



**Thomas Swan**

Chemical manufacturing since 1926

Responsible  
and Regenerative

Sustainability Report

20  
25

# 01

## A word from our CEO

As many companies understand, the sustainability challenge is twofold – to reduce the environmental burden of our operation and to ensure that our business is financially sustainable and will therefore survive and hopefully thrive for many years to come.

Over the past few years the headwinds buffering our business have never been greater – concerning trends within the markets that we operate within impacting sales while energy and cost of labour in the UK are now among the highest in the world.

Nevertheless, we remain fully committed to achieving our declared sustainability goals moving forward albeit in stages and affordably.

As I often say, people are our most valuable asset, and I am extremely proud to note that we have recently retained our Investors in People accreditation demonstrating significant improvement across most categories.

We continue to invest heavily in our Green Feather Innovations (GFI) New products portfolio which is the vehicle that sees us transition away from Petrochem derived raw materials and products towards bio derived, biodegradable and recycled materials and products that are good for our planet.

We continue to transform our operations and our assets at pace whether that is to drive down energy usage per tonne, improve the reliability of our plant or reduce rejects by improved quality control measures; we are driving hard to become more efficient in a demanding environment.

We have invested heavily in transforming the performance of our AD plant which produces electricity from renewable sources and can proudly demonstrate that it now delivers > 90% of our electricity usage on a month-to-month basis.

This year also saw us announce our commitment to the Science Based Targets Initiative (SBTi). Our climate change target of reducing our scope 1 and scope 2 GHG emissions by 48% by 2030 from a 2019 base year, and to measure our scope 3 emissions for the Company was approved by the SBTi.

Finally, I'm delighted to report that we have restored our Ecovadis platinum rating. This externally verified assessment of our sustainability efforts is important to us and sends a clear signal to our suppliers, customers and employees that we are serious about sustainability and will continue to drive the business forward on a sustainable footing.



Harry Swan,  
CEO  
Thomas Swan

<b>1</b> NO POVERTY	<b>2</b> ZERO HUNGER	<b>3</b> GOOD HEALTH AND WELL-BEING	<b>4</b> QUALITY EDUCATION	<b>5</b> GENDER EQUALITY	<b>6</b> CLEAN WATER AND SANITATION	<b>7</b> AFFORDABLE AND CLEAN ENERGY	<b>8</b> DECENT WORK AND ECONOMIC GROWTH	<b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE
<b>10</b> REDUCED INEQUALITIES	<b>11</b> SUSTAINABLE CITIES AND COMMUNITIES	<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION	<b>13</b> CLIMATE ACTION	<b>14</b> LIFE BELOW WATER	<b>15</b> LIFE ON LAND	<b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS	<b>17</b> PARTNERSHIPS FOR THE GOALS	

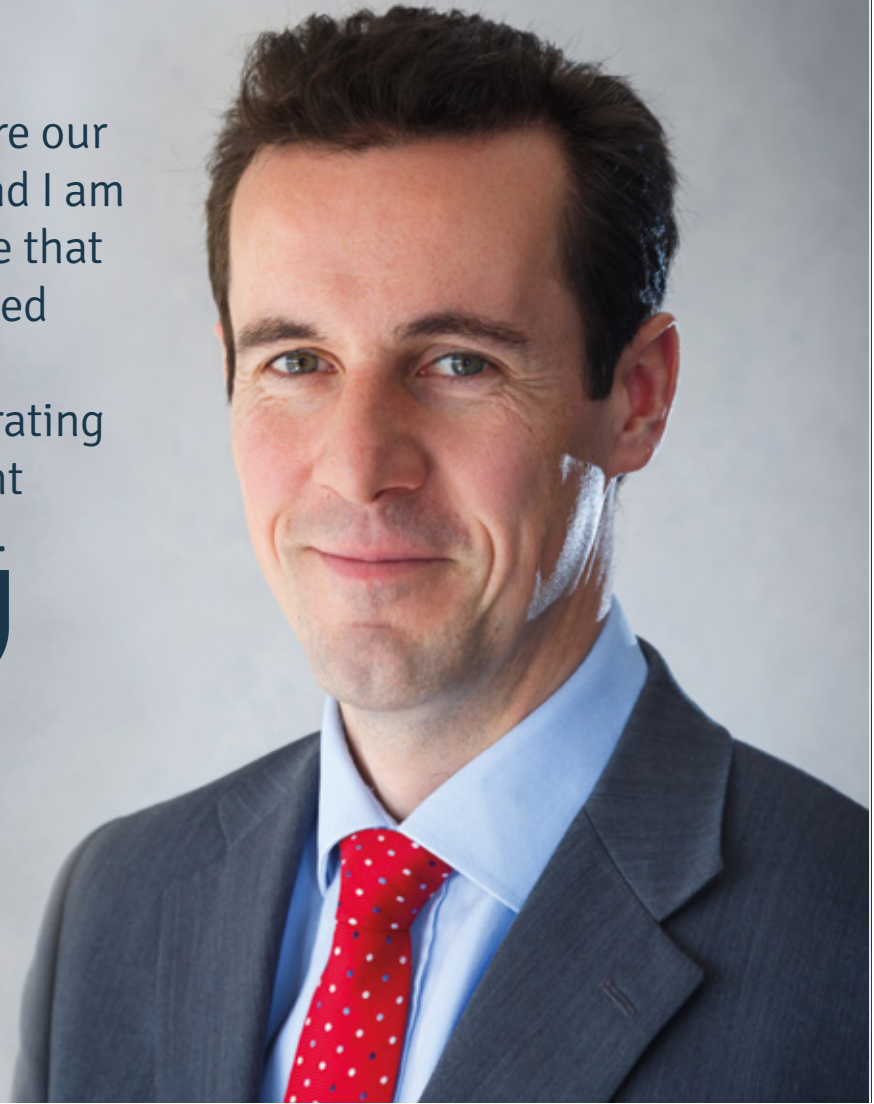
  

We always strive to do the right thing	We are more successful by working together	We treat everyone with respect	We have the courage to pursue new ideas	We strive for excellence in everything we do	We take the initiative
<b>Integrity</b>	<b>Teamwork</b>	<b>Respect</b>	<b>Innovation</b>	<b>Excellence</b>	<b>Ownership</b>

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# 02

## People Development:

Without our employees Thomas Swan will be unable to achieve its vision to become a medium sized pioneering, globally recognised, sustainable manufacturer of speciality chemicals.



Our employees are therefore our most valuable asset, and it is essential that we continue to strengthen competence, capability and confidence at all levels to ensure that we are equipped to realise our goals. In addition, it has never been more important that our employees enjoy high levels of job satisfaction within a culture that we can be proud of which will enable us to retain our top talent while also being able to attract new talent into our business.

Our targets for FY2023 and FY2024 were as follows:





**Achieve a target of an average of two hours training per month, per employee. This will include targeted training in the following areas:**

1. Train 50% of managers in Equity, Diversity and Inclusion by 31/3/2024  
**Achieved**
2. Train 50% of managers in Unconscious Bias by 31/3/2024  
**Achieved**
3. Train 100% of relevant employees in Competition Law by 31/3/2024  
**97% achieved**
4. Train 100% of relevant employees in Prevention of Bribery in Business by 31/3/2024  
**97% Achieved**
5. Train 100% of all employees in Equity, Diversity and Inclusion by 31/12/2024  
**Achieved**
6. Train 100% of all employees in Unconscious Bias 31/12/2024  
**Achieved**


**Achieve 100% return of Personal Development Reviews (PDRs) by the end of March 2024**

We did not achieve this target because of high absence rates. However, after review we have implemented various changes within the management structure to ensure that we achieve this target via a normal distribution of annual PDR ratings in future. As a result of the changes implemented this measure was suspended for FY2025.

**Draft, agree and publish a road map to improve diversity and inclusion in all areas of the business.**

In order to establish the road map, we have recorded a baseline set of KPIs. These KPIs include metrics on minority groups, vulnerable persons and women in the workplace. They currently range from zero to 26% with the number of minority group individuals and women increasing significantly by the end of the reporting period.





### Implement the agreed “Positive People” programme

We did not implement and agree the positive people programme within the reporting period. This activity was delayed to FY2025 and included within the remit of Consett Flex Workstream 1 team.



### Continue to take on apprenticeships where there is a need to develop skills required to support the business.

At the end of FY2023, we had 4 apprentices, 3 of whom were based in the engineering department with the 4th based in the R&D department, all employed by Thomas Swan & Co. Ltd. One of the engineering apprentices completed their time in September 2024 while our R&D apprentice graduated from their degree course, leaving just 2 apprentices in the scheme at the end of FY2024.



### Re-introduce Thomas Swan “Open Days” for all staff where Thomas Swan’s values and business ethics are refreshed.

The Company commenced a business wide transformation programme in FY2023 built on our 6 Thomas Swan company values and aimed at ensuring that our employees play a big part in designing and implementing the transformational steps required by our business to achieve its strategic goals. The transformation programme was titled “Consett Flex” with the remit of “Flexing” our people, products and place to deliver sustainable operating profit and is structured with a series of specific workstream teams populated by individuals from all levels reporting into a senior steering group. Each workstream team is tasked with the design and implementation of changes required to meet the workstream remit. The change storyboard shown below was created at the very start of the Consett Flex transformation programme by a cross section of our employees which sets out the ‘road-map’ to change and enable all team members to fully understand why we need to transform our business and how we aim to go about it.



# 03

# Our Change Storyboard

## Flexing our People, Products and Place to deliver Sustainable Operating Profit

**1** Where are we now and **WHY** we need to keep improving?

Operating Losses

Global Conflicts & Competition

Too many Aging Products

Who dares to stand still?

Strong Technology and great Ideas to build from...

We want to Thrive not just Survive!

**2** **WHAT** are we aiming for?

Profits

People

Our business belongs to Us!

We are Positive People...happy, healthy and proud

Products

Place

Sustainable & Speciality

We are the Supplier of Choice into key markets

**3** **WHAT** will our workplace look and feel like?

Integrity in the moral principle

CELEBRATING 100 YEARS

SAFETY FIRST

WORK LIFE BALANCE

Capability, Competence, Confidence

We take Pride in what makes us Unique

**4** **HOW** will we get there?

We will take this journey Together

Consect FLEX

**5** **WHAT** can we expect from each other?

We will work together

We will deliver our true priorities within a high accountability culture

We will take pride and lead by example in all that we do

We will follow our processes

We will look after each other because we care

We will communicate honestly, clearly and unambiguously

We will trust, listen to and respect each other

We will not fear failure

We will promote positivity

We will ensure that everyone matters

**Integrity** We always strive to do the right thing

**Teamwork** We are more successful by working together

**Respect** We treat everyone with respect

**Innovation** We have the courage to pursue new ideas

**Excellence** We strive for excellence in everything we do

**Ownership** We take the initiative

“Our vision to become a medium-sized, sustainable manufacturer of speciality chemicals can only be realised through transformational change across all functions within our business. Our transformation change programme aims to “Flex” our people, products and place (of work and in the market) to deliver sustainable operating profit and has therefore been titled “ConsettFlex”. When designing and delivering transformational change programmes, it is vital to involve employees from across all departments then establish a clear and simple way of communicating and articulating the “change story” to all key stakeholders including employees. Our change storyboard shown on the previous page has been designed by our employees and is displayed in all key locations across the site to facilitate discussions about change. It also reminds our people about the need for change and how we aim to go about it, and ultimately to keep transformational change up front and centre in our daily working lives”.

# 04

## Excellence through Continuous Improvement:

Thomas Swan's ethos is that Sustainability is at the heart of everything we do. Sustainability is embedded in how we work by minimising our resource use throughout our manufacturing processes and systems, through encouraging and developing our people, and through creating a safe and productive environment in which to work.

We will continue to work hard to achieve excellence in all that we do through our commitment to be a "learning organisation" and continually applying the learning and knowledge we acquire to improve our performance.

## Our targets for FY2023 and FY2024 were as follows:

### Target zero accidents

We strongly believe that a key aspect of sustainability is for all employees, contractors and visitors to leave work each day in the same (or better) mental and physical condition they were in when they arrived. This means we will always aim for zero harm to our people, our assets and the environment around us. We take this responsibility very seriously. Zero reportable injuries were recorded in FY2023. Unfortunately, we had one reportable injury during FY2024. The accident was thoroughly investigated and actions put in place to ensure it cannot happen again.



### Aim to keep rejections below 2.5% across our full product portfolio

Thomas Swan manufactures a range of Speciality Chemicals. These products are produced to a high specification and are usually the “active ingredient” in formulations used in a wide range of challenging applications. A reject rate of 3.6% was achieved in FY2023 and 3.9% in FY2024. Although these are disappointing figures, they are related in part to transformational activities implemented over the two periods and it was decided to leave the target for FY2025 set at 2.5%.



### Deliver the plan to develop a new TSCL website for launch in Q1 of FY2023.

This target was not achieved during the reporting period. However, the website has been reviewed and this requires a significant body of work to produce a site that not only reflects the transformational changes to our business but adds additional capabilities required by our strategy. A plan has been agreed and is in progress with a target of implementation of the new website in Q3 FY2025.



### Target 95% of Thomas Swan’s key suppliers of products and services being members of EcoVadis or equivalent organisations.

This target was missed for both FY2023 and 2024 with the number of suppliers using EcoVadis or similar being around 40%. However, efforts being made to encourage suppliers to join EcoVadis or an equivalent sustainability measuring platform have been unsuccessful due to the limited “purchasing power” of a company our size and as a result this target will not be carried forward into the next reporting period.



### Review and update the processes used to encourage employee participation across the business in annual awards for Innovation, Operational Excellence and Sustainability.

Annual awards were given to successful employees in the three categories detailed above in summer 2023. However, there was a limited number of submissions for the awards, indicative that the scheme has lost impetus.

The Consett Flex Workstream 1 team has therefore been tasked with designing and implementing a fresh Values recognition scheme which will see employees being awarded bronze, silver or gold awards for carrying out activities that exemplify and champion one or more of our 6 Thomas Swan company values. We aim to implement this by Q2 of FY2025.



### Perform an audit of the digital systems in use at TSCL and their interactions to determine the current status. Develop, plan and communicate the strategy to prepare TSCL digital systems for future growth.

We did not carry out the digital systems audit during the reporting period. This target has been revised during FY2024 to better suit current and future business needs with the clear priority being to invest in digital systems to enable dynamic manufacturing cost per tonne for all products alongside a fit for purpose digital MRP system. We aim for both to be delivered in FY2026



### Target world class performance of 95% for on time in full (OTIF) dispatch of products to our customers.

Unfortunately, the Company did not meet this performance target. In FY2023, only 89.1% of orders were dispatched on time in full. FY2024 saw a slight improvement up to 91%, a 2.2% change. This poor level of OTIF performance is one of the reasons why transformational change at pace is required.

	FY22	FY23	FY24	Δ (%)
On time in full dispatch	89.6%	89.1%	91.0%	2.2



## 05

## Business Development:

In our five-year business strategy review, it was highlighted that, to meet our sustainable business growth targets, we need to innovate to change our product offerings to ensure that they have sustainable credentials and are tailored solutions for our chosen markets. This can only be achieved by customer-focussed development of new products, finding new applications for existing products and promoting the new skills and capabilities that we have acquired to attract new and retain existing customers, driving sustainable business growth.

To this end we created a New Business Development Division called Green Feather Innovations (GFI) to lead and deliver business growth through the design and implementation of new sustainable products and technology. The following sustainability objectives were geared towards implementing the business processes required to underpin our sustainable growth strategy.

## Our targets for FY2023 and FY2024 were as follows:

### Develop an objective definition of sustainability by which Thomas Swan existing and new products are benchmarked and perform the benchmarking exercise for TSCL's top 5 products in FY2023.

Following a project review, a project priority list was agreed. For our new products from Green Feather Innovations, we have embedded our sustainability targets within the new product descriptions. It became clear that the value of the information from the sustainability impact tool was in comparing our new products with existing products in estimating the potential benefits of the new product. Each new product has been ranked and defined in a bubble chart format to give the business clear line of site on which new products to prioritise. At the end of the reporting period this remains work in progress.



### Perform "cradle to gate" life cycle analysis on top 5 TSCL products by end of FY2024, on 50% of all products by end of FY2026 and all products by FY2027.

In line with our strategy to transition to a new sustainable product portfolio, this activity has been paused during the reporting period and reworded to make it valid for the new products that we introduce in future.



### Determine the bio-based content assessment (EN 16785-1) on TSCL's top 5 products by end FY2023 and all products by end of FY2024.

The top 5 products manufactured by Thomas Swan were not assessed for their bio-based content during the reporting period for the same reasons stated above for life cycle analysis. However, three of the other Thomas Swan products were assessed for this in FY2023 under the USDA 'Biopreferred' programme and were awarded this status in the US. In FY2025, a further set of 8 Thomas Swan products will be assessed under the USDA Biopreferred programme.



### Use the three metrics above (sustainability definition, life cycle analysis and bio-based content) as the method of communicating the product sustainability profile of TSCL's top 5 products to customers and stakeholders.

In line with our strategy to transition to a new sustainable product portfolio this activity has been paused during the reporting period and reworded to make it valid for the new products that we introduce in future.



### Update TSCL ESG Materiality assessment and communicate on new TSCL website and include in FY23 Sustainability report.

In line with our strategy to transition to a new sustainable product portfolio this activity has been paused during the reporting period and reworded to make it valid for the new products that we introduce in future.



# 06

## Sustainability:

Setting targets and measuring results against those targets will help ensure that we remain focussed on our sustainability journey.

Ultimately, we want to be a company that has a positive impact on the environment and thrives for many future decades to come.

These targets are designed to help us achieve our goals.

## Achieve year-on-year 5% reduction in COD in aqueous waste per ton of product made.

Chemical Oxygen Demand (COD) is a test that measures the amount of oxygen required to chemically oxidise the organic material present in water. Higher COD levels indicate greater levels of organic materials are present in our wastewater. Water reduction and recycling activities have proved successful in FY2024, which resulted in a 3.2% reduction in wastewater. The COD increase of 49.4% was mainly due to changes in product mix.



	FY22	FY23	FY24	Δ (%) FY23-24
Trade effluent volume (tpa)	25,320	24506	21185	-3.2
COD in wastewater (monthly ave. mg/l)	4454	3598	5375	49.4

## Achieve year-on-year 5% reduction in utilities used across the site (gas, water, electricity and cryogenic nitrogen) per ton of product made.

At Thomas Swan, we use a range of utilities with variable consumption depending on the products being manufactured. The mix of products manufactured in any given year is variable, which has a considerable effect on the energy intensity. Hence, both gas and electricity saw increases in intensity from FY2023 to FY2024. The reduced overall manufacturing tonnage also affected the energy intensity figures. However, use of both electricity and gas have seen considerable improvements since the 2019 carbon footprint baseline: electricity use is down by over 17% and gas use by 32%. The Company has purchased an upgraded nitrogen generation system with the intention of phasing out the use of cryogenic nitrogen – hence its use decreased by 34% during FY2024.



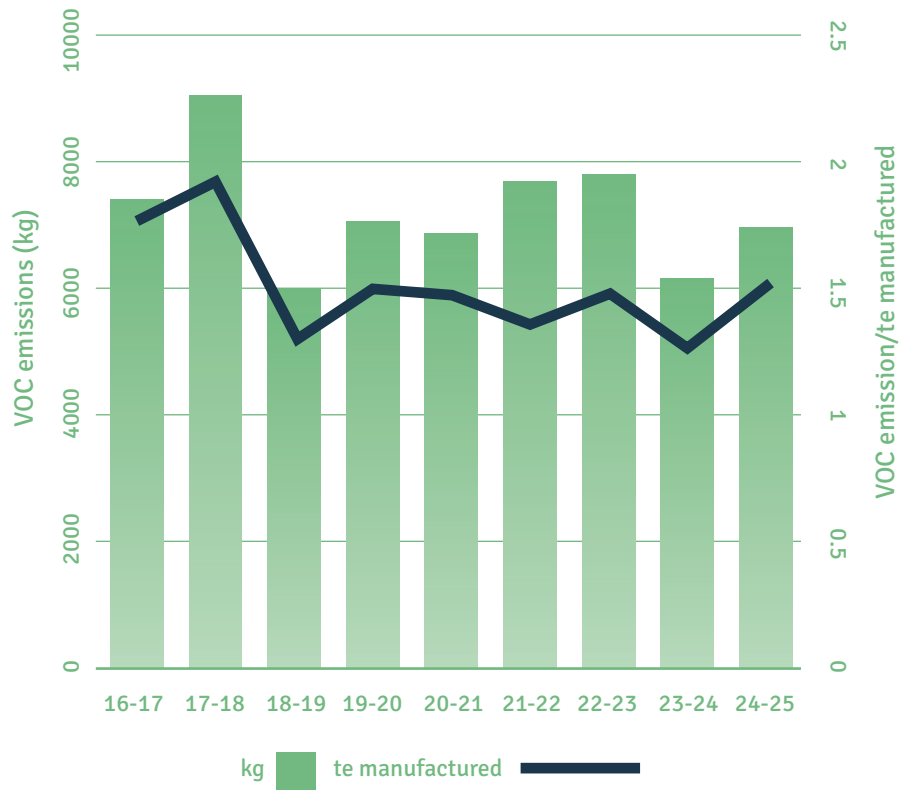
Utility	FY22	FY23	FY24	Δ (%) FY23-24
Gas (MWhr/t product)	2.49	2.53	2.97	17.3
Electricity (MWhr/t product)	1.05	0.97	1.12	15.2
Water (t/t product)	8.50	12.09	11.91	-1.5
Cryogenic nitrogen (monthly average m3/t product)	14.2	14.34	9.5	-34.1

### Achieve year-on-year 5% reduction in VOC emissions per ton of product made.

In FY2023, we saw a marked 14% decrease in our VOC emissions. Unfortunately, this was followed in FY2024 by a 24% increase. However, the overall trend since 2016 is down by 14%. This performance was directly influenced by the mix of products manufactured during the specific reporting years.



### Annual VOC emissions

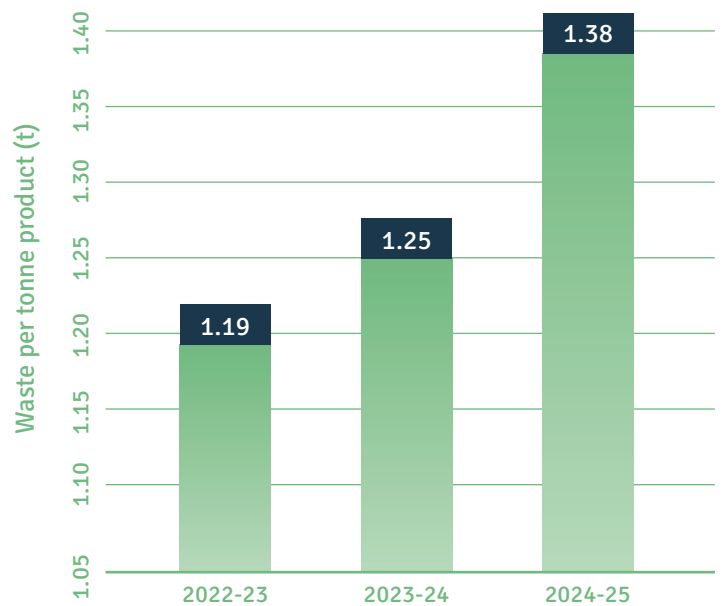


### Achieve year-on-year 5% reduction in waste produced across the site per ton of product made.

The reduction of waste produced by our manufacturing activities is a critical target for our business. In FY2023, the waste per ton of product unfortunately saw an increase of 5.4% due to the mix of products being manufactured during the period. This continued in FY2024 with another 10.2%. Considerable efforts are being made in this area to reduce the amount of waste we produce and in particular to transform chemical waste streams into value adding co-products.



### Waste produced per tonne product



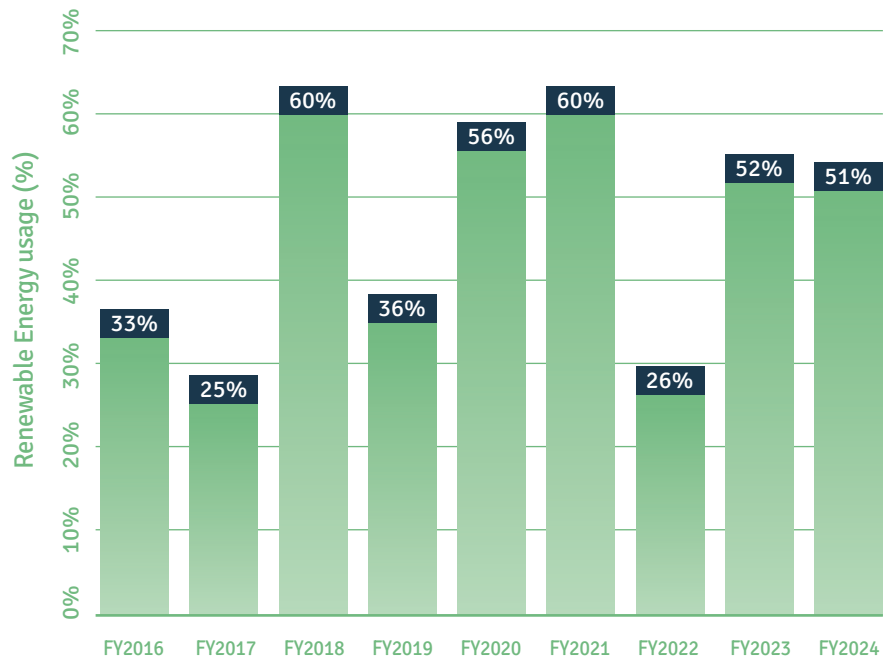
### Maintain year-on-year improvement in renewable electricity use.

During FY2023 and FY2024, more than 50% of the electricity used at Thomas Swan was supplied by the anaerobic digestion (AD) plant. Since the plant was purchased by Thomas Swan Holdings, significant investment has been made to improve its efficiency and reliability. This should enable TSCL to receive over 90% of its electricity supply from the AD plant from FY2025 onwards, which will result in a marked reduction in Thomas Swan’s carbon footprint.

Obtaining this asset will benefit TSCL in the future as:

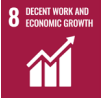
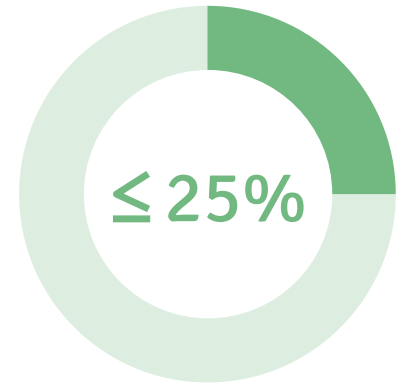
- It has the capability to supply almost all of TSCL’s plant electricity requirements.
- With further significant investment, it can produce biogas to reduce TSCL’s reliance on natural gas.
- It insulates TSCL from future energy supply and pricing fluctuations triggered by macroeconomic and geopolitical events.

### Renewable Energy usage



## Ensure financial leverage remains below 25%

The self-imposed target of maintaining financial leveraging below 25% in FY2023 and FY2024 was achieved, despite the very challenging business conditions experienced during this period.



**Agree and deliver a community project - maintain the footpath around TSCL site.**

The Company pays for a contractor to maintain the paths around the manufacturing site. This is an ongoing commitment that enables local residents to enjoy the local woodlands and wildlife. Further to this we have implemented a fortnightly site tidy programme which includes our perimeter paths and fence line on a rotational basis which sees employees of all levels report to a specified location to carry out 1 hour of tidying as a collective.



**Provide three school (Primary or Secondary) engagements on site.**

During FY2023, Thomas Swan engaged with 2 schools, providing specifically tailored site visits for the pupils. These involved discussions about where chemicals can be found in everyday life, what sustainability means and nanotechnology. The pupils were also given the opportunity to get involved in some simple lab tests with safe ‘chemicals’ and were given a tour of part of the production plant. In FY2024, we engaged with 3 different schools to facilitate similar visits.



**Provide work experience for four students aged between 16 & 18.**

Target achieved. A total of 7 students were given the opportunity to do several weeks each of work experience at Thomas Swan during FY2023. The number given this opportunity in FY2024 was 4.



**Perform two engagements with university students.**

Although there were no summer placement for students in FY2023 or FY2024, Thomas Swan did employ 2 graduates in the Chemical Engineering department in FY2024.



**Maintain EcoVadis Platinum status**

The EcoVadis platinum accreditation was regained in FY2024 with a score of 83%. This places the Company in the top 1% of all companies in our sector, an achievement of which we are very proud. Our multi-disciplinary team will be working hard to maintain the platinum status for the next accreditation cycle.



## 07

# Proposed FY2025 Objectives and KPIs

The X-matrix provides a visual display of how the Company's strategic priorities for 2026 - 'Improvement', 'Growth' and 'People' - should be implemented over 2026-27 and into the future. The colour coding shows at a glance how the work streams tie in with the strategic priorities.

The table below shows the set of specific KPI targets for FY2025. These are designed to ensure progress with each of the company's strategic priorities.

Aligned with the X-Matrix, the colour coding makes it easy to see which of the company's strategic priorities are delivered through each KPI.

Improvement	
Growth	
People	
LEADING KPIs	LAGGING KPIs
Develop a mechanism to assess the sustainability of our products	Rejects below 2.5% across whole product portfolio
Deliver Consett Flex Transformation Workstream Targets	Reduce VOC in consented emission points per tonne of product made
Long Term Site Facilities, Resources and Technology master plan	Reduce generated waste per tonne of product made
Digitalise our business for future growth and efficiency with a discrete set of target projects per year	Reduce all utilities across the site (gas, water, electricity, cryogenic nitrogen) by 5%
Employee Training for Managers (Leadership, Zero Harm and Company Values)	Become energy "self-sufficient but with access to the grid" by 2030. Deliver Net Zero by 2030. Scope 2 GHG emissions from the generation of purchased electricity, steam, heat, and cooling
Professional Training associated with PDR requirements	Healthy Financial gearing for our business
Provide people development - 100% returns of PDRs including cross levelling of returns	Target 95% OTIF performance for dispatches to our customers
Carry out 'reach-out' Projects with societal and business benefits	Target 0 All Injuries to Personnel on Site and 0 Tier 1 process safety events
Develop a diversity and inclusion plan - recruitment language, public facing language	Zero employees behind the REAL living wage (excluding apprenticeships)
Implement a positive people programme	Recognising our People via the Thomas Swan Annual "Values and Sustainability" Awards
Employee competence to be defined in Thomas Swan training matrix	
Hold Thomas Swan celebration events for staff members and families	
Remuneration for all craft and operations weekly paid staff maintained in upper quartile of local area employment	
Remuneration for all monthly paid staff to be reviewed against local market bands, improve where sensible and communicate regularly	





**Thomas Swan**

*Chemical manufacturing since 1926*

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