

GROUP POLICY

Environment



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Document Control

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1 Purpose

This policy sets out the Diploma PLC (“Diploma”) groups commitment to improve environmental performance, protect our planet and contribute to a more sustainable future.

Minimum requirements for our colleagues and businesses to effectively manage environmental impacts and improve environmental performance are listed below.

2 Scope

Environmental matters are a key aspect of the Group’s business activities, as such this policy is applicable to all Diploma businesses, colleagues and those working on the company’s behalf, including directors, employees, suppliers, partners, contractors and other stakeholders with whom we collaborate.

3 Policy Statement

Our strategic focus is to work to limit our environmental impacts and tackle climate change, so ensuring we deliver value responsibly.

Diploma is a leading international distributor of advanced engineering, life sciences and medical technology products and services and is committed to operating sustainably throughout its value chain to minimise its environmental impact.

We understand the importance of working with stakeholders, including employees, communities, and regulatory agencies, to address environmental issues and integrate feedback into our decision-making processes.

Diploma includes environmental and climate change-related considerations in business decisions, promotes efficiency programmes and works to minimise the environmental impacts of all its business activities.

Diploma has a target to achieve net zero emissions by 2045, which is verified by the Science-Based Target initiative (SBTi). By 2030, Diploma has also committed to reduce scope 1 and 2 emissions by 50% and scope 3 by 30%.

Diploma will focus on implementing measures to reduce energy use within its own operations to achieve these targets. These measures include efficiently managing plant and equipment, investing in energy-optimising technologies, and integrating energy efficiency into new building designs and refurbishments, along with on-site energy generation through solar/ wind installations and the procurement of renewable energy.

Scope 3 emissions represent the largest proportion of Diploma’s carbon footprint and requires significant engagement across the entire value chain. The following processes have been adopted to support delivery our scope 3 commitments;

- Prioritise largest scope 3 categories and product groups
- Focus on business with the most carbon intense value chains
- Define carbon reduction roadmaps
- Engage with suppliers and implement reduction strategies

4 Minimum Requirements

Developing a structured framework and procedures that reflect the specific circumstances and risk level of the business. Minimum requirements include the following:

Environmental Management System (EMS)

Establish and maintain processes and procedures to ensure compliance with relevant standards and regulations, defining roles and responsibilities and establishing objectives and targets.

Compliance

Comply with applicable environmental laws and regulations globally, actively monitor regulatory changes, and ensure operations remain compliant.

Climate Change and Carbon Management

Reduce carbon footprint and combat climate change through implementing energy-efficient practices, investing in on-site renewables and progress toward climate goals.

Align operational practices with Diploma's net zero strategy of prioritising the control and reduction of energy use, investing in energy-efficient technologies, utilising on-site renewables and the procurement of renewable energy. Key actions include:

- Reduce energy use through regular maintenance of plant and equipment to minimise waste, invest in energy-efficient plant and equipment, and incorporate energy efficiency into the design of new buildings and refurbishments.
- Identify and prioritise the transition from fossil fuel-consuming plants, buildings, and equipment to sustainable energy technologies.
- Wherever possible, consider self-generation of electricity using renewable sources.
- Prioritise the procurement of electricity from renewable sources backed by certified guarantees of origin as soon as possible.
- Transition company vehicles from combustion engines to electric /low emission vehicles.

Biodiversity and Ecosystem Services

Manage operations to minimise impacts on biodiversity. Where practical support and enhance ecosystems through participating in biodiversity conservation initiatives, restoring habitats when necessary, and incorporating biodiversity considerations into business decisions to ensure responsible stewardship of the environment.

Circular Economy and Waste Reduction

Support the principles of a circular economy by enhancing recycling programs, designing products and packaging for reusability and recyclability, and aiming for zero waste to landfill initiatives through comprehensive waste reduction strategies.

Manage operations to ensure minimisation of waste generation, following the waste hierarchy to manage all waste streams, i.e. prevent, re-use, recycle, recover, responsibly dispose through;

- reducing waste generation,
- contributing to zero waste to landfill by 2030, with a focus on increased recycling and beneficial reuse methods,
- ensuring all waste is handled responsibly and in accordance with local and regional regulations, and
- ensuring waste partners or vendors used to dispose of and manage waste are vetted to ensure they responsibly manage waste streams in accordance with Diploma's zero waste to landfill targets and duty of care requirements.

Water Stewardship

Recognise the importance of water conservation and manage operations in a manner that safeguards local water resources through working to reduce water usage and prevent contamination. Ensure sustainable water management practices are in place, particularly around effluents that could contain contaminants. Implement incident investigation and corrective action procedures, if required.

Green Outsourced Logistics Programs¹

Wherever possible, seek to partner with logistics providers committed to environmental sustainability, incorporating initiatives like fuel efficiency, green routes, and alternative fuel usage.

Hazardous Waste Management

Comply with regulations and reduce hazardous waste² generation through optimisation, recycling and ensuring safe disposal.

Non-GHG Air Emissions

Reduce non-GHG air emissions through control measures, cleaner technologies, and sustainable practices.

Environmental Risk Management

Address potential environmental risks and emergencies by developing risk assessment procedures, preparing for environmental emergencies, and implementing mitigation strategies to minimise environmental impacts.

Continuous Improvement

Establish measurable objectives and targets for reducing environmental impact aligned with Group targets, commit to continuous improvement across all operations. Environmental performance and management should be reviewed regularly by Senior Management Teams.

Transparency and Reporting

Report on environmental performance by regularly publishing sustainability reports, disclosing, and verifying environmental impact data:

- Regularly report greenhouse gas emissions,
- monitor and track energy consumption and associated emissions,
- report metrics on waste disposal volumes and methods of disposal.

Stakeholder Engagement

Engage with colleagues and external stakeholders on environmental issues, communicate policy, performance and goals openly and transparently.

Training

This policy should be communicated with all colleagues, with training provided to ensure alignment with environmental goals.

¹ Eco-friendly supply chains that minimise environmental impact through efficient transportation and reduced waste.

² Materials posing a danger to human health or the environment, requiring special handling and disposal.

5 Responsibilities

Diploma PLC measures its performance and sets annual and longer-term targets to continually improve environmental performance.

Environmental performance and environmental management is reviewed by the Board and the Executive Team.

This policy is approved by the Diploma PLC Board of Directors and reviewed periodically for continued relevance and effectiveness.

Executive management and Managing Directors are responsible for implementing and communicating this policy and providing leadership to achieve environmental objectives across all Diploma businesses.

All colleagues must comply with this policy and contribute to environmental improvement within their specific roles.

6 Contacts

6.1 Diploma PLC

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6.2 Confidential Hotline

The Diploma Confidential Hotline is managed by Safecall, a respected, confidential and independent third-party organisation.

Safecall provides a 24-hours a day, 7 days a week service and can be contacted as follows:

- Freephone (full list Freephone numbers available on their [website](#))
- Raising an official report on their website (<https://www.safecall.co.uk/file-a-report/>)
- Email (diploma@safecall.co.uk)

When contacting Safecall via telephone, you will be put through to an operator who is trained to receive your report about concerns in the workplace that you feel cannot be addressed in any other way. Your call will not be recorded and will be treated confidentially and should you wish, Safecall will guarantee your anonymity.

When raising a report on their website you have the option to be named, semi anonymous or anonymous.