running of the two factories in China and the associated testing requirements. Going forward underlying usage should revert although the increase in water associated products and the potential impact will be reviewed in 2022/3.

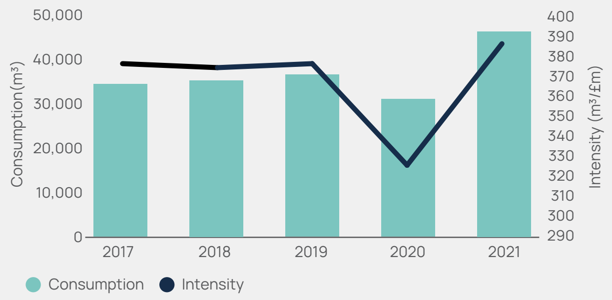
Health & Safety

Employee safety is paramount at Strix. Beyond the ISO accreditations we look for continual improvement targeting reduction in three-year average lost time incident frequency and strive for the ultimate and only acceptable goal of zero accidents. 2021 saw the same number of lost time accidents in the year at seven in the year (2020 seven accidents). As the total number of incidents declines so fluctuations are inevitable hence our focus on three-year average where the trend remains in a positive downward direction.

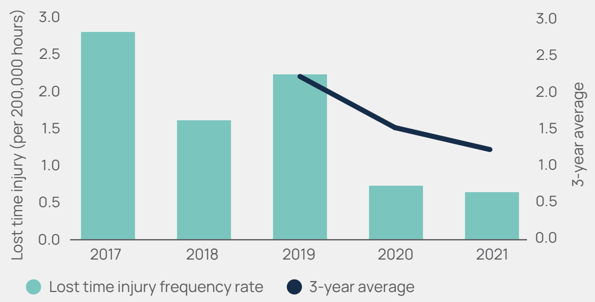
Waste intensity & recycling rates

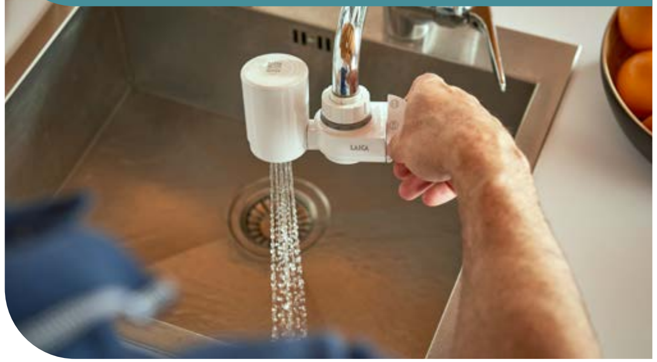


Waste intensity & recycling rates



Lost time injury rates





Performance and discussion continued

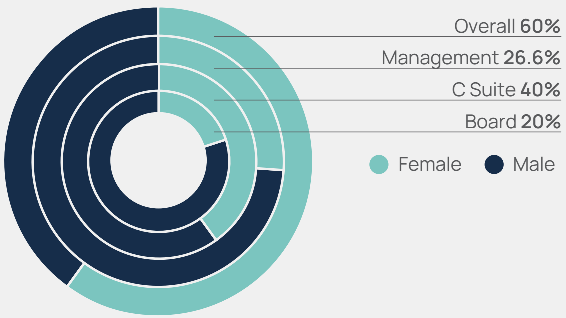
Diversity

The Company recognises that to achieve a diverse workforce, a working environment that empowers all of our employees to thrive and achieve their potential is essential. The employee population benefits from bringing to bear a wealth of cultures, languages and experiences and reflecting the truly international spread of Strix's business. Hence our goal to 'further embed diversity thinking throughout the organisation'.

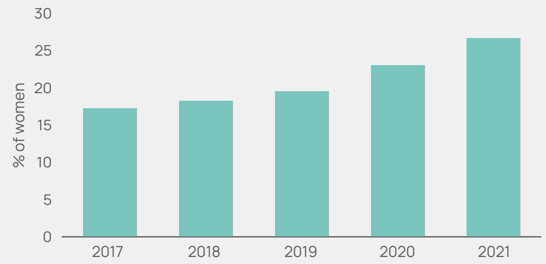
The overall balance of our workforce remains split 60% women and 40% men, largely reflecting the skillset required for our Chinese operations. Most important has been the development of the management team which has seen the percentage of women increase from 17.2% to 26.6% over the last five years. At the C-Suite level the ratio is even higher at 40% with the appointment of a female Chief Technology Officer, Ceyda Gibson, in 2021 highlighting the group's proactive approach in seeking out the best talent and assembling a diverse team. Indeed, the Board's view is that such diversity with different experiences and cultures brings strength to such an international group as Strix whist also encouraging development of internal talent.

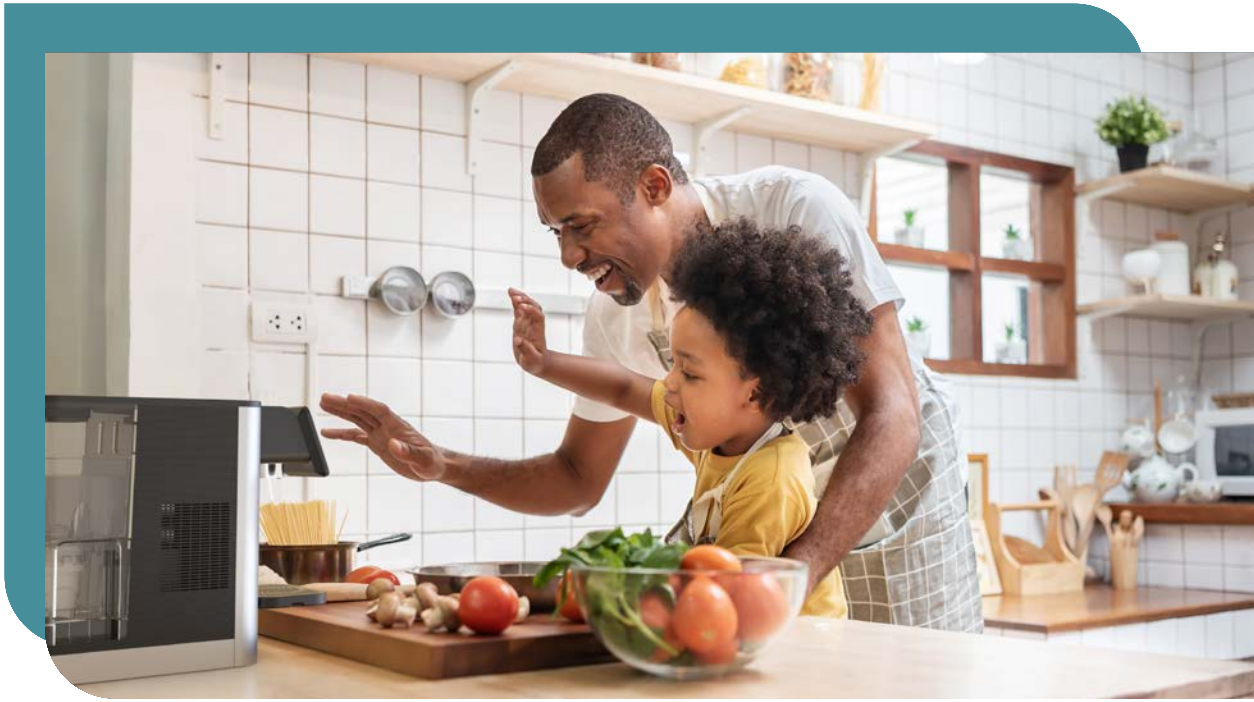
As well as having the right people doing the right things, Strix is committed to ensuring that our people feel right physically, mentally and financially. In the West, private health care is provided to all permanent employees, and with this also comes the Employee Assistance Programme. This is an advice service that is available 24/7 for employees and their family members, covering concerns about mental and physical health, financial planning or legal matters. Additionally, some employees are offered the opportunity to participate in the company's long-term share incentive programme through the granting of share options in the company's equity, which not only provides them with a financial benefit, but a vested interest in contributing to the success of the organisation.

Group gender diversity



Diversity at management level





Performance and discussion continued

Research & development

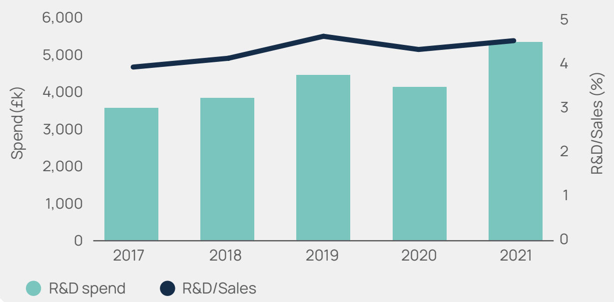
Strix continues to invest in its R&D capabilities to deliver innovative new technology into each of its core categories including our sustainability target for 'continuous reduction in precious resources including the increased use of recycled materials'.

New product development is at the heart of our strategy to double sales by 2025. A key measure on this journey is our product vitality index with 27.8% of products less than five years old (up from 23.5% in 2020).

Over the last five years spend on research and development has increased 50% and now stands at 4.5% of sales. With the benefit of LAICA, twelve new products were introduced in 2021, up from ten in 2020, with plans for up to seventeen in 2022. Whilst these include product enhancements many are being driven by our sustainability agenda and the opportunities which this brings including:

- Reduce energy consumption. The Strix Hot Water on Demand range, consisting of the Aurora Beverage Station and Dual Flo™, helps users conveniently save energy by boiling only the water they need. Aurora is powered by Strix's patented Instant Flow Heater (IFH) technology and the Aqua Optima Evolve+ filtration, for pure, hot water, fast. Meanwhile the patented Dual Flo™ offers the flexibility of a kettle and one cup dispenser within the footprint of a kettle.
- Safety. Strix remains committed to consumer safety and continues to prompt regulatory enforcement authorities to remove unsafe and poor-quality products from our major markets. Nine such actions were undertaken in 2021, up from four in 2020 and a total of 66 since 2017.
- Reduced material consumption. Continued development of water filtration products highlighted by the sales of 10.1m filters in 2021, equivalent to saving 1 billion single-use plastic bottles, up from 580m in 2020. In kettles switches, the 15A fast-boil kettle control enables the boiling of water c.15% to 20% faster than most kettles, designed with the highest standard of precision temperature detection and dry boil protection, and is patented to ensure highest level of safety standards in the market. It is also paired with an increasing consumer adoption of cordless technology.

Waste intensity & recycling rates



Twelve new products were introduced in 2021, up from ten in 2020, with plans for up to seventeen in 2022

Performance and discussion continued

Certification & accreditation

Certifications, particularly ISOs, provide a crucial element to Strix philosophy for best in class and continuous improvement.

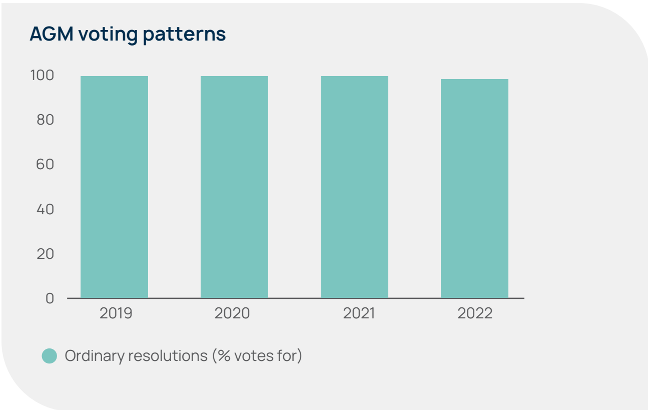
ISO	9001	14001	45001	50001	13485	17025
Area of activity	Quality systems	Environmental management	Occupational H&S	Energy management	Medical devices	Test and calibration
Ronaldsway (IOM)	✔	✔	✔			✔
Ramsey (IOM)	✔	✔	✔			
China (new plant)	✔	✔	✔	✔		
LAICA	✔				✔	

A highlight for 2021 was the performance of the new Chinese manufacturing facility which achieved a 'clean sweep' of the core ISOs. Achieving this within 5 months of the facility becoming operational is truly impressive, highlighting the team's commitment to deliver to the highest possible standards. In addition, our intentions are for LAICA to become ISO 140001 and ISO 45001 by the end of Q1 2023.

Governance

Corporate ethics and culture in how we do business are important at Strix. These are set by strong leadership and governance. The Board is committed to effective corporate governance as the basis for delivering long-term value growth and for meeting shareholder expectations for leadership and oversight of the business. Strix applies the principles of the Quoted Companies Alliance Corporate Governance Code (the 'QCA Code') as the Board believes that adherence to the QCA Code provides a strong foundation for delivering shareholder value and serves to mitigate and minimise risks. Whilst listed on the London AIM market Strix strives for the higher level of disclosure and compliance seen in the main market as witnessed by early adoption of TCFD accounting.

Our average vote for our ordinary resolutions at the AGM remained high at 98.0% albeit a small decline from previous levels.



TCFD

Reflecting Strix approach for best governance and the importance placed on sustainability, the group reported under TCFD as required for fully listed companies.

Governance	
Board oversight	Risk is assessed by the full board reflecting the weighting which the directors place on climate issues, the relative size of the board and scale of the group. The climate related elements are strengthened through Richard Sells, non-executive director, having additional responsibility for sustainability oversight. Along with the CEO they provide the key conduit from the operations to the Board. Board meetings are held a minimum of 6 times a year with sustainability, including climate related issues, both opportunities and risk, a constant agenda item. Climate risks are consolidated into the annual risk committee review for the group.
Management's role	The Operations Board provides the key executive management forum for climate change and sustainability. It is chaired by the Chief Commercial Officer & Managing Director Consumer Goods, Harry Kyriacou and includes personnel responsible for engineering, commercial, technology, health & safety, human Resources and finance. In terms of climate risk matters, Matt Thomas Divisional Operations Director, has a key role in respect to climate change responsible for assimilating climate related data. Climate opportunities for new products are again prioritised across the operations board and led by the group's CTO, Ceyda Gibson. Management is supported by external experts as necessary and undertake training when required. In 2021 the board undertook workshops in SDGs and associated target and KPI setting.

Strategy	Risk name	Risk description and impact on the business	Mitigating factors and opportunities
Climate-related risks and opportunities	Extreme weather events	There is a risk of physical damage to property, plant, machinery and equipment as a result of flooding, storms, heatwaves, snow storms and other extreme weather events across the Group's various locations. Note that Zengcheng, Guangzhou (where the group main factory is located) rarely sees typhoon conditions due to its inland location although extreme wind conditions were recorded in 2015, therefore such a risk has been included.	The new Chinese factory is designed to withstand the local conditions, free from temporary structures such as tin sheet roofing. Notification will normally come from the local government and / or media outlets meaning time to make any additional arrangements to reduce risk and reduce potential loss. If weather systems transpired to give an increased likelihood of flooding information would be readily available from local government or media outlets allowing for enough time to put in place flood defences such as sand bags. We also have the opportunity to move critical equipment / materials / supplies to a higher floor.
	Business disruptions	There is risk that manufacturing operations will be halted due to physical damage from extreme weather occurrences at locations where the Group's factories are based in (IOM, China and Italy)	A detailed recovery plan has been documented as part of the Group's business continuity plan which is overseen by the Recovery Management Team. Procedures relate to communications and information exchange, recovery process phase, clean-up process, pollution prevention, and restoration (including insurance claims and compensations). Restoration procedures include plan maintenance, back-ups, testing, emergency sources of power generation
	Financial outlay for accessibility to renewable energy	There is risk of significant financial outlays in accessibility to renewable energy, particularly at the Group's main manufacturing plant in China given the Chinese climate commitments. To become carbon neutral through purchasing carbon credits would cost the Group over £1m a year at current pricing levels rising to over £6m by 2050 (depending on the level of Chinese grid decarbonisation) using NGFS pricing scenarios aligned with the Paris accord.	This is mitigated by the group avoiding purchase of carbon credits and achieving its ESG strategic KPI of Net Scope 1&2 Zero emissions by 2023. Over 10% of the SCN's energy is now powered by solar energy, with the remaining energy consumption from renewable energy sources starting in 2022. All of IOML's energy is from renewable energy sources. Plans are underway for solar installations to provide 100% of required electricity at Laica by 2022/23. Financial impacts have been included in our budgeting process and forecasts.

TCFD continued

Strategy	Risk name	Risk description and impact on the business	Mitigating factors and opportunities
Climate-related risks and opportunities continued	Climate policies	As a result of measures introduced during Paris Accord, various jurisdictions resolved to take measures to curb carbon emissions through implementing and enforcing policies relating to climate change in order to achieve low-carbon economies. These policies might directly impact the Group position and operations to be aligned to achieving stated objective relating to climate change.	Strix is targeting Scope 1&2 Net Zero by 2023. In addition, management is targeting 5% improvement in energy intensity (energy use to sales) each year to further reduce risk. Supply chains carry significant risk which, along with analysis of Scope 3 emissions, are a focus for 2022/3.
	Changes to technologies on manufacturing processes to align to climate-change goals	As a manufacturing and engineering group, technological changes relating to energy-saving, low-carbon transportation, and increasing use of non-fossil fuels or other technologies that help reduce carbon emissions are needed to meet policy goals, which would therefore involve changes to current existing manufacturing processes and technologies that could be more expensive.	Strix continues its drive in the use of automation. This requires greater energy usage but has other significant benefits in improving quality, reducing scrap etc. Combined with the use of renewable power, management see such a shift as a double win in terms of sustainability. In addition, the new factory has been successfully audited and certified to ISO9001, ISO14001, ISO45001 with added ISO50001 to the certification portfolio.
	Climate opportunities	National governments are pledging to decarbonise energy consumption requiring a shift toward renewables, and therefore electricity as the primary source of power. There is also increasing legislation on efficiency labelling and recycling.	Kettles are the most efficient method of boiling water and use electricity hence are likely to benefit from the decarbonisation shift. As the technology leader regulation tends to be positive for Strix. The full portfolio of kettle switches to appliance is increasingly configured around the opportunities for power saving and carbon reduction.
	Increased investor scrutiny	There is increased focus on climate change by our equity investors and other stakeholders. This is evidenced by the rise in ESG funds and the drive to provide consolidated emissions transparency for individual funds.	Strix target to achieve scope 1 & 2 net zero by 2023 will put it firmly in the 'best of class' for environmental emissions for industrial companies. Our ambition remains, as does our drive for continuous improvement, hence our focus now towards Scope 3 and 4 emissions and expansion of our overall sustainability agenda. Our sustainability report provides full transparency to all stakeholders.
Impact on the organisations businesses, strategy and financial planning	In terms of risk, Strix has developed a range of business contingency plans, including detailed recovery strategies for all manufacturing operations. Strix kettle switches are key to the most efficient method of boiling water which should benefit from rising energy prices and the shift from alternative fuels, e.g. gas, to electricity. New developments such as Aurora & Dual-Flo are designed to produce single servings to provide greater efficiency and reduce waste. Similarly, our Water category will offer solutions for tightening water supplies and reductions in plastic usage and waste. These trends are driving the direction of our new product development with R&D expected to grow alongside the business remaining at around 5% of sales.		
Resilience of the organisation's strategy	Strix scenario analysis is still in train with the aim to be completed in the 2022 financial year. The Group's current assessment has been based on the Paris Agreement 1.5°C. Management see little likelihood of negative impact on group assets but are working on our resilience, in particular suppliers and supply chains which are relatively lengthy. From a risk operations perspective Strix has developed a range of business contingency plans, including detailed recovery strategies for all manufacturing operations. A key risk to our 'net zero strategy' is access to renewable energy (electricity) supply to our key manufacturing plants, particularly China. To counter such risks Strix has invested £600k in a solar system in China which will provide over 10% of the electricity supply required and signed long term contracts for renewable energy. A similar strategy has been implemented in IoM and will be implemented in Italy over 2022/23.		

TCFD continued

Risk management	
Identifying and assessing climate-related risks.	Internal research and external assistance is combined to provide a full understanding of the potential risk avenues and opportunities. Input is gathered from across the Group's operations as well as externally from customers and suppliers – a process which will accelerate as work on Scope 3 emissions expands. These risks are incorporated into the group's risk software. The group assesses the potential financial implication where appropriate and the cost of mitigation. This is best evidenced in the solar and renewable power purchase agreements in China. Neither were the lowest cost option of the status quo but provided additional sustainability and risk mitigation.
Managing climate-related risks and opportunities.	Risks are managed relative to the likelihood and potential severity to the group. The global shift to reduce emissions is highly likely (or happening) and hence our accelerated actions in this area. Weather related impact has been assessed and a more measured approach of a contingency plan and insurance applied to reflect the level of risk and mitigate potential impact. Opportunities follow a similar pattern based on the scale of the opportunity and a metrics of internal measures to assess Strix ability to compete/benefit from such avenues.
Climate-related risk integration	We see climate change as 'business as usual' and part of the ongoing environment in which the company operates. In addition, whilst complex, Strix is a small business with short lines of communication. As a consequence, climate risk has been a focus for the group over the last couple of years but is increasingly integrated into the policies and structure already established under the Strix operating model.
Impact on the organisations businesses, strategy and financial planning	In terms of risk, Strix has developed a range of business contingency plans, including detailed recovery strategies for all manufacturing operations. Strix kettle switches are key to the most efficient method of boiling water which should benefit from rising energy prices and the shift from alternative fuels, e.g. gas, to electricity. New developments such as Aurora & Dual-Flo are designed to produce single servings to provide greater efficiency and reduce waste. Similarly, our Water category will offer solutions for tightening water supplies and reductions in plastic usage and waste. These trends are driving the direction of our new product development with R&D expected to grow alongside the business remaining at around 5% of sales.

Metrics and targets	
Key metrics used	Key carbon emissions measures at present are Scope 1&2 and business travel in the Scope 3 category. These have been calculated using GHG Protocol, which is the internationally recognised standard for corporate carbon reporting. Absolute and intensity (per £m) are used. Historically, the group has used 'Location Based' analysis. Going forward a Market Based approach will also be included. Moving forward 2022/3 will see significant work undertaken on our Scope 3 emissions, particularly the upstream element.
Disclosures	(see table below)
Targets	Strix is targeting Scope 1&2 Net Zero by 2023 predominantly (over 95%) due to the removal of the use of fossil fuels. In addition, management is targeting 5% improvement in energy intensity (energy use to sales) each year to further reduce risk. Supply chains carry significant risk and, along with analysis of Scope 3 emissions, are a focus for 2022. 2021 is the base year for targets, see page 4 for recent performance and explanation of trends.

Disclosures

ISO		2019	2020	2021
Scope 1	tCO_2e	187	107	145
Scope 2	tCO_2e	5,912	5,269	7,401
Total Scope 1&2 (location based)	tCO_2e	6,099	5,376	7546
Scope 3	tCO_2e	1,014	93	6
Energy usage	MWh	12,160	10,569	15,215
Scope 1&2	tCO_2e/£m	63.0	56.4	63.2
Energy	MWh/£m	125.5	110.9	127.4

Strategy & Overview

The group's sustainability strategy is built on eight key pillars which translate Strix chosen SDG's into our strategy and actions.

		3 GOOD HEALTH AND WELL-BEING	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
Solutions for sustainable living	To develop products that reduce the impact on the environment, particularly reduction in energy consumption in our key kettle market, and promote benefits to customers.							
Promote customer wellbeing	Our efforts are encompassed within Strix's company motto of 'safer by design' as we look to improve the wellbeing of our end users through our entire product range.							
Doing more with less	This encompasses our internal operations and final product design. We look to reduce the overall manufactured product footprint, taking into account the total corporate footprint including materials, production, waste and company infrastructure.							
Wellbeing & equality in the workplace	Employee equality, welfare and engagement are critical for developing our key asset. We look to pro-active actions including internal training, certifications (relevant ISOs), and employee engagement through listening, survey and involvement							
Community engagement	Strengthening our position as a global, socially responsible employer, reinforcing our corporate culture and employee pride in our positive contribution to all of our local communities across the group.							
Supply chain	Communicate sustainable practices to all of our direct suppliers, in line with the Responsible Business Alliance (RBA). We look to improve the sustainability of our supply chain through bi-annual audits, internal assessment of policy awareness, supplier risk assessments, supplier capacity and performance on environmental protection.							
Governance	Continue to embed our values into our culture which are fundamental to our business specifically diversity and inclusion.							
Certifications	Continued compliance with a range of international standards, solidifying the quality and safety of our products and internal processes.							

Performance summary

The following table summarises the group's core sustainability metrics over the last five years. Note that 2021 energy and emissions performance was particularly impacted by the dual running of the Chinese plants as the new factory was commissioned through the year.

		2017	2018	2019	2020	2021
Energy usage & emissions						
Group						
Scope 1	tCO_2e	163	173	187	107	145
Scope 2	tCO_2e	6,162	5,791	5,912	5,269	7,401
Total Scope 1&2 (location based)	tCO_2e	6,325	5,964	6,099	5,376	7,546
Scope 3	tCO_2e	1,014	1,014	1,014	93	6
Total emissions	tCO_2e	7,339	6,978	7,113	5,468	7,552
Energy usage	MWh	11,047	11,803	12,160	10,569	15,215
Scope 1&2 intensity	tCO_2e/£m	69.3	63.6	63.0	56.4	63.2
Energy intensity	MWh/£m	121.0	125.9	125.5	110.9	127.4
UK (inc IOM)						
Scope 1&2 emissions UK	tCO_2e	466	462	456	347	379
Scope 1&2 emissions UK/Group	%	7.4	7.7	7.5	6.5	5.0
Energy UK	MWh	558	568	641	419	574
Energy UK/Group	%	5.0	4.8	5.3	4.0	3.8
Waste & recycling						
Hazardous	tonnes	0	0	0	0	0
Chemical	tonnes	25.4	49.4	41.9	32.9	32.9
Normal (metal, plastic cardboard)	tonnes	1340	1465	1414	1552	1846
Total waste	tonnes	1,365	1,514	1,456	1,585	1,879
Intensity	t/£m	15.0	16.2	15.0	16.6	15.7
Recycled waste	tonnes	1,337	1,462	1,411	1,546	1,846
Recycled	%	97.9	96.5	96.9	97.5	98.2
Waste to landfill	tonnes	0	0	0	0	0
Water						
Consumption	m^3	34,296	35,108	36,429	30,936	46,110
Intensity	m^3/£m	376	374	376	325	386

		2017	2018	2019	2020	2021
Social highlights						
Health & Safety						
Number of lost time accidents		23	14	25	7	7
Lost time injury frequency rate	per 200,000 hours	2.8	1.6	2.2	0.7	0.6
3 Year rolling average lost time injury frequency rate	per 200,000 hours			2.2	1.5	1.2
Severity rate	Hours lost/accident	10.2	85.7	31.8	36.6	177.0
Lost time rate	Hours lost/1000 hours worked	0.14	0.68	0.35	0.13	0.56
Number of fatalities		0	0	0	0	0
Diversity						
Women on the Board	%	25	25	20	20	20
Women in management roles	%	17.2	18.2	19.5	23.0	26.6
Women in the organisation	%				60	60
Employee turnover						
Group	%				16	16
China	%	5	6	10	11	17
Employee training	Hours/employee				6.9	13.6
Research & development						
R&D spend	£k	3,549	3,820	4,439	4,117	5,324
R&D/Sales	%	3.9	4.1	4.6	4.3	4.5
Product vitality	Products less than five years old as % of sales			15.3	23.5	27.8
Governance						
AGM						
Ordinary resolutions (% votes for)	%		99.3	99.2	99.3	98.0
All resolutions (% votes for)	%		98.9	98.9	99.1	98.1

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