

Our journey to zero.

Environmental, Social
& Governance Report 2022



Welcome.

Welcome to Scottish Leather Group's 19th Annual Report. Innovation has created the platform for us to present the world's lowest carbon leather, sustainably manufactured, responsibly sourced, and offered in new and exciting formats to existing and new customers.

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Our Environmental, Social & Governance Report is in a revised format to follow the guidelines issued by the Global Reporting Initiative. This details our approach, commitments, and progress as we strive towards a more sustainable future.

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Section

01

Welcome to Scottish Leather Group's 19th Annual Report.

Introduction

This report details our approach, commitments, and progress as we strive towards a more sustainable future. Like all businesses, we remain on a journey to true net zero, and work is ongoing to reduce impact further.

We are committed to offering the world's lowest carbon leather. We don't see sustainable manufacturing as a set of limitations, but an opportunity. Continual innovation and sharing our practices and commitments is essential to achieve our goal: a zero-impact sustainable manufacturing platform for leather.



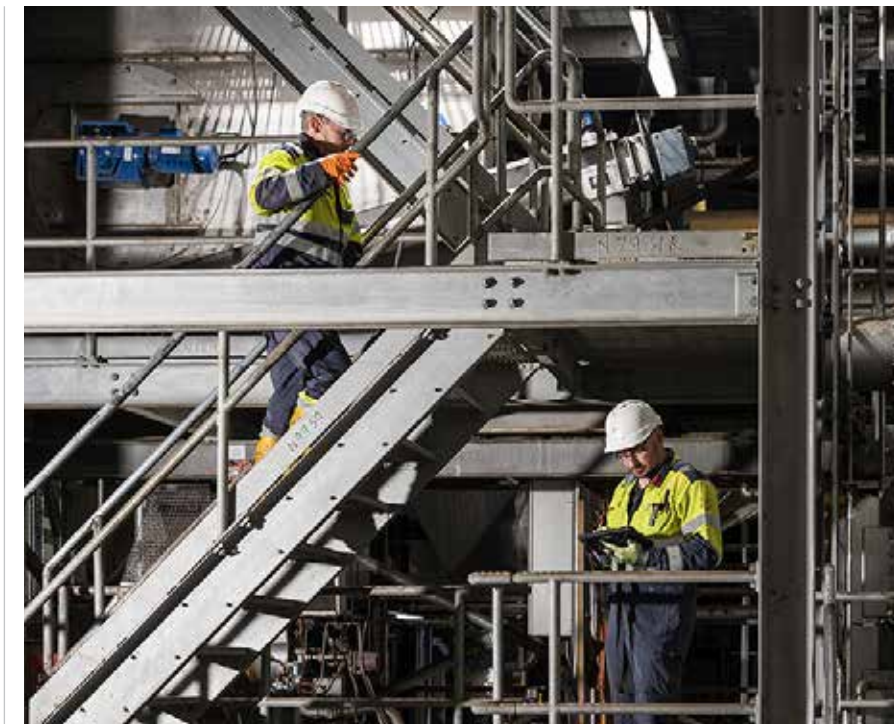
Auditor verification statement from BSI Assurance UK Ltd.

The activities reported by Scottish Leather Group have been independently verified by BSI over the course of an 8-day audit.

The scope of this audit has been:

- Verification of environmental data (carbon, water, waste, energy, and greenhouse gas) for our UK operations in line with the guidance set out in ISO14016:2020, to a reasonable level of assurance and a materiality level of 5%.
- Verification of corporate social responsibility presence and claims via review of the Scottish Leather UNGC Gap Analysis Report – a robust, neutral, and universally recognised framework.

Verification has been achieved through mechanisms that included (a) evaluation of the monitoring and control systems through interviewing employees, observation, and inquiry and (b) verification of data through sampling recalculation, retracing, cross checking, and reconciliation.



NOTE: BSI Assurance UK Ltd is independent to and has no financial interest in Scottish Leather Group. This verification opinion has been prepared for Scottish Leather Group only for the purposes of verifying its environmental and social data described in the scope above. It was not prepared for any other purpose. In making this Statement, BSI Assurance UK Ltd has assumed that all information provided to it by Scottish Leather Group is true, accurate and complete. BSI Assurance UK Ltd accepts no liability to any third party who places reliance on this Opinion Statement.

“We don't see sustainable manufacturing as a set of limitations, but an opportunity.”

With current projections of a 1.8-2.4C temperature rise by 2050, leadership from business is demanded and drastically required to halt this trajectory for our planet. We are very proud of the contribution we are making in leading our industry and creating a more sustainable future with our own delivery against commitments; working towards reducing impact below 1.5C. This report demonstrates the work so far and our ambitions.

Our long heritage and history have helped shape our values.

We are closing in on our two 2025 'zero' targets. This year we confirmed full traceability of our raw materials with all our suppliers signatory to our code of conduct, providing transparency of our supply chain. We also engaged in broader customer feedback and materiality assessments which will help shape our approach in the future. Our main customer sector has seen a dynamic shift in recent years with the advent of low, or even zero, emission vehicles becoming reality. Our novel and unique low carbon offering, as detailed in this report and measured using Life Cycle Analysis, directly supports its transition to electric platforms and the reduction of embedded carbon in the supply chain. There is no doubt that all sectors are seeing a shift towards a sustainable future, captured under a variety of initiatives, all with the same aim.



Robbie Brown
Chairman
Scottish Leather Group

We were delighted to be invited to speak on two platforms at COP26, in Glasgow, during November 2021, on our core activities, namely, the sustainable manufacture of leather and the application of our unique circular manufacturing process in support of the "UN Goal 13 Agenda". We were also privileged to be invited to join The Terra Carta event with HRH Prince Charles, The Prince of Wales. The Terra Carta seeks to engage industry to tackle the climate crisis.

We are pleased to reaffirm our commitment to the UN Global Compact.

We anticipate a future where our traditions and values are maintained, with innovation and sustainability a pillar at the heart of our future for both Bridge of Weir Fine Automotive Leather and for Muirhead Fine Scottish Leather for Aviation, Mass Transit and Custom Projects.

It is our pride and our responsibility to produce this most beautiful, long lasting, and versatile leather in ways that do not use irreplaceable resources and do not damage the environment, either within our supply chain, or following its primary purpose.

We invite you to learn more about our progress, achievements, and aspirations and to continue following our journey.



Iain McFadyen
CEO
Scottish Leather Group

"We were delighted to be invited to speak on two platforms at COP26, on our unique circular manufacturing process."





Overview

We are determined to build a company that continually raises standards in quality, sustainability, ethics, and traceability – developing products without compromise and without costing the earth.

When it comes to reducing carbon emissions, we lead the global leather industry, and have reduced the carbon intensity of our leather by over 90% since 2003. Continuously challenging ourselves to do better for the planet, our customers choose us because we lead the way in the responsible production of leather.



The United Nations Global Compact

The UN Global Compact is a global network initiative that provides a framework for organisations to embed and promote sustainability practices and principles in business.

At the beginning of 2020 Scottish Leather Group committed as a signatory to the Compact (scope 1 and scope 2). Each year since we have submitted our Communication on Progress.



We have reduced the carbon intensity of our leather by

90%

We are also a signatory to the Race to Zero Campaign and the Science Based Targets Initiative to reduce emissions in line with limiting global temperature rise to 1.5°C.

The continuing expansion and improvement of our sustainability journey, in line with all of the UN SDGs, reflects the passion we have for our products and the responsibility we hold as sustainable manufacturers.

During the year we accredited for the first time to the Leather Working Group (LWG) Protocol, following an extensive business audit. This “Gold” award provided further endorsement of the performance of our staff, the business structure, and our commitments to the breadth of topics evaluated including Health & Safety, environmental performance, compliance, traceability, and business resilience.

Categories

People

We are accredited to, and exceed the requirements of, the Healthy Working Lives standards for employee wellbeing.

Planet

Through circular manufacturing, we will have zero process waste to landfill by 2025.

We will reduce our direct (scope 1 and 2) impact to Net Zero as reported under SECR by 2025.

How we do business

All our suppliers are signatories to our Code of Conduct 2021.

We will have verified the integrity of our supply chain via an auditing protocol to meet internationally accepted standards by 2023.

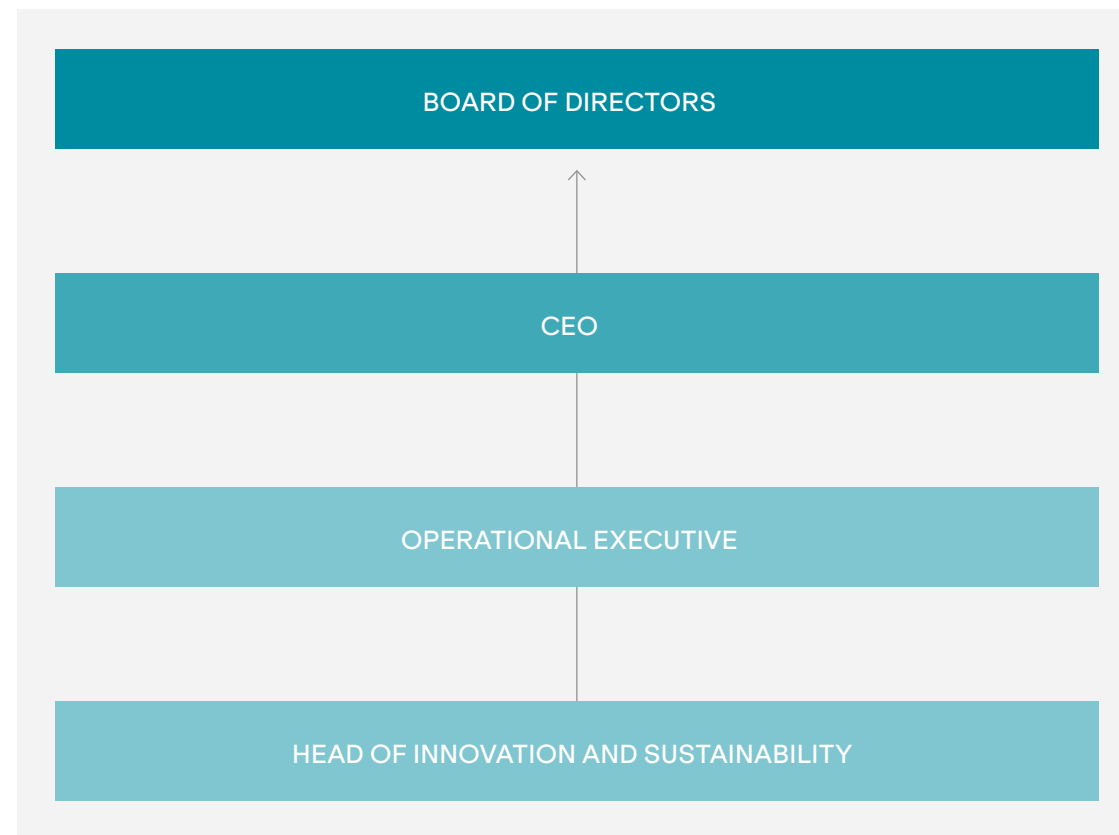
We are accredited to the UN Global Compact



Our commitments

1.3 Sustainability strategy & organisation

Governance



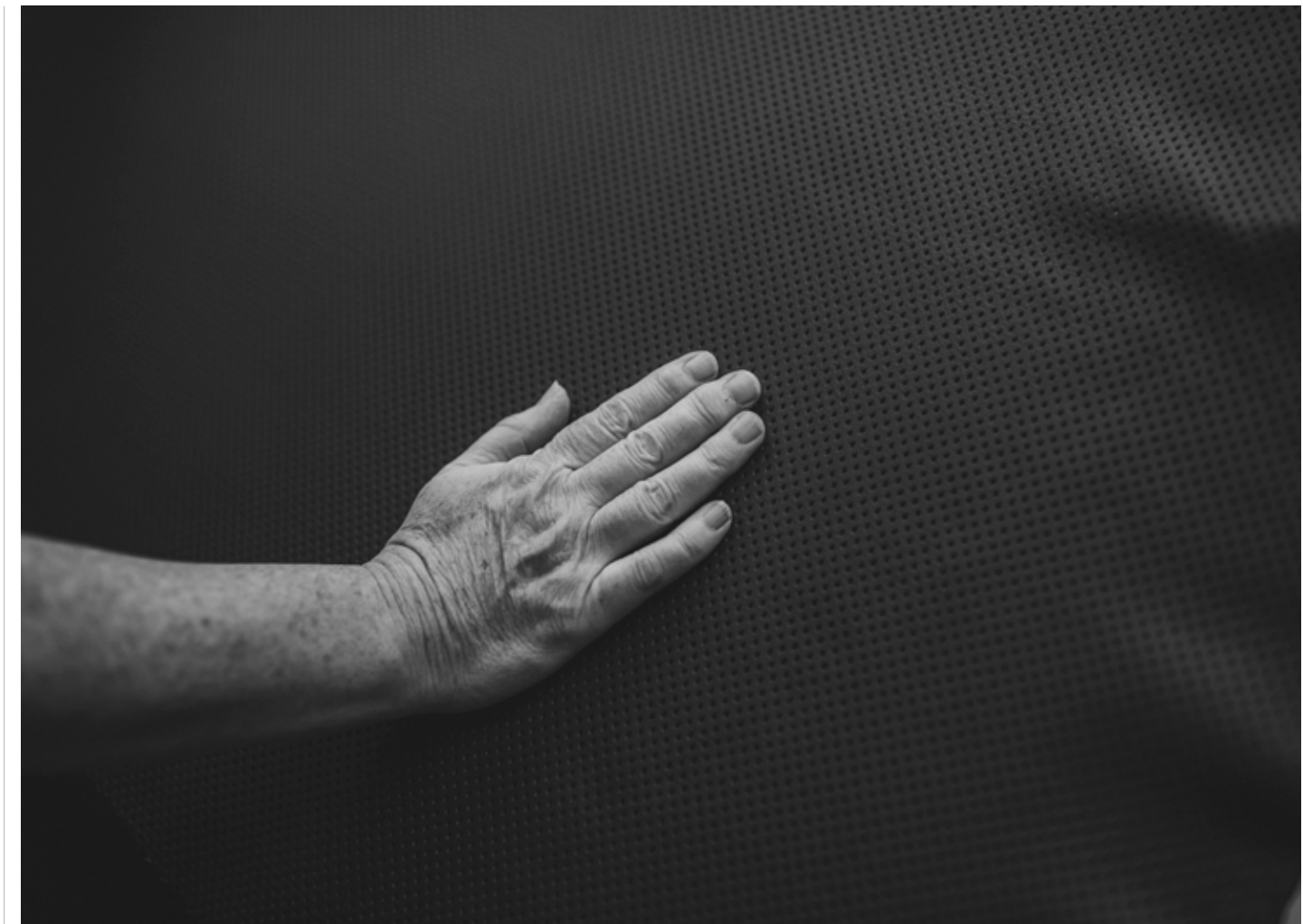
Good governance is fundamental to responsible business. The data provided within the report, and previously, is independently audited to the standards which we openly subscribe.

We are committed to strict ethical standards, fairness, transparency, and equality practices across the Group and within our supply chain. This begins with gender equality, with equal pay for equivalent roles – and extends across all our behaviours – and is enshrined in our commitments and measured against the obligations within UNGC.

Overview of governance matters is provided at Board level. Scottish Leather Group's Operational Executive oversees the strategic delivery of

the programme which is led by our Head of Innovation and Sustainability, a Chartered Environmentalist.

The overview by our Board of Directors and real time monitoring by regulatory and other third parties ensures compliance is consistent to, or exceeds requirements of, the highest standards. This is fundamental to being a responsible business and an exemplar in our sector. Our commitment to The United Nations Global Compact (UNGC) requires adherence to all of the SDG principles and supply chain governance. We have satisfied ourselves and our auditors in meeting the UNGC gap analysis self-assessment.



Implementation

The Executive Board meet with the Scottish Leather Group Operational Executive on a quarterly basis to review performance using Scottish Leather Group's Strategic Deployment Matrix (SDM). The SDM details the key objectives for each area, resulting initiatives that are required to deliver the programme and how they are progressing.

These initiatives are subsequently communicated via regular workshops to ensure all colleagues are clear on what is required of them and how their roles contribute to the overall programme. Our internal newsletter further supports ongoing communications and employee engagement.

“Good governance is fundamental to responsible business.”

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02

Materiality matrix

Our approach to sustainability has been guided by stakeholder input over nearly two decades. However, more than ever, it is imperative for us to gain a meaningful insight into changing customer and internal stakeholder views on what is “material” to them.

We sought an holistic understanding of key ESG topics though a combination of internal and external stakeholder engagement.

This research identified the evolution of our ESG strategy as a key priority and helped us create our corporate identity and pillars. Further analysis coupled with examination of customer requirements delivered a broad understanding of the relative importance of the key topics across our key stakeholders. Scottish Leather Group aims to review the prioritisation of these topics and repeat an annual assessment so that we may respond to the evolving landscape.

Identifying relevant sustainability topics

We commissioned a review of our Sustainability Report format to bring in wider market perspective and experience

and examples of best practice impact reporting. We also analysed global sustainability frameworks Sustainability Accounting Standards Boards, the Global Reporting Initiative the UN Global Compact and United Nations Sustainable Development Goals alongside reviewing the topics considered by our customers in our ongoing communications.

Stakeholder engagement

We conducted independent qualitative research with both internal colleagues and customers. Our research partners held in depth interviews with twenty-two leaders from within our own business and representatives from a cross section of functions with twenty-six customers across all the sectors in which we operate. We also partnered with a trends intelligence agency to help us understand the end consumer expectations for sustainability.

We intend to repeat this exercise periodically.

Material Topics

- Transparency & traceability of raw materials**
Ability to track and trace from farm to finished product.
- Ethical sourcing & animal welfare**
All raw materials are by products of the food industry and animals are raised to a high standard of animal welfare, as measured by the Animal Protection Index .
- Health & safety / Employee wellbeing**
Providing a secure and safe environment for employees to thrive.
- Responsible supplier relationships**
Ensuring suppliers meet the same criteria our customers expect from ourselves.
- Customer experience**
Excellence at every touchpoint throughout our delivery.
- Product Quality**
Aspiring for brilliance in performance, longevity, design, and innovation.
- Talent & Lifelong Learning**
Actively encouraging employee progression and promoting continual learning.
- Sustainable Innovations**
Developing new technologies, designs and finishes that improve longevity and minimise impact.
- Circularity of Product Design**
Delivering high performance material that can be repurposed at end-of-life.
- Low Carbon Product**
Lowering the carbon footprint of our operations and products.
- Resource Stewardship –**
Ensuring and optimising use of natural resources.
- Climate Change**
Contributing to the overarching aim to reduce impact.
- Craftsmanship**
Continually developing the care and skill required to produce our lowest carbon leather.
- Diversity & Inclusion**
Recognising, respecting and celebrating each other's differences and creating an environment where everyone feels welcome and valued.
- Community Investment**
Supporting the local community financially and practically.

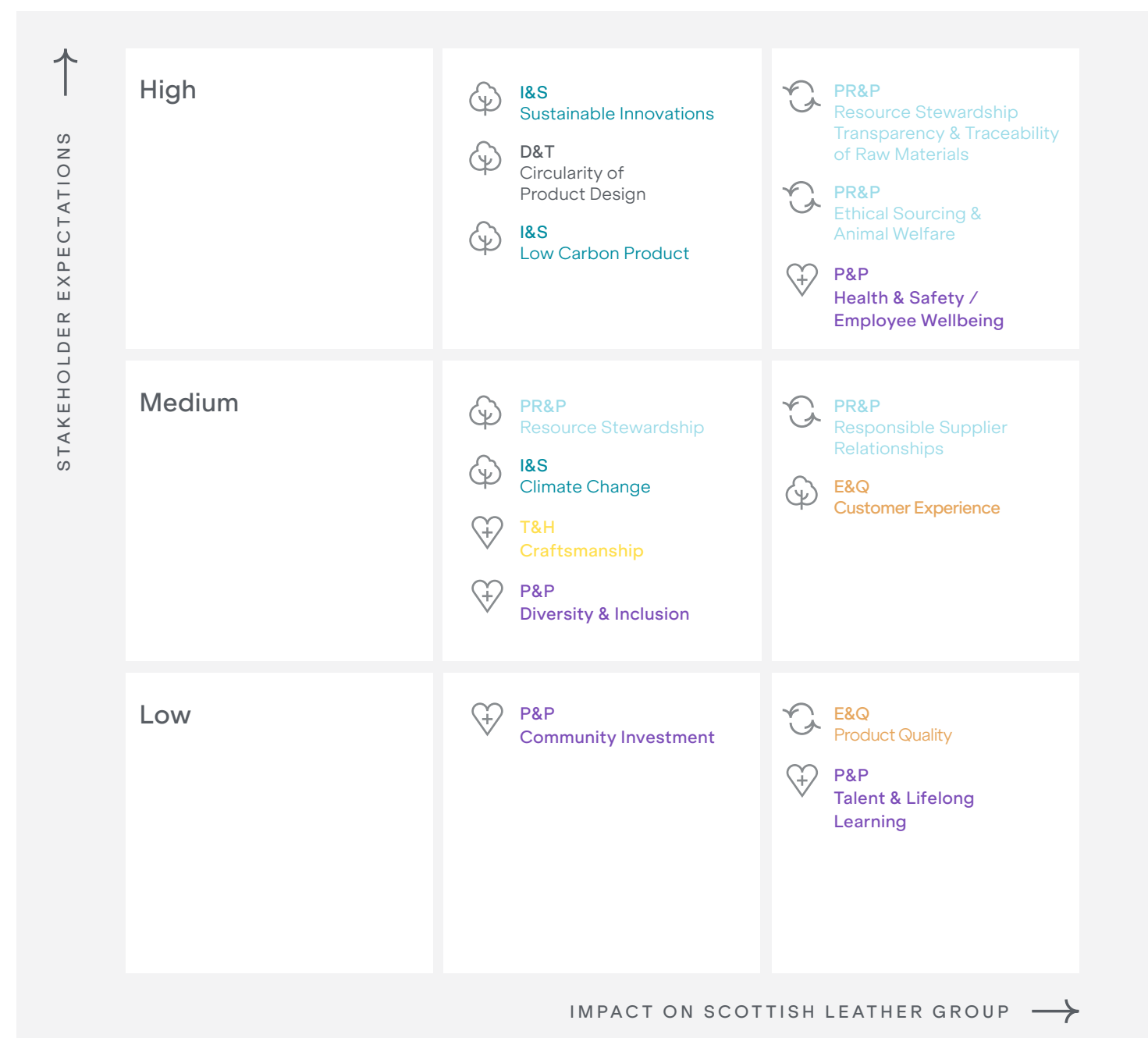
Key

Brand pillars

I&S	Innovation & Sustainability
D&T	Design & Technology
PR&P	Provenance & Place
P&P	Passion & People
E&Q	Expertise & Quality
T&H	Tradition & Heritage

ESG Category

	Environmental
	Social
	Governance



Our approach for a more sustainable future

Integration of ESG & business strategy

We were proud to share our journey at COP26 on the Group's core activities, namely the sustainable manufacture of leather and the application of our unique circular manufacturing process in support of the "UN Goal 13 Agenda". We believe finding innovative ways of working together to accelerate climate action and adaption can support our customers to reduce carbon emissions and take climate action.

Scottish Leather Group is a family-owned business, driven by exceptional people. It is our people that bring warmth, grit and expertise. Dedicated, honest and proud, we care and obsess about every detail.

Our approach includes the most material sustainable topics and supports our vision to innovate and manufacture the world's lowest carbon leather for the world's most respected companies.

We are committed to an innovation agenda that supports a sustainable future including blockchain technology to deliver full supply chain transparency and traceability, one of our key material topics. Our unique low carbon leather and circular manufacturing approach allows us to support our customers on their own journeys, empowering more people, businesses and brands.

Our people are at the heart of our business purpose

At the heart of that purpose is a concern for the safety and wellbeing of our employees, contractors and the communities that surround our manufacturing sites; something on which we will never compromise.

There is always opportunity for improvement and as we strive to achieve zero waste to landfill and zero embedded carbon by 2025 per Scope 1 and 2, we endeavour to lead the way to make sure our business and sustainable manufacturing practices help ourselves and our partners to do more for the planet.

We have a lifelong passion for developing game-changing products that are the benchmark for luxury, comfort and care.

We respect our resources, pioneer world-leading sustainable practices and only source rawhides from suppliers that respect and observe animal welfare standards that are rated amongst the highest globally.

We take responsibility in raising standards. From our people, our suppliers, to the materials and resources we use – we take pride in designing and manufacturing high quality sustainable products that inspire our customers and the people that use them.

Our commitment to creating the best products and delivering the best service is a philosophy that began with our founders and remains true to this day.



100%

data independently audited by BSI,
Leather Working Group

53%

reduction in corporate carbon
footprint as measured per
the SECR against baseline
without offsetting

100%

of our suppliers are signatory
to our code of conduct

100%

100% traceability of our raw
material as certified by
Leather Working Group

90%

90% decrease in energy
intensity per hide in the last
20 years. (Scope 1 and 2)

Life Cycle Analysis (LCA)
measures impact of production
as CO₂e/m², our LCA of

8kg

being the lowest in the world
published for leather

84%

of our waste was recycled
or recovered in 2021

Commitments & progress

1[✓]

Year
2021



Commitment

All suppliers to become signatory to Code of Conduct.

Materiality topic

- Transparency & Traceability of Raw Materials
- Ethical Sourcing & Animal Welfare
- Responsible Supplier Relationships
- Product Quality
- Customer Experience

Progress

All suppliers now signatory to Code of Conduct.

2[✓]

Year
2021



Commitment

We will be accredited to, and exceed the requirements of the Healthy Working Lives standards for employee wellbeing.

Materiality topic

- Health & Safety / Employee Wellbeing
- Inclusion & Diversity
- Talent & Lifelong Learning
- Craftsmanship
- Community Investment

Progress

We have already achieved 'Gold' standard and the RoSPA President's Award.

In the forthcoming year we will undergo SMETA audit.

3[✓]

Year
2022



Commitment

We will be accredited to the UN Global Compact.

Materiality topic

- All

Progress

In early 2021 we restated this commitment in our communication on progress and have completed our self-assessment confirming compliance. This has been independently verified.



Sustainability is in our DNA, and we continue to strive for improvement. We have made six major commitments to increased sustainability, securing our future as industry leaders.

4[✓]

Year
2023



Commitment

We will have verified the integrity of our supply chain via an auditing protocol to meet internationally accepted standards.

Materiality topic

- Transparency & Traceability of Raw Material
- Ethical Sourcing & Animal Welfare
- Responsible Supplier Relationships

Progress

We are actively engaged with our supply chain – suppliers and contractors alike – and seeking assurance regarding the provenance of materials, supply chain footprint, behaviours and practices.

5+6[✓]

Year
2025



Commitment

- 1 Through circular manufacturing, we will have zero process waste to landfill.
- 2 We will reduce our direct (scope 1 and scope 2) impact to Net Zero as reported under SECR.

Materiality topic

- Sustainable Innovations
- Circularity of Product Design
- Resource Stewardship
- Low Carbon Product
- Climate Change

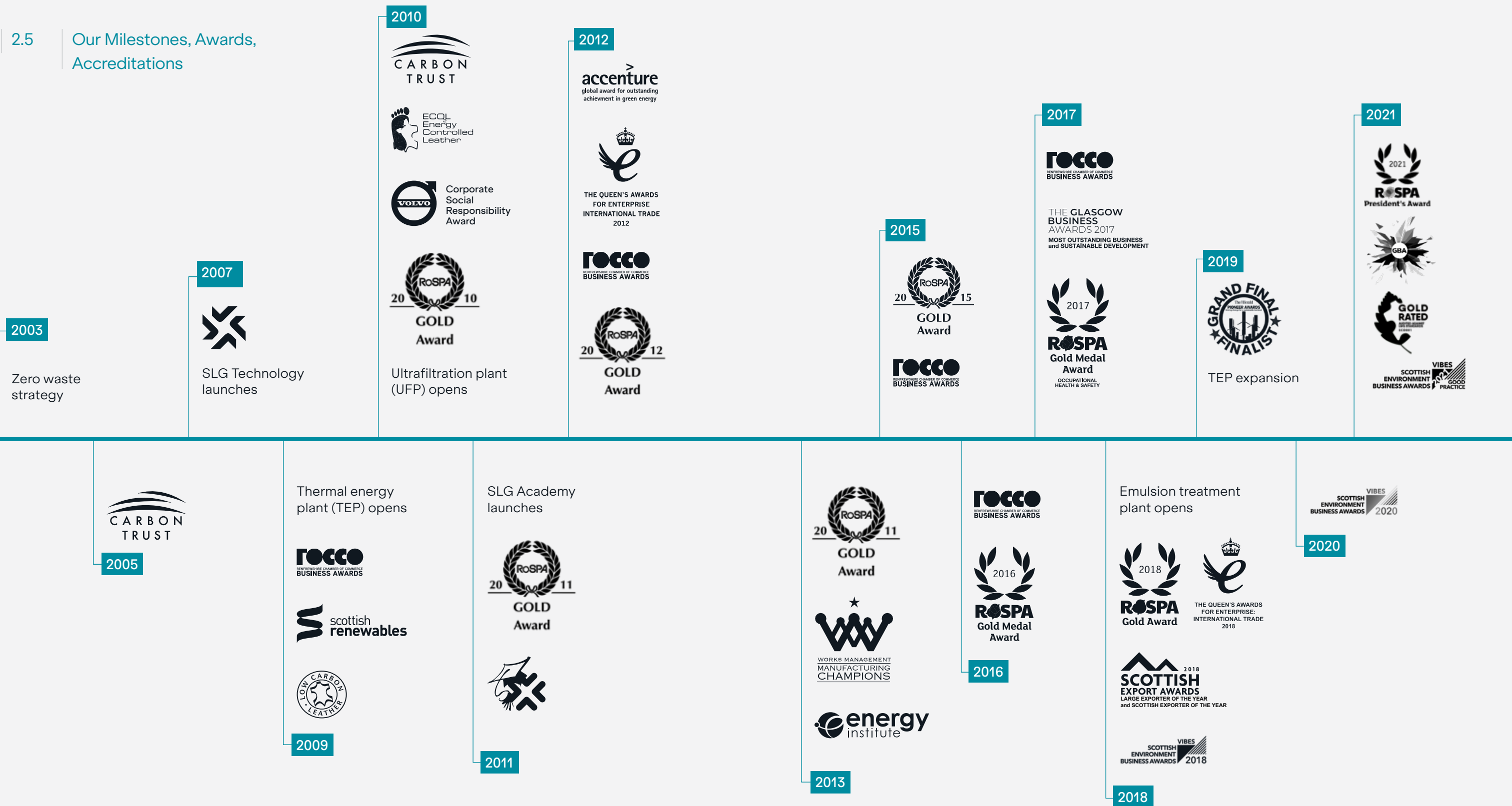
Progress

- 1 Progress has seen our metrics achieve 84% of our 2025 target.
- 2 Our GHG scope one and two emissions have already reduced by 90% from baseline towards our 2025 target.
- 3 Our Corporate footprint has reduced by 53% per SECR.



Key

- Environmental
- Social
- Governance



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Section

03

3.1 Management approach – summary

Our people are at the heart of our business purpose.



At the heart of that purpose is a concern for the safety and wellbeing of our employees, contractors and the communities that surround our manufacturing sites; something on which we will never compromise.

Through their unique skillsets, knowledge and commitment, they form the foundation for what we do and the way that we do it.

In 2021 we progressed our commitment to our people and achieved “gold” standard in the Healthy Working Lives Programme, a Public Health Scotland initiative to help promote positive mental health, health improvement and health and safety, and seek to surpass this.

An externally conducted SMETA accredited audit will be conducted in 2022 in accordance with globally recognised good practice, to independently measure our performance as presented by staff.



Our materiality assessment cemented our existing understanding of key priorities:

People

Improve lives

Material Topics

Health & Safety /
Employee Wellbeing
Inclusion & Diversity
Talent & Lifelong Learning
Craftsmanship
Community Investment

1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

3.2 Health & safety / employee wellbeing

Employee wellbeing is critical to a productive and engaged workforce and to social gain. As part of our strategy to improve health and safety and employee wellbeing, we conduct two internal surveys.

The first is our biannual health and safety climate survey, a Health and Safety Executive (HSE) recognised survey, which focuses questions around 8 key areas including organisational commitment, behaviours and near miss reporting. In our most recent survey in January 2022, distributed to all our employees, we achieved just under a 50% response rate, with the results being aligned to industry benchmark. We are committed to going beyond the industry benchmark though as we focus our efforts on improving behavioural safety performance in the coming years.

Our second is our Pulse Employee Engagement Survey, with our very first completed in November 2021. Again, distributed to all our employees, Pulse received a response rate of 75% and we

are confident that the results are a representative sample of our workforce. As well as asking 64 questions relating to health, safety and wellbeing, the survey also focused on communication, collaboration, inclusion and growth and development, to name a few. We are very proud that safety and wellbeing scored the highest in all categories, cementing the commitment we have made to our continued improvements.



“We take pride in employee wellbeing.”



We also take great pride in being an employer who promotes employee wellbeing. We achieved “gold” standard in the Healthy Working Lives Programme, a Public Health Scotland initiative to help promote positive mental health, health improvement and health and safety and seek to surpass this. During last year we received confirmation of the RoSPA President's Award, for achieving 10 consecutive gold awards in prevention of accidents.

Internal communications have also increased, with the launch of our internal newsletter – The Cutting Edge, sharing staff successes and activities.

This coming year we are investing further in new facilities, with enhanced welfare and working conditions with significant investments in new plant, buildings and automation to mitigate risk.



3.3 Inclusion & diversity

Targets our commitment

The manufacturing sector continues to face structural and cultural challenges. We are continuing to increase our efforts in attracting a diverse workforce to Scottish Leather Group at all levels – working with schools, colleges and organisations who work with young people in Scotland to raise awareness of career opportunities within the manufacturing sector.

Having the right people in place and ensuring that they are provided with the platform to develop is crucial to our success and creating an environment which supports all of our employees to fulfil their full potential will help us achieve our ambitions of becoming the most successful and respected leather manufacturer in the world.

We believe the area where we can make the most impact is to encourage more women into the company. We have recently appointed a Talent Acquisition Specialist to enhance our external visibility, and ensure we carry our job and career messages to an wide ranging audience.

This will be achieved by further STEM events, career fairs and visits to schools and colleges. We also look to improve our marketing messages by ensuring females are more prominent in our employee case studies and external marketing collateral.

We also conduct an annual talent review and succession planning process, which is designed to identify future talent within Scottish Leather Group, with personal development plans put in place to support career development. In 2021, we took the decision to proactively encourage two of our female employees to enter into a rising stars development programme offered by the Glasgow Chamber of Commerce. We have also once again engaged with



Entrepreneurial Scotland and their intern programme, Saltire Scholars. We are pleased that two of our five interns in the summer of 2022 will be female, working in manufacturing support roles, with the aim of creating a pipeline of talent for our future manufacturing aspirations.

We are supporting STEM education and have a dedicated team who educate students of all genders and from all socio-economic backgrounds in local schools about the leather making process and how STEM subjects are vital across our industry.

Science, technology, engineering, and mathematics form the backbone of leather manufacture, and by working with local schools and engaging with community fairs, we hope to not only recruit the next generation of leather technologists, but also bridge the gender gap in STEM industries.



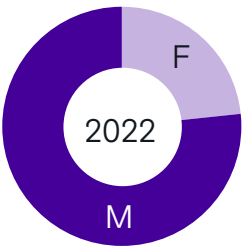
Female internships awarded in manufacturing roles

40%


“We believe the area where we can make the most impact is to encourage more women into the company.”



Scottish Leather Group employee breakdown by gender



Male: 575 (77%)
Female: 168 (23%)



“ We are supporting STEM education in local schools and have a dedicated team who educate students of all genders and from all socio-economic backgrounds about leather.”

3.4 Talent, lifelong learning & craftsmanship

We are nurturing future generations of

leather



experts.

In 2022 we will enter our 11th year of the Scottish Leather Group Academy. We have already developed 70+ apprentices across Manufacturing and Production and Maintenance Engineering. Additionally, we enrolled Saltire Scholars to enhance the business and create career opportunities for these talented individuals.

We created the leather industry's first recognised vocational qualifications, certified by the Scottish Qualifications Authority (SQA), building skills that benefit the whole manufacturing sector.

We are also pleased to welcome our first 5th Year school students, on our new Foundation Apprenticeship programme in May 2022. They will both join Scottish Leather Group for a weeks' placement in the Engineering department, getting exposure to what it's like working as an engineer, with the hope of creating a further pipeline for talent when they are seeking future employment.

In 2021, we supported a further two employees in enrolling in graduate apprenticeships in International Business at the University of Strathclyde. This builds on two employees who are currently studying graduate apprenticeships in Engineering (Design and Manufacturing) and IT Cyber Security.

We continue to promote personal and professional development through our Performance Development Review process, which ensures that development opportunities are aligned to company and personal ambitions. We continued

70+

Apprentices developed across manufacturing, production and maintenance engineering.

to offer development opportunities in 2021 in our leadership and management development programmes. This has equipped over 100 of our Managers, Supervisors and Team Leaders with the required skills to ensure they are successful in their roles, improving their overall confidence and helping them reach their full potential.

Some of our apprentices have gone on to more advanced positions, having graduated or currently attending University to gain degrees in Leather Technology and Engineering and Design and Manufacturing.

3.5

Community investment

We make a positive and lasting impact on local communities

The Group’s charitable and community engagement aims to make a lasting impact in the communities local to our manufacturing sites. This has been particularly important in the past two years of COVID-19.

The team continued its focus on supporting the communities where our business operations are located.

Following our immediate and urgent response to the COVID-19 pandemic in 2020, we continued working with local causes that were focusing on supporting children. We know that our continued support is greatly appreciated by these groups.

Our ongoing collaboration with local primary schools, both in the Dalmarnock area of Glasgow and Bridge of Weir has ensured that the return to full time education included some much appreciated extracurricular activities. 2021 has also seen our STEMs team launch a multi-year programme with Bridge of Weir Primary School. Greenpower Educational Trust inspire young people around the world to excel in Science, Technology, Engineering and Maths through a unique challenge; to design, build and race an electric car. Our team were delighted to support pupils both in the class room and through visits to our new cut and sew facility where we helped them in the design and build of a leather seat for their car. We look forward to



next year’s project with Bridge of Weir Primary and also to working with a Paisley primary school on a STEMs project.

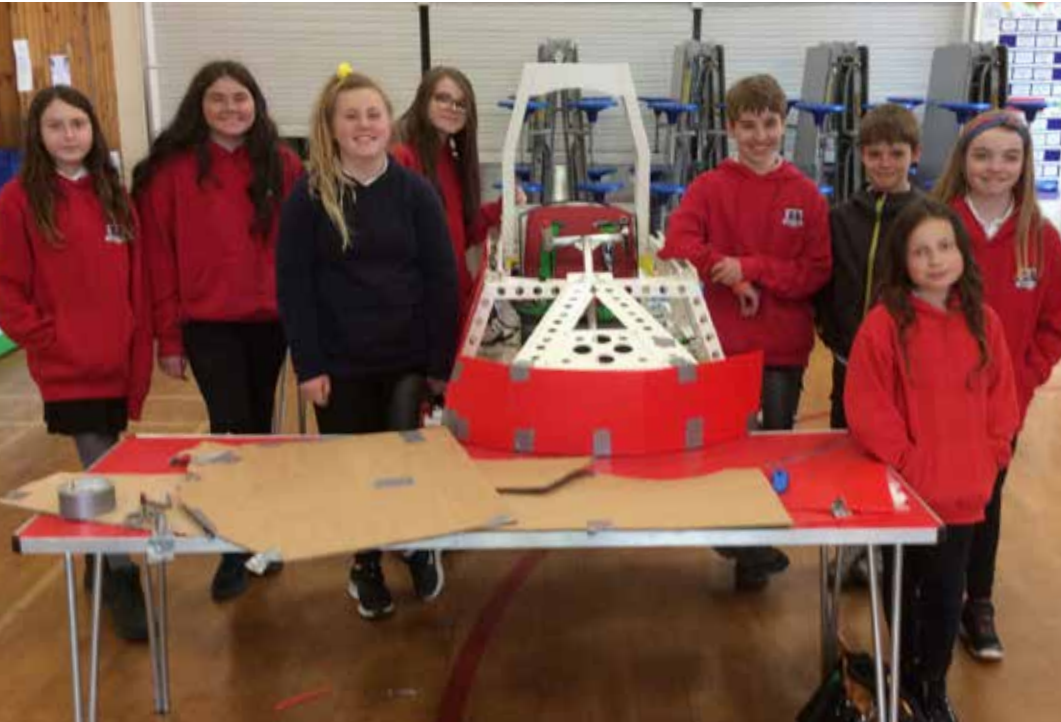
Our relationships with Families First Johnstone, Renfrewshire Toy Bank and With Kids in Glasgow are well established, so it was particularly pleasing to cement our relatively new but evolving partnership with Darkwood Crew who are doing an amazing job working with the young, and the not so young, in Ferguslie Park, Paisley. This charity really appreciates the practical and financial support it receives from our company as well as the generosity of our employees who donate Christmas gifts for the children and senior citizens of Ferguslie Park. Together we really do make a difference and we look forward to supporting Darkwood Crew for many years to come.



CHAS, St Vincent’s Hospice, Accord Hospice and Bridge of Weir senior citizens remain regular and very appreciative beneficiaries, and this year we were delighted to be able to support the Trades House Glasgow Souper Star Appeal which provided Christmas lunch for clients of the Lodging House Mission.

In response to the humanitarian crisis in Ukraine, we were grateful for the advice of our Polish colleagues who recommended we team up with St Mary’s Primary School in Paisley to collect essential items and monetary donations. Following this excellent response the company also made a donation to The Polish Humanitarian Action, a charity chosen by our colleagues.

Despite being a difficult year, in addition to our direct company support, several of our employees have been involved in raising funds, or giving their time and skills, to benefit a wide range of causes in the communities around our sites and to support those in Ukraine. This giving, in its many forms, is testament to the corporate culture we aim to nurture and build upon as we strive to do and be more.



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04

4.1 Management approach – summary

Our 'journey to zero' is leading the leather industry
The importance of the ESG agenda is a key learning from our stakeholder engagement and materiality assessment. It is valued more highly than ever by consumers and customers across all industries – and rightly so. We are proud that our pioneering 'journey to zero', backed by rigorous analysis, leads the leather industry.

In 2003 Scottish Leather Group launched its zero waste strategy. We have dramatically (by 90%) reduced the average carbon intensity (measured as CO₂ equivalent) per hide of our leather by switching to 100% renewable electricity and converting our own process waste into energy.

Our materiality assessment cemented our existing understanding of key priorities:

Planet

Reduce Impact

Material topics

Sustainable Inovations

Circularity of Product Design

Low Carbon Product

Resource Stewardship

Climate Change

6

CLEAN WATER AND SANITATION

7

RENEWABLE ENERGY

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

13

CLIMATE ACTION

14

LIFE BELOW WATER

15

LAND

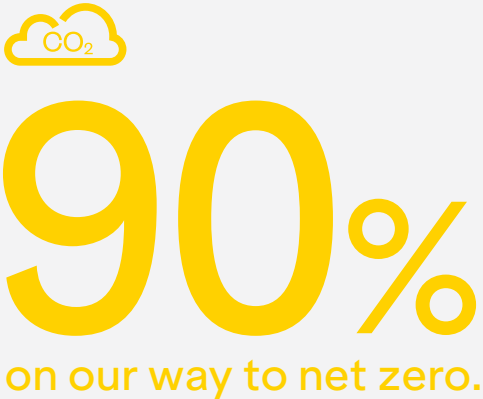
“We are committed to the ‘sustainable’ manufacturing of leather and reducing the footprint of our own operations.”

Our commitments

We have since made formal commitments to carbon reduction and sustainable manufacturing as outlined in this document, including people metrics, governance, compliance, independently audited and founded on best practice.

We approach the final stages of that journey with our goal to reach zero for scope 1 and 2 carbon and zero process waste to landfill by 2025.

We look forward to the conclusion and clarification of our longer term targets and commitments under the SBTi by 2037.



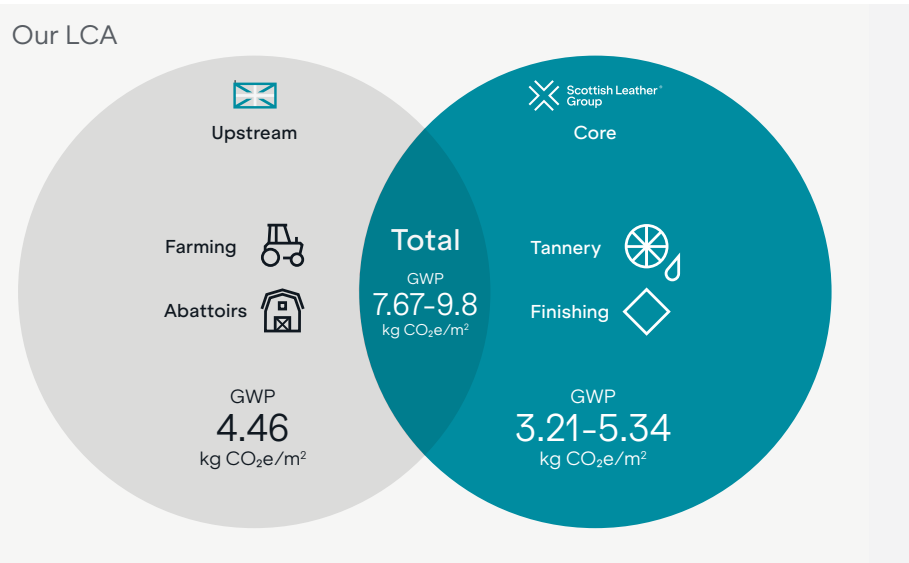
4.2 Measuring our product's environmental impact

Low carbon leather, climate change

We produce the world's lowest carbon leather as measured using Life Cycle Analysis (LCA). This is a methodology for measuring the true long-term impact of a service or product. LCA examines all the steps in a product's life from the extraction of raw materials, through all working processes, to distribution, maintenance and what happens to it at end-of-life.

LCA is a powerful tool for measuring how responsible our consumption and production is, enabling a true and fair comparison against the impact of other products and materials.

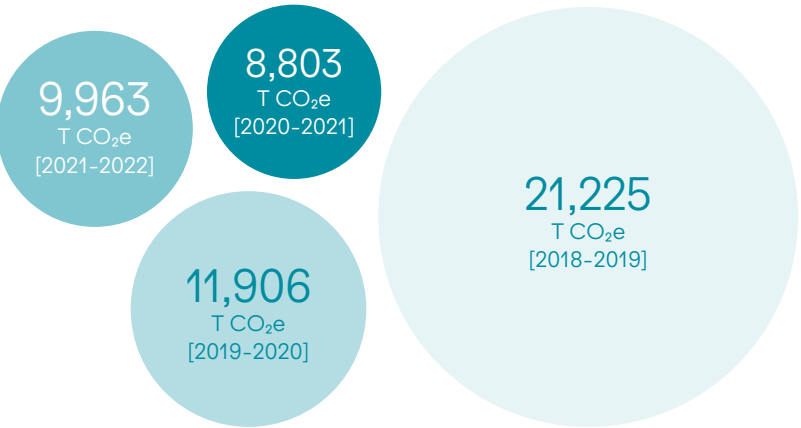
We ask independent specialist consultants to measure the true impact of our activities, verify the impact of our supply chains, and identify opportunities for impact reduction.



This LCA-driven 'responsible innovation' process encourages us to increase our use of renewable energy, find new ways to increase the value and reusability of our co-products, and review our intake of chemicals – we are looking more and more to replace conventional chemistry with biobased materials of assured provenance.

The Life Cycle Analysis for our leather is based on primary data, independently created by specialist consultants according to ISO14040 and ISO14044 using Sector Guidance – EDP, PEFCR, and PCR standards, calculated using proprietary SIMAPRO software and in reference to the Eco Invent 3.6 database.

Company environmental impact
Our Corporate footprint has reduced by 53% per SECR (no offsetting) with more than 95% being direct manufacturing operations and only 1% being business travel. Hence why we have been and continue to focus on reducing the manufacturing related emissions.



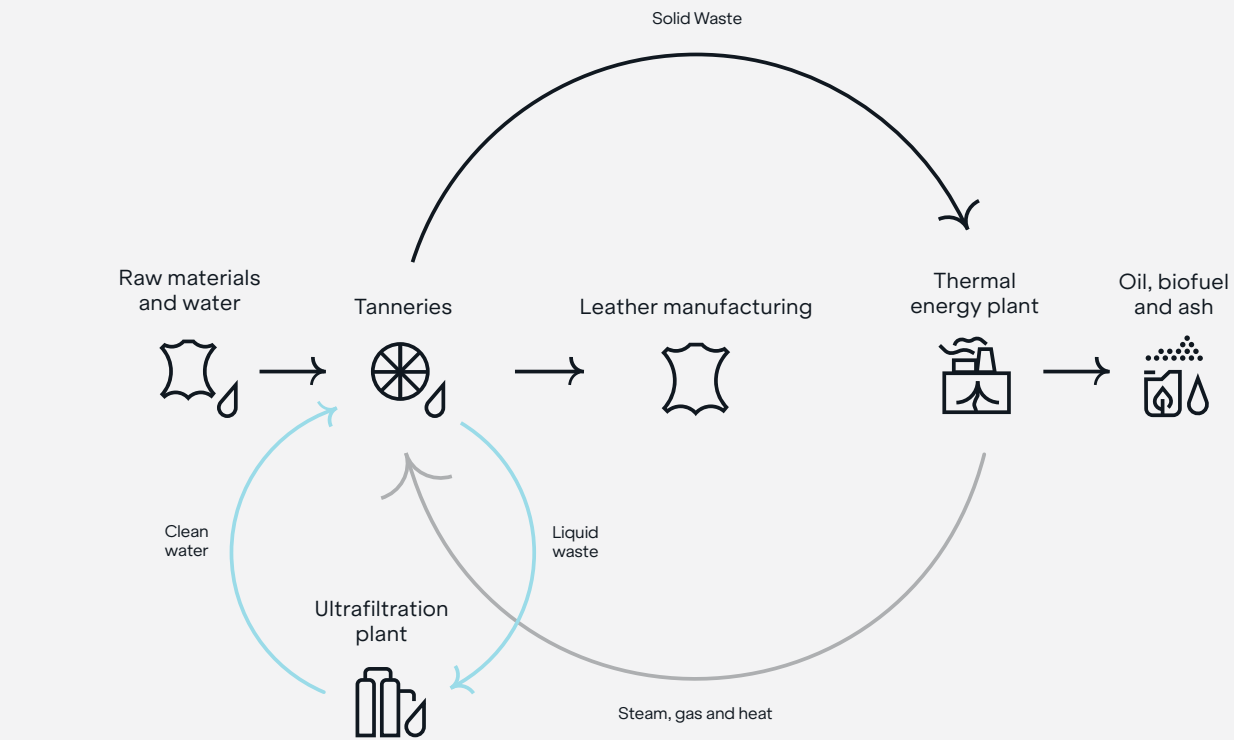
Full table in appendix

Circularity of product design / sustainable innovations

Circular manufacturing

We use our own process waste as fuel in a patented circular manufacturing process. Our thermal energy plant reclaims energy as both steam or a biofuel co product from our waste streams and uses some of this heat to directly power our tannery. This minimises waste to landfill and radically reduces our corporate and product carbon footprint.

Our circular manufacturing process



“Our patented circular manufacturing process minimises waste to landfill and radically reduces our carbon footprint.”

4.3 Resource stewardship

We source natural, clean, local water from our own loch*

We primarily (95%) source water from our own loch – a natural, local source of clean Scottish water. We filter and recycle up to 40% to save water and recover renewable heat.

The remainder is treated by a downstream plant and returns to the original watershed, reducing the measurable impact within our Life Cycle Analysis (LCA).

The water is “borrowed”; we use our own natural water source, treat it, recycle it or discharge the treated water back to the same watershed (same river), without consuming any according to LCA. This has almost ‘0’ impact on a kgCO₂/m² basis. We also measure water use according to the water scarcity index for each of our products.

Our factories are provided with mains drinking water to supplement the provision of water fountains for safe drinking supplies. Sanitary facilities throughout exceed workplace regulatory requirements.

We source the majority of our water from natural sources, including our own managed loch. Our ultrafiltration plant enables us to recycle up to 40% of our treated water back into use within production.



Our world class tannery uses 50% less water per hide** than the industry standard

50%

This past year saw recycled water accounting for 12% of total water used. This recycling process significantly decreases our intake from the loch, minimising impact on the local watershed.

A further benefit of water recycling is heat recovery, accounting for up to half of our water heating demand.

The upcoming expansion of our Water Treatment and Recycling Plant will allow us to recycle even more wastewater back into production.

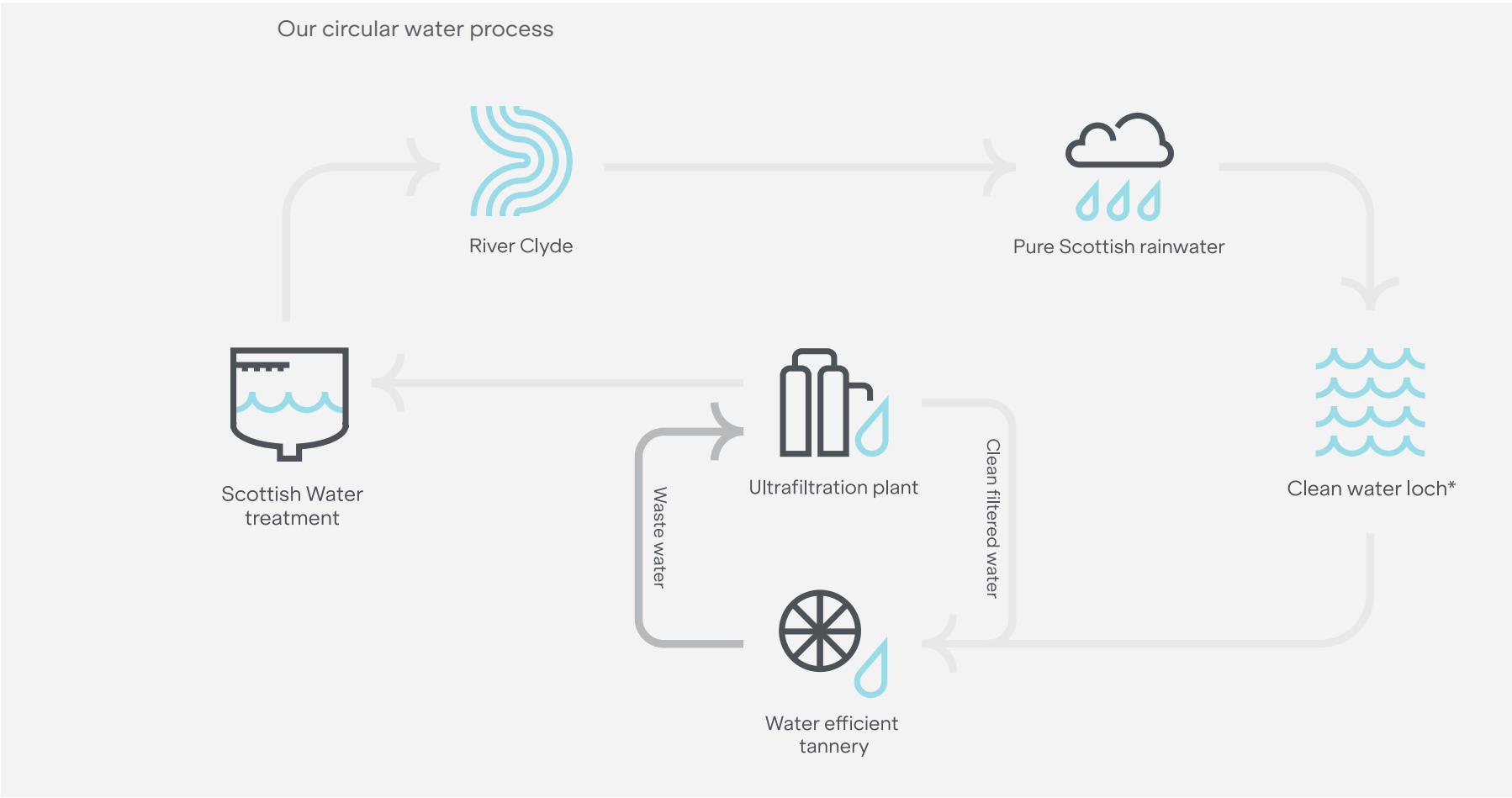
As an indirect discharger, the treated wastewater from our manufacturing process that is not re-used by us is further treated by Scottish Water before re-joining the ecosystem of the River Clyde Estuary as clean water.

We complete this circular process by managing and maintaining the welfare of our loch, our own water supply. Annually we conduct analysis of the true impact of our operations on the aquatic environment.

* A loch is a large area of water in Scotland.
** BREF EU best available techniques reference documents.

“Our ultrafiltration plant enables us to recycle up to 40% of our treated water back into use within production.”

Water re-use is part of our circular manufacturing process.



4.3 Resource stewardship

Scarce resources

We make the world's lowest carbon intensity leather

The Group ensures that all materials used throughout our leather production are responsibly sourced and that our production carbon intensity is constantly improving, such as through the use of certified 100% renewable electricity.

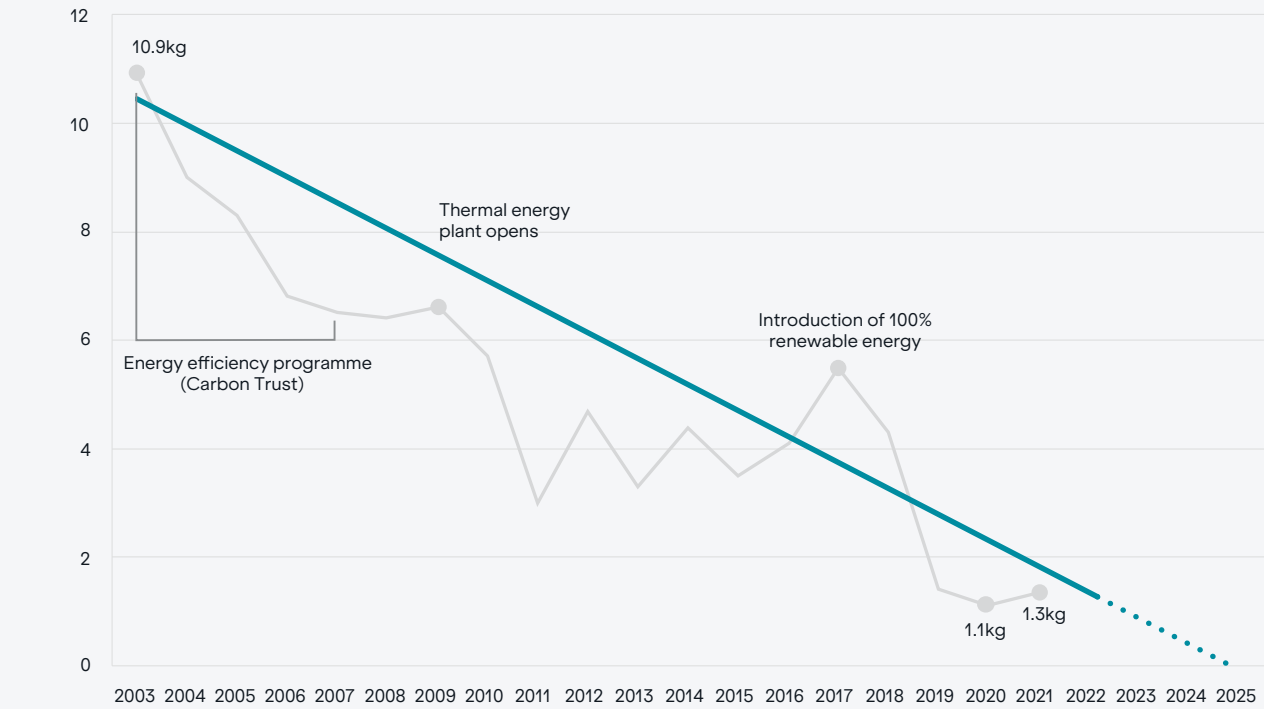
Low carbon product

Lowering carbon intensity

While fluctuations are inevitable, our overall trajectory towards our target of net zero by 2025 remains on track.

Carbon Intensity

This graph represents the energy intensity of our leather, shown as kg CO₂e per hide, reducing by calendar year.



“Our customers select us as a supplier because we ‘lead the way in responsible production of leather’ – a choice that reflects positively on their own brands. Our forthcoming SBTi targets will set new standards for the leather sector supply chain for the next 20 years.”



Our production carbon intensity is constantly improving, such as the use of certified 100% renewable electricity.



4.4 Sustainable innovations

We work closely with customers in achieving their ambitions towards a net zero future. This is captured in the aforementioned initiatives as well as in our innovation agenda.

Sustainability and innovation go hand-in-hand. Continuous innovation is how we will reach our goal of net zero carbon by 2025, and our customers demand the same innovation in our products and services.

The Group has committed to a formal innovation agenda, putting in place a system that encourages and nurtures new ideas – a platform to take our business forward.

We work proactively in ‘innovation hubs’ that bring together our own teams with external specialists. These hubs include our manufacturing partners, our customers, research groups and universities.

New ideas are evaluated through collaborative discussion, focus groups and sales team feedback and reviewed for commercial viability and regulatory compliance.

Our iterative approach to research and development ensures that new process or product ideas are robust and fully formed before reaching a commercial evaluation and then, if appropriate, marketing input. Commercialising innovative ideas is the end goal, and during the past year the Group has enjoyed notable successes.

Muirhead ActiveHygiene leather addresses the challenges of post-pandemic passenger travel head-on – sustainable natural leather with added antiviral properties, using Polygiene Biomaster technology from Polygiene AB. ActiveHygiene leather eliminates



99% of viruses* and bacteria from seat surfaces within two hours – no additional sanitising or cleaning required.

Our Life Cycle Analysis (LCA) audits our environmental impact holistically. The hotspot evaluation tool at the heart of the LCA has helped us identify opportunities to continuously reduce our impact.

The year ahead will see us focus on introducing more biobased or benign content into our leather making processes, reducing our reliance on traditional chemicals. Commercially this will lead to us presenting customers with next generation, sustainable leathers.

Our co-products agenda will also evolve rapidly, finding novel applications for proteins in entirely new fields and helping new partners who, like us, are seeking to reach net zero.

*SARS-CoV-2, H3N2 and H1N1 – according to ISO18184:2019. Polygiene Biomaster does not prevent diseases but protects the treated material.

Our Energy recovery scheme

Dealing with end-of-life leather is a challenge for both ourselves and our customers, however we have developed an interim solution which offers the option of energy conversion.

We are working collaboratively with customers to develop more circular solutions such as repurposing old seat covers to create new products. Increasingly whether through our supply chain of cut parts or the energy recovery of end-of-life leather, we can actively reduce the impact of leather to our customers.

“The year ahead will see us focus on introducing more biobased or benign content into our leather making processes.”



05 How we do business

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Section

05

5.1 Management approach – summary

Good governance is fundamental to responsible business. The data provided within the report, and previously, is independently audited to the standards by which we openly subscribe.

We are committed to strict ethical standards, fairness, transparency, and equality practices across the Group and within our supply chain. This begins with gender equality, with equal pay for equivalent roles, and extends across all our behaviours – and is enshrined in our commitments and measured against the obligations within UNGC.

The health, safety and wellbeing of our employees is paramount. We continue to promote the workplace based Healthy Working Lives initiative, encompassing employee workplace recognition, equal pay, and equal rights.

Scottish Leather Group maintains policies and practices to prevent modern slavery and promote a safe working environment. These values are also passed down to our supply chains through adherence to our Code of Conduct.

We operate a robust auditing program in accordance and beyond the requirements of our 8 ISO accreditations and report transparently using clear and understandable information.

The Group operates a robust zero tolerance approach toward none-compliance. The overview by our Executive Board and real time monitoring by regulatory and other third parties ensures compliance is consistent to, or exceeds requirements of, the highest standards. This is fundamental to being a responsible business and an exemplar in our sector. Our commitment to The United Nations Global Compact (UNGC) requires adherence to all of the SDG principles and supply chain governance. We have satisfied ourselves and our auditors in meeting the UNGC gap analysis self-assessment.

The UNGC broadly defines good governance via eight metrics, as a measure towards conforming to SDG 16:

- 1 Participation, via freedom of association and expression by all.
- 2 Impartial implementation of the rule of law where compliance is an obligation.
- 3 To meet the broad consensus for the best interests of all within an equitable society where societal wellbeing is increased.
- 4 Using processes and functions for maximum output and shareholder return.
- 5 Being accountable to customers.
- 6 Being accountable to regulators.
- 7 Being accountable to stakeholders.
- 8 Independently accredited.

Our supply chain partners, contractors and suppliers have ALL signed our Code of Conduct which expressly requires them to apply, as a minimum, the same standards of employment, behaviours, legality, and ethical practices as we do, and encourages them to continue this philosophy of supply chain integrity.

Scottish Leather Group has already taken steps with our supply chain to determine the origin of any potential conflict minerals (3TG) and work closely with them to actively seek to identify and eliminate the use of conflict minerals or support armed conflict or violence. We continue to demonstrate that our raw hide sourcing displays total transparency and traceability as independently audited. This has recently included the application of blockchain techniques.

We are committed to ensuring that there is transparency and fairness in all areas of our business. Key areas of focus have included the issue of modern slavery in our supply chain, and we require our contractors and suppliers to follow the same high standards that we hold ourselves to. We ensure that our staff are trained to look for indicators that could point to human exploitation and if there is any suspicion, however small, it is reported. No incident has been evident or reported from within our supply chain.

Our materiality assessment cemented our existing understanding of key priorities:

How we do business

Sustain growth

Material topics

- Transparency & Traceability of Raw Materials
- Ethical Sourcing & Animal Welfare
- Responsible Supplier Relationships
- Product Quality
- Customer Experience

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS



Our commitment to The United Nations Global Compact (UNGC) requires adherence to all of the SDG principles and supply chain governance.

5.2 Transparency & traceability of raw materials

We source from, and contribute back to, the food chain. All our raw hides are a by-product of the local beef and dairy industries, from which we have 100% traceability. We source raw hides locally within the UK & Ireland from responsible suppliers, without risk of deforestation, transparently and with full traceability.

Many of our co-products are returned as raw material into the food chain, as collagen – used widely in confectionery and other meat-based products. From a Life Cycle Analysis (LCA) perspective, the hides represent 1% of the economic value of the livestock.



“The co-products which we produce include collagen for both food and technical use.”

Material outputs

- Reclaimed as energy
- Reclaimed for food and other industries
- Finished leather



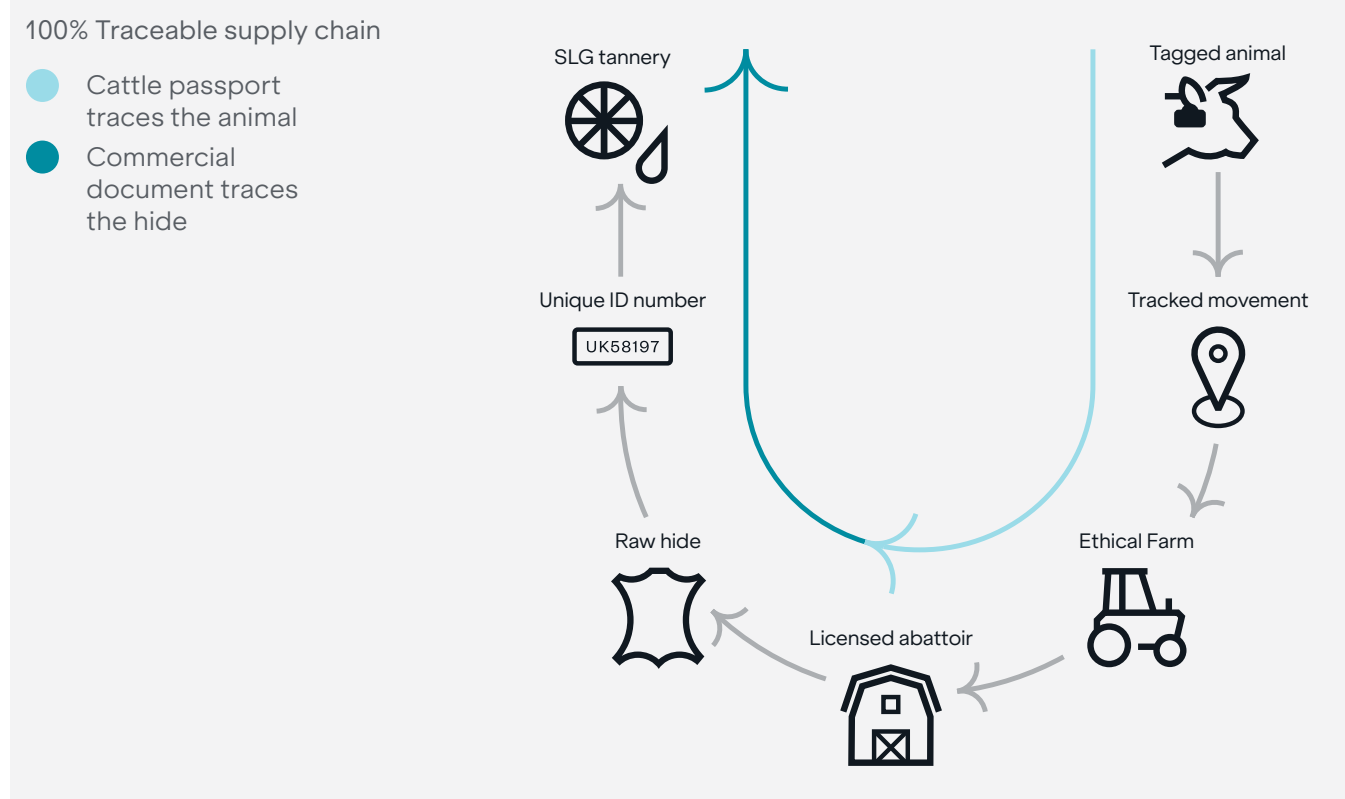
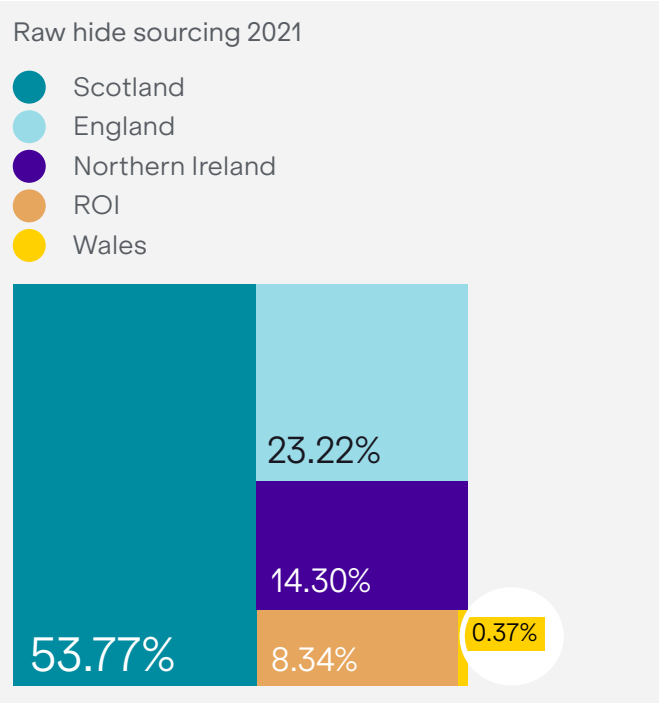
Ethical sourcing & animal welfare

All suppliers sign up to our Supplier Code of Conduct

All our raw hides are sourced directly from abattoirs that are subject to daily inspections by Government veterinarians and licensed under UK and EU regulations. This procurement policy ensures that our hides come from healthy cattle herds, in countries that are independently rated by the Animal Protection Index and achieve one of the highest ratings globally.

5.2 Transparency & traceability of raw materials

We procure around 98% of our raw hides locally from the UK and Ireland (in 2021, this figure was 100% as shown). These include 80.16% (2021 calendar year) of all Scottish grass-fed livestock – which enjoy the assurance of the UK Cattle Tracing Scheme (CTS) managed by the British Cattle Movement Service and ScotEID (Livestock Traceability). We are privileged to be able to source and trace our rawhides within the UK and Ireland as regulated within the Cattle Tracing Scheme. This ensures we can provide our customers with guaranteed provenance and ethical practices which are independently rated by the Animal Protection Index.



5.3 Responsible supplier relationships

The importance of UK farming

Agroforestry plays an important role in climate change mitigation and adaptation and supports a number of goals in the UK government's 25 Year Environment Plan and Clean Growth Strategy.

What is agroforestry?

Agroforestry encompasses farm hedgerows, parkland, and wood pasture but it also includes newer innovative systems, like contour planting and silvoarable cropping – a method of growing alleys of productive trees among arable crops.

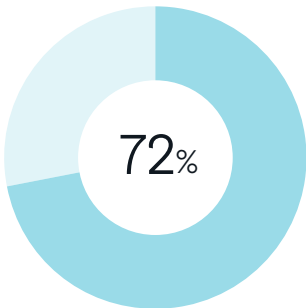
This deliberate integration of trees and shrubs into farming systems brings a host of benefits.

Agroforestry systems can:

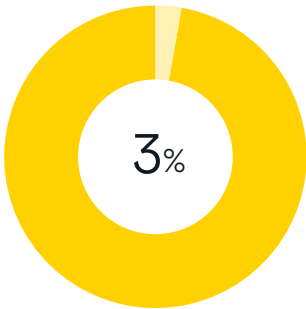
- Enhance farm productivity
- Increased biodiversity and habitat creation
- Improve soil health
- Boost livestock welfare
- Carbon capture
- Manage water flow
- Contribute to climate change mitigation

Systems can be also designed to avoid the potential trade-offs that occur in many modern farming systems between food production and public goods, like clean air. It is a progressive solution for both UK farming and the environment.

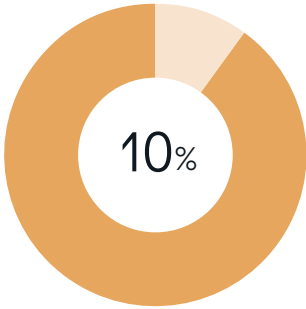
With over 98% of our hides sourced from within the UK, this farming system will have an increasing role in further reducing impact of our supply chain.



The percentage of UK land that is farmed.



The percentage of UK farmed area practising agroforestry.



The percentage of UK farmland in agroforestry required to help hit climate change targets.



“Agroforestry plays an important role in climate change mitigation and adaptation and supports a number of goals in the UK government’s 25 Year Environment Plan and Clean Growth Strategy. It is a progressive solution for both UK farming and the environment.”

5.3 Product quality and customer experience

Scottish Leather Group has decades of experience and expertise that enable us to create natural leathers of distinction. Our full spectrum of leather covers quality embossed textures and nappa leather and semi-aniline options, all the way through to our bespoke enhanced anilines and nubucks that give the most natural, smoothest appearance.

Our leathers are made to travel the world – Bridge of Weir Fine Automotive Leather can be found on the prestige marques of today and the concept cars of tomorrow. While Muirhead adorns 160 airlines, buses, coaches, and railways, and in the marine and furniture industries. Our custom leather can also be found in leading restaurants and government buildings, in hotels as well as private commissions.

Our leather is distinctive, natural and durable, adaptable and breathable. It wears well and ages beautifully. It is stress and abrasion tested and stain resistant, with years of knowledge and craftsmanship behind it to enable it to perform at an exacting level.

We offer cutting edge leather techniques and finishes, including bespoke and traditional perforation, digital printing, quilting, stitching, embossing and debossing.

Our on-site colour lab offers a custom colour matching service, where our skilled technicians mix, test and perfect the exact shade to meet customer requirements.



Having a design team in-house enables the Group to keep pace, anticipate and track future developments in colour, technology, and texture. Concept cars are a proven landscape to showcase our latest leather textures and finishes, and trend reporting allows global customers full view of the Group's latest capabilities allowing for a holistic alignment with design goals.

We push the boundaries of leather design and manufacture. We are constantly inspired to create new textures and original finishes that explore what is possible – and what is next.

A family business that has evolved over nearly two centuries also has to be at the forefront of technology. Muirhead developed the world's only full substance leather with a significant weight reduction over traditional leather, so we are the natural solution for leading airlines. Then we took it one step further with our ActiveHygiene, which eliminates 99% of viruses and bacteria from seat surfaces within two hours to address the challenges presented by COVID-19.

Assessing all our leather by eye, our quality engineers ensure the highest standards across the entire supply chain, from sourcing and manufacturing to the finished product.

Our commitment to lowest carbon leather and an onsite tannery means we are in full control of the process – and the quality.

We have the following accreditations:

- ISO 9001, Quality Management System Standard
- ISO 14001, Environmental Management System Standard
- ISO 50001, Energy Management Systems Standard
- ISO/TS 16949, Automotive Quality Management System Standard
- OHSAS 18001, Occupational Health & Safety Management System Standard

We are proud to support
our customers journey
to Net Zero.

Company Structure



Founded
in 1905



Founded
in 1872



Founded
in 1840

5.4 Collaborating for greater impact
– the future is electric

Alexander Dennis
& StageCoach

Alexander Dennis Limited, the UK’s largest bus and coach manufacturer and a global leader in designing and manufacturing double-decker buses, collaborated with transport group Stagecoach to provide ten BYD ADL Enviro400EV electric double-decker buses and drivers for VIP transport during the 26th United Nations Climate Change Conference of the Parties (COP26) in Glasgow, Scotland.

Muirhead worked alongside Alexander Dennis, a long-time customer, and First Bus on this project for their Road to Renewables Roadshow. This involved showcasing a double-decker Battery Electric Bus all over the UK – starting in London before making its way north for the start of the COP26 summit in Glasgow.

The buses, which arrived at COP26 fresh from ADL’s production line in Scotland, have been built for Stagecoach’s operations in London and are painted in the iconic red of Transport for London’s buses.

Stagecoach is the largest bus operator in the United Kingdom. It is committed to purchasing renewable energy across all its businesses, as well as targeting a zero-emission UK bus fleet by 2035.

The bus was furnished with wireless charging, USB sockets, and three different Muirhead lowest carbon leather stock colours on the seats – Bergamot, Pewter and Lilac Moon. That same Muirhead stock leather appears on all the seats of Alexander Dennis’ single decker Enviro 200 EV demo vehicle, which has been touring different operators around the UK.

These demo vehicles have been so successful that Alexander Dennis will be promoting a new Hydrogen vehicle built to the same spec as the electric vehicles – only using Muirhead Egyptian Blue instead of Bergamot. This Hydrogen bus is due to tour the UK later this year.



“We are proud to have been able to demonstrate a zero emission solution for this historic event (COP26) with attention given to every detail; on seating materials we successfully collaborated with our UK based partner Muirhead who produce the world’s lowest carbon leather and are committed to assisting their customers achieve a net zero impact.”

Jacqueline Anderson
Group Marketing Director
Alexander Dennis Limited



5.4 Collaborating for greater impact
– Racing.Green. with Aston Martin

Aston Martin

Bridge of Weir has enjoyed a special relationship with Aston Martin that spans decades, providing the highly specified leather interiors that are integral to the marque's reputation for ultra-luxury, high-performance vehicles.

This association continues to this day, from the beautiful DB11 to the powerful SUV, the DBX. Our super-soft, hand-crafted automotive leather was also used in the limited run DB7 Zagato Coupe, DB AR1, One-77 and more recently, the 2021 one-off creation, the Victor.

Aston Martin's new Environmental, Social and Governance (ESG) strategy, Racing Green embraces a new, driving ambition to be a world-leading sustainable ultra-luxury automotive business and Bridge of Weir will be a key partner on this journey.

“We are delighted to expand our long-term strategic partnership with Bridge of Weir, with the involvement of our suppliers key to successfully achieving our sustainability goals outlined in Racing.Green. Not only are we benefitting from their expertise and unrivalled quality but their vertical control from farm to finish, 100% traceability and lowest carbon leather, but we are also supporting our ambition to achieve net zero emissions across our entire supply chain.”

Aurelien Faucheux
CPO – Head of Procurement
Aston Martin



Aston Martin is transforming its products and the way they are manufactured to help tackle climate change. In 2024 Aston Martin will launch Valhalla, its first Plug-In Hybrid Electric Vehicle, with the first Battery Electric Vehicle targeted for launch in 2025 and a fully electrified Sport/GT and SUV portfolio by 2030.

Aston Martin is aiming to achieve net-zero emissions within their manufacturing facilities by 2030, and across their supply chain by 2039.

Bridge of Weir will support these ambitions as our relationship continues to flourish and we move to supplying cut parts for all vehicles from our new, state-of-the-art facility nearby our core manufacturing site in Bridge of Weir, Scotland.

By further integrating into the supply chain, Bridge of Weir will not only offer a more complete service, but also significantly reduce the environmental impact of the overall process.

Bridge of Weir leather is in evidence on almost every part of the interior trim, the seats, door panel, dashboard, steering wheel, gear stick gaiter, instrument panel and parcel shelf. Even the matching luggage is crafted in Bridge of Weir leather, an extension of our collaboration is a natural progression.



Bridge of Weir will support these ambitions as our relationship continues to flourish and we move to supplying cut parts for all vehicles from our new, state-of-the-art facility nearby our core manufacturing site in Bridge of Weir, Scotland.



5.4 Collaborating for greater impact
– a holistic partnership

Polestar

Bridge of Weir Leather is delighted to be supplying the leather for the Polestar 2, which has recently benefitted from a host of upgrades, further reducing climate impact and increasing material traceability.

Revisiting materials and processes that go into making an award-winning electric car, Polestar's updates address not just functionality and design, but sustainability and carbon footprint as well.

In taking this holistic approach, Polestar believes that when it comes to interiors, leather solves many challenges related to quality and the environment – and that relying on only synthetic materials creates other sustainability challenges.

Bridge of Weir satisfies Polestar's stringent requirements. Working with by-products from ethically responsible sources, the leather we provide offers 100% traceability.

Our unique lowest carbon leather, as measured and validated by LCA, directly supports our automotive customers and their journey to reducing their carbon emissions across their entire supply chains.



“We have revisited materials and processes that go into making Polestar 2, introducing updates that reduce the climate impact and increase material traceability of this award-winning car.

These are important additions to how we can improve cars over their lifetime. Not just with functionality and design updates, but addressing sustainability and carbon footprint as well.”

Thomas Ingenlath
CEO
Polestar

“We require that all leather used in Polestar products live up to the strictest standards on animal welfare and the Five Freedoms, as well as being fully traceable and chrome-free.”

Fredrika Klarén
Head of Sustainability
Polestar



06 Appendix

6.1 Appendix

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Section

06

Streamlined Energy & Carbon Reporting (SECR)

Energy use and carbon emissions

The Streamlined Carbon and Energy Reporting (SECR) data is presented in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. The data collected includes the emissions for the UK operations of Scottish Leather Group Operations Limited. UK Government (greenhouse gas) published conversion factors for Financial Year 2021-2022 were used to rebase prior years' carbon emissions and offsets, from primary data (meter readings and invoices) as per our ESG Policy.

Several of these conversion factors (e.g. waste, Scope 3) have increased during the year. The 2018-2019 financial year data continues to be used as the baseline year.

The chosen intensity measurement continues to be kg CO₂e/m² of finished product. Annual targets for absolute and relative energy use and carbon intensity KPIs for product mix are set within the Energy Management System (ISO 50001). The energy and carbon data presented is audited bi-annually by BSI. Additionally, the data presented is independently audited to Environmental Reporting Standard ISO14016. The Group's products (marketed as Lowest Carbon Leather) are subject to published (PCR, PEFCR) Life Cycle Analysis measurement which includes upstream carbon assessment.

Scope 1	Units	2021-2022	2020-2021	2019-2020	2018-2019
Gas consumption	kWh	34,038,962	34,301,001	39,158,932	40,858,498
Electricity consumption	kWh	15,695,112	14,073,795	16,196,333	17,596,923
Gas consumption	T CO ₂ e	6,235	6,283	7,172	7,484
Owned transport	T CO ₂ e	156	158	187	123
Process emissions	T CO ₂ e	123	103	124	148
Total Scope 1		6,514	6,544	7,483	7,755

Scope 2					
Emissions from purchased electricity	T CO ₂ e	3,333	2,988	3,439	10,588
Total Scope 2		3,333	2,988	3,439	10,588

Chosen intensity measurement: S1 & S2 net emissions	kg CO ₂ e/m ²	0.80	0.55	0.37	0.89
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Scope 3					
Fuel- and energy-related activities not included in Scopes 1 and 2	T CO ₂ e	2,143	2,118	1,502	1,658
Business travel	T CO ₂ e	61	16	30	N/A
Waste generated in operations – disposal emissions	T CO ₂ e	4,330	3,724	6,997	9,655
Total Scope 3		6,534	5,858	8,529	11,313

Offsets					
Gross emissions S1, S2, and S3	T CO ₂ e	16,381	15,390	19,451	29,655
Offset – Steam and oil exported	T CO ₂ e	(3,335)	(3,598)	(4,107)	(4,693)
Offset – REGO electricity supply	T CO ₂ e	(3,083)	(2,988)	(3,439)	(3,736)
Net emissions	T CO₂e	9,963	8,804	11,905	21,226

Kg CO₂e/m² Carbon intensity – Kg Carbon Dioxide equivalent per square metre product; T CO₂e – Tonnes Carbon Dioxide equivalent emissions; equivalent emissions are all emissions converted and reported on carbon dioxide; kWh – Kilowatt hours – Standard unit of gas & electricity measurement.

Journey to Zero – 2021		
Disposal Route	Total Tonnage	Percentage
Total Waste	49388.01	
Landfill	8079.66	16%
Recycled/Recovered	41308.36	84%

Journey to Zero – 2020	
Total Tonnage	Percentage
52383.12	
9428.74	18%
42954.37	82%

Production Energy 2021		
	kWh	%
Group Gas	33,159,369.00	
Purchased Gas	20,588,255.75	62%
Group Electricity	14,346,973.70	
Renewable Electricity	13,545,640.80	94%

Production Energy 2020		
	kWh	%
Group Gas	34,565,922.00	
Purchased Gas	22,192,584.38	64%
Group Electricity	14,344,018.40	
Renewable Electricity	13,527,587.50	94%

Waste Water 2021		
	kWh	%
Total m³	318,383.00	
Recycled m³	37,372.00	12%
Discharged m³	245,748.00	77%

Waste Water 2020		
	m³	%
Total m³	250,144.00	
Recycled m³	68,640.00	27%
Discharged m³	191,166.00	76%

Hides Purchased		
		%
Total	570,985.00	
UK	570,985.00	100%
Non UK	-	0%

Scotland	307024	53.77%
England	132,609	23.22%
Northern Ireland	81,650	14.30%
Republic of Ireland	47,602	8.34%
Wales	2100	0.37%

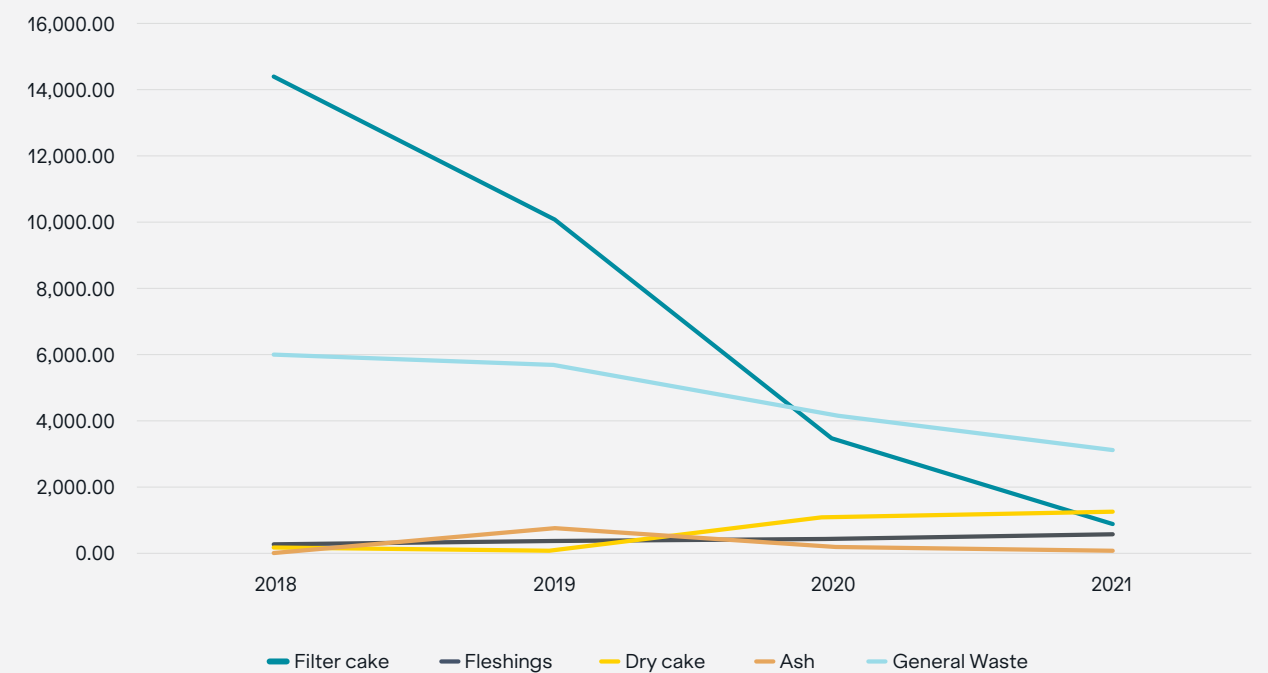
Non-compliance			
Effluent > threshold		0	
Air Emission > threshold		0	
Waste > threshold		0	

LWG Rating (P6.7)	Gold	Gold	Gold
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* ISO 9001, 14001, 45001, 50001, IATF, MED

** ISO 14016 (? & Environmental Reporting) per ifc

Waste to Landfill 2018-2021 YTD



Gender Pay Gap Statement 2021

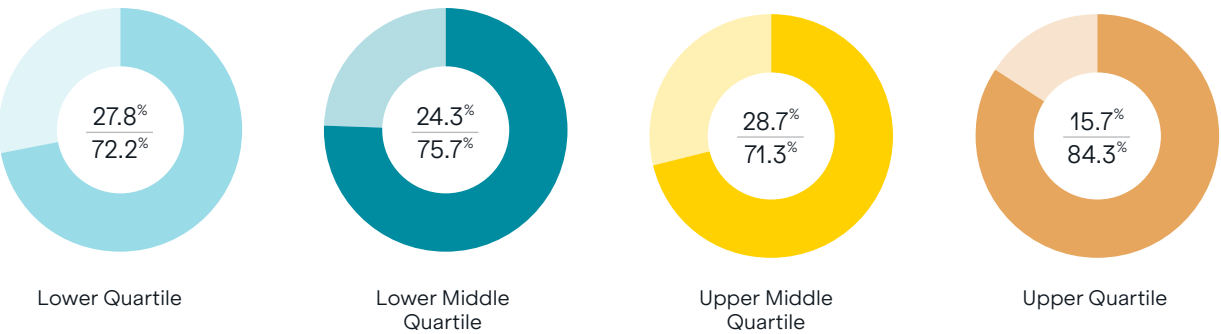
Gender Pay Gap is the difference in the pay of men or women across the whole company. The calculation therefore takes into account all jobs at all levels and salaries. In terms of the mean and median statistics across our business, there are differences, and this is down to the fact that there are more males employed in our manufacturing business than there are women.

Our illustrative charts below outline these differences, and the key numbers are as follows:

- 0% Pay difference between men and women in the same roles
- 0% Pay difference in bonuses paid to men and women in the same roles
- 3.2% Median difference in hourly pay across the business (female to male employment ratio 1:3.14)
- 15.5% Mean difference in hourly pay across the business (female to male employment ratio 1:3.14)

Difference between men and women		
	Mean	Median
Hourly Rate of pay	15.5%	3.2%
Bonus Pay	0%	0%

Proportion of males and females in each quartile (%)



The data above shows our overall mean and median gender pay gap based on the snapshot date of 5th April 2021.

Nicholas Muirhead
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18th March 202

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