

2025 Climate Commitment Report

Net Zero – Our Commitment and Strategy

Rotaheat Ltd is a privately owned engineering business based in Swansea, Wales. Founded in 2012, our purpose is to design and supply products that enable heating solutions with minimal greenhouse gas emissions.

Rotaheat believes that Net Zero is going to be hard to achieve. Regardless of all the pressures faced by society, we cannot ignore the impact of modern life on the environment. As stewards, it is our responsibility to ensure future generations will have access to the same environment that current and previous generations have had access to.

We pledged, via the SME Climate Hub¹, our commitment to Net Zero 2030 in 2023.

As a Micro SME, our Net Zero commitment will be an added hurdle to overcome whilst growing our business, but it is consistent with our purpose and the key benefit of our products ...

the supply of heat whilst displacing greenhouse gases.

Near-term Targets

We recognise limited Scope 1 and 2 emissions, a consequence of the facilities we use. The Scope 1 & 2 emissions may become material as we grow and relocate our operations to more suitable facilities.

We have established a near-term target based on carbon intensity of revenue sold rather than an absolute carbon emission target, an approach more compatible with our early-stage business status. During 2025, the third year we have prepared a Climate Commitment Report, Rotaheat recognized limited customer revenues. Product sales and revenues are however expected to increase with a consequential increase in carbon emissions associated with the embodied carbon of our shipped products.

Our first target is to achieve a 10% reduction by 2026 in our Scope 3 carbon intensity against a 2023 baseline. We set our carbon intensity baseline as a measure of kg CO₂e per £ of revenue. We expect to comfortably exceed this target, which will be confirmed in our 2026 report, and have set a further target of a 40% reduction in our Scope 3 carbon intensity by 2029.

Emissions Strategy

We plan to maintain zero carbon emissions within our organizational control (Scope 1 & 2) by

- Purchasing 100% renewable electricity from reputable suppliers
- Meeting our space and hot water needs by using either Rotaheater enabled renewable heating solutions, or electrified heating systems, e.g., heat pumps.
- Adopting a fleet of electric company vehicles
- As a last resort, offsetting any emissions.

¹ See: <https://smeclimatehub.org/our-smes/?search=rotaheat>

To 2026, we plan to track and improve the accuracy of our measurement of Scope 3 emissions (which we are indirectly responsible for), seeking to reduce our carbon intensity towards zero as we get closer to 2030 by

- Reducing the carbon intensity of our products through considering alternative materials,
- Communicating to customers the embodied carbon of our products,
- Supporting our supply chain partners make and realise their own Net Zero commitments, and
- Seeking to offset the embodied carbon within our products through purchasing carbon offsets.

During 2025, we continued to increase our Scope 1, 2 and 3 reporting accuracy by incorporating cloud based services within our measured emissions.

CO2 emissions 2025

Our first goal was to achieve a 10% reduction by 2026 in our Scope 3 emissions, measured as kg CO2e per £ of revenue. This goal was exceeded in 2024 with a reduction in 2025 of over 35% relative to our 2023 baseline.

Total Measured emissions (Scope 1, 2 & 3) reduced to 6.59 metric tons CO2e, a 49% reduction against our 2023 baseline measurement, categorized as

- Scope 1 emissions: 0.00 metric tons CO2e
- Scope 2 emissions: 0.00 metric tons CO2e
- Scope 3 emissions: 6.59 metric tons CO2e

Measured Scope 3 emissions comprised of:

- Commuting, business mileage and homeworking,
- manufacture, assembly and test of sold products,
- embodied carbon within acquired capital goods and test equipment,
- waste materials (packaging of received goods), and
- cloud based computing services (using LBM).

Supply Chain engagement

We have not begun the process of actively engaging with our upstream/downstream supply chain. Between 2023 and 2025 we planned to first gather and improve the quality of emissions data before prioritizing areas within our supply chain for carbon reduction work.

Calculation methodology

Scope 1 and Scope 2 emissions are derived from direct costs associated with energy procurement and usage.

- These emissions are primarily established through the purchase and consumption of energy by our facilities and operations.
- During 2025, Rotaheat's direct energy consumption was indirectly provided free of charge by a third-party landlord. We anticipate that our Scope 1 & 2 emissions may

become measurable in the future after relocating to new facilities with operating costs and emissions attributed to Rotaheat.

Scope 3 emissions are derived from the indirect decisions related to how we design, manufacture, and distribute our products.

- Business travel emissions are derived from records within our financial systems, principally mileage expenses commutes and their vehicle's emission rating.
- Employee commute emissions are estimated based on typical employee commutes and their vehicle's emission rating.
- Major capital purchases are reviewed for their embodied carbon content.
- The emissions of shipped products are reviewed based on the embodied carbon of each shipped product.
- Cloud computing emissions based on provider's LBM emissions reporting

In future we will enhance this methodology to include emissions associated with shipping our products and the embodied carbon of our waste materials.

Rotaheat Ltd
30 September 2026