

# HARSCO METALS GROUP LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### **Credit risk**

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the board.

### **Streamlined energy & carbon emissions reporting**

#### **Introduction**

In accordance with Streamlined Energy and Carbon Reporting (SECR), which mandates that defined companies must include energy and carbon emissions in their annual reports, and a narrative on the principal measure taken to increase the business's energy efficiency. The company discloses the following annual energy consumption and associated greenhouse gas emissions.

#### **Energy consumption & associated GHG emissions**

Total Energy Consumption used to calculate emission (kWh) 105,809,150

#### **Energy consumption breakdown (kWh)**

Gas	33,731,850
Electricity	4,245,382
Gas Oil (Mobile & Fixed Plant)	72,077,300
Transport Fuel	2,272,845

#### **Scope 1 Emissions in metric tonnes CO<sub>2</sub>e**

Gas Consumption	6,202t
Gas Oil (Mobile & Fixed Plant) Consumption	18,508t

#### **Scope 2 Emissions in metric tonnes CO<sub>2</sub>e**

Purchased Electricity	990t
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#### **Scope 3 Emissions in metric tonnes CO<sub>2</sub>e**

Business Miles (Leased or private vehicles – Mileage Claims)	52t
Business Miles (Leased vehicles – Fuel Card)	497t
<b>Total gross emissions in metric tonnes CO<sub>2</sub>e</b>	<b>26,248t</b>

#### **Intensity ratio**

kg CO <sub>2</sub> e / tonne of Liquid steel tonnage	2.62kg CO <sub>2</sub> e
kg CO <sub>2</sub> e / tonne of Asphalt produced	20.38 kg CO <sub>2</sub> e
kg CO <sub>2</sub> e / hour worked in the office	0.58 kg CO <sub>2</sub> e

Scope 1 - Emissions are direct emissions from owned or controlled sources.

Scope 2 - Emissions are indirect emissions from the generation of purchased energy.

Scope 3 - Emissions are all indirect emissions (not included in Scope 2) that occur in the value chain of the Company.

#### **Methodology**

Emissions are calculated using a spend-based methodology from supplier invoices, fuel cards and employee expenses received through accounting and IT systems and then applying relevant Government Conversion Factors for Company Reporting.

For business mileage the vehicle type / size data is not currently available therefore Conversion Factors for an 'Average car' have been used. Where fuel type was not specified in the claim the 'Unknown' Conversion factor was used.

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### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **Comparison with previous year**

2020 is the first year of reporting for Harsco Metals Group Limited under the SECR scheme, therefore there is no comparison with previous years.

#### **Energy efficiency measures**

In March 2020 SteelPhalt Rotherham introduced an additive into several of their asphalt products enabling them to be produced at circa 30-40c lower temperature. The decrease in production temperature can give 25-35% reduction in energy consumption. This equates to a 20-30% reduction in Greenhouse Gas Emissions from the asphalt plant.

Since introduction, SteelPhalt Rotherham produced just short of 100,000t of warm mix asphalt in 2020. Based on an average of 20% CO2 reduction this equates to a CO2 emission saving of 500t.

The use of the Lowtherm additive has now also been extended to the Steelphalt Cardiff Asphalt Plant.

#### **Research and development**

Research and development on new products is primarily carried out at Harsco Corporation sites worldwide, but locally some product development costs are incurred on new innovations for use throughout the business.

#### **Disabled persons**

The following policy has been applied in respect of the employment of disabled persons.

The company recognises its responsibility to employ disabled persons in suitable employment and gives full and fair consideration to applications for employment made by such persons, having regard to their particular aptitudes and abilities.

Any employee who becomes disabled is encouraged to remain in the company's employment, in the same job if this is practicable. If a change of job is necessary, such an employee is considered for any suitable alternative work which is available and any necessary training is arranged.

Disabled employees are treated equally with all employees in respect of their eligibility for training, career development and promotion.

#### **Stakeholder engagement**

##### **Employees**

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

The company values its employees highly and engages in regular appraisal and assessment to ensure that the company and its employees work to their best and fullest potential, this also includes annual employee engagement surveys to gain feedback on health & safety, communication and conditions so that the company can review employee perception of its communication and decisions.

##### **Business relationships**

The company is dedicated to administering and promoting its business system through Harsco Code of Conduct and Business Partner Code of Conduct and values of integrity, respect, inclusion and employee care with agents, contractors, consultants, distributors, suppliers, customers and others. The company expects and encourages all Business Partners to apply the principles in Business Partner Code of Conduct and act in ways that are consistent with the Policy and ensure good business practices. Training is given where required to the respective business partner to make sure that there is an understanding of the Harsco policies.

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