



C O N V E Y O R S

A DURAVANT COMPANY

CORPORATE SOCIAL
RESPONSIBILITY REPORT
2022

FOREWORD

FMH Conveyors International Ltd are market leading designers and manufacturers of systems solutions and materials handling equipment for conveying, sortation, loose loading and unloading within the UK and Internationally.

We are committed to working in partnership with our stakeholders to promote, support and improve all aspects of our Corporate Social Responsibilities including Sustainability and the Environment.

We understand our responsibility in protecting the environment and to promote sustainability. We continue to invest in training and resources to help improve our awareness, management and reduction of environmental impacts throughout the company and supply chain and to drive positive change.

Health, Safety and Environmental Management (HSE)

The company maintains certification to the International Standards ISO 14001:2015 Environmental Management and ISO 45001:2018 Occupational Health and Safety Management as part of our commitment to our HSE responsibilities.

Through identification and management of our environmental impacts and HSE risks, FMH continue our mission to grow as a market leading company and to drive waste and pollution reduction processes, and provide a safe environment at our UK based facility.

Sustainability -

FMH Conveyors International Ltd have committed to becoming Carbon Neutral since 2020.

We determine our scope 1 and scope 2 carbon emissions using Carbon Trust calculators and analyse, compare and communicate results annually.

Emissions are offset using verified carbon offset projects that are approved to a certifying standard such as the Verified Carbon Standard (VCS), Kyoto Compliant or Gold Standard verified emission reduction (VER) offsets.

We subscribe to the Avetta and EcoVadis environmental, social and governance assessment platforms and are audited annually.

SUSTAINABLE DEVELOPMENT GOALS

FMH Conveyors International Ltd has identified four impact areas from the seventeen United Nations Sustainable Development Goals (SDG's) for which we will collect data, set targets, integrate into our core business, and communicate results.

SUSTAINABLE DEVELOPMENT GOALS



Impact areas identified -



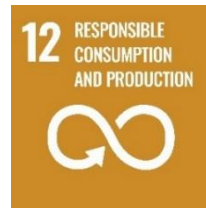
3. Good Health and Well-being

Ensure healthy lives and promote well-being for all ages.



8. Decent Work and Economic Growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



12. Responsible Consumption and Production

Ensure sustainable consumption and production patterns.



13. Climate Action

Take urgent action to combat climate change and its impacts.



Good Health and Well-being

KPI – annual reduction in total incidents.

2022 showed ongoing improvements to Health and Safety. The site achieved a 20% reduction in total incidents (including those treated by general first aid).

Near miss incidents reduced by 300% compared to the previous year.

KPI – annual reduction in OSHA recordable incidents.

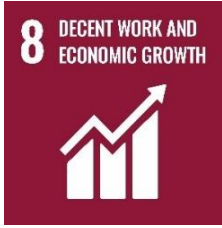
For 2022 the number of OSHA recordable injuries reduced by 20%.

Full body mapping of injuries sustained were analysed to provide focus on key areas. Refresher training, additional risk assessments and improved manual handling training programmes were introduced, resulting in a reduction of injuries to back, hand and knee.

The company's risk assessment programme was further developed during 2022 with location heat maps for incidents within the premises.

KPI – maintain certification to ISO 45001:2018 by 2022.

The company has achieved certification to International Standard for Occupational Health and Safety Management Systems ISO 45001:2018.



Decent Work and Economic Growth

KPI – Supplier Code of Conduct with Environmental Social Governance (ESG) requirements to be issued to new production suppliers.

We have a clear expectation that our suppliers and agents conduct their relationship with us and any of our partners and other suppliers on a fair and ethical basis and in compliance with our core principles of sustainability.

Supplier approval ratings have a positive weighting for suppliers with ESG systems or certification in place.

KPI – 100% of staff to have received Bullying and Harassment Training by July 2023

As part of our developing Diversity Equity and Inclusivity principles all staff are to receive awareness training.

KPI – 100% of customer and supplier facing staff to have received Bribery and Corruption Training by July 2023

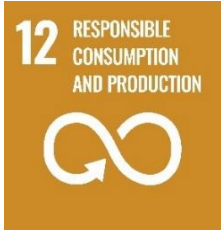
In line with our Sustainable Procurement Policy all customer and supplier facing staff are to receive awareness training.

KPI – The Purchasing Team to be trained in the principles of Sustainable Procurement by July 2023

To guide our implementation of sustainability principles within procurement and our supply chain.

KPI – to record and improve skills and employee satisfaction through job training programmes. To achieve a minimum of 8 hours training per employee per annum.

	2021	2022
Employees	80	85
Avg training spend per head	£255	£267
Avg training hrs per head	8.05	8.29
Staff turnover	1.81%	1.77%



Responsible Consumption and Production

KPI – 5% reduction in metal waste for 2023

To promote awareness and embed procurement practices that are sustainable.

KPI – 2% annual reduction of total waste per £1m turnover

2020 result	£21.3m	175t	8.22 ton/£m
2021 result	£17.5m	140t	8.00 ton/£m
2022 result	£11.3m	72t	6.37 ton/£m



KPI – Implementation of ISO 50001:2018 Energy Management Systems by January 2024

To help FMH Conveyors International further develop a systematic method of improving Sustainability and energy management for greater efficiency, reduction in business costs and carbon emissions.



Responsible Consumption and Production

KPI – to phase out products or chemicals with high environmental impacts.

New equipment to contain R32 refrigerant only.
Fleet of electric forklifts purchased to replace LPG.
500ltr solvents replaced with water-based panel wipe.

KPI – to source and evaluate environmentally responsible electricity suppliers for total site supply by 2023.

ENGIE contracted for electricity supply has been expanded to cover additional premises.

The UK standard fuel mix is 39% renewables, compared to ENGIE fuel mix at 59% renewables.

Site to utilise energy providers with high renewable fuel mix percentages by 2023 where viable.

Climate Action

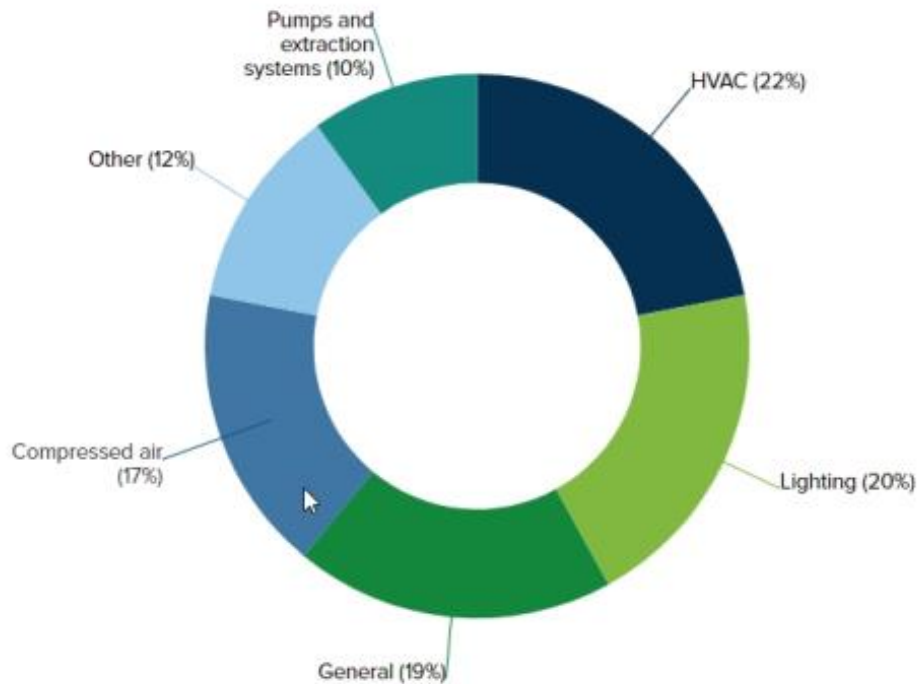
KPI – to annually meet the industry standard energy performance benchmark from the Carbon Trust.



Energy Benchmark Results 2022

Main sector:	Manufacturing	Subsector:	Light engineering
Site area (m2):	9000		
Energy data (Annual)			
Electricity units:	kWh	consumption:	274,493
Natural gas units:	kWh	consumption:	699,164

Estimated energy profile for the site – “performing within the industry standard”





Climate Action

DATA & VERIFICATION – transactional data

	<u>2020</u>	<u>2021</u>	<u>2022</u>	
Electricity	320,830	293,027	274,493	kWh
Natural Gas	420,295	494,040	699,164	kWh
Diesel	23,184	35,132	31,105	litres
R410A	10.5	12	8.5	kg
R407C	2.4	2.4	2.4	kg
LPG	920	764	221	litres

Electricity and Gas

2022 figures remain within the Carbon Trust benchmark industry standard.

Gas utilisation was higher due to heating of new additional premises however improved controls of temperature settings and operational timings for heating will be reviewed going forward.

Total energy consumption was 973,657kWh, with suppliers' average energy fuel mix advised at 52.2% renewables.

Diesel

Investment in all-electric vehicles for the sales team and scheduling efficiencies in the procedure for service team has enabled a 11% reduction in diesel usage for 2022.

Refrigerant

New air conditioning equipment will have R32 refrigerant with a lower Global Warming Potential to replace R410a and R407c.

LPG

Investment in all-electric forklifts and removal of LPG processes has benefitted with a 345% reduction from 2021 usage.

Water

Target water usage of 713m³ to be maintained for 2023.



Climate Action

KPI – to determine our Scope 1 and Scope 2 emissions and to reduce by 2% annually per £m turnover.



Total emissions (kgCO ₂ e)	2020	2021	2022
Scope 1	69%	77%	78%
Scope 2	31%	23%	22%
Total emissions tCO₂e	239	271	270
Scope 1 emissions tCO₂e	164	209	211
Scope 2 emissions tCO₂e	75	62	58
Turnover (£m)	21.3	17.5	11.3
tCO₂e/£m income	11.22	15.49	23.89

Electricity, gas and water do not form a significant part of the manufacturing processes at FMH Conveyors International. Primary usage arises from lighting, heating, compressed air, drinking water and toilet provision.

Total emissions of 270 tCO₂e remained similar to 2021 figures 270 tCO₂e representing a slight reduction in levels for the site.

Whilst the tCO₂e per £m income is higher for 2022 the indicators are that the total emissions figure is representative of baseline overhead operation for dayshift working over two sites.

Focus for 2023 will be on energy saving initiatives to reduce the impact of baseline consumption.

Improvement initiatives will include the roll out of LED lighting, lockable heating controls, use of PIR lighting sensors, separation of office and factory heating and lighting circuits where possible.



ECO-VADIS

The EcoVadis Rating covers a broad range of non-financial management systems including Environmental, Labour and Human Rights, Ethics and Sustainable Procurement impacts.

For assessment results issued after January 2023 EcoVadis had increased the qualifying score for gold medal status however FMH Conveyors International has further improved on its 2021 score and remains in the top 3% of companies rated globally.

2022 CARBON NEUTRAL – VERIFIED CARBON OFFSET



The company have successfully offset 270 tonnes of CO2 emissions and remain CARBON NEUTRAL for 2022.



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