

Sustainability

Thermal management: Aerospace

Developing innovative technology today...

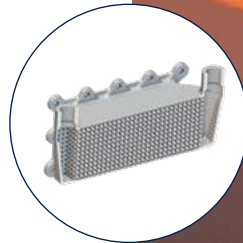
Electronics cooling

Each new generation of aircraft utilises more and more sophisticated electronic systems. Such aircraft utilise high voltages and currents, and require extensive thermal management of the various power electronics modules to assure component life and reliability. Senior has used our extensive experience of thermal management systems to develop high efficiency heatsinks and bespoke cooling plates for a variety of aerospace electronics applications.



Heat exchangers

Heat exchangers are a core component of several aircraft and aero-engine subsystems – ranging from maintaining lubricating oil temperature to cooling pressurised air in between compressor stages. Senior is developing the capability to design and manufacture heat exchangers, both with conventional fin-type designs as well as new high-efficiency designs made via additive manufacturing methods.



Battery compartment thermal management

Senior has leveraged its significant experience in the development of thermal management systems for land-vehicle applications into new-generation aircraft propulsion systems. As an example, Senior has worked with a leading e-VTOL manufacturer to develop venting systems to mitigate thermal runaway in large-capacity battery compartments on a development UAM.



IN THIS SECTION

- 20 Our Technology and Product Development on the Path to Net Zero
- 22 Environment
- 25 TCFD
- 32 Social
- 37 Governance



**...to help customers
save weight and
become more fuel
efficient tomorrow**

Sustainability



Mark Roden | Group Director of HSE & Sustainability

“Our sustainability programmes continued to develop in 2023. Highlights included the verification of our Net Zero 2040 carbon reduction targets by SBTi and our “A” rating for climate disclosure from CDP.”

Environment

29.5%

Reduction in Scope 1 (Direct) and Scope 2 (Indirect) emissions (market based) from 2018 base year (2022 – 22%)

Waste

95.1%

Recycling rate (2022 – 94.8%)

Diversity

57%

Percentage of women on Senior plc Board (2022 – 55%)

Our sustainability framework

Our sustainability framework reflects our core Values including safety, the highest ethical standards and care for the environment.

We believe this framework and the high standards we set, helps us to attract, develop and retain the right people, and that this is fundamental to our long-term success.

We have talented, committed people with the right skills and experience across our businesses, and we continue to support the personal and professional development of our staff.

Environment

SUSTAINABLE PRODUCTS

Support our customers in developing products that help reduce the impact on the environment.

ENVIRONMENTAL FOOTPRINT

Carbon

Overall Net Zero Target

- Senior Plc commits to reach Net Zero GHG emissions across the value chain by 2040 from a 2018 base year.

Near-Term Target

Read more on page 21

Long-Term Target

Read more on page 21

Waste

- Achieve 95% recycling rate by 2025.

Water

- Limit the environmental impact of our production processes through the efficient use of water.

Social

HEALTH & SAFETY

Reduce Lost Time Injury Rate to 0.3 by 2025

DIVERSITY & INCLUSION

Develop greater diversity and inclusion within the Group

PEOPLE & CULTURE

Create a working environment that enables our employees to achieve their full potential

EMPLOYEE WELLBEING

Support physical and mental health of employees. Create the environment that leads to a highly engaged workforce

COMMUNITY INITIATIVES

Bring positive change to the communities in which we operate

Governance

UPHOLD HIGH STANDARDS OF ETHICAL INTEGRITY

Bribery & Corruption

Ensure our policies and practices deliver the highest standards of integrity, avoiding the possibility of bribery and corruption

Human Rights

Uphold international standards on human rights

Modern Slavery

Prevent slavery and human trafficking in the Group's activities and its supply chain

Responsible Sourcing

Promote the use of responsible practices with a supply chain

Responsible Taxation

Fully comply with the tax laws, regulations and disclosure requirements in the countries we operate in

Whistle-blowing

Encourage the reporting of wrongdoing in the organisation

CYBERSECURITY & DATA PROTECTION

Reduce the risk of cyber attacks and ensure protection of all confidential data

PRODUCT SAFETY

Ensure that Senior products are certified to the required International Standards

Senior achieves SBTi Net Zero 2040 approval

Our ambitious Net Zero (2040) science-based emission reduction targets have been validated by the Science Based Targets initiative ("SBTi").

The validation highlights Senior's leading position in climate disclosure and action.

Our validated targets;

- **Overall Net Zero Target;** Senior commits to reach Net Zero GHG emissions across the value chain by 2040 from a 2018 base year.
- **Near-Term Targets;** Senior commits to reduce absolute Scope 1 and 2 GHG emissions 30% by 2025 from a 2018 base year. Senior also commits that 82% of its suppliers by spend covering purchased goods and services and capital goods will have science-based targets by 2025.
- **Long-Term Targets;** Senior commits to reduce absolute Scope 1, 2 and 3 GHG emissions 90% by 2040 from a 2018 base year.

*SBTi is a global body enabling businesses to set ambitious emissions reductions targets in line with the latest climate science.

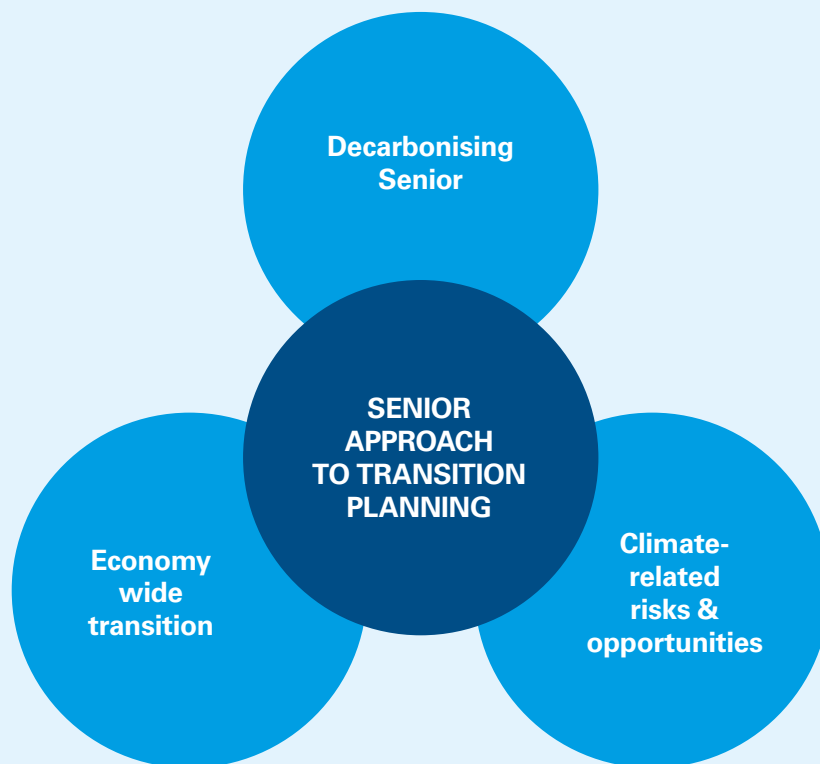


Senior achieves climate CDP "A" rating in 2023

Based on data reported through CDP's 2023 Climate Change questionnaire, Senior is one of a small number of companies that achieved an "A" out of over 21,000 companies rated.



Our approach to climate transition planning



Economy wide transition

Our fluid conveyance and thermal management technology allows us to support our customers with high-value solutions in the medium and long-term as they transition to sustainable technologies

Decarbonising Senior

Senior commits to reach Net Zero GHG emissions across the value chain by 2040 from a 2018 base year.

Climate-related risks & opportunities

Climate change has been reported as one of the Group's principal risks since 2019. In 2023, we performed our annual assessment of climate-related risks and opportunities taking into consideration legislative frameworks on climate change, expectations from regulators and market stakeholders, changes in weather patterns as well as the latest technological trends related to climate change.

Our technology and product development on the path to Net Zero

Delivering sustainable solutions

As the world transitions to a low-carbon economy, Senior continues to work with our customers developing efficient and effective products that are more sustainable and have lower environmental impact during the manufacture process and in use.

Our success is built on developing long-term partnerships with our customers, which enable us to help them meet today's challenges and deliver solutions for future low

2020 —————> 2030

Aerospace



Observation

The latest generation aero-engine technology can deliver up to 15% fuel-efficiency improvements.

Urban Air Mobility (UAM) operators planning to start operations from 2024, but widespread acceptance unlikely before 2030.

Our response

We have, and continue to win, significant content on systems critical to fuel efficiency on current best-in-class engines.

We are working with multiple UAM providers on prototype solutions for thermal management solutions.

Observation

The US aims to supply ≥ 3 bn gallons of sustainable aviation fuels ("SAFs") per year by 2030.

The EU's policy objective is for SAF to be $>5\%$ of aviation fuels by 2030 while planning to end free CO₂ credits (aviation allowances) for airlines by 2027.



Bleed air duct

Land vehicle



Observation

The California Air Resources Board requires 82.5% NOx reductions by 2027. EURO VII standards to be introduced in 2025.

Semiconductor content in cars is increasing, especially in EVs. The US passed the CHIPS act to secure supply, EU/India are implementing similar plans.

Our response

Our emissions controls products help vehicle manufacturers meet increasingly stringent regulations, such as the radial-fin EGR cooler for EURO-VII compliant diesel engines.

We are a key supplier to semiconductor equipment manufacturers.

Observation

The US EPA will tighten emissions rules countrywide from 2027.

Major car markets are implementing a COP26 agreement to ban new fossil fuel cars by 2035.



Radial-fin EGR cooler design

Power & energy



Observation

Nuclear is increasingly seen as vital for a low-carbon future. The European Parliament voted to classify nuclear as a green investment.

World leaders have agreed to transition away from fossil fuels at COP28.

Our response

We are providing engineering design and bid support for expansion joints to OEMs of Small Modular Reactors ("SMR").

Our flue gas diversion products are mitigating climate impact of conventional energy.

Observation

The EU increased its renewables target to $\geq 45\%$ of energy mix by 2030.

The US eyes 100% carbon pollution-free electricity by 2035.



Large expansion joint for power generation application

carbon requirements. An example of this is our work to provide customers with more energy efficient solutions on existing internal combustion technologies while simultaneously helping these same customers bring to market efficient and viable electric and hydrogen power trains.

We have continued to reduce our carbon emissions (market based Scope 2) using more renewable energy and more sustainable

production methods and materials wherever possible. Reducing waste and the consumption of electricity and water during the manufacturing of the products remains a key focus. In 2023 we achieved a waste recycling rate of 95.1%. With operations in 12 countries, we are also able to be geographically close to major customers which helps to minimise the carbon footprint of our products.

→ 2040

→ 2050

Our response

Our current fluid conveyance and structural components solutions are fully compatible with SAFs.

We are collaborating with multiple customers on various components and systems for more-electric aircraft, whether with conventional or zero-emission propulsion systems.



Inverter heat sink

Observation

Alternative-powered aircraft will increase demand for our battery thermal management, fuel cell and cryogenic expertise. Airbus ZEROe H2 aircraft planned for service in 2035.

Our response

Our Aerospace and Flexonics divisions are working together to develop various demonstrator hydrogen powertrain components for OEM customers.



Double-wall liquid-hydrogen ducting

Our response

We have patented solutions for electric vehicle (EV) inverter heat sinks (power electronics cooling), as well as battery thermal management systems.

We are developing fuel (H2) and exhaust water ducting solutions for hydrogen fuel-cell truck applications.



Fuel inlet piping for H2 fuel-cell truck application

Observation

27 countries have committed to 100% zero-emission new truck and bus sales by 2040.

Our response

We are developing very high pressure hoses capable of 1000bar (40% higher than current capacity) for high speed H2 refuelling.

We are in series production of battery coolers, and have won multiple contracts for fluid conveyance applications on BEVs.



Battery-cooling plate for heavy-duty on-road vehicles

Our response

Energy storage applications will grow in importance as renewable energy sources grow to be the dominant mode of generation.

Senior is already working with energy storage companies to develop thermal management solutions for this sector.

Carbon capture is another area where we are working with OEMs to develop solutions.



Atmospheric Carbon Capture system

Observation

The IEA forecasts that under its Announced Pledges Scenario solar and wind power generation will grow by >3x from 2021 to 2050 (~4% CAGR)

Ensuring stable power supply for critical infrastructure such as data centres will be important.

Our response

We continue to support our customers in their sustainability journey by providing solutions for wind and solar power generation.

We have extensive experience in land-based solid oxide fuel cell ("SOFC") components used in backup power units for data centres. We are also applying core thermal management and fluid systems expertise to electrolyzers for hydrogen generation.



Electrolyser system (Source: Cummins)

Net Zero



Environment

The route to Net Zero

Senior has verified targets to achieve Net-Zero by 2040

2010	First submission to the Carbon Disclosure Project
2015	Launch of "20/20 Vision for Sustainability" including adopting climate targets for carbon intensity, waste recycling and water usage
2020	"20/20 Vision for Sustainability" climate targets achieved
2020 July	Scope 1, 2 and 3 targets approved by the SBTi
2020 Dec	Gap analysis undertaken to assess the Company's alignment to TCFD recommendations and to identify areas for improvement
2021 July	Re-assessment of climate-related risks and opportunities
2021 Sept	Scenario analysis undertaken
2021 Dec	Senior's 2021 CDP score A-"Implementing current best practice" Senior achieves "Supplier Engagement Leadership Status" from CDP
2022	Develop our Long-Term Net Zero Targets
2022 July	Submit application to SBTi for verification of our Long-Term Net Zero Targets
2022 Dec	Senior achieves "A" rating for Climate Disclosure
2023	Net Zero 2040 Targets approved by the SBTi
2024 Jan	Senior achieves "A" rating for Climate Disclosure

Progress towards our certified Science Based Targets

Scope 1 and 2 carbon emissions

Scope 1 emissions are greenhouse gas emissions released directly from a business, this includes natural gas combustion, owned transport and refrigerant use.

Scope 2 emissions are indirect GHG emissions released from energy purchased by an organisation, principally electricity.

We continue with our carbon reduction programme, increasing energy efficiency, on site renewable generation and the sourcing of low-carbon electricity where available.

In 2022 we introduced our energy hierarchy; the aim was to focus on energy efficiency as well as reducing our overall carbon emissions. Our businesses have focused on improving energy management and monitoring as well as upgrading plant and equipment with more energy efficient alternatives.

As a result of this in 2023:

- gas usage decreased by 11.9%
- electricity usage decreased by 3.1%
- total energy usage decreased by 5.4%
- we increased our sourcing of low-carbon/renewable electricity.
- extended our on-site solar generation with a facility in the Czech Republic (Thailand, Malaysia and our India operating businesses have existing solar photovoltaics (PV)).

We remain ahead of our 2025 Near-Term Science Based Target

- 10% reduction in total Scope 1 and 2 emissions (market based) in 2023 compared to 2022.
- 29.5% reduction in Scope 1 and 2 emissions compared to our 2018 baseline. 15% reduction in Scope 2 emissions in 2023 (market based) compared to 2022.
- 48% of our electricity sourced from renewable supply (41% in 2022).

Scope 3 emissions

Scope 3 emissions are the result of activities from assets not owned or controlled by Senior, emissions of carbon outside of Scope 1 and 2 which Senior indirectly affects in the value chain.

In order to reduce Scope 3 emissions, we know that it is vital to engage with our supply chain as purchased goods and capital goods are our major sources of Scope 3 emissions.

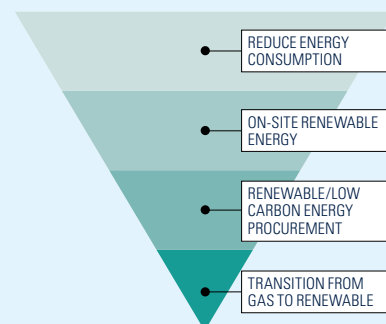
Since 2021, in partnership with CDP, we have been working constructively with our suppliers, following best practices, to achieve our Scope 3 (supplier engagement) SBTi target.

In 2023

48%

of our electricity was sourced from renewable energy, an increase from 41% in 2022

Senior energy hierarchy



Supplier engagement

In 2023, we were awarded "A" for our efforts in the CDP supplier programme, the highest rating awarded to only the most committed companies who are dynamically working across the supply chain to reduce greenhouse gas emissions.



Scope 3 Emissions Progress

Our continued work on the supplier base continues to be successful with an increase of 14% in our supplier participation rate:

- in 2021, 94 of our suppliers provided data to us;
- in 2022, we had a response rate of 160 suppliers; and
- in 2023 we have been successful in increasing our response to 182 suppliers.

This has been achieved through increased contact and support with our supply base. We hosted a number of Webex meetings, some alongside our partners in CDP as well as assisting with carbon calculations with some smaller suppliers.

We continue our focus on improving our engagement with suppliers; many of them are new to climate-related disclosures and targets. We are working with CDP to fully assess the targets reported by our suppliers to effectively measure their alignment with the core principles of SBTi. We will use this data to disclose progress in meeting our approved Supplier Engagement target in future.

14%

Increase in supplier responses in 2023 compared to 2022



Carbon emissions

In Compliance with Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 – Streamlined Energy and Carbon Reporting (“SECR”)

	1 Jan 2023 to 31 Dec 2023			1 Jan 2022 to 31 Dec 2022		
	UK and Offshore	Global excluding UK and Offshore	Total	UK and Offshore	Global excluding UK and Offshore	Total
Scope 1: Combustion of fuel and operation of facilities	1,122	8,579	9,701	1,224	7,405	8,629
Scope 2: (location based) Electricity, heat and steam purchased for own use	2,264	39,473	41,737	2,159	39,550	41,709
Scope 2: (market based) Electricity + District Heating	0	30,790	30,790	1,085	35,107	36,249
Total gross Scope 1 and 2 (location based) emissions/tCO ₂ e	3,387	48,051	51,438	3,383	46,955	50,338
Energy consumed in MWh to calculate above emissions	16,309	130,610	146,919	17,198	138,029	155,227
Scope 3: Business travel, waste, water	238	2,226	2,464	103	1,995	2,098
Total Gross emissions/tCO ₂ e (Scope 1, Scope 2 location based, Scope 3 ; Business travel, waste, water)	3,625	50,278	53,902	3,486	48,950	52,436
Intensity measure tonnes CO ₂ emitted per £m of revenue	21	64	56	25	69	62
Water usage (in megalitres)	32	228	260	32	235	266
Percentage of waste recycled or recovered	100%	94.5%	95.1%	100%	94%	94.8%

Methodology

The Group's approach to calculating and reporting our GHG emissions follows the GHG Protocol on how to measure and monitor GHG emissions. Three data sources are used to calculate GHG emissions:

1. UK Government GHG Conversion factors for company reporting (DEFRA full set for advanced users 2023).
2. US EPA (eGRID) Emission factors for greenhouse gas inventories for US electricity generation (2023 Version).
3. IEA (International Energy Agency) Emission factors year 2023 Edition. Reporting has incorporated Scope 2 greenhouse gas emissions (associated with electricity consumption) calculated using both the Location and Market-based methods. Data for the market based, utility emission rates has been collated during the period December 2023 – January 2024, as best available information to represent the emissions during the year. It should be noted that these vary and are periodically updated, so are representative of our best endeavour to determine market-based emissions at the time of collating data for this report.

Each Senior business reports its environmental performance monthly using the Group's financial reporting process.

The Scope 1 and 2 emissions Location Based and Market Based (FY23) are independently assured in accordance with the International Standard on Assurance Engagements ISAE 3410 (limited assurance).

In calculating GHG emissions, the Group has used the control approach and more specifically the financial control approach under which a company accounts for 100% of the GHG emissions from operations over which it has control. This covers all wholly owned operations and subsidiaries of the Group for financial reporting purposes.

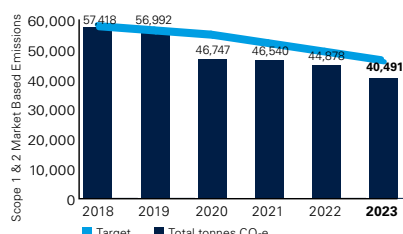
Limited Scope 3 emissions are reported in the table above, they are not externally verified at the time of publication of this Annual Report and Accounts. A full disclosure of the 2023 Scope 3 emissions, externally verified, will be made publicly available within our CDP Climate Change later in 2024.

Total waste includes the reported production and non-production-related hazardous and non-hazardous solid, sludge and liquid materials (including wastewater since 2019) that is sent off site for disposal, treatment, reprocessing, recycling or reuse by others. Waste materials do not include by-products or scrap from a Senior business process which are re-used in a production process. Similarly, waste that arises from construction and other maintenance/remediation work performed by third party contractors are not included in the scope of reporting where the contractor is responsible for the disposal of the waste. DEFRA conversion factors are used worldwide for waste data as means to determine a reasonable carbon conversion factor.

Water volumes are obtained from meter readings and from supplier invoices. All water consumption is converted to megalitres, carbon is derived using recognised and appropriate DEFRA conversion factors.

For vehicle and air mileage, Senior uses the most applicable DEFRA conversion factors to calculate the carbon based on distance travelled.

Scope 1 and 2 market based emissions



29.5%

reduction in total Scope 1 and 2 emissions from our 2018 baseline

We remain on track to achieve our

30%

SBTi reduction target by 2025

Carbon emissions

(measured as tonnes of CO₂e)

	Scope 1	Scope 2 Electricity + District Heating (market based)	Total
2018	10,414	47,004	57,418
2019	10,378	46,614	56,992
2020	8,731	38,016	46,747
2021	8,445	38,095	46,540
2022	8,629	36,249	44,878
2023	9,701	30,790	40,491

Note: The Scope 1 and 2 emissions Location Based and Market Based (FY22) are independently verified in accordance with the International Standard on Assurance Engagements ISAE 3410 (limited assurance).



Energy efficiency actions

In the reporting year we have implemented energy efficiency projects across our global operating businesses. In total, Senior's environmental improvements have the potential to reduce annual GHG emissions by 340 tonnes of CO₂e.

These environmental improvements include improving the energy efficiency in buildings, including insulation, heating, ventilation and air conditioning improvements, as well as further installation of LED lighting. Senior has also looked carefully at energy efficiency in production processes, including machine/equipment replacement and compressed air efficiency and heat recovery.

Several Senior operating businesses have implemented energy monitoring software systems to give granular insights into energy

consumption trends within the plant. This enables plants to drill down into energy consumption by service usage categories (gas, electricity and water) and check against baseline comparisons and cost impact using a dashboard. Plants can also detect energy anomalies and investigate when identified.

Senior has set out its year 2025 plan and is on target to reduce Scope 1 and 2 emissions by 30%. Key to achieving this year 2025 target is the further purchase of renewable electricity supply/contracts.

All of Senior's UK operating businesses and our corporate office have now contracted into the supply of 100% renewable electricity, avoiding over 2,200 tonnes of GHG emissions annually.

One of our USAs operating businesses continues to purchase 100% renewable electricity and a further business in the US has increased their renewable energy contract from 25% to a 50% renewable tariff.

Other Senior operating businesses continue to make progress to achieving renewable energy contracts.

We continue to invest in solar PV – one European business has installed a solar PV system late in 2023 with the ability to reduce GHG emissions by 50 tonnes. With this latest addition, the total number of our businesses equipped with on-site solar photovoltaic (PV) systems now stands at four.



Water

Objective: our primary goal is to minimise the environmental impact of our production processes by optimising water usage, especially in regions facing high water scarcity.

Recognising the escalating strain on freshwater reserves, we are proactively exploring regions experiencing water scarcity and evaluating strategies to reduce freshwater consumption in these areas. Leveraging tools such as the World Wide Fund for Nature ("WWF") water filter, we identify businesses situated in water-scarce regions to target our efforts effectively.

➤ For information on water, please see www.seniorplc.com/sustainability



Waste

Objective: 95% recycling rate by 2025.

To increase the amount of waste that is recycled on site and provide efficient ways to recycle the waste that is produced.

With continued progression with business level actions to increase our overall recycling rate, we have achieved a recycling rate of 95.1% in 2023, an increase from 94.8% in 2022.

➤ For information on hazardous waste, please see www.seniorplc.com/sustainability



Certification

All Senior legacy businesses have accreditation to ISO14001, while our latest acquisition, Spencer Aerospace, will be working to achieve accreditation in 2024.



In Senior, the Environmental Management System ("EMS") ISO 14001 serves as a collaborative endeavour that fosters teamwork and a shared commitment to a common goal. Through internal communication of achievements and progress, staff members are motivated and engaged, leading to a more cohesive and productive work environment.

Water usage in 2023

260 megalitres

Reduction in usage of

82 megalitres

compared to 2019 (342 ML), the last full year before COVID-19 related impact to operations

In 2023, Senior was successful in recycling

95.1%

of waste produced

In 2023, 75% of our businesses achieved a recycling rate of

90%

or higher

Task Force on Climate-Related Financial Disclosures ("TCFD")

This section summarises the Group's climate-related financial disclosures consistent with the TCFD framework recommending 11 disclosure topics across four pillars – governance, strategy, risk management and metrics and targets.

TCFD compliance statement

Senior's climate-related disclosures for the year ending 31 December 2023 are consistent with the TCFD recommendations and recommended disclosures (set out in Section C of the 2021 TCFD Annex "Guidance for All Sectors"), and comply with the requirements of the Listing Rule 9.8.6 R(8).

Governance

Oversight of climate-related risks and opportunities

The Company's Board of Directors has oversight over climate-related matters. It is important that the Board of Directors has a clear understanding of the climate-related risks and opportunities, and that this knowledge is subsequently integrated into the decision-making process. The Group Chief Executive Officer is ultimately responsible for climate-related risks and opportunities. Reporting to the Group Chief Executive Officer, the Group Director of HSE & Sustainability is responsible for Senior's sustainability and climate-related strategies. During 2023, the Board was informed on climate-related matters as outlined below:

- **Regular reporting:** Over the last few years, we have established a routine reporting of climate-related matters to the Board through a dedicated sustainability section in the Group Chief Executive Officer's report to the Board, which is presented at every scheduled Board meeting. This section of the report updates the Board about the Group's performance on a wide range of sustainability matters, including climate-related issues. The items that were brought to the Board's attention in 2023 included: the results of the Group's 2022 supplier engagement programme and actions planned to increase supplier response rates in 2023; the results of the 2022 carbon emissions calculations for Scope 1 and 2 market based emissions; and the activities planned for 2023 in respect of increasing the sourcing of low-carbon and renewable electricity to mitigate the potential increase of the Group's Scope 2 emissions. Throughout the year, the Board was regularly updated on the progress of the Group's Net Zero application to the SBTi. During its September meeting, the Board was notified that the SBTi had approved the following Group's Net Zero targets:
 - **Overall Net Zero Target:** Senior plc commits to reach net-zero GHG emissions across the value chain by 2040 from a 2018 base year.
 - **Long-Term Targets:** Senior plc commits to reduce absolute Scope 1, 2 and 3 GHG emissions 90% by 2040 from a 2018 base year.

In the near-term, Senior plc remains committed to reducing its absolute Scope 1 and 2 GHG emissions 30% by 2025 from a 2018 base year. In 2023, we revised our supplier engagement target – Senior commits that 82% of Senior's suppliers by spend, covering purchased goods and services and capital goods, will have science-based targets by 2025.

The Board recognises that a robust governance framework is critical to ensure accountability for Senior's Net Zero commitments. Therefore, the Board will continue its oversight activities in 2024 around reviewing, challenging and approving the actions and initiatives to be taken by the Group to achieve its Long-Term Net Zero Targets.

- **Engagement with the Group's Sustainability team:** the Group Director of HSE & Sustainability attended two Board meetings in 2023, during which the Board was presented with the Group's Scope 1 and 2 Market Based Emission Tracker, illustrating the Group's progress in meeting Senior's Near-Term Scope 1 and 2 targets as well as the initiatives taken by the sustainability team to engage with suppliers in respect of their Scope 3 emissions. In 2022, we developed Senior's Energy Hierarchy – a framework of priorities in managing and reducing emissions and energy consumption. As part of the presentation to the Board, the Group Director of HSE & Sustainability reported on the progress made by the operating businesses in moving to low-carbon electricity contracts as well as actions taken as part of Senior's Energy Hierarchy, such as installation of energy monitoring systems, on-site generation of energy, and formulating plans to transition to renewable energy. Over the years, there has been an increase in customer requests for CDP and other ESG disclosures from Senior, and the Board was briefed on the engagement between the Group's sustainability team with a number of customers in this regard.
- **Board Committees:** the Audit Committee is responsible for reviewing the TCFD disclosures in the Company's Annual Report & Accounts. The Board is cognisant of the fact that it may need to adapt its current oversight mechanism over the Group's sustainability matters as various sustainability-related reporting regulations evolve.
- **Risk Management:** following the Group's annual identification and assessment of climate-related risks and opportunities, the Executive Committee and the Board received and reviewed the summary of findings during their meetings in December 2023.
- **Integration with Strategy:** in 2022, we updated the Company's Purpose – "We help engineer the transition to a sustainable world for the benefit of all our stakeholders" – to reflect its commitment to sustainability. The focus of the 2023 Board Strategy meeting was, among other matters, how Senior's technology expertise could be applied to capitalise on the opportunities presented by transitions to a low-carbon future. In particular,

discussions evolved around opportunities associated with the application of hydrogen in a variety of products for land vehicles, aerospace, power and energy markets. Electrification, or the transitioning from fossil-based energy sources to electricity, and sustainable aviation fuel were among other themes that received significant prominence in strategic discussions this year.

- **Board expertise:** the Board of Directors needs to continually develop its expertise in climate matters and stay abreast of the evolving regulatory landscape related to climate change, both in the UK and internationally. In 2023, all Board Directors completed the TCFD training. Regular secretarial reports to the Board highlight sustainability and climate-related regulations being developed by countries and international bodies to address the impact of climate change. In October 2023, we held the “Investor Technology Teach-In” event. The event, attended by Board Directors, investors and some Group employees, was delivered by the Group Director of Business Development & Strategy and other representatives of the Group’s operating businesses with the support of the Group Chief Executive Officer in the format of an interactive online educational session focused on the five main technology themes specific to Senior. The aim of this session was to inform and educate the audience about current and future potential applications of thermal management and fluid conveyance products, as well as to build good understanding of Senior’s enabling technologies, such as additive manufacturing and digitisation.

Assessing and managing climate-related risks and opportunities

Senior’s management is responsible for assessing and managing climate-related risks and opportunities.

The Group Director of HSE & Sustainability has direct oversight over Senior’s operations on the matters of climate change, ensuring that data, such as Scope 1, 2 and 3 emissions, waste recycling and water consumption, is collated, monitored, presented and reported to the Executive Committee and the Board on a regular basis. Responsibility for carbon emission management and the development of the Energy Efficiency programme also resides with this position.

Chief Executives of the Aerospace and the Flexonics Divisions have direct responsibility for ensuring that their Divisions meet the Group’s carbon reduction targets and supplier engagement responsibilities. They constantly monitor customer demands and are best placed to ensure that these requirements are reflected in future programmes as customers transition to low-carbon products.

The Executive Committee, led by the Group Chief Executive Officer, ensures that material climate-related risks form part of the Group’s overall risk management framework, and that climate-related opportunities are incorporated into the Group’s strategic and financial planning. The HSE Committee, chaired by the Group Chief Executive Officer, monitors the Group’s progress on its environmental targets, including Scope 1, 2 and 3 emissions.

The assessment of the Group’s climate-related risks and opportunities is performed on an annual basis, and the outcomes of the 2023 assessment can be found on page 27.

Case study
Innovation Competition
“Innovation on the Road to Net Zero”

In Senior, we foster a culture that encourages and celebrates innovation. In 2023, we launched our first Group-wide innovation competition which was sponsored by the Technology Council and aimed at inspiring innovation, encouraging collaboration and participation with our wider Technology Council activities. The theme of the competition was “Innovation on the Road to Net Zero”. A total of ten entries were submitted from 10 operating businesses from both Aerospace and Flexonics Divisions, with projects covering process technology improvements, new product developments or sustainability improvements.

Senior Aerospace Thailand was one of the two operating businesses winning the Gold Award for their projects.

Background
Senior Aerospace Thailand is located in Chonburi – a province of Thailand with a tropical climate. Chonburi has hot, humid weather and the average temperature inside the factory can be as high as 32°C, with the humidity jumping to 82% during the rainy season. Consequently, the operating business had installed an air conditioning system which has a sizable cooling tower and runs continuously.

Project
The team at Senior Aerospace Thailand have designed a customised wind turbine system that is driven by the exhaust airflow from the air conditioning systems to generate clean and cost-effective electricity sufficient to power two manufacturing cells and also to provide battery charging for a small electric vehicle. It is estimated that the implementation of the system in 2024 will reduce Scope 1 GHG emissions by 100 tonnes per annum.



Senior’s climate-related governance framework



Strategy

Climate-related risks and opportunities identified over the short, medium and long-term

Senior assessed climate-related risks and opportunities using the below time horizons, because they align with the Group's internal risk management and planning time frames:

Rating	Range
S Short-term	2023 – 2026
M Medium-term	2026 – 2028
L Long-term	2028 – 2043

In 2023, we carried out an annual Group-level assessment of climate-related risks and opportunities; we believe such a proactive approach ensures that the Group is better prepared to address existing and future challenges posed by climate change and to take advantage of potential opportunities.

Consideration was given to the existing and forthcoming legislative and regulatory sustainability reporting requirements likely to affect the Group's operations, expectations of the Group's customers, suppliers, employees,

investors, regulators and other stakeholders, changes in weather patterns and the latest technological trends. The assessment also considered the various geographical locations of the Group's operations together with challenges and opportunities arising in industry sectors where Senior operates. The risks and opportunities, shown in the table below, are relevant to all of the Group's market sectors.

The results of the assessment indicate that the Group's material risks remain relatively unchanged from the 2022 assessment. The risk of "Increased pricing of GHG emissions/cost of carbon offset" has moved from medium-term into long-term horizon, reflecting the complexities of carbon pricing mechanisms in individual countries and considering the Group's current time horizons. The assessment identified a new opportunity "Employee retention and/or recruitment". Increasingly, candidates prefer to work for companies taking a proactive approach on climate change and sustainability matters. We believe that leveraging the opportunity of attracting talented and

forward-thinking candidates could offer a strategic advantage to Senior. The opportunity "Shift in Consumer Preferences" has moved from the short-term to the medium-term horizon, recognising that any benefit from changing consumer preferences was likely to occur beyond the three-year timeframe.

The WWF Water Risk Filter analysis conducted in 2022, indicated that nine of our operating businesses were in areas of potential water scarcity. These are our businesses in India, South Africa, California (Senior Aerospace SSP, Senior Aerospace Jet Products, Senior Aerospace Ketema, Senior Aerospace Steico Industries and Senior Aerospace Spencer), as well as our Flexonics and Aerospace businesses in Mexico. To date, Senior has not been subject to conditions where water scarcity had led to interruptions in operations, although we are aware that severe localised water shortages can lead to potential operational interruption and interrupted supply of products to our customers. We are analysing the opportunities to reduce overall water consumption in each of these businesses.

Category	Sub category	Risk/Opportunity description	Indicative time frame	Link to Senior's Principal Risks
Opportunities	Products and Services	Development of new products Development or expansion of low-emission products may raise demand for Senior's products.	S	
		Shift in Consumer preferences Changing customer/consumer behaviour or preferences increases demand for Senior's products which support the transition to a low-carbon economy.	M	
	Resilience	Resource substitutes/diversification Shift to sustainable low-carbon energy sources may raise cost-effectiveness of the Group's operations, reduce GHG emissions, strengthen energy security and resilience to climate shocks.	M	
		Employee retention and/or recruitment Commitment to environmental sustainability may enhance employee retention and attract talent.	S	
Transition Risks	Market	Changing customer/consumer behaviour or preferences Customers' shift to low-emission products may reduce demand for some of Senior's products.	M	Climate change
		Influence of ESG on debt-rating agencies/assessment of credit risk Changes in investor expectation can change market valuations in a negative way (such as attracting negative screening).	M	Implementation of strategy Financing and liquidity
	Technology	Substitution of existing products and services with lower emissions options Disregarding evolving low-emission technologies and product demand may reduce market share.	M	
		Costs to transition to lower emissions technology Decarbonising processes/products as per SBTi targets may require additional capital investment.	M	Innovation and technological change
		Unsuccessful investment in new technologies Delaying investment in low-emission technology may commit Senior to fossil-fuel dependent assets long-term, incurring extra costs to transition from such assets before their useful life ends.	M	
	Policy & legal	Increased pricing of GHG emissions/cost of carbon offset Future GHG emission pricing may raise the costs for products both bought and sold by Senior.	L	Inflation
		Exposure to litigation Failure to manage climate-related issues may result in prosecution (fines and reputational damage).	L	Corporate governance breach
	Reputation	Increased stakeholder concern or negative stakeholder feedback Failure to align climate change commitments with corresponding actions may result in discontent among customers and other stakeholders, attract negative press and lead to reputational damage.	M	Implementation of strategy
		Stigmatisation of sector Activism and protests against aviation, land vehicles and oil and gas market sectors might become a threat to the reputation of Senior.	M	
	Physical Risks	Increased severity of extreme weather events such as cyclones and floods Extreme weather events may damage infrastructure and disrupt operations.	S	Climate change
		Changes in precipitation patterns and extreme variability in weather patterns Global temperature rise and changing weather patterns may intensify droughts, impacting water supply to Senior's manufacturing sites and disrupting operations.	S	

Impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning

▶ Products and Services

In terms of climate change, our strategy is being influenced in several key areas.

Climate change regulation and understanding is driving changes in consumer attitudes and increasing demand for energy efficient transportation. This will mean the increased use of hybrid, fully electric and hydrogen powered vehicles. Senior is currently active in this area with new products, including innovative thermal management solutions for large battery packs (initially for public transport vehicles). The opportunity here is for Senior to become a leader in this technology, as we have the expertise to design products with class-leading technical performance which will help to increase sales in this growing market sector. Examples of these include battery cooling, electronics cooling, electric vehicle fluid handling and flex for vehicle range extenders, fluid conveyance hoses and tubes for hydrogen fuel cells. The time horizon for this is short to medium-term with prototypes currently under test for some products.

We have a dedicated team based in the Flexonics businesses specifically working on exhaust gas recirculation ("EGR") systems with customers. Requirements are driven by performance (lower carbon emissions) and changing legislation. Legislation drives lower NOx allowances for heavy-duty diesel engines.

We have invested in specialised additive manufacture equipment in some of our Aerospace businesses. The purpose of this is two-fold: to develop and manufacture metallic components which are much lighter, reducing weight and, ultimately, saving fuel and reducing carbon emissions during flight. At the same time, lighter components will reduce waste during the production process, therefore decreasing the amount of material required (reducing our Scope 3 emissions) and the associated material cost.

➤ [Read more on pages 20 to 21 and 44 to 47](#)

▶ Operations and supply chain

To be effective, it is vital that climate change considerations are applied at individual operating business sites where Senior's approach has focused on energy efficiency and cost reduction, particularly in respect of the Scope 1 and 2 emissions. Numerous energy conservation projects have been implemented in production sites across the world, such as improving building insulation, upgrading energy efficient lighting, installation of heat recovery systems and upgrading HVAC systems.

The strategic focus has been on the Group's Scope 3 emissions, particularly how our products and services help customers and society at large reduce emissions. This has been supported by our ongoing engagement initiatives with over 300 of the Group's suppliers through the Carbon Disclosure Project, asking them to align with Senior's environmental goals and set emissions reduction targets by 2025.

An important decision in relation to our operating businesses was to have our carbon reduction targets approved by the SBTi. Following high-level discussions on our carbon reduction strategy and the need to ensure our approach followed science-based evidence and was aligned to the Paris Agreement, we applied to the SBTi. Following the approval of our targets to reduce Scope 1 and 2 emissions 30% by 2025 by the SBTi, we started exploring low-carbon energy supply opportunities, while supporting existing energy efficiency initiatives. Within the framework of Senior's Energy Hierarchy, operating businesses needed to investigate and cost on-site generation of low-carbon energy, as well as switching to low-carbon electricity by 2025. As part of the roll-out of our Energy Strategy, the Group-wide energy consumption reduced by 5.4% in 2023 (compared to 2022).

Each site within the Group has a scenario-based Business Continuity Plan which is tested on an annual basis; this enables us to ensure that mitigation and adaptation activities associated with the physical risks from climate change are addressed. Further information on how we manage the risk of climate change can be found on page 63.

➤ [Read more on pages 22 to 24](#)

▶ Investment in research and development

Climate change is a fundamental element of the Group's business strategy. As a consequence, when considering R&D spend and expansion, we assess sustainability aspects of our products in terms of supporting our customers' aims to reduce energy consumption and carbon. A recent example is the development of specialised thermal management products to maintain the optimum working temperature of vehicle battery packs (battery cooling packs, initially for large public service vehicles), as described above.

➤ [Read more on page 40](#)

▶ Access to capital

Investors and lenders consider Senior plc's ESG policies, strategy and performance when making decisions in allocating capital. Whilst we have not yet identified any significant correlation related to climate change and access to capital, it is an area that remains under our review. We expect capital to become harder to source for industrial companies that do not manage their climate risks and opportunities progressively. The Group has successfully extended its main UK Revolving Credit facility ("RCF") by an additional year to November 2027 which involved the extension of our sustainability KPIs in agreement with our lenders.

▶ Acquisitions or divestments

Portfolio optimisation is a central pillar of our strategy. Climate change is considered in the overall view of acquiring new businesses, in terms of potential of the sustainability of the product portfolio as well as in future planned divestures. The future markets of the goods produced will be assessed in line with expected changes in consumer spending as climate change dictates the use of alternative energy and reduced carbon solutions.

▶ Financial planning process

One of the short-term (one to three years) influences of climate change on Senior's business strategy is that of cost and internal efficiencies, particularly in respect of the Group's Scope 1 and 2 emissions. In support of the 2025 SBTi targets, our operating businesses initiated energy conservation projects as detailed on page 24. In 2023, Senior Flexonics Czech commissioned the installation of the solar PV system; further details can be found in the case study below.

We are seeing some limited negative effects from the decreasing market trend for diesel passenger vehicles in Europe and a consequent reduction in demand for some products. Although some of Senior's operating businesses are experiencing reduced demand, the effect is not significant overall with other product lines filling demand. This means we are tailoring our financial planning to reflect these market changes. At the same time, opportunities in new technologies that may require investment are also considered as part of the financial planning.

We consider climate change when assessing liabilities in the Group's operating businesses. The need to insure fixed assets and the adoption of safety measures to protect staff in areas subject to severe weather are current examples.



Case study

INSTALLATION OF PHOTOVOLTAIC SYSTEM AT SENIOR FLEXONICS CZECH

Senior Flexonics Czech located in Olomouc, the Czech Republic, produces and distributes components and tube systems from stainless steel, low-carbon steel and aluminium. Their products are mainly made for oil, air conditioning, roof, cooling and air systems for prominent brands of world automotive factories.

In 2023, Senior Flexonics Czech commissioned the installation of the solar PV system with an investment of approximately £300,000.

Project Rationale

1. Reduce energy costs by generating own electricity from solar energy.
2. Reduce carbon footprint of Senior Flexonics Czech in support of the Group's sustainability commitments.
3. Reduce reliance on non-renewable energy sources.

This case study demonstrates how the installation of photovoltaic system has fulfilled both financial and environmental objectives for the business.

Results

Produced energy	383,770 kWh/year
Consumption of produced energy	280,950 kWh/year
Consumption of produced energy in %	73%
Energy supplied to the grid	102,820 kWh/year
Savings CO ₂	154,5 tons/year
Plant consumption	1,487,140 kWh/year
Share of solar panel generated electricity on plant consumption	19%

Resilience of the organisation's strategy with reference to three climate-related scenarios, including a 2°C or lower scenario

In 2021, we carried out scenario analysis to understand the potential impact of climate change on the Group's operations. We selected the three climate scenarios produced by the Bank of England because:

- they meet TCFD recommendation to assess business resilience at different climate-related scenarios, including a 2°C or lower scenario;
- these scenarios are used by the Bank of England to explore resilience of the UK financial system to climate change;
- the scenarios are modelled to a 30-year timespan, out to 2050 to align to the Paris Agreement and other Net Zero 2050 targets;

- they consider the macroeconomic impacts with more granularity and within a more applicable business context than climate scenarios based on temperature increases; and
- multiple high transition scenarios provide diversity in stress test.

Further information on the assumptions and parameters used in the scenarios can be found on the Company's website.

Scenario 1 (<2°C)

Early policy action: smooth transition

- Decisive carbon action to reduce global emissions starts in 2021;
- Carbon taxes and other policies intensify gradually over the scenario horizon;
- Global warming is limited to 1.8°C by 2050 compared to pre-industrial levels;
- Limited physical risks.



Potential impact

Policy changes start to accelerate, and consumer and investor preferences evolve rapidly to facilitate decarbonisation.

In the short and medium-term, Senior needs to ensure that its investment decisions are consistent with its Science Based Targets and deliver expected results.

In the long-term, it is important to keep pace with changing market demand for low-emission products and remain consistent between Senior's public commitments and market expectations.



Opportunities

The ability to maximise returns on new investments in the long-term, once transition has occurred and markets have stabilised.

Scenario 2 (<2°C)

Late policy action: disruptive transition

- Delay in implementing the policy required to reduce global emissions by 10 years;
- Starting in 2031, significant and rapid policy action causing drastic bending of emissions trajectory globally;
- Global warming is limited to 1.8°C by 2050 compared to pre-industrial levels;
- Limited physical risks.



Potential impact

A sudden increase in the intensity of climate policy in 2031, following an initial period which is characterised by insufficient or ineffective emission reducing policies.

Senior needs to ensure that it takes action over this time period to avoid disruption in the long-term as mature economies make rapid strides to cut emissions.



Opportunities

Early investment can set the Group up to be ready for the swift changes to the disrupted economy after 2030.

Opportunities may materialise over the long-term, due to the late policy action and the abrupt transition to low-carbon economy.

Scenario 3 (>3°C)

No policy action: business as usual

- Governments fail to introduce further policies to address climate change beyond those already implemented;
- Increase in global temperatures reach 3.3°C by 2050 compared to pre-industrial levels;
- High physical risks.



Potential impact

Absence of transition policies result in a growing concentration of greenhouse gas emissions in the atmosphere.

Increased exposure to heatwaves, tropical cyclones and droughts may increasingly provide challenge for some of Senior's sites and supply chains.

With less policy action and investment driving forward technology development, the costs of transitioning to the new technologies may be higher, the likelihood of successful implementation and the relative rewards for the investment may be lower.



Opportunities

The Group's continued investments and its ability to diversify business activities can help Senior be more resilient to changes in the markets and adapt to the impacts of climate change.

Resilience statement

Senior recognises that its strategy may be affected by climate-related risks and opportunities. We believe that our Purpose acts as a solid cornerstone for business decisions that shape and future-proof the Group's strategy.

The output of forward-looking scenario analysis indicated that transition risks could have more significant impacts in scenarios 1 and 2. The approval of Long-Term Net Zero Targets, aligned to 1.5°C for all scopes, by SBTi and the initiatives the Group plans to take to achieve these targets will make the Group more resilient to the effects of climate change in a number of ways. As governments across the world start imposing stricter regulation of carbon

emissions, Senior will be better placed to avoid potential risks associated with penalties or liabilities. We recognise that transitioning to Net Zero will require our operating businesses to improve their operating efficiencies, and we have already started a number of initiatives in this regard as part of Senior's Energy Hierarchy. Operational efficiencies can result in cost savings in the longer term. By working actively with our suppliers and encouraging them to decarbonise, we are enhancing the resilience of our supply chain against potential disruption by climate change. The Group's focus on innovation and strong relationships with customers means we are well positioned to maximise opportunities offered by smooth and disruptive transition scenarios. We are

proactively assessing the way climate change affects market demand for our products as part of our annual strategic meetings.

Under scenario 3, the physical impacts of climate change could be more significant. The Group's robust business continuity plans, tailored to the specific risks and vulnerabilities of a given area, help us become more resilient against the potential physical impacts of climate change. We recognise that scenario analysis will be developed over time, and we shall continue to integrate the findings into Senior's risk management framework.

Risk management

The organisation's processes for identifying, assessing and managing climate-related risks

Climate risks are identified, assessed and managed using Senior's risk management process as shown on page 60 on an annual basis. The Committee of Sponsoring Organizations of the Treadway Commission ("COSO") enterprise risk management integrated framework serves as the foundation of the Group's risk management process, tailored to reflect Senior's culture and Values. The process includes identification of relevant risks, risk scoring, development and assignment of response actions, monitoring the effectiveness of key mitigating controls and reporting of the risk and assurance environment to the Executive Committee, the Audit Committee and the Board.

During 2023, the multi-disciplinary team including the Group Director of Risk and Assurance, the Group Director of HSE & Sustainability, the Divisional CFOs, the Director of Investor Relations and Corporate Communications, the Director of Business Development & Strategy, the Head of Treasury and the members of the Secretarial team, re-assessed the climate-related risks at a Group level, taking into account the evolving landscape associated with climate change in the areas of existing and expected legislation, supplier and consumer preferences, government policies and commitments, as well as changes in weather

patterns. The results of the assessment were reviewed by the Executive Committee and the Board.

We recognise that there is benefit in assessing climate-related opportunities at the operational level, in addition to a broader Group level. Such an assessment can provide a more granular understanding of risks that are specific to any particular geographic location. At the same time, operational-level risk assessment can help identify operating businesses that are best placed to take advantage of opportunities offered by the transition to a low-carbon economy; for example, through energy efficiency initiatives or renewable energy sources. We were aware that those individuals responsible for assessing climate-related risks and opportunities at the operational level, required adequate training. To address this, in 2023 we rolled out the TCFD training programme to a large target audience which, in addition to the Board of Directors, included a wide range of functions such as divisional and operational CEOs, CFOs, EHS managers and others. In 2023, Senior Flexonics Bartlett was selected as one of the operating businesses to pilot an assessment of climate-related risks and opportunities.

Climate-related risks and opportunities are identified using a wide range of data sources, such as climate change specific publications and data, CDP disclosures from peers, relevant sector literature and guidance from TCFD for

Senior's sector. Materiality of climate-related risks is assessed by considering such factors as likelihood, magnitude of impact and the strategic importance to the business. For our 2023 assessment, risks were assessed as residual, having considered existing controls and mitigations.

Mitigating action plans are developed for all climate-related risks where the risk scoring exceeds the Group's tolerance level for that risk. The action plans include a detailed description of the response actions (assigned to the members of the Executive Committee and other senior members of staff) as well as time horizons for completion of the mitigating action plans. Action plan progress is tracked to ensure timely implementation. The overall effectiveness of the risk control environment is closely monitored through assurance and audit activities to assess if critical risks are being mitigated within the Group's risk tolerance.

Integration of processes for identifying, assessing, and managing climate-related risks into the organisation's overall risk management framework

Climate-related risks form part of the Group's risk register and will be subject to an annual review by the Executive Committee and the Board. Climate change has been reported as one of the Group's principal risks since 2019.

Metrics and targets

Metrics used to assess climate-related risks and opportunities

Targets used to manage climate-related risks and opportunities and performance against targets

The below table illustrates the metrics we have selected to measure our climate-related risks and opportunities. We selected these metrics because we consider that they are relevant to the climate-related risks and opportunities facing Senior, as well as regulatory and stakeholder

expectations; in addition, these metrics are measurable, transparent, comparable and actionable. Our Near-Term Scope 1, 2 and 3 targets were verified by SBTi in 2021. In 2023, the SBTi approved our Long-Term Net Zero climate Targets for Scope 1, 2 and 3 emissions. The targets, to be achieved by 2040, and aligned to 1.5°C for all scopes, are included in the table below. We started developing a high-level plan to reduce our emissions in line with the 2040 targets against the 2018 base year. In 2024, we

shall undertake further work to produce a more granular transition plan in line with the Transition Plan Taskforce ("TPT") guidance.

In 2023, the Remuneration Committee proposed that 10% of the 2024 bonus potential will be determined by a target related to absolute reductions in Scope 1 and 2 emissions over the one year performance period. The set target is consistent with the Group's SBTi-validated target of a 30% reduction in these emissions by 2025 (from a 2018 baseline).

Climate-related target	Target year	Base year	Progress in 2023	Metric	Link to material climate risk
Reduce absolute Scope 1 and 2 GHG emissions by 30%	2025	2018	29.5% decrease (2022 – 22% decrease)	Tonnes CO ₂ e	
For Scope 3 GHG emissions, 82% of suppliers by spend to have climate Science Based Targets	2025	2018	182 (2022 – 160)	Supplier Engagement (response rate)	Increased pricing of GHG emissions/cost of carbon offset Increased stakeholder concern or negative stakeholder feedback/Stigmatisation of sector
Reduce absolute Scope 1, 2 and 3 emissions by 90%	2040	2018	reporting to start in 2026	Tonnes CO ₂ e	
Achieve a recycling rate of 95%	2025		95.1% (2022 – 94.8%)	% of waste recycled	Increased stakeholder concern or negative stakeholder feedback/Stigmatisation of sector

Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions

● The details of our Scope 1, 2 and 3 emissions, in compliance with SECR, can be found on page 23.

Social



Health & safety

The health and safety of our employees remains a core focus for Senior. The pursuit of world class health and safety in all of our undertakings is a recognised priority at all levels in our business.

In 2023, we continued to build on our sustained improvements in injury performance. The Lost Time Injury/Illness Rate of 0.32 represents a 16% decrease compared to the 2022 figure of 0.38. Additionally, the Total Recordable Injury Illness Rate, which includes factors such as lost time, job transfers, minor medical treatment, etc., demonstrates a significant decrease of approximately 32% in 2023 compared to the previous year. These positive trends underscore our ongoing commitment to fostering a safer and healthier work environment for our employees.

In 2023 there were no work-related employee or contractor fatalities and no major injuries (serious/life-changing).

To ensure we maintain a proactive safety culture, we urge all employees to identify and report unsafe work practices or potentially hazardous situations. In 2023, we received 15,310 such “near miss” reports, demonstrating a substantial improvement from the 12,615 reports received in 2022.

Senior maintains a comprehensive Group-wide Environment, Health & Safety (“EHS”) Management Framework, inclusive of risk evaluation and operational controls for all our facilities. This framework undergoes an annual audit by ISO-trained staff. Seven of our operating businesses have successfully transitioned from OHSAS 18001 to ISO 45001, reinforcing our commitment to aligning with the latest international standards.

Regular environment, health, and safety training are mandatory for employees at our operating businesses, tailored to their specific roles, work areas, job functions, and responsibilities.

In 2023

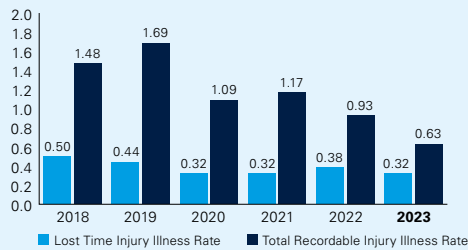
Decreased our Total Recordable Injury and Illness Rate by around 32% compared to 2022.

32%

Decreased our Lost Time Injury and Illness Rate by around 16% compared to 2022

16%

Senior Group Injury rates



Lost Time Injury and Illness Rate (“LTIIIR”), defined as the number of work-related lost time injury or illness cases (losing more than one complete shift) per 100 employees. The Total Recordable Injury Illness Rate is defined as the number of cases of lost workdays, restricted work activities, job transfers, medical care beyond first aid and work-related illnesses expressed per 100 employees.

Safety initiatives in 2023

- Embed our new group-wide hand-safety standard.
- Monthly safety performance bulletin produced for our operating business leaders.
- Regional in-person and virtual meetings with our global health and safety professionals.
- Senior Aerospace Spencer health and safety onboarding.
- Increased onsite safety/environment reviews.

Looking forward to 2024, our plans include:

- a new behavioural safety programme for our supervisors;
- a new Senior Safety Standard covering ergonomic assessments; and
- additional assistance for those businesses with the most challenges and improvement opportunities.

Case study

SAFETY BEHAVIOURS PROJECT AT SENIOR AEROSPACE JET PRODUCTS AND KETEMA

The team at Senior Aerospace Jet Products and Ketema implemented an Essential Safety Behaviours improvement project at their two facilities in San Diego, California.

At each weekly meeting, the site business leaders and supervisors review a specific set of the standards and remind all team leaders of their requirements to enforce the rules of the Essential Behaviours Standards. Additionally, a specific Essential Behaviour for everyone is reviewed at the daily management meeting.

Senior plc, as a whole, implemented The Essential Behaviours Standard several years ago, and various business units employ diverse methods to communicate these standards to employees. In the case of Senior Aerospace Jet Products and Ketema, business leaders and supervisors pledge to adhere to the requirements outlined in the standard.

The Environmental, Health & Safety Manager, David Ivester, organises and communicates new elements of the standard each week.

Senior Aerospace Jet Products and Ketema have maintained a zero lost time incident rate for a considerable number of years. This exemplary safety record underscores the clear focus on safety behaviours, demonstrating its pivotal role in achieving and sustaining such outstanding safety performance. The commitment to reinforcing safety practices through continuous communication and engagement proves that a proactive approach helps maintain a secure working environment.





Equality, diversity and inclusion



Jane Johnston | Group HR Director

“At Senior we are committed to providing equal opportunities for all and promoting an inclusive culture where individuals can thrive, and diversity is valued.”

Our core Values underpin our culture

Senior’s leaders aim to create a working environment in which everyone can thrive, achieve their full potential, and contribute to the success of Senior, and where all decisions are based on skills and merit. We are committed to ensuring equal opportunities, fairness of treatment, work-life balance, and the elimination of all forms of discrimination in the workplace for employees and job applicants. We recognise the benefits of different perspectives and local cultures and encourage individuals to speak freely, as diverse contributions lead to better solutions and business outcomes. The Group’s Equality, Diversity and Inclusion Policy is contained within the Code of Conduct, and every employee receives a personal copy of the booklet. In 2023, we launched a Human Rights Policy clearly laying out our expectations. The policy was translated into our designated languages and we included a module on Protecting Human Rights in our annual Code of Conduct training.

Senior promotes a culture and working environment in which everyone can make the best use of their skills, free from discrimination or harassment. Our Values define how we treat people, and reinforce our commitment to be open and straightforward with colleagues, customers, suppliers and other stakeholders. We expect people to treat everyone they meet in the course of business with respect and dignity. As well as our Values, the right behaviours are reinforced in our people policies and processes; for example, talent acquisition, succession planning, promotions and learning and development opportunities.

The Executive Committee and business leaders continue to focus on providing a diverse and inclusive workplace. Gender diversity receives much attention in Senior, however we believe that there remains an opportunity for further improvement, particularly in our operating businesses general management. In 2023 we continued our global participation in Mission Gender Equity Mentoring. The programme supports and encourages the development of talented women. In 2024 we plan to launch a Women’s Network. We believe this will provide a forum to empower individuals as it will bring women across businesses together to discuss ideas and shared experiences in a supportive and productive environment, creating strong peer-to-peer support and confidence, as well as providing an impartial and open forum to encourage and inspire.

The table below shows the Group’s Board of Directors, Executive Committee and operational senior management in 2023 by gender.

	Male	Female
All employees	78%	22%
Senior managers who report directly to the Executive Committee	80%	20%
Executive Committee	62%	38%
Board	43%	57%

We strive to reflect the diversity of the communities we work in at all levels across our workforce. Senior is an equal opportunities employer. The Board seeks to ensure a diverse workforce that supports all employees, irrespective of age, disability, gender reassignment, marriage and civil partnership, race, religion or belief, gender or sexual orientation. We will not tolerate any form of unlawful discrimination against our colleagues, or any third parties be they potential employees, customers, subcontractors, suppliers or members of the public.

In accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, Senior publishes its Gender Pay Gap Report, as required on the Company’s website.



People and culture

Guided by our Values, our operating business leaders are empowered and accountable, setting the tone for their operations. As business conditions continue to improve, we remain focused on recruiting and retaining talent in order to sustain business resource requirements and growth. In order to meet demand, we are continuing to focus on building strong relationships with local technical colleges, universities and education establishments, and partnering with recruitment firms. We are extending our use of job boards and other approaches to advertising and attracting applicants, and have now completed the roll-out of Recruit, our talent acquisition system, to all our UK and US businesses. We have also been working with organisations such as Glassdoor and Indeed as well as operating business utilising platforms, for example LinkedIn, to enhance our employer brand. Although we have seen a significant improvement in our employee voluntary turnover rates, the job market remains competitive for certain geographies and skills, and we have worked hard to secure the right talent.

We have continued to work with colleagues to enhance our employee proposition, making Senior an even more attractive place to work. Examples of the steps we have taken include, introducing flexible working, promoting our employee assistance programmes, and our US Benefits Advocate helpline, and in the UK, we have introduced a financial wellbeing service. This gives all UK employees access to a host of resources covering topics such as mortgage advice, planning for retirement and financial “health checks”. In January 2023 we increased the level of employer pension contributions available to the majority of our UK employees. This was very well received by employees, being seen as a generous and valuable benefit. We continue to be vigilant regarding rates of pay and the cost of living, ensuring we are paying people fairly for the work they do and benchmarking pay rates in local markets, making adjustments if appropriate.

Training and development was a priority in 2023 with more face-to-face training being provided. In our autonomous and collaborative operating model, business leaders work with their teams and HR to plan and design training to meet their business needs. This includes technical, on the job, and skills training. We continue to view the provision of development opportunities and training across the Group as vital to our success. We have seen more emphasis on supervisor, management, leadership and behavioural skills training, typically partnering with external providers to build our bench strength and support succession planning. Examples include programmes such as Achieving your Potential, Leading Growth through our Values, Coaching Skills and Motivation and Leadership for new managers and supervisors. We have also continued with other training activities such as Toolbox talks, “lunch and learns”, technical training, as well as sponsoring individuals undertaking external and more academically orientated courses and training, for example engineering degree courses.



We were pleased to restart our global leadership programme, Leading for Excellence, and have delivered the training to two cohorts in 2023. The programme runs over six months and is a mix of virtual and face-to-face sessions as well as one-to-one coaching. The programme culminates in the delegates presenting business projects they have worked on to hone their skills, embed their learning and return real business benefits through delivering a key project for their operating business.

In 2023 we enhanced our training content in Learn, our best in class eLearning platform. The catalogue covers areas such as IT skills, Leadership and Management, Project Management, Health & Wellbeing and Communication skills and provides the training in all our languages. Individuals can select courses and manage their own learning. Learn also enables us to deliver our Code of Conduct training and other compliance training such as Cybersecurity, Securing Unclassified Information and Anti-Harassment training. In 2023 we developed our own TCFD training modules and delivered it across the business to leaders, responsible for General Management/ Operations, Finance, and Health Safety & Sustainability via Learn.

As evidenced in the Global Employee Opinion Survey at the end of 2022, peer relationships remain a strength and colleagues help and support each other. We have an open and honest culture of respect and trust, and people value teamwork and the teams they work in and with. This has been particularly important during 2023 as our headcount grew and we welcomed new employees to our operations. Many of our businesses have been enhancing their onboarding processes to ensure that new team members feel welcome and well informed, enabling them to become valued team members. A significant proportion of learning is on the job and our culture of sharing knowledge and supporting colleagues remains central to developing technical competencies in our operations.

Learning and development needs are assessed during individual performance reviews, with “Perform”, our Performance and Development system, providing a framework for managers and team members to discuss feedback, performance, behaviours linked directly to our Values, set clear objectives, both business and personal development and create development plans. The output of these discussions feed into our succession planning process. The Executive Committee scrutinises the plans and talent pipeline, identifying successors or interim cover for key roles across the Group. The Executive Committee also focuses on functional capability, for example engineering, as well as operational leadership. Personal development plans are recorded and monitored in Perform to enable individuals to fulfil their potential. The Board reviews the succession plans for the Executive team and their direct reports on a regular basis, with a special emphasis on encouraging diversity and inclusion.

Our culture is to build on our success and say thank you, with our businesses holding regular employee recognition and team building events. We encourage open and honest feedback with potential issues or concerns being raised with local management. The feedback from our survey run at the end of 2022, was consistent with this and confirms that employees believe that people are treated fairly and that we do not tolerate misconduct. As outlined in our Values and Code of Conduct, we work together with mutual trust and respect and operate with integrity and in an ethical manner. On the rare occasion when things cannot be resolved by local management, employees are encouraged to raise their concerns through our third-party whistle-blowing service, Ethics Point. All concerns raised are investigated and learning points are actioned by local leadership teams as appropriate.



Employee wellbeing

The health and wellbeing of our colleagues remains a priority. Following the Global Employee Opinion Survey, which was rolled out in the autumn of 2022, and included a specific Health & Wellbeing question set, our operating businesses have developed actions related to employees' health and wellbeing.

In common with many businesses, where possible, we are offering employees more flexibility with working patterns by offering hybrid working and altering or being more creative with shift patterns, thereby improving individual work life balance.

Our operating businesses provide wellbeing support and education to employees as appropriate to their local needs. Many have promoted specific health drives, for example, prostate cancer testing, menopause awareness, "Know your Numbers" health checks, Healthy Eating Week, flu vaccinations, and road safety education. We have a number of individuals specially trained to support colleagues with mental health issues and employee assistance programmes in many of our businesses. Other examples of how we support employees include offering subscriptions to wellbeing apps, creating quiet spaces for employees to relax, and start of shift exercise stretching classes.



Colleagues also enjoy participating in sports activities, team-building and sports events, supported by Senior, for example a team from Senior Aerospace Thailand came together to complete in the Pattaya Marathon. We also have wellbeing content on Learn such as Mindfulness

at Work and Positive Mental Health delivered in multiple languages. It goes without saying that we remain vigilant regarding occupational health, for example ergonomics, supported by our Health and Safety frameworks.



Communities

Senior's businesses actively support communities in which they operate by undertaking a range of education focused and charitable activities. Here are some examples, to name but a few, of the activities our businesses and employees have undertaken to support their local communities:

Lymington Precision Engineering ("LPE") worked with an infant's school as part of the school's engineering week, launching a competition for students to design and create a model for how LPE could accomplish self-generation of energy. The winning team had their design 3D printed. Businesses have hosted local trade schools and technical colleges, providing an insight into working for an engineering company and giving students an opportunity to see engineering in action.

Our Senior Aerospace AMT and Damar businesses joined forces to raise money for a local foodbank and hosted an "Employee Giving Tree". Other operations also contributed to local foodbanks with Senior Flexonics Pathway donating turkeys to a local Women's Shelter. Senior Aerospace Jet and Ketema support local veterans and their families by participating in the Wounded Warrior Project's 5k run and Toys for Tots, which is sponsored by US Marines Reserve. The project gathers and distributes toys to less fortunate children at Christmas. Other locations held charity and fund raising events, with all our UK business demonstrated



their baking skills and raising money for the Macmillan Coffee morning. In 2023, Senior Metal Bellows was a Silver Sponsor of HESCO's St. Patrick's 5K with 20 employees participating to successfully defend their 2022 1st place finish. HESCO provides support and services for individuals living with a disability, and their caregivers.

Senior Flexonics India has continued their collaboration with local charities. For example, they sponsored midday meals for 120 children at a government primary school in Bati Village, Mathura, Uttar Pradesh. They also collaborated with an NGO, "Janta Rehabilitation center" to support 35 blind students by providing four desktops and one colour printer for their computer education. Similar to 2022, Senior Flexonics Crumlin created a Secret Garden for a local primary School.

Governance

Senior's Purpose – "We help engineer the transition to a sustainable world for the benefit of all our stakeholders" – articulates our commitment to long-term value creation for our stakeholders. We recognise that effective governance of sustainability-related matters is essential to ensure that decision-making is aligned with the Company's overarching Purpose. Senior's Executive Committee is responsible for the management of sustainability-related matters. The Board of Directors has oversight over such matters through regular updates provided during the scheduled Board meetings on the Group's sustainability performance and initiatives.

READ MORE ABOUT:

- Anti-bribery & Corruption on page 90
- Agents Policy on page 90
- Gifts and Hospitality Policy on page 90
- Whistle-blowing on page 90
- Human Rights and Modern Slavery on page 90
- Responsible Sourcing on page 90
- Cybersecurity and data protection on page 91
- International Trade Compliance on page 91

Uphold high standards of ethical integrity

Senior's Code of Conduct (the Code), updated in 2021 and available on the Company's website, plays an important role in supporting the Value of Integrity within the Group. It contains work-related scenarios, together with a selection of questions and answers, to help employees to understand the Code and relate it to their individual roles and working environment. The Code provides a clear framework on which to base decisions when conducting day-to-day business. It does this by:

- clearly setting out the behaviour expected of all employees;
- providing guidelines which help employees to apply our Values; and
- enabling employees to raise a concern or ask a question if in doubt.

In July 2021, all employees were issued with a personal copy of the Group's updated Code of Conduct booklet and provided with training on the revised Code. All new joiners are issued with a copy of the booklet and provided with training on the Code. The Code of Conduct booklet is available in all languages applicable to the Group's employees. A compulsory 2023 Global Code of Conduct online training course was rolled out across the Group to all employees during the year. Further details of the training modules contained within the 2023 course can be found on page 96. All employees and Directors were required to achieve a Pass grade, as a minimum. In 2023, 95% of employees completed the annual Code of Conduct training allowing for new starters who have not completed their training immediately on joining.

In 2023, the Group Chief Executive Officer, the Group Finance Director and other members of the Executive Committee visited the Group's operating businesses as part of the Employee Roadshow. The Roadshow was an effective way of communicating directly with the Group's employees, providing them with updates on the Group's performance and strategy. The Executive Leadership team also used the Roadshow to reinforce the Code and the importance of maintaining an absolute commitment to the highest possible standards of ethics and a zero tolerance towards bribery and corruption.

The Company conducts annual Control Self Assessments, encompassing questions related to the Code, across all operating businesses. These are further supported by internal audits, which test, among other matters, compliance with sections of the Code and the prominent display of the Group's whistle-blowing procedures at all operating businesses. In addition, risk assessments considering areas of the Code, are conducted at operating business and Group levels. Through its assurance programme, the Board is able to ensure that employees receive mandatory training and that the Group's operating businesses uphold high standards of ethical integrity. All alleged violations or complaints are investigated, and any remedial actions are taken as necessary. Any fraud issues that have come to the attention of the Director of Risk and Assurance are discussed by the Audit Committee, noting the cause, the actions taken and any improvements to internal controls implemented as a result.

Operating with integrity and in an ethical manner builds trust and strengthens long-term relationships with customers and other stakeholders, underpinning the Board's strategic objectives and protecting the Group's reputation.

Responsible Taxation

Senior's "Approach to Tax", which can be found on the Company's website, is aligned with the principles set out in the Code, which underpins the way we go about our day-to-day business across the Group and places integrity and ethical behaviour at the heart of what we do. Once a year, the Board of Directors approves the Group's tax strategy.

Product safety

Product quality is absolutely core in all of Senior's operating businesses and activities. All of Senior's businesses have ISO 9001 accreditation for manufacturing. The operating businesses have additional aerospace and automotive accreditations, dependent upon their intended markets. Ultimate responsibility for product quality and safety lies with the senior manager of each business unit.

All products undergo service/safety risk assessments, as required in Senior's demanding markets. Employees receive regular training on product and service safety. All the Group's operating businesses have in place incident investigation and corrective action policies and procedures and quality testing programmes.

Product/service objectives or targets are set by the operating businesses to meet customer requirements and regular external product/service safety audits are conducted, where standards require.

ADDITIONAL RESOURCES

www.seniorplc.com/sustainability.aspx