



Expertise
Passion
Automation



Sustainability

Report FY 2024



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Passion
Automation

Nick Pittwood

General Manager's Statement

I am proud to present our sustainability report for the year. Our ongoing commitment to environmental stewardship, social responsibility, and ethical governance remains at the heart of our operations and decision-making.

Over the past year, we have continued to make meaningful progress towards our sustainability goals. We have reduced our carbon footprint, enhanced resource efficiency, and fostered a culture that prioritises long-term value over short-term gain. These efforts not only benefit our business but also contribute positively to our communities and the wider environment.

As part of our drive to reduce our CO2 footprint, further strides were made with transitioning to a hybrid and electric fleet, and 34% of our site's electricity needs were met from our solar panel investment. In addition, total waste was reduced and our recycling rate improved – both significant contributions.

Looking ahead, we recognise the challenges that remain and the importance of adapting to an ever-changing world. Our focus will remain on continuous improvement by setting measurable targets and monitoring our progress. We will be exploring initiatives to reduce our mains water consumption, including opportunities such as rainwater harvesting.

Our achievements this year would not have been possible without the dedication and enthusiasm of our people, whose hard work is reflected in every aspect of this report. Thank you for your continued support as we work together to build a more sustainable future for all.



Introduction



We care about future engineers 

We care about the environment 

We care about local communities 

We care about sustainable growth 

Driving Global Sustainability Through Innovation and Collaboration

At SMC UK, we are proud to align with the long-term sustainability vision of our parent company in Japan. Together, we are committed to tackling climate change and addressing a broad spectrum of global societal challenges.

Our mission is to empower industries through the supply of environmentally friendly products and support for labour-saving operations—contributing to both sustainable growth and technical innovation.

Our efforts are deeply rooted in the principles of the United Nations Sustainable Development Goals (UN SDGs). These goals guide our strategy as we work to create a more equitable, resilient, and sustainable future for all.

In collaboration with our European counterparts, we are actively aligning with the EU Corporate Sustainability Reporting Directive (CSRD). This ensures transparency, accountability, and continuous improvement in our environmental and social performance.

Following a comprehensive materiality assessment, we have identified two key focus areas:

- **Climate Change Mitigation:** Reducing emissions, increasing energy efficiency, and investing in renewable energy.
- **Social Impact:** Promoting ethical practices, employee well-being, and community engagement.

These priorities reflect our belief that sustainability is not just a responsibility—it's a strategic advantage and a catalyst for innovation.

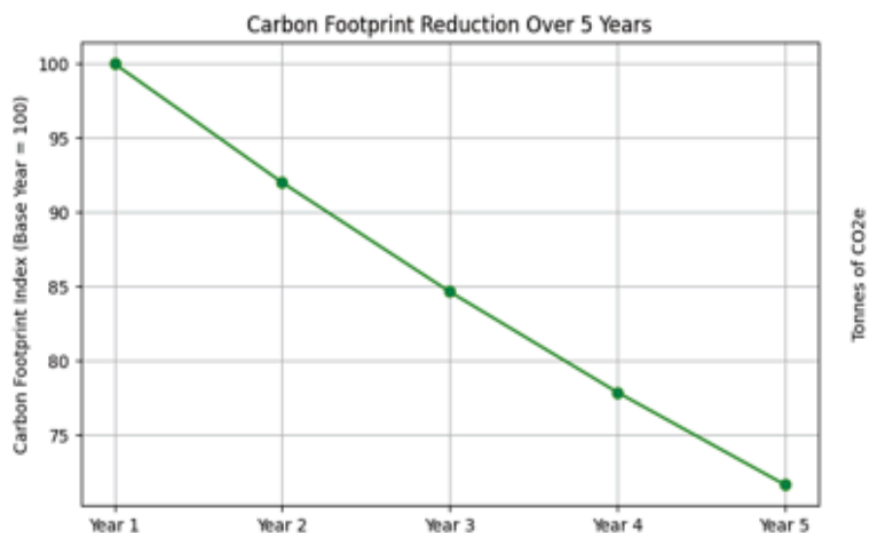
Environmental Impact

Climate Change and Emissions

SMC UK's commitment to addressing climate change is deeply embedded in every aspect of our operations. For the fifth consecutive year, we have proudly maintained carbon neutrality, a milestone that reflects our long-term dedication to environmental responsibility.

Through strategic investments in energy efficiency, renewable energy sourcing, and carbon offsetting, we have achieved an impressive **8%** year-on-year reduction in our carbon footprint. This consistent progress underscores our proactive approach to climate action and our role in supporting the UK's transition to a low-carbon economy.

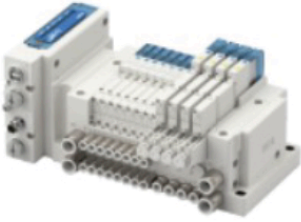


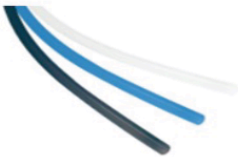
Our journey doesn't stop here—we continue to explore innovative ways to decarbonise our operations and inspire sustainable practices across our value chain.



Key Environmental Initiatives

Development and promotion of environmentally friendly products

Environmentally friendly Products FY24

Products updated FY24	Environmental Impact
<p>Valve Manifold Integrated with Ejector System JSY1000-E Series</p>  <p>CE UK CA RoHS</p>	<ul style="list-style-type: none"> • Installation area: 64%reduction • Weight: 42%reduction • Energy Saving Function CO2emissions (Air consumption) : 90% reduction
<p>Refrigerated Thermo-chiller HRSC Series</p>  <p>CE UK CA ETL Intertek (UL Standards) HRSC090, HRSC100 only</p>	<p>Uses CO2 refrigerant (R744) instead of F-gas which is harmful</p>
<p>Rotary Actuators CRB/CDRB Series</p>  <p>RoHS</p>	<p>Overall length: 44% shorter, Weight: 48% lighter</p>
<p>Biomass Tubing TU/TS/T-X309</p>  <p>RoHS</p>	<p>Reduction in CO2 and greenhouse gases by reducing the use of petroleum driven raw materials, resulting in a greater contribution towards decarbonization.</p>

Energy and Emissions Initiatives

Monitoring and Optimising Energy and Fuel Consumption

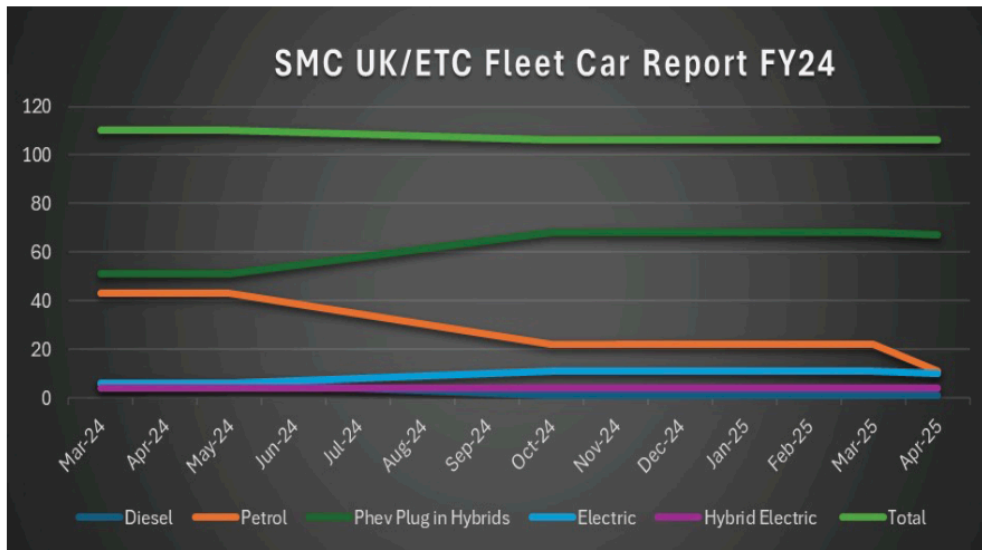
We continuously track and analyse our energy and fuel usage to identify opportunities for efficiency improvements, reduce waste, and lower emissions across our operations.

Transitioning to a Low-Emission Vehicle Fleet

As part of our decarbonisation strategy, we are actively transitioning to a low-emission company car fleet, reducing our reliance on fossil fuels, and supporting cleaner, more sustainable mobility solutions.

Fleet Sustainability Transition – FY24 Overview

SMC UK continues to demonstrate its commitment to environmental sustainability through the active monitoring and transformation of its company vehicle fleet. The Fleet Car Report for FY24 (March 2024 – April 2025) provides a clear view of the evolving composition of fleet vehicles, segmented by fuel type.



Key Highlights:

Total Fleet Size: Maintained a consistent range, indicating stable operational needs.

Diesel & Petrol Vehicles: These traditional fuel types show a gradual decline or plateau, aligning with the company's decarbonisation goals.

Electric Vehicles (EVs): A noticeable upward trend in EV adoption reflects a strategic shift toward zero-emission transport.

Hybrid & Plug-in Hybrid Vehicles (PHEVs): These categories serve as transitional solutions, showing moderate growth and supporting the gradual phase-out of fossil fuels.

ESG Impact:

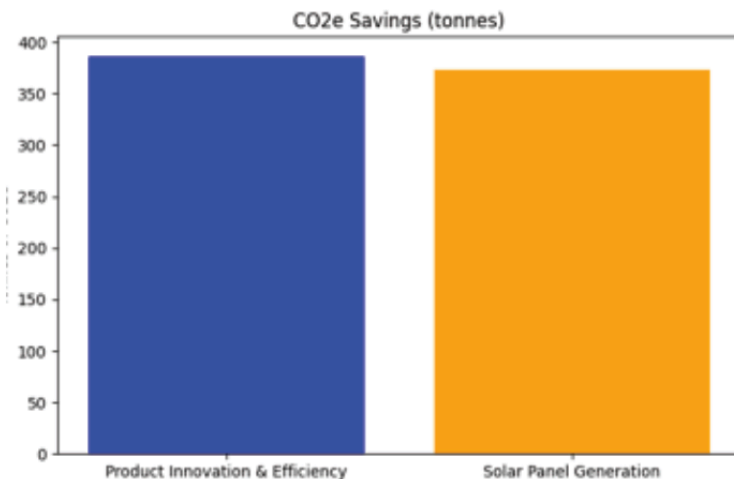
Environmental (E): The increasing share of electric and hybrid vehicles directly contributes to reducing the company's carbon footprint and aligns with Scope 1 emissions reduction targets.

Governance (G): Transparent tracking and reporting of fleet composition supports responsible business practices and regulatory compliance.

This data-driven approach reinforces SMC UK's commitment to sustainable mobility and supports its broader ESG strategy.

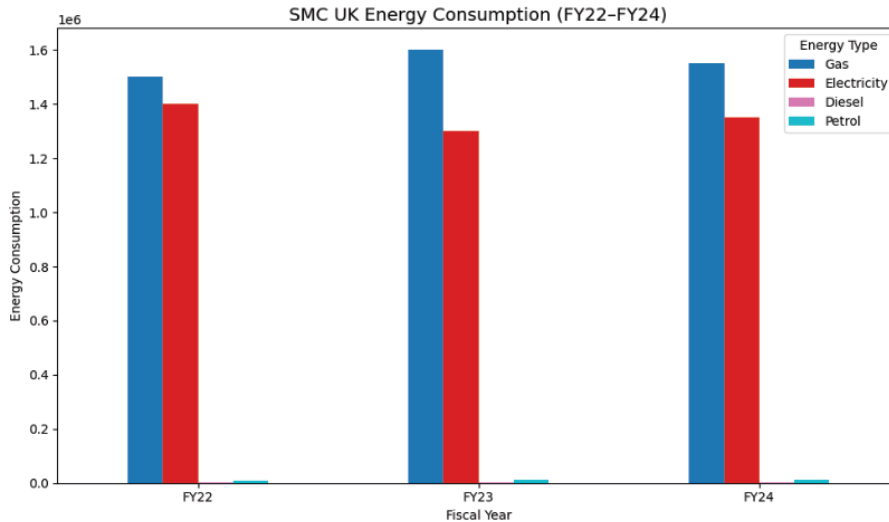
FY24 Achievements

- **386 tonnes of CO2e avoided through product innovation and operational efficiency**
- **373 tonnes of CO2e saved through solar panel energy generation (Scope 4 emissions)**



SMC UK Energy Report

SMC UK Energy Report for FY22–FY24, compares energy consumption across three fiscal years for four energy types:



Energy Categories & Trends

Gas: Shows a steady decrease from FY22 to FY24.

Electricity: Consumption appears relatively stable, with slight fluctuations.

Diesel: Notably reduced over the three years.

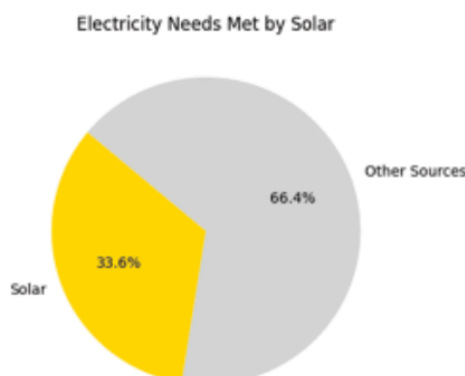
Petrol: Also shows a declining trend, though less steep than diesel.

General Observations

The overall trend suggests a reduction in fossil fuel use (diesel and petrol). This reflects energy efficiency initiatives and a shift toward more sustainable practices.

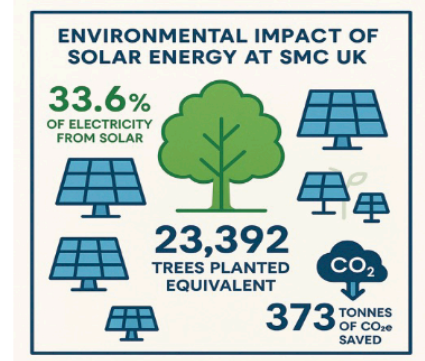
Onsite Solar Contribution

In 2024, 33.6% of our site's electricity needs were met through onsite solar generation, significantly reducing our reliance on grid electricity and lowering our carbon emissions. This achievement highlights our commitment to renewable energy and our strategic focus on building a more sustainable energy infrastructure.



Solar Energy Impact

Our investment in solar energy continues to deliver measurable environmental benefits. In 2024, the impact of our solar generation was equivalent to planting 23,392 trees, significantly contributing to carbon offsetting, and reinforcing our commitment to renewable energy solutions



Ongoing Emissions Management

- Scope 1 and 2 emissions reduction and offsetting initiatives
- Scope 3 emissions tracking and reduction strategies

These achievements reflect our ongoing investment in renewable energy and our contribution to reducing the UK's carbon footprint. They are a testament to the positive environmental impact of our sustainability strategy.

Resource Management Across our Operations in the UK

Driven by a deep-rooted commitment to the environment, sustainability is at the heart of our operations. We are proud to demonstrate our ongoing commitment to waste reduction and responsible resource management.

Through targeted initiatives and continuous improvement, we have significantly reduced our total waste output while increasing our recycling rates year-on-year.

In 2024, we achieved a recycling rate of over 98%, reflecting our dedication to diverting waste from landfill and supporting a circular economy. By minimising reliance on energy-from-waste solutions, we are actively reducing our carbon footprint and contributing to a cleaner, more resilient future.

These results underscore our strategic focus on environmental stewardship, aligning with both corporate values and broader sustainability goals.

Waste Management Summary

Year	Total Waste (t)	Recycled (t)	Recycled (%)	Energy from Waste (EFW) (t)	EFW (%)
2023	179.66	156.60	87.15%	23.06	12.85%
2024	154.31	151.45	98.15%	2.86	1.85%

Key Insights

- **Total waste reduced** by **25.35 tonnes** (a 14.1% decrease).
- **Recycling rate improved** significantly from **87.15% to 98.15%**.
- **EFW usage dropped** from **12.85% to 1.85%**, indicating a stronger focus on recycling over incineration.

Water Resource Management & Conservation

Effective water management is a critical component of our environmental sustainability strategy. We are committed to minimising water consumption across both operational and domestic activities, while actively reducing waste and promoting reuse.

Operational Efficiency

Water plays a vital role in our manufacturing processes. To reduce consumption and environmental impact, we have implemented the MecWash Aqua-Save system, which continuously recovers and recycles wash water used in parts cleaning. This closed-loop system significantly reduces the need for water disposal and lowers our overall water footprint.

Monitoring & Reduction

We monitor water usage across all areas of the business—both operational and domestic—to identify opportunities for efficiency and ensure responsible consumption. These insights guide our ongoing efforts to reduce wastage and improve performance.

Future Initiatives

Looking ahead, we are exploring the implementation of rainwater harvesting systems to further reduce reliance on mains water and enhance our resilience to water scarcity.

Employee Engagement for Environmental Stewardship

As a values-driven organisation, our commitment to the environment goes far beyond operational efficiency—it's a core part of who we are. Sustainability is not just a goal; it's a shared value that shapes our culture and unites our community.

We actively engage our employees in meaningful environmental initiatives that support our sustainability objectives while fostering a deeper connection with nature. From hands-on conservation efforts to awareness campaigns and green innovation challenges, we empower our teams to be environmental champions—both at work and in their personal lives.

This collective effort strengthens our environmental impact and reinforces our belief that real change begins from within.

To mark globally recognised environmental dates, we organise a variety of activities that encourage participation and awareness, including:

- **Seed giveaways** to promote biodiversity and restore local ecosystems
- **SMC Recycling Hero nominations** to celebrate individual contributions to waste reduction
- **Litter picking events** to maintain clean and healthy surroundings

Our **seed giveaway initiative** has had a tangible impact over the years. By distributing wildflower seeds, we've helped restore degraded land, improve soil quality, and attract pollinators such as bees and butterflies. These wildflowers not only beautify the environment but also play a crucial role in supporting biodiversity and ecosystem health.



Wellbeing Through Green Spaces

Employees have shared how growing their own plants—whether indoors or in gardens—has been a rewarding and therapeutic experience.

Scientific studies support this, showing that plants can:

- Reduce stress and lower blood pressure
- Release muscle tension and enhance mood
- Improve indoor air quality
- Boost mental wellbeing and a sense of accomplishment

By encouraging green habits at work and at home, we're not only nurturing the planet but also supporting the health and happiness of our people.

Social Responsibility

Workforce & Community Impact

At the heart of our sustainability strategy is a deep commitment to people—both within our organisation and in the communities we serve. Our approach is built on six key pillars:

Diversity, Equity & Inclusion

We foster a workplace culture where everyone feels valued, respected, and empowered to thrive—regardless of background, identity, or ability. Yearly we publish our Gender Pay gap results

Employee Engagement & Relations

We prioritise open communication, collaboration, and continuous feedback to build strong, trust-based relationships with our workforce. All employees shall participate in our Personal Development Plan program.

Human Rights & Ethical Supply Chains

We uphold the highest standards of human rights across all operations and supply chains, ensuring fairness, dignity, and transparency. Our suppliers adhere to our global Supply Chain Procurement Policy and our Code of Conduct required by our selection process and audit program.

Health, Safety & Wellbeing

Our people are at the heart of our business. We are dedicated to cultivating a safe, healthy, and inclusive workplace where every employee can thrive—physically, mentally, and emotionally. Through a robust framework of health and safety practices and a wide range of wellbeing benefits, we empower our workforce to lead balanced and fulfilling lives.

Comprehensive Healthcare & Wellbeing Support

We offer all employees access to a range of funded healthcare providers, including: Vitality, Bupa, and Westfield: Covering private GP access, physiotherapy, mental health counselling, nutritional guidance, and fitness support.

Employee Assistance Programme (EAP): Confidential 24/7 counselling and mental health support, available 365 days a year.

WISDOM App: A digital extension of our EAP, providing on-demand access to mental health resources and wellbeing tools.

Physical Health & Safety

All employees receive a comprehensive Health & Safety induction upon joining.

We provide eye test vouchers and Display Screen Equipment (DSE) assessments to support ergonomic and visual health.

Our subsidised canteen offers nutritious meal options to promote healthy eating habits.

Free lunches are available for employees experiencing financial hardship, ensuring no one goes without a meal.

Free period products are supplied in all women's toilets on site, supporting dignity and inclusion.

Lifestyle & Community Engagement

We actively encourage participation in subsidised sports and social activities through our Sports & Social Club, promoting physical activity and team cohesion.

Employees are invited to join wellbeing and working committees, contributing to the continuous improvement of our workplace culture and support systems.

Community Outreach & Support

We actively engage with and support local communities through volunteering, partnerships, and targeted outreach programmes.

We maintained active partnerships with local and national charities through March 2025.

Fundraising and support extended to:

Save the Children

MIND

Red Nose Day

Children in Need



Emergency fundraising for global disaster relief efforts.

Employees encouraged to participate in charitable giving and volunteering initiatives.

Corporate Social Responsibility (CSR)

Our CSR initiatives focus on education, environmental stewardship, and social equity—driving positive change beyond our business.

Education, Inclusion & Youth Engagement STEM & Youth Outreach

Promotion of women and young people in STEM through school partnerships:

Half-day Girls in STEM event hosted in collaboration with MK College, attended by 50+ female students.

Hosted Introduction to Pneumatics workshop for 60 primary school students.

Apprenticeship Programme:

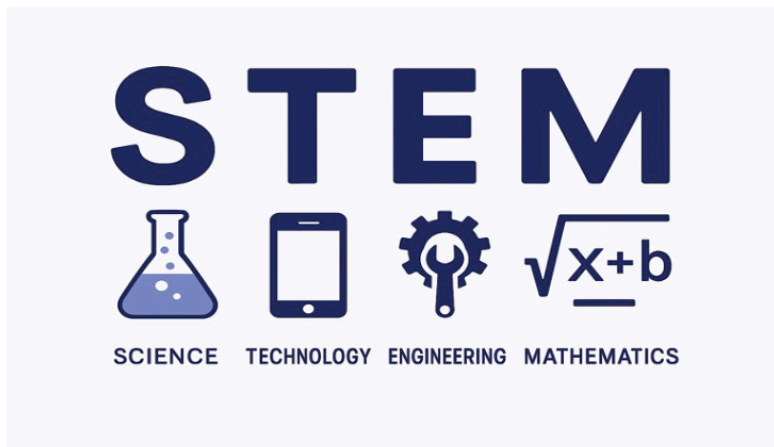
Increased apprentices from 13 (2022) to 14 (2023), with FY24 figures staying the same

Awarded Gold Kitemark Status for excellence in apprenticeship delivery by Next Gen Makers for three consecutive years.

Work Experience Placements:

5 placements offered annually to local students with a target 50/50 gender split.

Participation in Next Gen Makers Annual Engineering Skills Conference, focusing on gender inclusion and structured apprenticeship programmes.



Ethical Leadership & Governance

At SMC UK, ethical leadership is the foundation of our corporate integrity and long-term success.

We are committed to upholding the highest standards of governance, transparency, and accountability across all levels of our organisation.

Diverse and Accountable Governance

We maintain a robust governance structure that reflects diversity in experience, perspective, and background. Our board and leadership teams are committed to ethical oversight and strategic guidance.

Anti-Bribery and Anti-Corruption

We enforce strict anti-bribery and anti-corruption policies across all operations. These policies are supported by regular training, monitoring, and a zero-tolerance approach to unethical conduct.

Risk Management Frameworks

Our comprehensive risk management systems identify, assess, and mitigate risks—ensuring business continuity, regulatory compliance, and stakeholder trust.

Ethical Business Conduct & Compliance

We promote a culture of integrity through clear codes of conduct, compliance programmes, and whistleblower protections. Every employee is empowered to act responsibly and ethically. Any non-compliance is recorded and acted upon swiftly, handled with care and sensitivity.

Conclusion

As we reflect on our progress in FY24, sustainability is not just a goal at SMC UK—it is a guiding principle embedded in every aspect of our operations. From reducing our carbon footprint and investing in renewable energy, to fostering biodiversity and promoting employee wellbeing, we have taken meaningful steps toward a more sustainable and inclusive future.

Our commitment to the United Nations Sustainable Development Goals (UN SDGs) and alignment with the EU Corporate Sustainability Reporting Directive (CSRD) ensure that our actions are both globally relevant and locally impactful. Through collaboration with our parent company in Japan and our European counterparts, we continue to drive innovation that benefits both people and the planet.

We are proud of the strides we've made in environmental performance, community engagement, and ethical leadership. We also recognise that sustainability is a journey—not a destination. As we look ahead, we remain focused on continuous improvement, transparent reporting, and bold action to meet the challenges of tomorrow.

Together, with our employees, partners, and communities, we will continue to lead with purpose, act with integrity, and grow responsibly.