



Strix 2024 Sustainability Report

Safer by Design - We are committed to building today, a world that will work tomorrow.



Strix
TECHNOLOGY

Company Overview

Strix is a global leader in the innovation, design, manufacture and supply of kettle safety controls, heating and temperature controls, steam management and water filtration technologies. Strix takes pride in the quality and safety of products across its portfolio whilst developing a range of water heating, control and delivery products alongside health, wellness and sustainable living appliances.

Kettle Controls

2024 sales £69.5m

Strix's core product line is safety controls for small domestic appliances, primarily kettles. Strix is the stand-out world market leader within the kettle controls market, with a global market share in excess of 50%, and a reputation for safety and quality. A record for product development and safety, ensures Strix is the partner of choice amongst the world's leading small electrical appliance manufacturers.

Billi

2024 sales £43.1m

A leading brand for the supply of premium instant boiling, chilled and sparkling filtered water systems. Billi is the clear #2 player within Australia, New Zealand and the UK. Along with market leading designs, the business is supported by an expanding network of service engineers.

Consumer Goods

2024 sales £31.4m

The portfolio includes numerous products through its Aqua Optima, LAICA and Astrea brands focused on 'health, wellness and everyday living'. Continued focus on innovation, providing meaningful benefits through convenient, simple and sustainable solutions by applying water filtration, temperature and steam management technologies to relevant, value-driven consumer appliances.



Strix kettle controls are used by over 1.2 billion people or over 10% of the world's population, in more than 100 countries every day.



2024 Highlights

Group Emissions

Carbon neutral operations

Energy Intensity

Flat on per piece basis

Proportion of energy generated internally from renewables

9.0%

Lost time accident rate

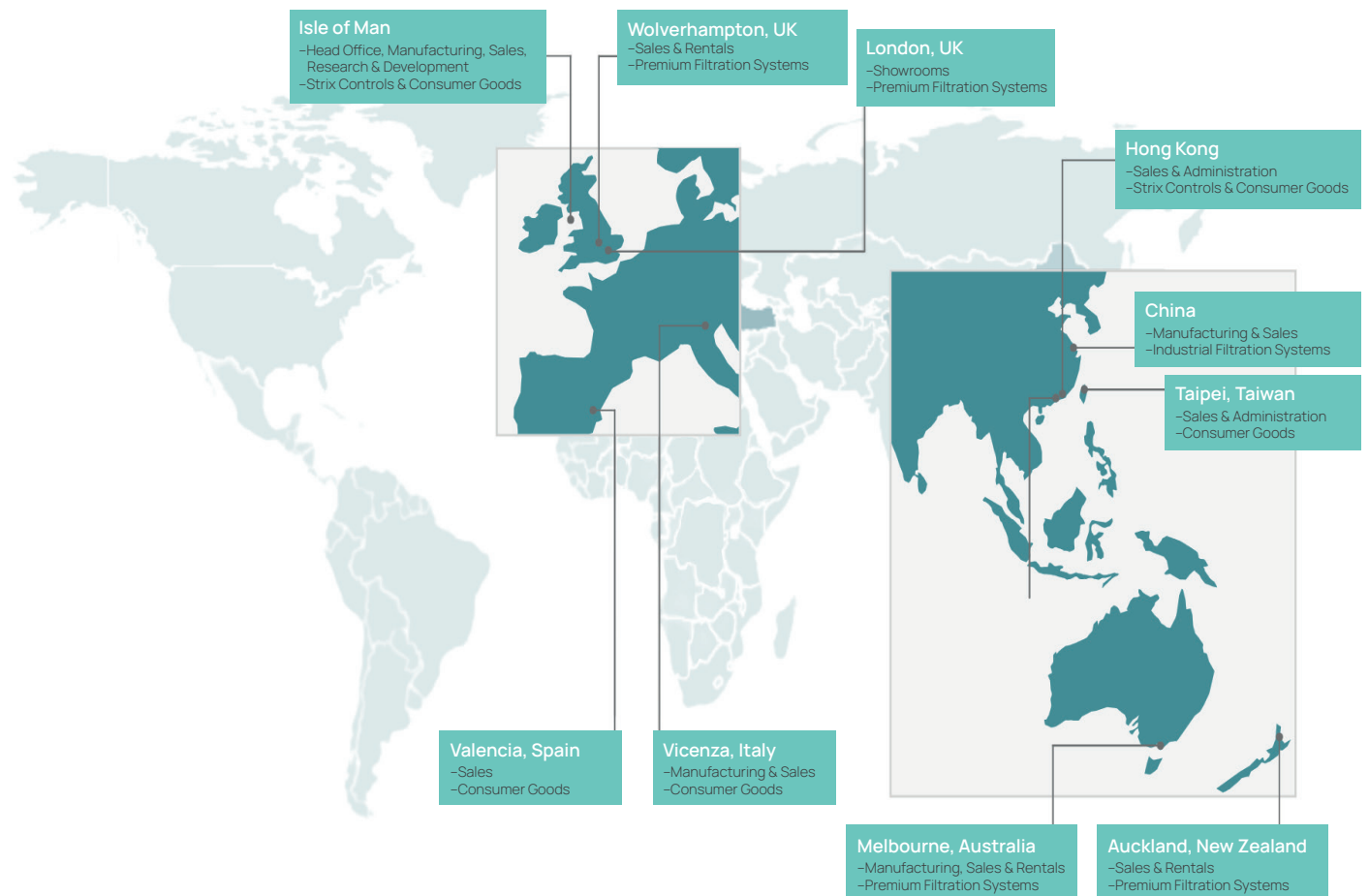
Improved 76%

Scrap intensity

Improved 4% with record recycling rate at 97.2%

Women in the organisation

59%



Chief Executive report

Sustainability is an overarching driver for Strix, from its end markets to its internal operations.

2024 review

2024 saw another year of solid progress along Strix's sustainability journey. The Group continued its 'best-in-class' emissions with all operations now carbon neutral. Strix made good progress in areas such as health and safety and waste recycling but faced challenges in others such as higher energy consumption, albeit this was flat on a per piece intensity level. A combination of measurement, analysis and a drive for continuous improvement from all colleagues provide the bedrock to the Company's sustainability strategy.

Carbon Neutral

2024 was the second year of carbon neutral operations or 'net zero' Scope 1&2 emissions in-line with Strix's strategy set out in 2020. In 2024 this included Billi for the first time, benefiting from the internal actions taken by the local management since being acquired by Strix. The extent of the Group's actions is perhaps best highlighted by its market-based emissions, a true reflection of Strix actual emissions, being over 95% lower than calculated on the more generic location-based approach. Strix's Scope 2 emissions are now zero with 9.0% of power requirements generated from its own solar investments and all purchased external electricity renewables certified. Equally encouraging, Scope 1 emissions reduced by nearly 30%, benefiting from actions such as investment in more efficient boilers. The Group continues to look at ways of reducing its carbon footprint, with the remaining 'hard to abate' emissions being offset through the acquisition of certified carbon credits. Energy consumption increased in the year although intensity per piece manufactured was at a similar level.

Employees

The Strix team is the lifeblood of the Group, providing competitive advantage from product development to high quality production and aftermarket service. 2024 saw the introduction of a new training system that will be rolled out fully in 2025 to support employee development and career pathways. In addition, the Group continues to support its workforce in a range of areas with a particular focus on mental health in 2024.

Health & Safety

The safety and wellbeing of all its colleagues is of paramount importance to the Group and management teams. Hence, it is encouraging to see a 21% reduction in the number of lost time incidents in the year, with LAICA achieving Strix's ultimate goal of zero occurrences. In addition, key metrics of lost time rate and severity of incident rate improved to the lowest level since COVID impacted 2020. The emphasis placed on Health and Safety is demonstrated by all sites now being ISO45001 certified.

ISO accreditation

The International Organization for Standardization ("ISO") qualifications provide frameworks across a range of topics that enable the Group to achieve the highest possible standards throughout its operations. Strix considers the use of ISOs as key to driving the highest quality. In 2024 Billi achieved ISO14001 (environmental management) and ISO45001 (occupational health and safety) accreditation ensuring that all sites now have a full suite of key ISOs, including ISO9001 (quality systems). Strix's next focus will be on ISO50001 (energy management), which has already been achieved in China and Ramsey, the Isle of Man to help drive the Company beyond its 'carbon neutral' ambition.

Sustainable Product portfolio

2024 saw the commercial launch of the new Z series family of kettle switches. These offer a clear sustainability benefit, being over 45% lighter than their predecessor range, thereby using significantly less physical resources. They also offer secondary benefits as their physical size will permit new and smaller water heating devices to be designed and sold. 2024 also marked the 500,000 water filter cartridges sold by Billi. This equates to 1.5bn litres of water filter capacity, equivalent to 6,000 Olympic sized swimming pools, enhancing customer health and wellbeing whilst also providing significant savings in terms of the alternative supply from bottled water.

2025 areas of focus

Being carbon neutral is clearly positive for the environment and industry leading. However, electricity grids around the world still rely heavily on fossil fuels. For instance, in the UK the zero carbon mix was 51% in 2024 i.e. 49% still came from fossil fuel related sources. The Group's next step is to reduce the amount of electricity it actually consumes. Clearly this does not change Strix's footprint but will free up renewable energy in the grid to be used elsewhere, thereby reducing the requirement for carbon intense electricity. 2025 will also see Billi Australia relocate its primary manufacturing facility in Melbourne, bringing operational and sustainability benefits which will enable activities currently operating on separate sites due to space constraints such as storage and distribution, to be consolidated back on to the primary site. Strix also anticipates that the new facility will be built to higher energy standards.

"Strix carbon neutrality demonstrates our commitment to sustainability. However, our ambition is broader with demanding targets set across a range of KPIs."

Mark Bartlett
CEO



2024 Performance Summary

Emissions & Energy

All of the Group's primary operations were carbon neutral in the year, including Billi for the first time. A combination of internal solar generation and certified renewable energy has removed all Scope 2 emissions. Scope 1 emissions decreased by nearly 30% assisted by investment in more efficient boilers and the relocation of press parts production from Ramsay to China in the middle of the year. The remaining hard to abate emissions were offset using certified carbon credits. Energy consumption increased by 7.0% due to expansion of activities in China, primarily related to developments for new business expansion. On site solar generation increased by 2.1%, albeit declining as a percentage of overall energy mix due to the growth of the business without the addition of new solar capacity. Energy intensity increased by 8% in kWh/£m terms. Whilst this is behind Strix's 3% annual target, the Group has remained significantly ahead of this over the last three years. Intensity per piece manufactured was flat on the year.

Waste & Water

Total waste generation increased by 3.2% primarily reflecting higher activity levels with intensity per piece reducing by 3.7%, ahead of target. Recycling rates increased from 95.0% to 97.2%, an all-time high for the Group. In addition, waste sent to landfill declined by 50% now accounting for 1.4% of all waste, a factor which continues to be a focus as Strix embraces the circular economy whilst also reflecting the ever-increasing cost of sending waste to landfill.

Underlying water usage increased by 31.6% due to installation of a new meter in China. In allowing for this, Strix estimates overall usage to continue to reduce, as water consumption remains below 2021 levels, despite the addition of Billi from 2023.

Personnel & Other

Health & Safety performance improved with the number of incidents declining by 21% from 14 to 11. The lost time rate (hours lost per 200,000 hours worked) and lost time injury frequency rate (per 200,000 hours worked) both showed significant improvement on the year with lost time rate being at its lowest since 2020. All Group facilities are now ISO45001 Occupational Health & Safety accredited. The equality ratio at the senior management level was unchanged at 27% female with Group overall increasing to 59%, the high proportion of women reflecting the working requirements for an electronic assembly facility. R&D spend was broadly flat with investment more focused on production and commercialisation of the new Z switch product line.



Key Performance Indicators (“KPIs”) and targets

The following table highlights the performance of Strix’s key sustainability KPIs along with progress in the year and performance relative to targets.

Note that pre 2023 numbers exclude Billi which was only acquired at the end of November of 2022.

KPI	Measurement	Unit	2021	2022	2023	2024	Target	Progress
Climate (location based)	Scope 1 & 2 (absolute)	tCO ₂ e	7,695	6,298	8,191	8,701		
	Scope 1 & 2 (intensity)	tCO ₂ e/£m	64.4	60.5	56.7	60.4		
Climate (market based)	Scope 1 & 2 (absolute)	tCO ₂ e			692	420	Net zero scope 1 & 2 emissions by 2023	Achieved on all operations in 2024. Continue to focus on 'hard to remove' emissions with 29% reduction in Scope 1 in 2024 and zero Scope 2 emissions
	Scope 1 & 2 (intensity)	tCO ₂ e/£m			4.8	2.9		
Resource intensity	Energy consumed	MWh	15,666	14,052	14,883	15,930		
	Energy intensity	MWh/£m	131.2	135.1	103.0	110.6	3% intensity reduction	Increase energy use from expanding capacity in China but remained stable on a per piece basis
	Energy intensity	kWh/unit of production (k)	10.2	11.6	11.9	11.9		
	Own electricity generated from renewables	%	0.0	9.3	9.6	9.0		2% increase in energy generated
Waste & recycling	Waste generated	tonnes	1,969	1,301	1,339	1,382		
	Waste intensity	t/£m	16.5	12.5	9.3	9.6	3% intensity reduction	Increase from higher activity and reclassification in China. Intensity per piece ahead of target
	Waste intensity	Kg/units of production (k)	1.28	1.08	1.07	1.03		
	Recycled waste	%	95.1	94.1	95.0	97.2		Recycling at record levels
Clean water and sanitation	Water consumption	m ³	46,848	34,600	31,780	41,830		Increased due to new water meter installation
	Water intensity	m ³ /£m	392	333	220	291		
Health & safety	Lost time rate	per 200,000 hours	0.61	0.22	0.89	0.21	Target zero accidents	Lowest rate since 2020
	Lost time injury frequency rate	per 200,000 hours	0.90	1.00	1.50	1.10		
Gender equality	Women in senior management	%	27	27	27	27	Further embed diversity thinking	
	Women in the organisation	%	60	49	51	59		
Innovation	R&D/sales	%	4.5	4.7	3.1	3.0		Continued positive investment alongside manufacturing capital investment to improve internal processes



Sustainability Strategy

Sustainability has always been at the core of Strix's purpose driven strategy for growth. Like any business, the customer comes first and is therefore at the heart of the Group's sustainability strategy, ensuring safety, reflecting the issues with proximity of electricity and water, to energy reduction through to lifestyle improvements particularly with the expansion of LAICA and Billi. Strix's shareholders as providers of capital, and colleagues as the dynamism of the Group are its key assets. However, the Group operates in an increasingly interconnected world, an ecosystem in which the communities and suppliers provide critical contribution. Similarly, the regulatory bodies are not just stakeholders, but key to the ethical operating environment in the sphere in which the company functions.



















Strix's strategy starts with the appreciation of all its stakeholders. This is an interactive exchange through dialogue and relationships, many fostered over a long period of time. The Group looks to understand the various requirements of each party and develop a range of interactions of each.

Strix also looks to consider stakeholders in context. The environment and nature may not have a voice as such, but the Group interacts with and impacts on them every day. Strix's focus has historically been on its emissions, but the Group is increasingly reviewing the full environmental impact of its activities in alignment with key stakeholders.



Sustainability Strategy continued

Strix's sustainability strategy is built around its Planet - People - Purpose philosophy. To bring this closer to an operational level, these elements have been grouped into more transactional-focused pillars that are aligned to both the UN Sustainable Development Goals and Strix's key sustainability KPIs. Strix's intention is to ensure that this strategy is fully embedded in the Group and activities at all levels. Strix's manufacturing philosophy for continuous improvement relates equally to its sustainability agenda including stretched KPI targets.

Selected focus areas	Applications	Associated SDG
Solutions for sustainable living	Strix's mission 'Innovating safety and design for a sustainable future' reflects its ethos to develop products which reduced environmental impact	    
Doing more with less	Reducing product material content, carbon footprint, waste and in-use energy requirement to minimise the stress on the world's natural resources	   
Wellbeing & equality in the workplace	Employee equality, welfare and engagement are critical for developing the Group's key asset. Pro-active actions include training, health and employee career progression	 
Community engagement	To leverage the Group's strengths to benefit the local community including biodiversity	 
Supply chain	Develop sustainable practices with direct suppliers to ensure highest standard of compliance and develop mutually beneficial carbon reduction strategies	  
Wellbeing & equality in the workplace	Strong ethics culture backed by compliance with a full spectrum of internationally recognised standards	 



Sustainability Strategy continued

Planet

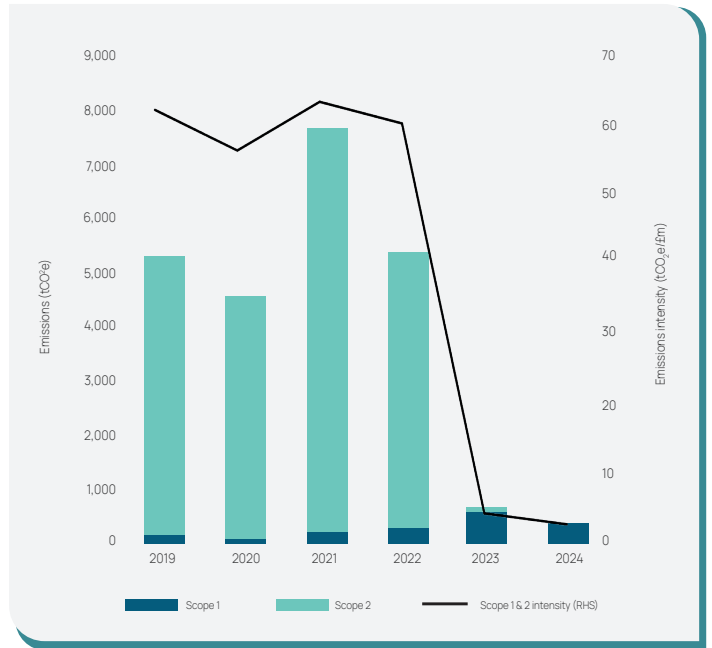
Strix's goal is to minimise the use of the world's natural resources. This is achieved through a combination of design and manufacturing to ensure products utilise the least resources, are efficiently produced and increasingly conform to the circular economy.

Emissions

Strix reports its greenhouse gas emissions on the basis of the Greenhouse Gas Protocol corporate standard published by the World Resources Institute and the World Business Council for Sustainable Development. The Group's operational boundaries include all manufacturing and key associated sales and administrative offices. There remain a few smaller satellite operations that have not historically been significant to the Group, but with a carbon neutral achievement could become more important and will therefore be reviewed again in 2025. Factors used come from the DEFRA (UK), DCCEW (Australia) and the Carbon Disclosure Initiative. In 2023, Strix adopted the market-based approach to measuring Scope 2 emissions, believing this to provide a more accurate reflection of the Group's carbon emissions and the work undertaken to reduce its carbon footprint. Note that Strix continues to provide figures using the location-based approach to permit comparison.

2024 was the second year in which the Group reported carbon neutral operations or Scope 1&2 'net zero', including Billi for the first time. This reflects the Group's commitment and the work carried out at Billi which was only acquired at the end of 2022. This ambitious target is significantly ahead of the Paris 1.5° goal and positions Strix in the elite set of listed manufacturing companies able to report such an accolade.

Strix's Scope 1&2 emissions under the market-based methodology reduced from 692 to 420tCO₂e - a 39% reduction despite a 7.0% increase in energy consumption, with Scope 2, electricity purchased, all now certified renewable power. Perhaps the greatest testament to the Group's efforts can be seen when comparing the location-based approach (using standard emissions factors) with the market-based approach (reflecting the actual emissions generated). 2024 location-based Scope 1&2 emissions came to 8,701 tCO₂e, an increase of 6.2% reflecting the higher energy usage, whereas market-based emissions were only 420 tCO₂e, suggesting internal actions have reduced emissions by over 95%. The Group's residual emissions are offset using CDM certified carbon credits acquired and cancelled through EcoAct, a Schneider owned company.



Sustainability Strategy continued

Strix's on-site solar installations generated 1,318MWh of electricity, a 2.1% increase. This accounted for 9.0% of total power consumption, down slightly on the 9.6% of the previous year. This reflects higher overall energy usage with no further solar capacity added in the period. The Group continues to work on overcoming barriers to adding solar capacity to LAICA.

The Group's Scope 1 emissions are more complex, including areas such as air conditioning in China which meet the local standards but would require significant investment in new equipment in order to become carbon neutral. Other main sources are dominated by on-site energy generation from boilers and transportation. Nevertheless Scope 1 emissions were reduced by 29%. This was largely due to action in the Isle of Man with investment in a new more efficient boiler, relocation of the parts press to China from the middle of the year, and a range of smaller initiatives assisted by ISO50001 Energy Management. Just under 40% of Strix Scope 1 emissions now come from 'mobile combustion' i.e. from company owned vehicles. Billi generates the most emissions due to its

network of service engineers. Local management is currently undertaking an evaluation project and trials with EVs. This will become increasingly important as the network grows but a combination of long distances and limited charging infrastructure in Australia need to be taken into account.

Billi attained Scope 1&2 carbon neutral in 2024 as planned, achieved after just over a year in the Group. Billi also continues to be in the forefront in key areas such as internal power generation. Indeed, its 600 solar panels provide 75% of the power requirement for the Australian manufacturing facility. 2025 will provide another challenge, and opportunity, for Billi as it moves to new premises. These premises will be more efficient as some warehousing and similar activities which have been undertaken off-site due to space restrictions are integrated. It will also mean a newer facility with greater efficiency and a modern air conditioning system. The downside is likely to be less solar capacity, at least in the short term, although with the improvement in solar technology Billi will explore this potential.

		2020	2021	2022	2023	2024
Location based						
Scope 1	tCO ₂ e	107	265	415	589	420
Scope 2	tCO ₂ e	5,269	7,430	5,883	7,602	8,281
Scope 1 & 2	tCO ₂ e	5,376	7,695	6,298	8,191	8,701
Scope 1 & 2 intensity	tCO ₂ e/£m	56.4	64.4	60.5	56.7	60.4
Market based						
Scope 1	tCO ₂ e				589	420
Scope 2	tCO ₂ e				103	0
Scope 1 & 2	tCO ₂ e				692	420
Scope 1 & 2 intensity	tCO ₂ e/£m				4.8	2.9
Energy usage	MWh	10,569	15,666	14,052	14,883	15,930
Energy usage intensity	MWh/£m	110.9	131.2	135.1	103.0	110.6
Energy usage intensity	MWh/kpcs	N/A	10.2	11.6	11.9	11.9



Sustainability Strategy continued

Emissions by source

Strix's emissions are dominated by carbon as the key remaining emissions in the Group come from fossil fuels, fuel oils and transportation.

Source of emissions	tCO ₂ e
CO ₂	417.9
CH ₄	40.4
N ₂ O	1.7

Strix submitted to the Carbon Disclosure Project (CDP) again in 2024 and received 'B' rating compared to a 'C' rating in 2023.

The Group's Scope 3 emissions are dominated by Category 11 'in-use' relating to the energy required to boil water. Indeed, these account for nearly 94% of the total. Whilst governments have made commitments to decarbonise their grids, progress has been mixed. For instance, UK government factors from DEFRA were unchanged between 2023 and 2024. In this scenario it is somewhat difficult to expand production without Scope 3

emissions increasing. Nevertheless, Strix continues to work on a range of initiatives, in particular the supply chain as the second largest source and to maintain business travel below pre COVID levels despite the inclusion of Billi, based in Australia. With Strix's Scope 1&2 emissions progress, reducing Scope 3 is clearly key to the Group's goal to be net zero by 2050 and is driving its transition pathway plans.

Scope 3 inventory

Category		Emissions (tCO ₂ e)	Proportion of Scope 3 emissions
1	Purchased goods and services	25,659	4.55%
2	Capital goods	3,400	0.60%
3	Fuel and energy use	632	0.11%
4	Upstream transport and distribution	418	0.07%
5	Waste generated in company operations	23	16.5
6	Business travel	951	0.17%
7	Employee Commuting	322	0.06%
9	Downstream transport and distribution	2,283	0.41%
11	Life-use of sold goods and services	529,503	93.94%
12	Waste disposal and treatment of products	446	0.08%

Energy

Energy consumption for the Group increased by 7.0% to 15,930 MWh. This was due to the expansion of the Chinese facility and an associated 10.3% increase in energy at the major facility in the Group, which outweighed the reduction of 8.6% seen elsewhere. This reflects an increase in volume build-out and commissioning of the fourth floor of the building for appliance manufacture and the relocation of press parts from the loM to China in the middle of the year. Energy intensity was flat per part manufactured but increased by 7.4% in revenue terms (MWh/£m) due primarily to currency translation and mix. Energy usage will be a key focus throughout 2025.

Sustainability Strategy continued

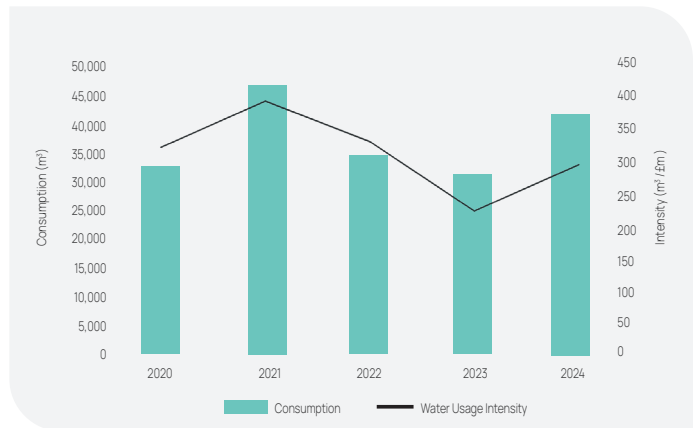
Regional energy usage and emissions

The proportion of energy used within the Group's UK operations declined from 8.9% to 6.4% in 2024. Absolute energy consumption declined by 23% due to the actions previously discussed including the relocation of press production to the Chinese facility in the middle of the year which should assist further in 2025. UK emissions declined by 25% but remain at a significantly higher proportion of Group emissions relative to energy consumption, reflecting the energy mix with use fossil fuel fired boilers within the facilities.

	Energy used		Emissions	
	MWh	%	tCO ₂ e(k)	%
UK	1,021	6.4	84	20.0
Non-UK	14,909	93.6	336	80.0
Total	15,930		420	

Water

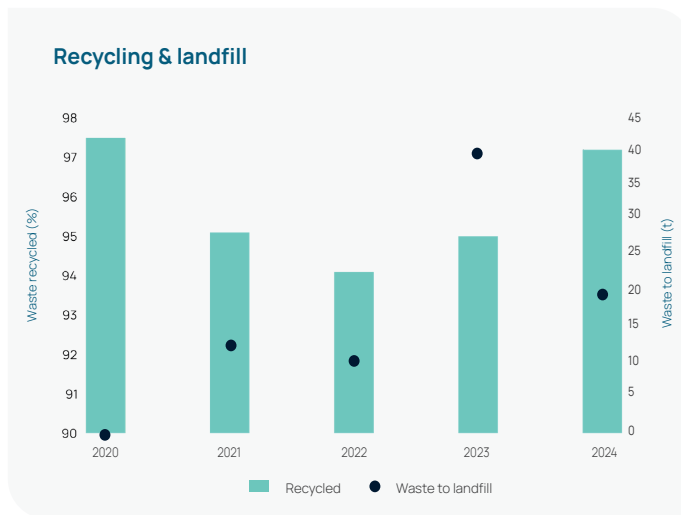
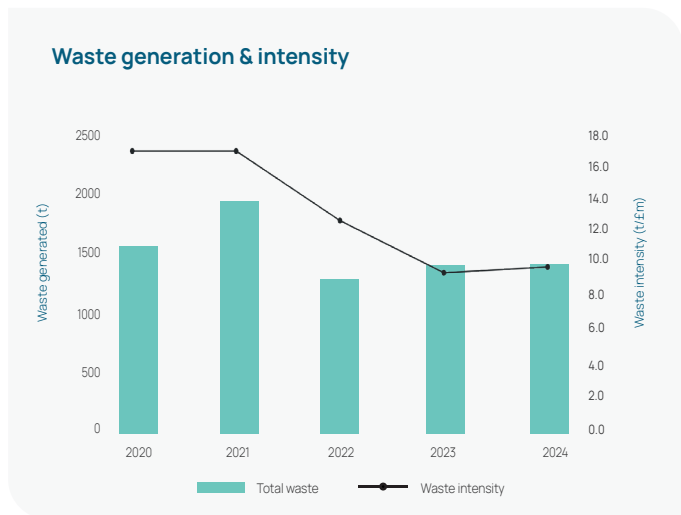
Reported water consumption increased by 31.6% in the year. This was entirely due to the increase in consumption in China, reflecting the installation of a new meter at the facility. Overall, consumption remains below 2021 levels despite the addition of Billi to the Group. None of Strix's facilities are in water distressed regions.



Sustainability Strategy continued

Waste

Waste comes from lower efficiency and brings associated cost. As Strix strives to do more with less, eliminating waste is a key element of its company ethos. Waste increased 3% in the year due to a new reporting system in China reflecting metal scrap and higher activity levels. Given that China is the main manufacturing facility, this led to an increase in the Group's overall scrap and scrap rate despite improvements at the other facilities. Nevertheless, waste intensity, per piece manufactured, continues to improve being 3.7% lower in 2024. A focus also remains on recycling, which improved in the year from 95.0% to 97.2% with a 50% reduction in waste sent to landfill assisted by lack of an obsolete stock issue seen in the previous year. This occurred predominantly within the companies acquired, with Strix's operations sending minimal waste to landfill. This suggests best practice potential. Clearly landfill is a sub-optimal given the drive towards a circular economy and the increasing cost of such disposal.



Breakdown of waste by category and recycling

	2020	2021	2022	2023	2024
Hazardous	t	0	0	0	0
Chemical	t	33	33	42	45
Normal (Metal, Plastic, Cardboard)	t	1,552	1,936	1,259	1,294
Total Waste	t	1,585	1,969	1,301	1,339
Waste Intensity	t/£m	16.6	16.5	12.5	9.3
Recycled Waste	t	1,546	1,873	1,225	1,278
Recycled	%	97.5	95.1	94.1	95.0
Waste to landfill	t	N/A	12.9	9.7	40.0

Sustainability Strategy continued

Improvement programmes

Continuous improvement is a key philosophy across Strix to retain its world leading positions. This mantra is also embedded into the Group's sustainability thinking as it looks to 'do more with less'. The largest single programme in the year involved the relocation of presswork from Ramsay, Isle of Man, to China. This facilitates clear logistics and sustainability benefits from the reduced transportation of components across the globe. However, such actions bring consequences, and Strix has worked hard to mitigate the inevitable social impact on its dedicated workforce. Equally important are the large number of smaller initiatives enacted during the year. This is highlighted by a range of projects undertaken in China. Projects enacted in the year are expected to deliver annual savings of over 290kWh of electricity and 7.0t of materials.

Project	Annual usage before	Annual usage after	Annual savings
Packing tray lid material cost saving - Material change from PS to PP - Thickness change from 0.5mm to 0.4mm	21.0t	16.5t	21%
Optimize Jug production plan and reduce tool change scrap	6.6t	4.1t	38%
Install a fan to replace a large exhaust fan. Install a timer switch to stop working during lunchtime and dinner on weekdays	39,671 kWh	3,893 kWh	90%
Install segmented power lines and switches on the assembly line, and turn off the power supply when an individual line is idle	827,821 kWh	794,708 kWh	4%
Connect the process chilled water to the air conditioning cabinet, which can replace central air conditioning in winter and reduce the temperature of fresh air in summer	79,285 kWh	47,571 kWh	40%
Adding small exhaust fans to the injection moulding workshop to extract hot air from high-temperature areas to the VOC duct reduces the load on the VOC fan, thereby reducing the fan frequency by 14%	236,125 kWh	214,860 kWh	9%
Apply insulation on the windows of the dry and wet end testing room to reduce air conditioning power consumption, further reduce the number of fan cabinets in operation, and reduce air conditioning power consumption	142,749 kWh	97,194 kWh	32%
Apply insulation on the windows of the high-voltage electrical room to provide thermal insulation and reduce air conditioning electricity consumption	32,850 kWh	26,280 kWh	20%
Control the running time of the kitchen oil fume treatment system, install an automatic controller, and only turn on the treatment system when cooking to reduce the running time of the oil fume treatment system	118,404 kWh	64,584 kWh	45%
Kitchen instant heating water dispenser replaces storage water dispenser, heating only when hot water is needed, reducing heating time	71,760 kWh	19,146 kWh	73%
26 existing street lamps (100W/lamp) converted to solar street lamps	11,388 kWh	0 kWh	100%



Sustainability Strategy continued

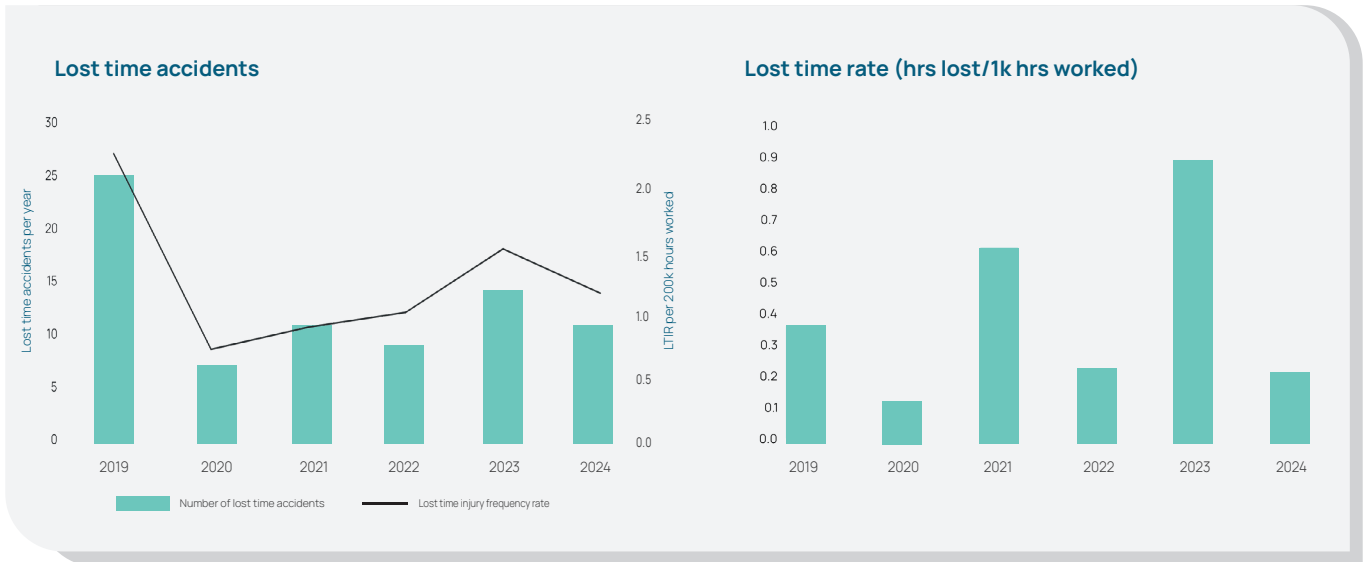
People

Strix's employees and communities are key to the Group's eco-system. They are the most important and influential asset demanding full attention and investment in their well-being and development.

Health & Safety

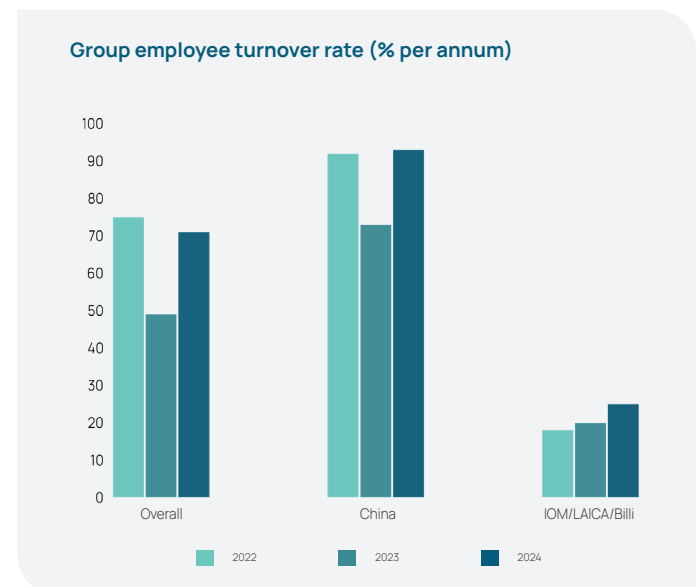
The safety of all employees continues to be the Group's top priority. As a manufacturing business, Strix operates within a higher risk environment, even as a small parts manufacturer and assembler with few high-risk processes. As such, health and safety is a key KPI and an agenda item at all operations boards. Training remains a critical element to promote best practices, including awareness days over the year. Most importantly all facilities are now ISO45001 Occupational Health & Safety accredited, ensuring the latest practices are embedded in Strix's operating procedures as the Group strives for the ultimate goal of zero incidents.

In 2024 the number of reported accidents reduced from 14 to 11, a 21% improvement with LAICA the stand-out facility, reporting zero incidents in the period. Within Strix's key measures, lost time incident rate improved whilst lost time rate and severity of incident rate both recorded the lowest level since 2020 which arguably benefitted from COVID restrictions.



Staff turnover

Group employee turnover increased in 2024 albeit remaining below the 2022 levels. China provides the greatest impact as the facility employs around two thirds of Group total headcount. Turnover rates in China tend to be high, reflecting local working practices, with the shop floor in particular utilising more transitory workers who are prone to responding to staff-shortages in the region by moving employer, or returning home for longer periods before returning to the region for re-employment. Strix offers a range of packages including high quality off-site accommodation, transport to the site, a staff canteen, annual occupational health checks and medical insurance. The Group also aims to provide a career path through training and job progression opportunities. Indeed, turnover in the supervisory levels upward is significantly lower than the shop floor. Strix's end customers are often well-known western brands, increasingly cognisant of potential labour issues in their supply chain and therefore regularly audit Strix's working conditions and practices. Turnover was also impacted by restructuring, in particular at the Ramsay facility with the closure of certain press lines which were moved to China.

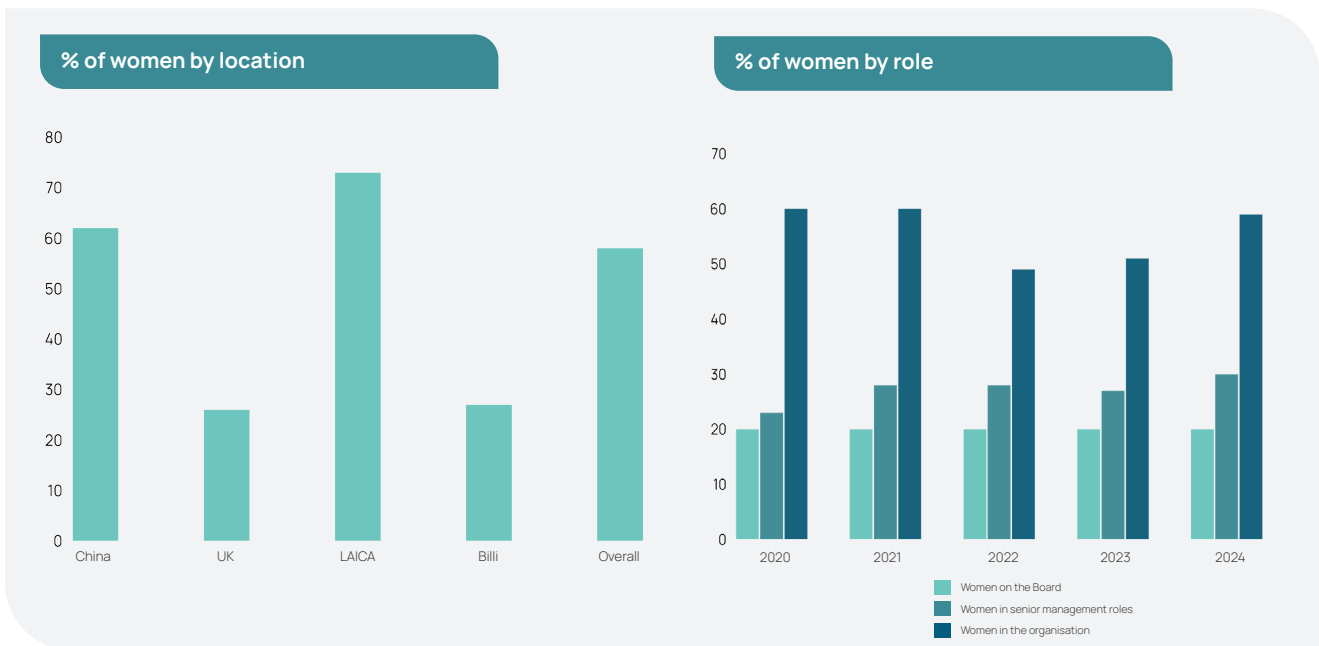


Sustainability Strategy continued

Inclusivity and diversity

Strix is a truly international company, a theme which has been enhanced through the acquisition of LAICA in Italy and Billi in Australia. The strategy is to employ local and think global. Therefore associates and management are recruited from the local talent pool with the potential through training to career development programmes to further their career within the Group.

The proportion of women in the workforce increased towards the long-term norm of c60%. Predominantly this reflects the make-up of the Chinese facility where much of the assembly operations precision work on increasingly small component sets requires particular dexterity to ensure high degree of accuracy. The number of women in senior management at Strix has increased from 20% to 27% since 2019, whilst the percentage of women on the main board remained stable at 20%.



Employee Welfare

Strix operates a range of benefits across the company in-line with local practises to ensure best-in-class support for all its colleagues. A particular focus over the last twelve months has been on mental health.

In the Isle of Man Strix's first two mental health focused first aiders were trained and qualified. As a Mental Health First Aider, their role is to provide employees with support on mental health related topics. They are also advocates for discussing mental health challenges in a positive light. Billi celebrated R U OK? Day as part of a national mental health initiative rollout across all corporate offices in Australia. R U OK? is a national suicide prevention charity that encourages people to stay connected and have conversations that can help others through difficult times.

PROTECT YOUR KIDS ONLINE: PARENTAL GUIDANCE WEBINAR ON DIGITAL SAFETY & WELLBEING

WED 23rd OCT 2024 7:00 - 8:30 pm

FREE SPONSORED SESSION

This interactive webinar will empower you with the skills and knowledge to:

- Mode: safe and healthy behaviour at home
- Participate in your child's online world
- Communicate openly about online risks
- Supervise and support online activities

Traverse registration? Email us: info@traverse-uk.com

Trusted eSafety Provider eSafety.gov.au | Billi

Certificate of attendance

Mental Health First Aider

You attended an Mental Health First Aid course and is now a Mental Health First Aider (MHFA®). This course teaches knowledge and skills for providing first aid to support people who may be experiencing poor mental health.

Date of attendance:
Start date: 17 July 2024
End date: 18 July 2024

Instructor member:
Michael Lloyd

Senior Whole Care:
Chief Executive
MHFA England

Guarantale

MHFA England

Your Mental Health First Aid (MHFA) England certificate is valid for three years from the date you completed the course. We recommend you keep your skills and knowledge up-to-date with MHFA Refresher training. For more details visit our website: mhfaengland.org

MHFA England is a social enterprise with a vision to improve the mental health of the nation. Through our training, campaigning and mentoring, we equip people with the skills to support their peers and others' wellbeing.

We believe in zero stigma around mental health. We want mental health to be openly discussed and supported. Together, we'll create a society where everyone can thrive.

mhfaengland.org
0203 554 0000
UK: 0203 554 0000
© Mental Health First Aid



Sustainability Strategy continued

As part of National Safe Work Month 2024, Billi held informative and resourceful training programmes on how to advise, manage and safeguard family members at home.

Internal events and interaction are also seen as a key element to the health and mental wellbeing of associates. Strix's large Chinese facilities host a number of events throughout the year. Two of the more high-profile activities during the period were;

- i) The 2024 "Workers Union Cup" Badminton Competition held in June. This brings together employees fostering greater interaction on a daily basis and promotes exercise and fitness,
- ii) The annual travel event for office staff in November, a weekend at the historic Tianlu Mountain Resort offering families de-stress and quality time. This annual event has quickly become a tradition.



Social and community interaction

Strix supports a range of community projects through the year organised by the individual facilities and management teams. These provide benefits not just to the community, but also a positive mental benefit to all volunteers. A group of volunteers based in the Isle of Man took part in a "Plantation Clean" alongside local charity Beach Buddies aimed at raising awareness that 90% of rubbish starts inland before finding its way into the seas, as well as assisting in the clean up. LAICA supported the 'La Marcia con Gusto' sporting event by providing 1,500 myLAICA filter flasks, sponsorship and event organisation volunteers. Not only supporting local activity to promote wellbeing but replacing disposable water bottles with LAICA re-useable flasks. In addition, employees organised an array of fundraising and awareness days for charities including MacMillan, Wishing Tree, Downs Syndrome awareness day and breast cancer research.



Sustainability Strategy continued

Biodiversity

Strix's position as a leading business in the Isle of Man increases its responsibility to positively impact the UNESCO world biosphere designated island. As a part of this, the Group continues to use the outside space surrounding its facilities as a platform to assist biodiversity. For example, Strix continued to expand its Isle of Man HQ wilding and garden programme, with 2024 seeing the return of wildflower gardens and sunflower areas as well as some new additions to the grounds - increasing biodiversity to benefit the bee inhabitants of Strix's hives on site as well as mental wellbeing for all. During the period, Strix installed and restored a recycled greenhouse to and gave it a new lease of life on our site to aid our germination of plants. This has been complemented with IBC Tanks to collect rainwater to lower our use of mains supplied water. We also created a dedicated area for our recycling making it easier for not only our supplier but our staff also to recycle. Elsewhere, LAICA has redeveloped external areas of its site to assist in both health & safety, aesthetics and environment. Alongside Strix's bee hives, these initiatives truly support biodiversity as well as assisting everyone's mental wellbeing.



Sustainability Strategy continued

Young people development

Young talent provides the engineering brains and know-how for Strix and other companies to continue to innovate and develop. Hence Strix looks to promote education within the communities within which it operates.

Isle of Man

Strix is involved in a number of organisations and events on the Isle of Man aimed at educating children in areas such as science and engineering, whilst offering guidance and opportunities for future career development. In particular, Strix is a lead member of Awareness of Careers in Engineering (ACE), which promotes STEM subjects in the classroom and looks to assist with career progression, including working with the University College of the Isle of Man. Activities range from supporting school activities for primary level upwards, site visits from interested groups, assisting with career choices and supporting overseas trips to the mainland to other universities and engineering organisations.

China child education sponsorship scheme

As part of Strix's community outreach programme in China, Strix has undertaken to sponsor two underprivileged children through schooling, assisting with uniform, books and, where applicable, fees. This scheme is expected to extend long-term with the potential to develop further over time. It is aligned with the Group's social goals view that knowledge is transformational and the UN Sustainable Goal 4 – Ensuring inclusive and equitable quality education and promote lifelong learning opportunities for all. This is a long-term programme demonstrating the Group's commitment to the local community and is aligned with its operational strategy to be an integral part of the fabric in China, assisting with career choices and supporting overseas trips to the mainland to other universities and engineering organisations.



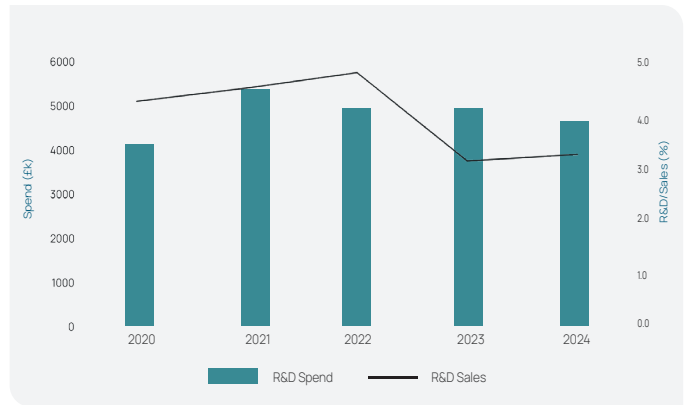
Sustainability Strategy continued

Purpose

Being a trusted, forward thinking and respected business of choice by delivering long-term social value to all our stakeholders.

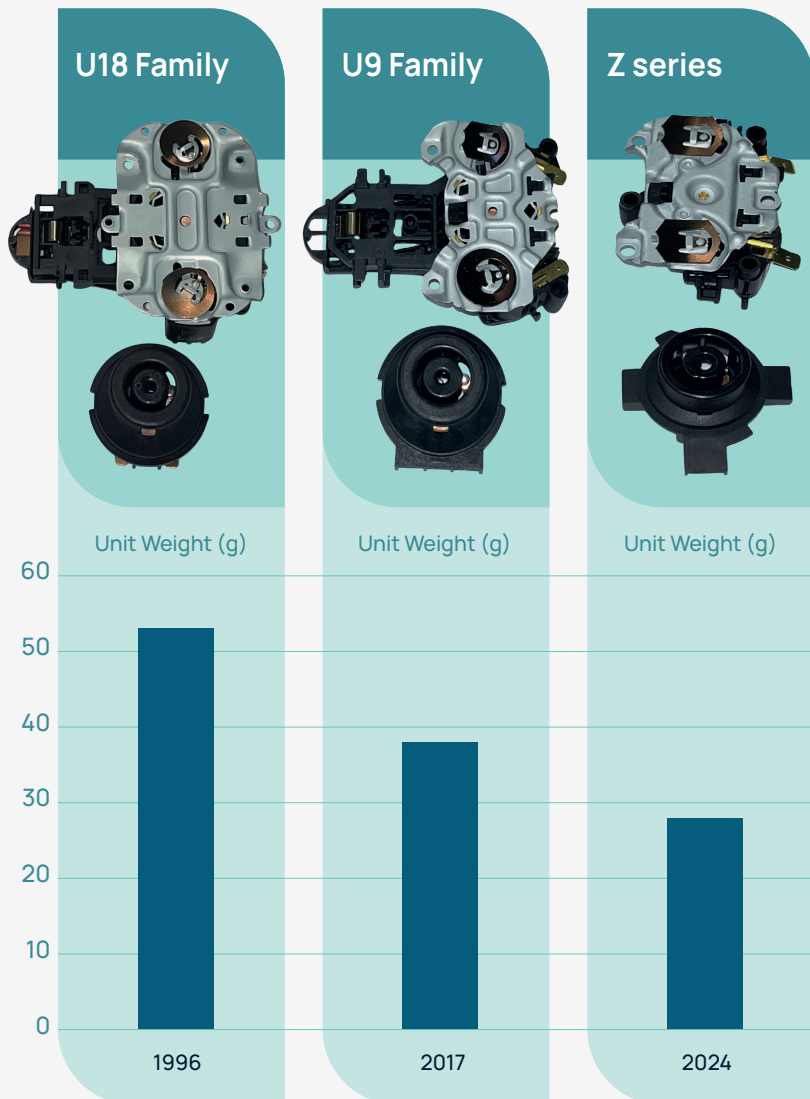
New product development

Investment in new products is the lifeblood of the Group. Sustainability is embedded into Strix's new product roadmap, not just because it is part of the Group's ethos, but also due to the opportunities it sees in the changing end markets. The absolute level of spend was maintained despite continued challenging end markets to ensure positive future growth. Less apparent from the headline figures is the internal investment in commercialisation as the new Z series switch enters commercialisation, or the increased level of co-development with Strix's western branded partners as they look for innovative new products and solutions.



New Product - Z Series

The Z series is a smaller footprint 3 pole heating control. The reduced size enables the switch to be used in both traditional kettles and emerging water heating categories such as travelling kettles. The new switch is protected with 9 control patents and 4 appliance patents. In the year, work on the new automated production line continued. The technology offers more accurate switch-off, but the key benefit comes from the reduced size of the component, thereby reducing the level of materials required. There are to be multiple variants of this new technology product with an average material reduction of 45%. New products under developing utilising the new switches include a 4A traveling kettle and Turkish coffee machine. This reduction will also offer benefits and opportunities for customers to develop more sustainable new products. They will be able to design kettles with a smaller physical footprint and more accurate switch-off times.



Sustainability Strategy continued

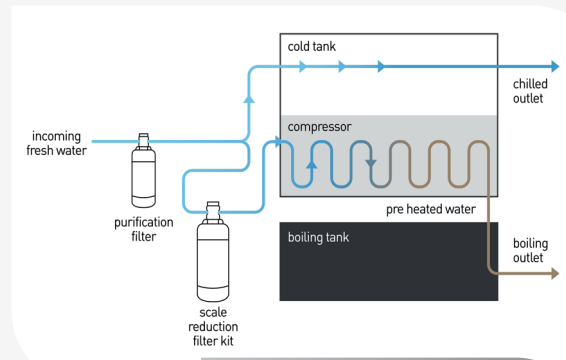
Billi a focus on the environment

Zero impact refrigerants

Billi uses natural gas refrigerant (R290), which has no ozone depletion potential and negligible direct global warming potential (GWP). R290 has a GWP of 3 according to the Australian Department of Climate Change, Energy, the Environment and Water, meaning it has 99.7% less impact on global warming than its predecessor. In addition, R290 exhibits exceptional thermodynamic characteristics, enhancing heat transfer efficiency and expediting cooling processes. Consequently, the Billi R290-powered systems require less energy for temperature control, thereby reducing the energy usage and operating costs.

Efficient heat exchangers

Billi's dual technology incorporates the energy efficiency and heat transfer benefits of water cooling, with the water efficient heat exchange technology. Water is a more effective conductor of heat than air and keeps the system running at much more consistent and efficient operating temperatures. The heat exchange technology ensures waste heat is exchanged within the system to generate a viable source of heating energy. This in turn saves on energy costs and reduces the users carbon footprint. It also reduces the overall size and material requirements of the system.



Filtration systems

In the year, Billi produced its 500,000th filter cartridge in association with long-time partner BWT. The filters are an integral part of the Billi water delivery system, removing particles down to 0.2 microns in size. This enables the removal of sediment, chlorine, odour, parasitic cysts including cryptosporidium, giardia and lead. With a capacity of 30,000 litres throughput per filter, this equates to 1.5bn litres of water filter capacity and is equivalent to 6,000

Olympic sized swimming pools. This is positive for both human health and the reduction in the use of plastic bottled water.

All these credentials are supported by Billi being certified by Global GreenTag, a globally trusted certification standard recognised in over 70 countries including Australia, New Zealand, Africa and SE Asia and compliant with other major international standards such as ISO.

CONGRATULATIONS!

We're proud to announce a major milestone: Billi and BWT has produced our

500,000th cartridge!

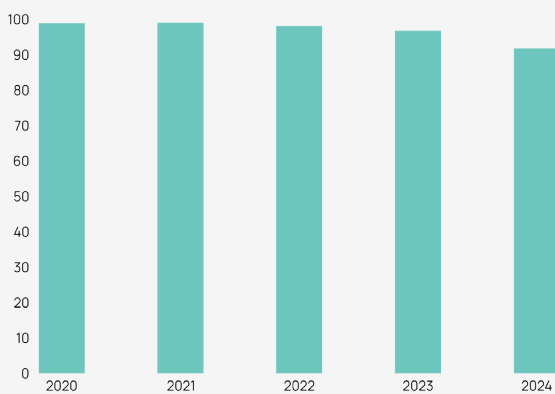


Sustainability Strategy continued

Corporate governance

The Board is committed to effective corporate governance and adhering to the highest standards, often applying policies over and above those required by the AIM market or the Isle of Man where Strix is domiciled. 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 risk. Strix is currently working towards the adoption of new IFRS sustainability standards, S1/S2, assuming compliance from 2026 albeit the timing and application remains somewhat unclear. Also the European CSRD legislation which it expects to comply with in due course.

Average AGM voting in favour of resolutions



AGM

The average vote in favour of the resolutions at the AGM declined from 96.8% to 91.8%. This was primarily due to Resolution 5, the re-election of appointment Mark Kirkland as a Non-Executive Director, a position held since the IPO in 2017, which received 63% of votes cast in favour. The Board commits to engage with shareholders to comprehend outstanding issues. Note that sustainability is a key element within executive director remuneration, in line with the TCFD requirement. 15% of the LTIP award is based on a reduction over a three-year period in Group energy intensity of at least 5% per annum, ahead of the company's stated target of 3%.

Governance

Strix's culture is to set the highest standards in all that it does. The Group sees this as important from both a commercial and ethical standpoint and espouses these values throughout the organisation. Strix's policies include:

- **Anti-Bribery and Corruption: Zero-tolerance.**

In its Anti-Bribery and Corruption Policy Statement, the Group explains its commitment to conducting business in an ethical and honest manner, whilst also implementing and enforcing systems that ensure bribery is prevented. The Company recognises that it has a duty to implement this policy and all employees (whether temporary, fixed-term or permanent, officers, directors or trustees), consultants, trainees, agency staff, sponsors or any other person or persons associated with the Company (including third parties), no matter where they are located, are expected to comply.

- **Anti-harassment and bullying: A pleasant place to stay.**

Harassment or victimisation on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy or maternity, race, religion or belief, sex or sexual orientation is unacceptable under any circumstances. Harassment can take many forms, ranging from tasteless jokes to abusive remarks, from pestering for sexual favours to threatening behaviour and actual physical abuse, including bullying behaviour. The Company operates a zero-tolerance stance in respect of all forms of harassment and seeks to ensure that the working environment is suitable for all its employees.

- **Anti slavery and human trafficking: Free choice and fair compensation.**

Strix despises and fights any activity linked to slavery and human trafficking. Strix and any Covered Person shall not knowingly hire any forced labour or make any person work against their own will and will ensure all such persons or employees are fairly compensated for their time and effort freely put forth.

- **Whistleblowing.**

Should an employee meet issues concerning breaches of the law, serious misconduct against another person, health and safety or financial malpractice, the Group-wide Policy provides them with guidelines as to actions that they may take to raise such issues.



Sustainability Strategy continued

ISO Accreditations

Accreditations form an integral part of Strix's ethos for the highest standards and continuous improvement. They provide a platform and credentials, which are particularly important when supplying premium brands, and a framework for further enhancement. Hence the Group's drive for all sites to achieve accreditation in quality, environmental management and health & safety standards. Since joining Strix, Billi has embraced this philosophy, achieving ISO9001 accreditation in 2023 followed by both ISO14001 and ISO45001 in 2024.

The Group now has a full suite of relevant ISO with the exception of ISO50001 energy management. Management intends 2025 to be a year of energy improvement, arguably the next stage having already achieved carbon neutral operations. This will include a review of ISO50001 adoption across the Group which will assist in the company wide drive to reduce overall energy consumption.



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ISO	9001	14001	45001	50001	13485	17025
	Quality systems	Environmental management	Occupational H&S	Energy management	Medical devices	Test & calibration
Ronaldsway (IOM)	✓	✓	✓			✓
Ramsey (IOM)	✓	✓	✓	✓		
China	✓	✓	✓	✓		
LAICA	✓	✓	✓		✓	
Billi	✓	✓	✓			

ESG: Task Force on Climate-related Financial Disclosures (TCFD)

Introduction and Compliance Statement

Strix's disclosures are consistent with the Task Force on Climate related Financial Disclosures' four overarching recommendations on Governance, Strategy, Risk Management, and Metrics and Targets, along with the 11 associated recommended disclosures. This includes consideration of section C of the TCFD Annex entitled 'Guidance for all sectors'. This is in-line with the UK Listings rules.

Governance

Board oversight

Climate issues are assessed by the full Board reflecting the importance which the Directors place on the risks and opportunities along with the relative size of the Board and scale of the Group. Richard Sells, Non-Executive Director, provides additional oversight on sustainability matters, leveraging his career at Electrolux and its long-held focus on sustainability. Board meetings are held six times a year with sustainability, including climate-related issues, both opportunities and risk, a consistent agenda item. Climate risks are consolidated into the annual Operational Board Risk Committee review for the Group and are seen as part of the ongoing ecosystem in which Strix operates. The Board provides the final sign-off on the Group's sustainability and hence climate targets and the associated investment. The Board is also responsible for overall strategy and ensuring that investment, including acquisitions, is aligned to the sustainability objectives of the group.

The remuneration committee, comprising of the three independent Board directors, is responsible for the executive team's remuneration including LTIPs. The executive LTIPs include targets associated with the Group's sustainability agenda. The 2024 LTIP required a reduction in Group energy intensity over the three-year period. For this element of the award to vest, there must be a minimum reduction in energy intensity of at least 5.0% per annum over the period.

Management's role

The Executive Management Team provides the key executive management forum for climate change and sustainability. It is chaired by the CEO, Mark Bartlett 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 and Strix Consumer Goods Engineering Director, has a key role in respect to climate change, responsible for assimilating climate-related data. He also has key responsibility for ISO programmes, in particular ISO14001 environmental management and ISO50001 energy management, which drive a broad range of sustainability strategy and actions. He is supported with both internal and external resources.

Climate opportunities for new products are again prioritised and incorporated into the R&D/new product development road map. The Group continually looks to enhance its new product development programme along sustainability driven corridors enhanced by thorough life cycle analysis, carbon accounting, circular economy, consumer safety and potential legislative changes.



ESG: Task Force on Climate-related Financial Disclosures continued

Strategy

Climate-related risks and opportunities

In assessing Strix’s risks and opportunities, the Group looks to consider timescales of short (0-2 years), medium (2-8 years) and long-term (8+ years). However, given the timescales of environmental impacts it is arguably unrealistic to compartmentalise into such distinct and relatively short time spans.

Risks

	Category	Risk	Potential impact	Likelihood	Time horizon	Mitigation
Physical risk	Acute	Storm & flood disruption and rising sea levels	Strix manufacturing facilities and/or supply chain. Note that Zengcheng, Guangzhou (where the Group’s 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. None of the Group’s plants are in flood plains or below 5m above sea level.	Low	Medium	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 planned maintenance, back-ups, testing and emergency sources of power generation. The Chinese facility has been strategically positioned whilst the improved construction provides safer and more flexible infrastructure. The plants carry an element of buffer stock against a range of supply related risks. All facilities have contingency business plans in place. Supply chain is assessed within the audit process and all key components are dual sourced with increased emphasis on at least one local supplier.
	Chronic	Drought	Strix facility / supply chain.	Medium	Medium	Primary use of water is in the research & development/test facilities. Whilst businesses are prioritised at times of water shortages in the Isle of Man the Group can defer certain programmes if conditions required without likelihood of long-term impact. Additional water recycling processes and procedures have been put in place to minimise any risk.
	Acute & Chronic	Heat stress	Primary facility exposed to acute temperatures in China. Other key facilities are unlikely to see lengthy periods of extreme heightened temperatures.	Low	Medium	The site is fully air conditioned and, like the factory, less than two years old. Air conditioning in the mould-shop, the hottest department in the plant, has recently been upgraded.

Risks continued

	Category	Risk	Potential impact	Likelihood	Time horizon	Mitigation
Transition risk	Policy & legal	Carbon price - own operations	Scope 1 & 2 emissions (market based) equated to 420tCO ₂ e in 2024. As part of Strix's 'carbon neutral' strategy, these are offset through the purchase of certified carbon credits. At the lower end of expectations (\$25/tonne) a cost of \$15k rising to \$90k at the upper end where credits are predicted to cost \$150/tonne. This excludes any Scope 3 offsets. The Group's analysis suggests that to achieve 'carbon neutral' by 2050 it is likely to require the use of offsets for remnant Scope 3 emissions, the level of which is likely to depend on the level of grid decarbonisation, supplier actions and ability of the transportation sector (distribution) to decarbonise.	Medium	Medium	Scope 1 & 2 emissions have been reduced by over 95.0% since Strix's base year. Continuous improvement drive remains to attempt to eliminate the remaining emissions including additional EVs, more efficient boilers, improved energy management through ISO50001 adoption. The level of emissions and carbon credits required in 2024 declined from 692 to 420. The worst case scenario of 500 credits @\$150/ton would be unhelpful rather than significant. Note that the anticipated savings through new sustainability linked debt facilities are expected to outweigh the upper end of the carbon credit potential impact.
	Policy & legal	Carbon price - up / downstream	This could add to costs as suppliers look to abate their own emissions, particularly in sectors which are hard to tackle such as transportation (especially shipping and aviation) or primary materials such as metals and plastics for components.	Medium	Medium	The Group engages with its suppliers to better understand its Scope 3 emissions so they are becoming more cognisant of the emissions landscape, leading them to address their emissions profile. Completely decarbonising the end-to-end supply chain (from mining to processing to manufacturing) is highly complex and may take many years. Key is to ensure that Strix is ahead of its competition so the Group is not at a competitive disadvantage.
	Market	Robustness of local power grid	Increased electrification could lead to power outages at individual sites.	Low	Medium	The primary manufacturing site in China is connected through modern upgraded infrastructure. The Group's own solar power and contingency plans including the use of generators are in place.



ESG: Task Force on Climate-related Financial Disclosures continued

	Category	Risk	Potential impact	Likelihood	Time horizon	Mitigation
Transition risk	Market	Cost of renewable electricity	Cost of renewable electricity could rise depending on the additional capacity installed as demand increases with companies looking to meet their carbon reduction targets.	Medium	Medium/ Long	Strix currently generates around 10% of its electricity requirement from its own solar installations. The Group's contracts for renewables tend to be medium-term 3-5 years which provides a degree of certainty in the short-term. Key will be the China manufacturing plant which has a long-term supply agreement in place.
	Policy & legal	Failure to meet / maintain expected ESG credentials	This could have an impact on wider stakeholders and investor base, including ESG specific funds.	Medium	Short/ Medium	Strive for 'best-in-class' as highlighted by the Group's Carbon neutral Scope 1&2 commitment achieved every year since 2023. Strong reporting/ management structure with key KPIs to ensure compliance. 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.
	Market	Increased investor scrutiny	There is increased focus on climate change by Strix's 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.	Medium	Short/ Medium	Strix's sustainability agenda has accelerated in recent years, including establishing future roadmaps and targets. From an emissions perspective the Group achieved the Group's targets to be Scope 1 & 2 'carbon neutral operations' in 2023 and started developing its Scope 3 supply chain emissions inventory which opens an additional avenue for making a difference. With the 'in use' dominating Scope 3 Strix's new product direction includes improved efficiency to reduce energy usage and hence emissions. The Group's sustainability report provides full transparency to all stakeholders. In 2025, Strix aims to finalise its 'net zero pathway' for all the Group's operations.

Opportunities

	Category	Risk	Potential impact	Likelihood	Time horizon	Mitigation
Transition opportunity	Products & services	Internal power generation	Solar production for internal use.	High	Short	Chinese investment has been made and Billi also has significant installed capacity. Hence the Group generates approximately 9.0% of group's internal power requirements. Further opportunities, including LAICA are under consideration. Relocation of Billi in 2025 is likely to see a reduction in electricity generation, although we will work with the landlord to look at the potential to add additional capacity to the new site.
	Market	Electrification	As cooking moves away from carbon based fuels such as gas and towards electricity, this offers the potential to change habits i.e. stove top kettles to electric kettles.	Medium	Long	Clear benefit for the use of kettles.
	Products & services	Adoption of energy saving products	Consumer demand for lower energy consumption from both a cost and environmental perspective.	Medium	Long	Introduction of new features and products. In kettles this includes accurate temperature measurement and switch off. In other product ranges this includes 'one cup' boiling products. For Billi 'water on demand' enhancing efficiency systems such as heat recycling in the chiller/heating cycles.
	Market	Higher cost of electricity	Renewables tend to carry a cost premium. Increasing the cost of using a kettle.	Medium	Long	The energy required to boil a kettle is relatively small at c0.25kWh costing around 6p. Nevertheless, this accumulates hence the strategy to develop a range of features such as pre-boil switch off, over-fill/one-cup and the benefit of Billi hot taps.



ESG: Task Force on Climate-related Financial Disclosures continued

	Category	Risk	Potential impact	Likelihood	Time horizon	Mitigation
Transition opportunity	Market	Population/urbanisation	Population increases by 1bn (RCP2.5) with increase up to 3bn (RCP8.5) albeit the high level will see reduced level of urbanisation/grid connectivity. Against the current population of 8bn in 2022 (according to the UN) and 7.2bn with access to electricity, this suggests potential growth of 24.0-32.0% although over such a long time period less than 1.0% a year.	High	Long	Clearly a benefit to Strix's end markets. Development of new strategy unlikely to be required.
	Products & services	Increasing importance of Scope 3 emissions	Customers, particularly the branded western clients, are increasingly looking to measure and report their Scope 3 emissions. This could increase importance if Carbon Adjustment Mechanisms are extended to include the Strix product portfolio.	High	Short/ Medium	Work with suppliers to further refine Strix's emissions to assist customers develop their own Scope 3. Continue to reduce the Group's internal and supply chain emissions to be the preferred partner.

Impact on Strix's 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. This includes understanding both lengthy internal supply lines and understanding and mitigating risks within the supply chain. Note that the relocation of some internal component production from the Isle of Man to China has mitigated some transportation risk. Strix's kettle controls are key to the most efficient method of boiling water which should provide benefit from rising energy prices and the shift towards alternative fuels, e.g. gas to electricity. New developments are aimed at reducing energy consumption be it new products such as one cup or new features such as pre-boil cut off which switches off at approximately 97° yet the latent heat ensures that the water still attains full boiling point. Similarly, Strix's water category and associated filters increase the quality of drinking water whilst reducing the use of single use plastic containers and associated waste. In addition, Billi complements the kettle controls business as hot taps become more widely adopted, particularly in high usage environments such as offices and commercial properties. These trends are driving the direction of the Group's new product development with R&D expected to grow alongside the business remaining at 3-4% of sales.

Resilience of Strix's strategy

Strix's current assessment has been based on the Paris Agreement 1.5°C scenario. Management sees little likelihood of negative impact on Group assets but continues to assess and build on its resilience, in particular suppliers and supply chains which are relatively lengthy. From an operational risk perspective, Strix has developed a range of business contingency plans, including detailed recovery strategies for all manufacturing operations. A key risk to the Group's carbon neutral strategy is access to renewable energy (electricity) supply to its key manufacturing plants, particularly China. To counter such risks, Strix has invested approaching £1.0m in a solar system in China which, along with the solar installations at Billi in Australia, has been providing around 10.0% of the electricity supply required the Group has signed long-term contracts for renewable energy for the other 90.0%.

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 garnered 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 and Strix's roadmap to net zero progress. 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 is reflected in the Group's 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. These actions form part of the Group's overall risk policy with key risks identified and logged within the risk register. Opportunities follow a similar pattern based on the scale of the opportunity and a set of metrics of internal measures to assess the Group's ability to compete/benefit from such avenues.

Climate-related risk integration

Climate change has become a clear reality and is now seen in Strix as 'business as usual' and part of the ongoing environment in which the Group operates. In addition, whilst complex, Strix is a small business with a flat structure and short lines of communication. The focus on climate change risks has clearly risen up the Group's agenda in recent years, as have actions, and is now an integral part of the overall business planning and management.



ESG: Task Force on Climate-related Financial Disclosures continued

Metrics and Targets

Key metrics used

Significant work was undertaken in 2023 and continued into 2024 to expand Strix's carbon footprint analysis through development of Scope 3 supply chain emissions and developing a net zero pathway for the individual activities and hence, the Group. This is in addition to the internal orientated Scope 1 & 2 emissions historically reported. These have been calculated using the GHG Protocol, the internationally recognised standard for corporate carbon reporting. Absolute and intensity (per £m) are used for both

emissions and energy consumption to provide more prescient analysis as the Group expands and ensure that its focus remains on energy usage as well as emissions.

Historically, the Group has used 'location based' analysis but has added 'market based' approach in 2023 as it believes that this provides a far more accurate representation of the actions which have been undertaken and the true emissions from Strix's operations. At present a full, independent audit is seen as unwarranted given the steps in place to achieve carbon

neutral operations in Scope 1 & 2 emissions. This is continually kept under review, taking into account all stakeholders, in particular customer requirements and financial providers. The adoption of S1/2 accounting standards is very much on the Group's agenda and will clearly provide increased audit for its emissions. Note that in 2024, Strix continued to submit its emissions to the CDP.

Disclosures

The following table provides Strix emissions using both location and market based methodologies.

		2021	2022	2023	2024
Location based					
Scope 1	tCO ₂ e	265	415	589	420
Scope 2	tCO ₂ e	7,430	5,883	7,602	8,281
Scope 1 & 2	tCO ₂ e	7,695	6,298	8,191	8,701
Scope 1 & 2 intensity	tCO ₂ e/£m	64.4	60.5	56.7	60.4
Market based					
Scope 1	tCO ₂ e			589	420
Scope 2	tCO ₂ e			103	0
Scope 1 & 2	tCO ₂ e			692	420
Scope 1 & 2 intensity	tCO ₂ e/£m			4.8	2.9
Scope 3	tCO ₂ e	573,895	410,096	478,090	563,638
Energy usage	MWh	15,666	14,052	14,883	15,930
Energy usage intensity	MWh/£m	131.2	135.1	103.0	110.6
Energy usage intensity	MWh/kpcs	10.2	11.6	11.9	11.9

Targets

Strix's target set in 2021 was to achieve Scope 1 & 2 carbon neutral by 2023. This was achieved by Strix and LAICA in 2023 and Billi, and therefore the Group, in 2024. This is being achieved through internally generated solar power and the purchase of renewable energy which are now in place for all Strix facilities. In addition, management is targeting a 5% improvement in energy intensity (energy used against sales) to further reduce risk.

Strix's Scope 3 work has provided a good initial understanding of the Group's total emissions footprint. The key element is the 'in

use' phase at approximately 94.0%, reflecting the kettle as an energy consumptive heating device. The laws of physics limit the impact which the Group can put on the Scope 3 inventory. Strix is therefore focusing on other areas which may have less impact but where it can actively make a difference. In particular, areas such as supply chain as well as working with customers who are increasingly looking to assess and reduce their own Scope 3 emissions.

However, given the dominance of the 'in-use' element Strix has not set targets for the Group but continues to work on its net zero pathway. If governments achieve their stated grid reduction/carbon neutral targets, with

this accounting for 94.0% of emissions, Strix will easily achieve any Paris Accord, SBTi targets. However, this will also bring to the forefront other areas such as transportation or waste which appear minor at present. The Group will continue to provide attention to all areas of emissions.

Full disclosure of the Group's sustainability KPIs and targets are shown on page 5.

Sustainability metrics

The following provides a summary of Strix's key sustainability factors and KPIs.

Note that Billi is included from 2023.

Environmental		2020	2021	2022	2023	2024
Emissions						
Location based						
Scope 1	tCO ₂ e	107	265	415	589	420
Scope 2	tCO ₂ e	5,269	7,430	5,883	7,602	8,281
Scope 1 & 2 (location based)	tCO ₂ e	5,376	7,695	6,298	8,191	8,701
Scope 1 & 2 intensity	tCO ₂ e/£m	56.4	64.4	60.5	56.7	60.4
Market based						
Scope 1	tCO ₂ e				589	420
Scope 2	tCO ₂ e				103	0
Total Scope 1 & 2	tCO ₂ e				692	420
Scope 1 & 2 intensity	tCO ₂ e/£m				4.8	2.9
Energy intensity	kWh/kpcs		10.9	11.6	11.9	11.9
Scope 3	tCO ₂ e	93	573,895	410,096	478,090	563,638
Total group emissions	tCO ₂ e	5,525	581,654	416,455	478,782	564,058
Scope 1 breakdown of emissions						
CO ₂	tCO ₂ e			301	480	418
CH ₄	tCO ₂ e			0.3	0.4	0.4
N ₂ O	tCO ₂ e			0.3	1.7	1.6
Scope 1 & 2 emissions UK	tCO ₂ e	347	403	472	112	84
Scope 1 & 2 emissions UK/Group	%	6.5	5.2	7.0	3.7	2.7
Energy usage						
Electricity purchased	MWh	10,137	14,626	11,690	12,141	13,294
Renewable electricity generated	MWh			1,193	1,291	1,318
Other	MWh	432	1,040	1,169	1,451	1,318
Energy usage	MWh	10,569	15,666	14,052	14,883	15,930
Energy intensity	MWh/£m	110.9	131.2	135.1	103.0	110.6
Energy intensity	KWh/unit of production (k)		10.9	11.6	11.9	11.9
Proportion of electricity generated in-house	%	0.0	0.0	9.3	9.6	9.0
Energy UK	MWh	1458	1685	1388	1336	1021
Energy UK/Group	%	13.8	10.8	9.9	9.0	6.4
Waste & recycling						
Hazardous	tonnes	0	0	0	0	0
Chemical	tonnes	33	33	42	45	32
Normal (metal, plastic cardboard)	tonnes	1,552	1,936	1,259	1,294	1,350
Total waste	tonnes	1,585	1,969	1,301	1,339	1,382
Intensity	t/£m	16.6	16.5	12.5	9.3	9.6
Intensity	Kg/units of production (k)		1.38	1.08	1.07	1.03
Recycled waste	tonnes	1,546	1,873	1,225	1,278	1,343
Recycled	%	97.5	95.1	94.1	95.0	97.2
Waste to landfill	tonnes	0	12.9	9.7	40.0	20.0
Water						
Consumption	m ³	30,936	46,848	34,600	31,780	41,830
Intensity	m ³ /£m	325	392	333	220	291



Sustainability metrics continued

Social						
Health and Safety						
Number of lost time accidents		7	11	9	14	11
Lost time injury frequency rate	per 200,000 hours	0.7	0.9	1.0	1.5	1.1
3 Year rolling average lost time injury frequency rate	per 200,000 hours	1.5	1.3	0.9	1.1	1.2
Severity rate	Hours lost/accide	36.6	128.2	43.6	120	38
Lost time rate	Hours lost/1000h	0.13	0.61	0.22	0.89	0.21
Number of fatalities		0	0	0	0	0
Diversity						
Women on the Board	%	20	20	20	20	20
Women in senior management roles	%	23	27	27	27	27
Women in the organisation	%	60	60	49	51	59
Employee Turnover						
Group	%		160	75	49	71
China	%		194	92	73	94
Outside China	%		14	18	20	25
Employee training	Hours/employee	6.9	13.6	9.5	13.2	N/A
Research & development						
R&D spend	£k	4,117	5,324	4,986	4,484	4,431
R&D/Sales	%	4.3	4.5	4.7	3.1	3.1
Governance						
AGM						
All resolutions (% votes for)	%	98.9	99.1	98.1	96.8	91.7



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