

# ESG data supplement

## Halma plc – 2023

### Introduction

This data supplement contains the quantitative environmental, people and other ESG-related metrics (including SASB reporting) that the Halma Group currently prepares, and which may be of interest to stakeholders including investors.

This does not represent our full approach to sustainability, which is outlined in our 2023 Annual Report and online at [www.halma.com](http://www.halma.com). In particular, this data only relates to the second and third pillars of our sustainability approach – to “support our people” and “protect our environment”. It does not include qualitative progress updates or information relating to our first pillar “drive growth in sustainability” and does not include narrative updates on key environmental or social metrics.

Further information can be found on our website:

- **Sustainability section of the Annual Report:**
  - Our sustainability approach and governance
  - How we drive growth in sustainability and details on the impact our companies enable through their products and services
  - Narrative around targets and progress on key environmental metrics and issues
  - Narrative around targets and progress on key employee-related and social metrics and issues
  - TCFD report
  - SECR-compliant greenhouse gas and energy tables (including UK-specific data)
- **Emissions Reduction Report 2023:**
  - Further qualitative and quantitative detail on GHG emissions, reduction targets and progress against these
- **Basis of preparation 2023:**
  - Calculation and reporting methodologies for all environmental data
- **[www.halma.com](http://www.halma.com)**
  - Examples of our purpose in action, the impact enabled by our companies, and approximate impact metrics.

## Environment metrics

Metric	Unit	2023	2022	2020 <sup>7</sup>
<b>Energy Consumption and Emissions</b>				
Scope 1: Combustion of fuel and operation of facilities <sup>1</sup>	tCO <sub>2</sub> e	4,059	4,451	5,156
Scope 2 (Location-based) <sup>2</sup>	tCO <sub>2</sub> e	10,032	10,516	12,748
Scope 2 (Market-based) <sup>2</sup>	tCO <sub>2</sub> e	5,500	7,209	12,906
Total gross Scope 1 & 2 emissions (Location-based)	tCO <sub>2</sub> e	14,091	14,967	17,904
Total gross Scope 1 & 2 emissions (Market-based)	tCO <sub>2</sub> e	9,559	11,660	18,062
Energy consumption in MWh used to calculate above emissions	tCO <sub>2</sub> e	55,687	54,028	60,470
Scope 3 Annually calculated categories <sup>3</sup>	tCO <sub>2</sub> e	14,975	11,170	17,716
Intensity measure – tonnes of total CO <sub>2</sub> e gross emissions per £m of revenue (Market-based) <sup>4</sup>	tCO <sub>2</sub> e/£m	13.1	14.8	N/A
Renewable electricity <sup>5</sup>	Percentage	62%	42%	8%
Scope 3 baseline estimate <sup>6</sup>	tCO <sub>2</sub> e	N/A	N/A	952,077
<b>Metric</b>	<b>Unit</b>	<b>2023</b>	<b>2022</b>	
<b>Water</b>				
Total Water Withdrawal <sup>8</sup>	m <sup>3</sup>	96,692	91,723 <sup>10</sup>	
Total Water Withdrawal in water-scarce areas <sup>9</sup>	m <sup>3</sup>	43,575	41,486 <sup>10</sup>	
Total Water Withdrawal per £1,000 Revenue	m <sup>3</sup> /£1000	0.052	0.063 <sup>10</sup>	
Total Water Discharge	m <sup>3</sup>	89,609 <sup>11</sup>	87,137 <sup>12</sup>	
<b>Waste</b>				
<b>Solid Waste (Non-hazardous)</b>				
Recycled <sup>13</sup>	metric tonnes	2,676	1,977	
Non-recycled	metric tonnes	4,169	3,670	
Total	metric tonnes	6,845	5,647	
Percentage of Solid Waste (Non-hazardous) Recycled	Percentage	39	35	
<b>Solid Waste (Hazardous)</b>				

Recycled <sup>13</sup>	metric tonnes	45	32
Non-recycled	metric tonnes	9	11
Total	metric tonnes	54	43
Percentage of Solid Waste (Hazardous) Recycled	Percentage	84	74
<b>Electronic Waste</b>			
Recycled <sup>13</sup>	metric tonnes	32	14
Non-recycled	metric tonnes	6	11
Total	metric tonnes	38	25
Percentage of Electronic Waste Recycled	Percentage	85	56
Solid waste diverted from landfill	Percentage	40	35
Total solid waste production per £1,000 revenue	kg/£1000	3.7	3.7
Total Liquid Waste (Hazardous)	m <sup>3</sup>	36	30 <sup>14</sup>
Total Liquid Waste (Non-hazardous)	m <sup>3</sup>	454	395

<b>Key Goals and performance</b>	<b>Unit</b>	<b>2023</b>	<b>2022</b>
<b>Scope 1 &amp; 2</b>			
Medium term: Reduce emissions by at least 42% by 2030 from 2020 baseline (aligned with 1.5 degree Science-based Target guidance) <sup>15</sup>	Percentage	-47	-35
Short term: Achieve 80% renewable electricity by 2025 <sup>16</sup>	Percentage	62	42
Annual: At least 4% annual energy productivity improvements from 2022 baseline <sup>17</sup>	Percentage	10	N/A
Long term: Net Zero by 2040 <sup>18</sup>			

Reporting methodology and scope: We have reported on all the emission sources required under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. We have employed the Operational Control definition to outline our carbon footprint boundary; included within that boundary are Scope 1 & 2 emissions from manufacturing sites and offices which we own and/or operate. Excluded from our footprint boundary are emissions from manufacturing sites and offices which we do not own and/or operate and emissions considered non-material by the business. We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and the Environmental Reporting Guidelines (March 2019) including Streamlined Energy and Carbon Reporting (SECR) guidance published by the UK's Department for Business, Energy & Industrial Strategy (BEIS). Emission factors were sourced from the UK Government's GHG Conversion Factors for Company Reporting 2022 and the International Energy Agency's Emissions Factors (2022 edition). For our Scope 2 market-based calculations, we used residual emission factors where available from the Reliable Disclosure Organization (RE-DISS 2021 edition). Further information about our basis of preparation for all emissions and energy data can be found on our website at [www.halma.com](http://www.halma.com).

- 1 - Included in Scope 1 are GHG emissions from direct fuel combustion at our sites, refrigerants, and from fuel use in our company-owned or leased vehicle fleet.
- 2 - Electricity purchased for our own use. Market-based is net of market instruments.
- 3 - Business air travel, Well to Tank, grey fleet (private and hire cars used for business), waste generation. 2023 Scope 3 annually calculated emissions reflect the continued recovery in business travel following restrictions during the pandemic.
- 4 - Prior to 2021, we did not show market-based Scope 2 emissions. In line with our science-based target, which is calculated using the market-based approach, we have transitioned to showing our intensity measure based on the market-based method. We do not show a recalculated intensity measure for our 2020 baseline.
- 5 - Percentage of total electricity usage, including generated on-site. Current year renewable % reflects the full year impact of acquisitions and disposals made during the period. Comparative figures are not updated for the impact of acquisitions and disposals made in subsequent periods.
- 6 - Estimated as explained further in our TCFD report in our Annual Report and Accounts, and in our Emissions Reduction Report and ESG Data Basis of Preparation document at [www.halma.com](http://www.halma.com).
- 7 - Our Scope 1 & 2 (market-based) GHG emissions for the year ended 31 March 2020 form the baseline for our Science-based target. Given the acquisitive nature of Halma, we have chosen to apply a 5% base year threshold for the structural change trigger of acquisitions and disposals. This year the impact of our acquisitions and disposals did not reach the 5% threshold for a base year recalculation. We do not recalculate Scope 3 annually calculated emissions for acquisitions and disposals.
- 8 - Water is withdrawn from and discharged to municipal/third party sources, except for one facility which utilises a ground water source (not located in a water-scarce area). The amount withdrawn from ground water is estimated to be approximately 1% of total water withdrawal.
- 9 - Defined as manufacturing, testing or R&D sites, or Hubs and Group Head Offices employing more than 50 people, operating in areas of 'high (40-80%)' or 'extremely high (>80%)' baseline water stress, according to the World Resources Institute's Water Aqueduct Water Risk Atlas Tool.
- 10 - Regular review of data is carried out to ensure accuracy and consistency. This review led to changes in the prior year to our water withdrawals. 2022 previously reported 106,123 water withdrawals, with 55,350 in water scarce areas resulting in a 0.70 water withdrawal per £1,000 revenue.
- 11 - Estimated at 95% of total water withdrawals. Calculated at entity level, aggregated to Group.
- 12 - Restated to be 95% of Group total water consumption.
- 13 - Approximately 328 (2022: 325) metric tonnes of non-hazardous solid waste and 3 (2022: 2) metric tonnes of hazardous solid waste included within the recycled waste were incinerated with energy recovery.
- 14 - Ongoing improvements in data quality has led to a correction in 2022 figures. Previously reported at 143.
- 15 - Market-based calculation of Scope 2 emissions. This target is aligned with guidance from the Science-based Targets institute (SBTi) and is an absolute measure aligned with the non-sector specific 1.5-degree emissions pathway. This target has not been verified, as SBTi verification requires our target to include Scope 3.
- 16 - Current year renewable % reflects the full year impact of acquisitions and disposals made during the period. Comparative figures are not updated for the impact of acquisitions and disposals made in subsequent periods.
- 17 - Revenue/energy consumed. Annual straight-line increase from 2022. Due to the inclusion of this metric in remuneration, it is calculated on a different basis to Scope 1 & 2 emissions and renewable electricity percentage. Revenue is adjusted to a constant currency basis, and both revenue and energy are adjusted to exclude all acquisitions in the current and prior period. This target was set using the EP100 initiative minimum commitment (to double energy productivity over 25 years).
- 18 - Market-based calculation of Scope 2 emissions. Our Net Zero target is aligned with guidance from the Science-based Targets institute (SBTi). We will reach Net Zero by reducing emissions as much as is feasible before using carbon removal instruments, as set out in our Emissions Reduction Report at [www.halma.com](http://www.halma.com).

## People Metrics

Metric	Unit	2023	2022
Employment Profile			
Total Number of Employees <sup>1</sup>	Number	8,141	7,522
Employment Profile by Geography <sup>1</sup>			
United States of America	Number	2,754	2,418
Mainland Europe	Number	1,475	1,283

United Kingdom	Number	2,478	2,425
Asia Pacific	Number	1,219	1,284
Other countries	Number	215	112

#### Employment Profile by Type<sup>1</sup>

Full time	Number	7,864	7,274
Part time	Number	277	248

#### Gender Diversity<sup>2</sup>

Board of Directors	Percentage	45	50
Senior Management <sup>3</sup>	Percentage	29	30
Other Employees <sup>4</sup>	Percentage	41	43
Executive Board	Percentage	55	67
Halma Future Leaders (Graduate) Programme <sup>5</sup>	Percentage	42	36
Mean Gender Pay Gap (UK and US)	Percentage	18.7	20.1

#### Ethnic Diversity

Board of Directors	Percentage	18	20
Senior Management <sup>3</sup>	Percentage	27	20
Executive Board	Percentage	27	30
Halma Future Leaders (Graduate) Programme <sup>5</sup>	Percentage	36	29

#### Employee Engagement

Response Rate	Percentage	85	85
Engagement Score	Percentage	76	76

#### Health and Safety

Group Accident Frequency Rate <sup>6</sup>	Number	0.08	0.09
Days lost to preventable work injuries	Number	455	171
Total recorded injuries to all employees	Number	320	283

#### Community Engagement

Charitable donations <sup>7</sup>	GBP (£)	125,196	211,000
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#### Key Targets and performance

Achieve a gender balance between 40% to 60% across all company Boards by 31 March 2024	Percentage female	29	26
Achieve 74% employee engagement score annually	Percentage	76	76
Achieve an Accident Frequency rate of <0.02 <sup>8</sup>	Number	0.09	0.09

1 - Average number of persons employed by the Group (including Directors). The data highlighting the split by geography is based on the location of entity.

2 - Gender balance is calculated as number of females divided by the total number of incumbents in role.

3 - Defined as Executive Board members who are not appointed to the Halma plc Board, Divisional Chief Executives and Directors of our companies.

4 - Excludes the senior management and the Board of Directors at Halma plc.

5 - Based on number of graduates in a particular year cohort for the programme.

6 - Accident Frequency Rate (AFR) is the total number of reportable incidents (injury incidents which result in more than three working days lost) in the period divided by the number of hours worked in that period by employees (including temporary staff and any overtime) multiplied by 100,000 hours (representing the estimated number of working hours in an employee's work lifetime).

7 - Includes all donations made by our companies or our head offices over our internal reporting threshold of £250 per individual donation. 2022 also includes £125,000 donated to the Water For Life campaign by Halma

8 - The target is set at the lowest rate we have achieved as a Group and was re-set at <0.02 in 2021

## Other metrics

Metric	Unit	2023	2022
<b>Management System Certifications</b>			
ISO 14001 (environmental management)	Percentage of sites	20	17
ISO 14001 (environmental management)	Percentage of Total Revenue	24	22
ISO 9001 (quality management)	Percentage of sites	62	60
ISO 9001 (quality management)	Percentage of Total Revenue	75	70
ISO 45001/BS OHSAS 18001 (health and safety)	Percentage of sites	17	15
ISO 45001/BS OHSAS 18001 (health and safety)	Percentage of Total Revenue	17	16
<b>Compliance Training</b>			
Training on Modern Slavery Act	Number of employees	550	500
Training on Anti-bribery and Corruption policy	Number of employees	600	700
Training on Competition Law and Competition Compliance	Number of employees	400	350

## SASB Metrics

The US-based SASB sets out sustainability reporting standards for various sectors. The following table summarises our responses to those disclosures against which we are currently able to report under the sector-specific standard for Electrical & Electronic Equipment. We will continue to review our reporting and where we can improve against SASB disclosures. Disclosures which are either not relevant to our business, or against which we do not currently report, are not shown below.

Topic	Metric	SASB Code	Units	2023	2022 <sup>3</sup>
Energy Management <sup>1</sup>	(I) Total energy consumed	RT-EE-130a.1	MWh	48,053	45,925

	(II) Percentage grid electricity	RT-EE-130a.1	Percentage	68	68
	(III) Percentage renewable	RT-EE-130a.1	Percentage	49	33
Activity metrics	Number of employees	RT-EE-000.B	Average Number	8,141	7,522
Hazardous Waste Management <sup>2</sup>	Amount of hazardous waste generated, percentage recycled <sup>2</sup>	RT-EE-150a.1		Please see hazardous waste disclosure tables above	
Business Ethics	Description of policies and practices for prevention of: (I) corruption and bribery and (II) anti-competitive behaviour	RT-EE-510a.1		Please see the Non-financial information statement page 99 of our Annual Report and Accounts 2023	
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	RT-EE-510a.2		£nil or not material	£nil or not material
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behaviour regulation	RT-EE-510a.3		£nil or not material	£nil or not material

1 - Measured in MWh not GJ. (I) includes gas, electricity and fuel consumed for heating and other machinery. It excludes fuel for business travel and therefore will not reconcile with the figures disclosed in the SECR-compliant GHG emissions table. (II) and (III) are calculated as a percentage of (I) and (III) includes renewable gas, and therefore will not reconcile with other renewable energy figures disclosed in this report.

2 - Hazardous waste is defined in accordance with the legal or regulatory framework applicable within the country/jurisdiction where the waste is generated, or if this is not available, in accordance with the EU Waste Framework Directive. Percentage recycled excludes incineration with energy recovery.

3 - These comparative figures are as reported in the prior year, and are not recalculated for the impact of acquisitions and disposals made in the current year