

LUCECO  plc

Bringing Power to Life

Environment, Social and Governance **2025**



Environment, Social and Governance

We believe that through the way we act, the Group has a significant opportunity to **create a lasting positive impact** on the world around us.

Environment, social and governance at a glance

Creating a sustainable future

£91.5m

Revenue generated from low carbon product categories

Empowering people

69.0%

Employee engagement score

Working with integrity and transparency

Good and Committed

2025 EcoVadis rating

A-

2025 CDP Score
Top 5% of FTSE SmallCap index

£0.4m

Invested in learning and development tools

29

Customer site visits to our manufacturing facility in China

We address three key areas of focus:



Creating a sustainable future

Operating sustainably is a key part of the Group's culture and is reflected within our Purpose, Mission and Strategy, where we have made sustainability a central pillar of the Group's success. Our product portfolio, combined with our business model and experience, puts us in a strong position to help create a sustainable future for all. Our immediate targets have focused on realigning our product portfolio to concentrate on the sale of low carbon products, ensuring the plastic we use in packaging is minimised and where it is used, we prioritise recycled materials.

We continue to procure renewable electricity for our sites and have been doing this since 2022. With CMD and D-Line joining the Group in 2024, reported emissions, energy consumption and renewable energy procurement have been integrated into the Group reporting. Furthermore, our Scope 1 and Scope 2 emissions have been offset to achieve carbon neutral operations.

→ Find out more on page 3



Empowering people

The key to our business model operating effectively is the "can-do" culture created by our fantastic teams. In order for this culture to continue to flourish, we need our people to feel empowered to excel in their work at Luceco Group. We endeavour to recruit people from a range of backgrounds who are passionate about innovation and customer service. We invest in the training and development of new and existing employees and we make sure we engage with our teams to improve their experience and help them feel part of the business.

Beyond our own teams we also look to empower those who use our products. We provide professionals with access to free training resources and are supporting the development of the next generation of electrical contractors.

→ Find out more on page 24



Working with integrity and transparency

We are committed to acting with integrity and transparency at all times, not just because it builds trust with those we work with, but because it is the right thing to do. As a global business, operating in markets and countries with different cultures and practices, we maintain consistently high ethical standards by following our global Code of Conduct.

We follow health and safety best practices and all local regulations, always striving to promote the health of our people and to minimise risks in the workplace. Our approach is supported by strong corporate governance and zero-tolerance policies in relation to behaviour which does not align to our values, and we endeavour to ensure our suppliers share those same values. Finally, we are keen to contribute to the communities we operate in and encourage our people to propose ways we can help.

→ Find out more on page 27



Creating a sustainable future

How we are creating a sustainable future

Action in the year	Read more	Status
Task Force on Climate-related Financial Disclosures		
• Climate working groups	Page 4	●
• Review of risks	Pages 5 to 12	●
• Scenario analysis	Pages 16 to 17	●
Greenhouse gas emissions		
• Commitment to measure and reduce greenhouse gas emissions	Pages 18 to 23	●
Sustainability objectives		
• Preparing for new IFRS S2 Climate-related Disclosure Standards	Pages 18 to 23	●
• Third-party verification of Scope 1, 2 and Scope 3 Category 11 (Use of Sold Products) emissions	Pages 18 to 23	☑
• Ongoing engagement on EcoVadis standards	Pages 18 to 23	●
• Development of lifecycle carbon footprint assessments	Pages 18 to 23	●

Key to status

● Ahead of target ● On target ● Ongoing improvement ☑ Complete



Climate change

We recognise that climate change poses both risks and opportunities for our business. The electrification of homes, businesses and transport systems represents one of the most significant transitions taking place in the global economy, with the International Energy Agency (“IEA”) forecasting a 3.9% annual increase in global electricity consumption. We have a joint mandate internally and from our stakeholders for meaningful action on climate change and to tackle our greenhouse gas emissions as well as driving growth in our revenue from products that help our customers transition to a low carbon future. Recognising this, climate change is included within our “Macroeconomic, political and environmental” principal risks and our low carbon products are a central focus of our growth strategy. As society transitions towards a net zero future and the Energy Transition, we are well positioned to make an increasing contribution to society’s climate objectives through our products and services.

Task Force on Climate-related Financial Disclosures (“TCFD”)

Luceco Group plc has complied with the requirements of the FCA’s Listing Rule 6.6.6.R(8) by including climate-related financial disclosures consistent with the TCFD recommendations and recommended disclosures. Our report is set out under the four TCFD pillars of Governance, Risk Management, Strategy, and Metrics and Targets.

In reviewing and approving the Annual Report and Financial Statements, the Board reviewed and approved the TCFD disclosures set out on pages 3 to 22.

Governance

Board-level

The Board has overall responsibility for climate-related matters that affect the Group. The “Matters reserved for the Board” include Environmental, Social and Governance (“ESG”) matters to ensure there is clear oversight of ESG-related considerations, including climate change. The Board’s key responsibilities regarding climate change include:

- Ensuring the Company’s approach to ESG matters remains aligned with the Company’s strategic objectives
- Oversight of TCFD disclosures
- Overseeing the Company’s process for identifying, assessing and managing climate-related risks
- Monitoring the Company’s climate-related risks and opportunities over the short, medium and long term, and actions being taken in response
- Assessing the impact of climate-related risks and opportunities on the Company’s business, strategy and financial planning
- Approving the metrics and targets used by the Company to assess and manage relevant climate-related risks and opportunities and monitor performance against targets

Environment, Social and Governance continued

Creating a sustainable future continued

Task Force on Climate-related Financial Disclosures (“TCFD”)

continued

Governance continued

Board-level continued

The Chief Financial Officer (“CFO”) has delegated responsibility from the Board for climate-related matters and is responsible for the implementation of our climate change management strategy. The CFO provides a monthly update to the Board on climate and ESG-related matters within financial reporting and delivers a more detailed update on a quarterly basis. Progress against our climate-related targets is reported annually to the Board.

A key focus for the Group is the continued growth of our Sync Energy brand which has delivered great success over the course of 2025. The Sync Energy product range has expanded to include a wider range of EV charging solutions as well as the launch of our Home Energy Management system (“HEMs”). Sync Energy product sales saw significant revenue growth in 2025, increasing by 84.7% to £18.1m (2024: £9.8m).

Another key initiative led by the CEO has been the development of in-house capabilities to provide our customers with product-level information relating to embodied carbon emissions within our products. The Global Compliance team has been strengthened with a carbon engineer who is responsible for providing TM65¹ and Environmental Product Declarations (“EPDs”) for our product ranges to help our customers understand the carbon impact of our products.

Excellent progress has been made across our LED lighting and Sync Energy ranges, with increased coverage of EPDs for our Sync Energy products. For LED lighting products, 72% of project lighting ranges and 31% of LED lighting sales have accompanying TM65 assessments. Over the course of 2026, we will continue to expand our coverage of EPDs and TM65s by working closely with our supply chain.

Management-level

To support the CFO in the implementation of the strategy, and the effective identification, assessment and management of climate-related risks and opportunities, we have two working groups (formerly three) comprising senior managers from across the Group. During 2025, we combined the Markets & Trends Working Group within the Sustainability Working Group to allow for a comprehensive update to be given to all divisions of the business and facilitate Group-wide discussions on sustainability-related matters. Each working group is chaired by the CFO and meets twice a year. Our external climate advisers attend these meetings to support the development of our strategy and the identification of emerging climate-related risks and opportunities.

Sustainability Working Group – this group contains senior management from key business areas, including product development, operations, finance, supply chain as well as senior management from customer-facing roles representing individual business units (Kingfisher Lighting and DW Windsor) and key sales channels (Retail, Trade and Projects). The group is responsible for the identification and management of climate-related matters, identification and implementation of carbon reduction measures, monitoring and providing feedback on changes in customer requirements around climate and wider ESG matters, as well as providing regular updates to customers on our climate strategy. Bringing the two working groups together fostered greater collaboration between divisions on sustainability-related matters. Additionally, several updates were shared on product developments around the business, with the recently launched solar lighting products discussed, growth in EV products and new EV charging developments. Following the acquisitions of D-Line and CMD, updates from representatives of these businesses have been captured separately, and over the course of the next year, representatives will be added to the working group sessions.

Manufacturing Working Group – includes senior representatives from our manufacturing facility in Jiaxing, with responsibility for the identification and management of climate-related matters as well as the development of initiatives to reduce energy consumption and emissions. During 2025, this group has expanded with the Global Compliance team joining who have responsibility for developing TM65s and EPDs for our product ranges. The team have been working closely with some of our largest customers on sustainable packaging, TM65 developments and supplier engagement.

Remuneration

To continually drive progress towards achieving our sustainability agenda, the remuneration for the corporate executive team is linked to the achievement of our ESG objectives. Up to 20% of the annual bonus is allocated to the achievement of strategic objectives including ESG objectives and targets. Further to the corporate executive team, bonuses for the delivery of our ESG objectives are included within the remuneration of Directors and senior management positions across the business. This helps to ensure our climate commitments and goals are continually being driven and executed by senior management. More information of executive remuneration can be found on pages 89 to 115 of the Annual Report.

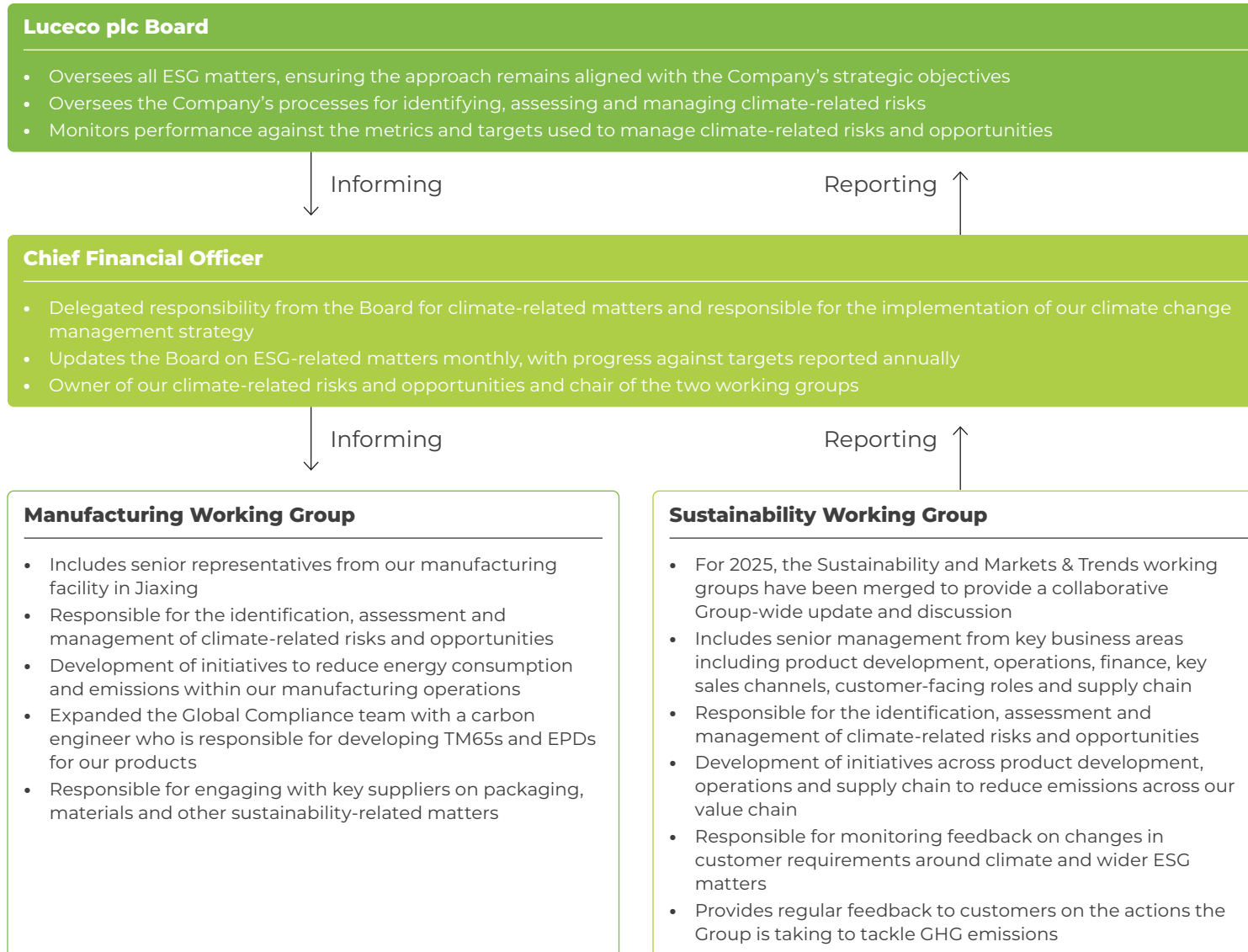
1. TM65 provides methodology on calculating the embodied carbon of building services equipment.

Environment, Social and Governance continued

Creating a sustainable future continued

Task Force on Climate-related Financial Disclosures (“TCFD”) continued

Governance continued



Risk Management

The identification, assessment and management of climate-related risks is fully integrated into our risk management framework and mirrors the approach detailed on pages 62 to 66 of the Annual Report. Additionally, during the year the Group has been preparing for the introduction of Provision 29; this has provided further insight in our climate-related risks and controls.

Two sessions are held annually with each of the working groups to appraise our climate-related risks and opportunities and provide an update of how these risks are changing. The outputs from these sessions are integrated into our “Macroeconomic, political and environmental” risk within the principal risk assessment.

The risk assessment process considers a number of categories, such as:

- Current and emerging regulations
- Legal
- Market
- Technology
- Customers
- Physical (acute and chronic)

The following categories are also considered for climate-related opportunities:

- Resource efficiency
- Energy source
- Products and services
- Market
- Resilience

Three principal climate-related risks and two principal opportunities have been identified that impact the Group.

Environment, Social and Governance continued

Creating a sustainable future continued

Task Force on Climate-related Financial Disclosures (“TCFD”) continued

Risk Management continued

Climate-related risks

CRI

Transition: Changing customer behaviour

Link to strategy:

Time horizon:
Short, medium and long term

Net risk level:
Low Medium High

Metrics:
Total GHG emissions
% of revenue from customer with GHG emission reduction target or net zero commitment

Risk owner: CFO

Change in year:

Risk appetite:
Risk accepting

Risk and impact:

- In 2025, we reviewed our top ten customers across the Retail, Hybrid and Professional Wholesale categories and estimate that approximately 42% of total revenue was generated from a customer with some form of public climate commitment (science-based targets or other public commitment to emission reduction targets)
- 2025 saw our professional lighting divisions experience a significant increase in demand for embodied carbon and circular design information as part of the tendering process for professional projects
- Emerging interest shown from our larger trade customers in our carbon management strategy, emission reduction targets and progress made in EcoVadis reporting
- Failure to meet the increasing expectations of our customers on climate action could lead to a loss of revenue

Mitigation:

- Management liaises closely with customers to understand their ambitions and requirements relating to climate change
- Development of climate change strategy with an approved near-term science-based target validated by the SBTi; during 2026 these targets will be updated to incorporate the acquisitions of D-Line and CMD
- Responding to external data requests such as the Carbon Disclosure Project (“CDP”), in 2025 we received an “A-” score (2024: “B”), and EcoVadis scoring (2025: 53%, 2024: 43%) to increase transparency of our actions to address climate change and wider ESG matters
- We have invested in our internal capabilities to develop product information for TM65, TM66¹ and EPD assessments
- Across our lighting business units, completed TM65 assessments cover more than £22.8m of LED lighting revenue and all Sync Energy products have an EPD
- Proactive approach to emissions reductions including investment into operational efficiency, sourcing renewable electricity and offsetting residual Scope 1 emissions
- Working with our largest retail customer on the Manufacture 2030 programme to reduce emissions and improve the sustainability of our products and packaging
- 63 SKUs have achieved the Green Star rating with leading hybrid retailer Screwfix, an increase from 31 in 2024. Green Star products can help lower environmental impacts because they’re made from lower impact materials or processes, or designed to help reduce impacts when in use

1. TM66 provides a framework for action and assessment to create a circular economy in the lighting industry.

Key to TCFD strategy

Products & Services Supply Chain Research & Development Operations

Environment, Social and Governance continued

Creating a sustainable future continued

Task Force on Climate-related Financial Disclosures (“TCFD”) continued

Risk Management continued

Climate-related risks continued

CR2 Transition: Increased stakeholder concern or negative stakeholder feedback

Link to strategy:



Change in year:



Time horizon:

Short to medium term

Risk appetite:

Risk averse

Net risk level:

Low

Medium

High

Metrics:

Total GHG emissions

% revenue from customer with GHG emission reduction target

Risk owner: CFO

Risk and impact:

- ESG issues, particularly climate change, are a large concern for our key stakeholders, including customers, consumers, lenders, investors and employees
- Shifting focus from investors towards how we seize the opportunities presented by the transition to net zero and how we are addressing our customers' agenda in this area
- Damage to our reputation in relation to climate change could lead to loss of revenue or negative impact on share prices

Mitigation:

- Management liaises closely with customers and investors to understand their ambitions and requirements relating to climate change
- Development of climate change strategy with an approved near-term science-based target validated by the SBTi
- Responding to external data requests such as the CDP, in 2025 we received an “A-” score (2024: “B”). This score puts the Group in the top 5% of the FTSE SmallCap index
- EcoVadis scoring (2025: 53%, 2024: 43%) to increase transparency of our actions to address climate change and wider ESG matters
- Proactive approach to emissions reductions including investment into operational efficiency, product efficiency improvements through R&D, sourcing renewable electricity, on-site solar PV and offsetting residual Scope 1 emissions
- Working with our largest retail customer on the Manufacture 2030 programme to reduce emissions and improve the sustainability of our products

Key to TCFD strategy

Products & Services Supply Chain Research & Development Operations

Environment, Social and Governance continued

Creating a sustainable future continued

Task Force on Climate-related Financial Disclosures (“TCFD”) continued

Risk Management continued

Climate-related risks continued

CR3 Physical: Increased severity and frequency of extreme weather events

Link to strategy:



Change in year:



Time horizon:

Short, medium and long term

Risk appetite:

Risk accepting

Net risk level:

Low

Medium

High

Metrics:

Physical risk exposure rating (EarthScan Rating)

Risk owner: CFO

Risk and impact:

- Following our detailed assessment of physical risks on pages 10 and 11, we have identified that extreme weather events (precipitation and wind risk) could pose a risk to our sites and supply chain, particularly in China
- Severe disruption to our sites or suppliers could result in business interruption and ultimately a loss of revenue
- During 2025, our USA site was damaged following a tornado and operations were moved to a temporary site whilst repairs were completed. Business continuity was briefly disrupted, with orders fulfilled via the temporary site within 18 days of the impact

Mitigation:

- We have expanded the scope of our physical risk assessment to include newly acquired companies to provide a comprehensive review of physical risk exposures across our operational estate
- Key original equipment manufacturer (“OEM”) suppliers located in China are also included in this assessment to increase visibility of our suppliers’ risk exposure
- A buffer stock is held in our UK and China warehouses in the event of supply chain disruption
- All suppliers are provided with visibility of forward orders and supply issues are discussed upfront
- Our production facility in China is spread across multiple buildings on the same site to mitigate site disruptions
- The Group owns its product designs and production tooling, allowing manufacturing activities to be moved between suppliers more easily
- Business continuity plans have been developed and business interruption insurance put in place for our manufacturing facility, as well as key OEM suppliers

Key to TCFD strategy

Products & Services Supply Chain Research & Development Operations

Environment, Social and Governance continued

Creating a sustainable future continued

Task Force on Climate-related Financial Disclosures (“TCFD”) continued

Risk Management continued

Climate-related opportunities

<p>CO1 Access to new markets</p>			
<p>Link to strategy:</p> 	<p>Change in year:</p> <p>↑</p>	<p>Opportunity and impact:</p> <ul style="list-style-type: none"> The electrification of energy and the Energy Transition present a significant opportunity for the Group as new markets emerge through the transition to net zero The Energy Transition has seen the transformation of combustion engines to electric vehicles. Our continued product growth in this area with Sync Energy branded EV chargers is a key opportunity Increased electrification is creating opportunities for new product categories that complement our existing offering, such as battery storage, inverters, solar PV and HEMs etc The new HEMs product range was released in 2025, supporting our expansion into this key new market opportunity which will support low carbon sales growth 	<p>Realising the opportunity:</p> <ul style="list-style-type: none"> Launch of the Sync Energy brand championing eco-power for sustainable living. The brand covers key categories in the eco-power market including EV charging and HEMs Continued investment in R&D enables us to develop innovative products such as EV chargers for commercial premises and HEMs for integrating residential batteries, EV chargers, solar PV systems, and lighting and heating controls As expected, demand for EV charging solutions has increased significantly across both home and commercial premises during 2025, achieving 84.7% growth (2024: 26%) Dedicated R&D functions in China and the UK employing 155 specialists with an expenditure of £6.3m in 2025 We will continue to evaluate opportunities to acquire businesses poised to benefit from the electrification of residential and commercial energy use to accelerate our growth strategy
<p>Time horizon:</p> <p>Short, medium and long term</p>			
<p>Net risk level:</p> <p>Low Medium High</p>			
<p>Metrics:</p> <p>Revenue for low carbon products</p>			
<p>Risk owner: CFO</p>			
<p>CO2 Expansion of existing products and services</p>			
<p>Link to strategy:</p> 	<p>Change in year:</p> <p>↑</p>	<p>Opportunity and impact:</p> <ul style="list-style-type: none"> The transition to net zero relies on the electrification of energy within homes and commercial buildings, which could increase demand for our existing products and services We anticipate an increase in demand for low carbon products and “green home tech” solutions such as smart plugs and controls, extension leads and ultra-efficient LED lighting Increased electrification within buildings could create additional demand for wiring accessories as building electricians are upgraded to manage the additional electrical load Regulatory and technology changes are another important sales driver. For example, there was a 60% increase in Luceco consumer unit sales during the EICR regulation change 	<p>Realising the opportunity:</p> <ul style="list-style-type: none"> Expanded our range of LED lighting products and services through the acquisition of two external lighting businesses, DW Windsor (2021) and Kingfisher Lighting (2017) Acquisition of CMD (2024) who design and manufacture a comprehensive range of wiring accessories for commercial premises. Part of our 2026 objectives is to include LED lighting products as part of their product offering Continued investment in R&D enables us to bring new and more efficient products to market, helping to maintain competitive advantage and grow market share Dedicated R&D functions in China and the UK employing 155 specialists with an expenditure of £6.3m in 2025 New product innovations include solar-powered off-grid lighting, hybrid lighting solutions as well as more efficient lighting products
<p>Time horizon:</p> <p>Short to medium term</p>			
<p>Net risk level:</p> <p>Low Medium High</p>			
<p>Metrics:</p> <p>Revenue for low carbon products</p>			
<p>Risk owner: CFO</p>			

Key to TCFD strategy

 Products & Services
  Supply Chain
  Research & Development
  Operations

Environment, Social and Governance continued

Creating a sustainable future continued

Task Force on Climate-related Financial Disclosures (“TCFD”) continued

Risk Management continued

Physical risk: Scenario analysis

To better understand our exposure to the physical impacts of climate change, we have conducted scenario analysis. EarthScan™ allows us to evaluate physical risk on assets critical to our business (manufacturing facilities, warehousing and significant third-party OEMs) for a suite of different hazards, timescales and scenarios. The assessment for direct operations has been updated to include new operational sites for the newly acquired companies CMD and D-Line as well as a new warehouse in Telford.

The evaluation completed for OEM suppliers’ exposure to physical risk remains relevant and has been updated with the latest climate intelligence from the EarthScan platform.

We used EarthScan’s data and insights in our portfolio and asset-level climate risk assessment for the following climate hazards: flooding, heat stress, precipitation, extreme wind, drought and wildfire. Three Intergovernmental Panel on Climate Change (“IPCC”) scenarios have been used to assess physical climate risks:

Business as usual (SSP5/RCP8.5): Emissions continue to rise over the 21st century, in the worst-case scenario.

Emissions peak in 2040 (SSP2/RCP4.5):

Emissions do not increase beyond 2040. With current commitments, this is the climate scenario that most closely resembles current policy commitments.

Paris aligned (SSP1/RCP2.6): Emissions are aligned with Paris Agreement targets. This is the best-case scenario.

The results from the business-as-usual (“BAU”) scenario are shown below over the historical short, medium and long-term time horizons.

- Short term: present
- Medium term: 2030
- Long term: 2050

Note, the timeline of the Paris Agreement differs to TCFD, recognising their own regulation requirements. In conducting both physical and transitional scenario analysis, we have used a more granular assessment of risk exposure, which is important when considering climate-related risks and their implications for long-term strategic planning. The wider range of impacts ratings (very low to very high) compared to the risk assessment process (low, medium and high) helps to capture variations in potential impacts more precisely and their trend over the time horizons. We have also used longer time horizons compared to those used in setting our strategy to better understand and capture the long-term effects of climate change.

Risk driver	Direct operations			Exposure and potential impact
	Short term	Medium term	Long term	
Flooding	1	1	1	One of our sites in the UK is exposed to a medium risk of riverine flooding. A flood event could cause damage to our facilities or cause disruption indirectly if the local area was impacted. All other sites have been identified as low risk for both riverine and coastal flooding.
Wind risk	1	1	1	Extreme wind events can occur during weather events such as storms and typhoons. These events could cause damage to our facilities or lead to disruption if there are power outages or disruption in the local area. The overall risk is low; however, our site located in China is at a medium-high risk.
Heat stress	3	4	4	Most locations are exposed to a medium-high level of heat stress which will increase under the BAU scenario. Increased temperatures over a prolonged period could lead to a loss of productivity and increased costs due to high energy demand for cooling.
Precipitation risk	2	2	2	Precipitation risk refers to the risk caused by exposure to extreme precipitation events or exceptionally high volumes of precipitation. Our sites in China, the UAE and Mexico are exposed to a high risk which could increase the likelihood of flooding, causing damage and disruption to our sites and the surrounding area.
Drought	2	2	2	Droughts are expected to increase under the BAU scenario. Our warehouse located in the UAE has the highest exposure, whilst the manufacturing sites in China and the UK have a low-risk exposure. Droughts would have an immaterial impact on the Group.
Wildfire	1	1	1	All sites are at a low risk from wildfire events.

Risk exposure

- 1 Very low 2 Low 3 Medium 4 Medium-high 5 High 6 Very high

Environment, Social and Governance continued

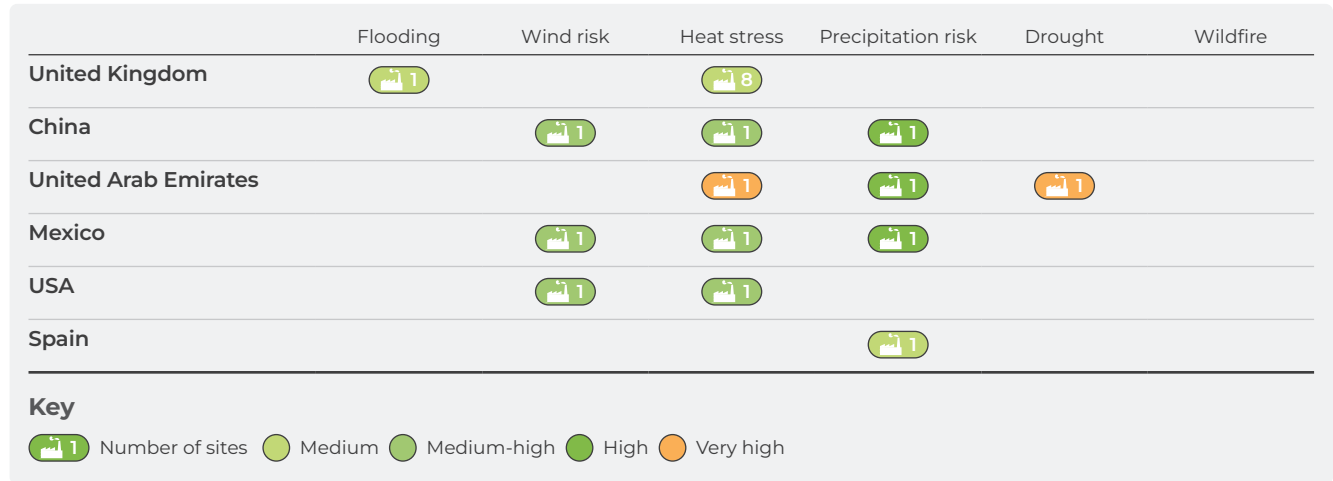
Creating a sustainable future continued

Task Force on Climate-related Financial Disclosures (“TCFD”) continued

Risk Management continued

Physical risk: Scenario analysis continued

The table on the right shows the geographic distribution of risks for the different hazards across key operational sites (manufacturing plus warehouse and distribution operations) that have a risk exposure greater than “medium”. In each column, the tile number corresponds to the number of sites potentially with a risk exposure rating of medium or above. The colour of the tile represents the average risk exposure for those sites. Grey tiles represent countries where sites achieved a rating of “very low” or “low” for the exposure in that risk category.



Risk driver	Top 15 OEMs			Exposure and potential impact
	Short term	Medium term	Long term	
Flooding				Supplier sites have a low-risk exposure to riverine and coastal flooding events.
Wind risk				Our suppliers are exposed to a high level of wind risk in the form of typhoons and storms. These events could damage supplier factories, affecting their ability to manufacture. Indirect damage: There is also a risk that if the local area is affected, it could lead to other disruptions, such as their ability to bring in raw materials or transport finished goods. This could impact the amount of product we have available for customers.
Heat stress				There is a medium risk of heat-stress events for suppliers. Whilst there could be implications such as productivity loss or high operating costs, the impact for the Group is thought to be immaterial.
Precipitation risk				Our suppliers are exposed to a high level of precipitation risk with heavy precipitation events becoming more frequent and intense across Asia. These events could cause damage and disruption to supplier facilities through surface water flooding. This risk could also impact the ability of suppliers to bring in raw materials or transport finished goods, which could impact the amount of product we have available.
Drought				Droughts are expected to increase under the BAU scenario but still remain at a low risk level. Droughts could cause short-term disruption for manufacturers that are reliant on water within their manufacturing processes. However, given the risk level, the impact on the Group is thought to be immaterial at this stage.
Wildfire				Supplier sites have a low-risk exposure to wildfire events.

Risk exposure

Very low
 Low
 Medium
 Medium-high
 High
 Very high

Environment, Social and Governance continued

Creating a sustainable future continued

Task Force on Climate-related Financial Disclosures (“TCFD”)

continued

Risk Management continued

Adaptation and mitigation measures

Our physical scenario analysis shows the extent to which our operations and those of our principal OEM suppliers, situated within China, are exposed to the acute and chronic impacts of climate change. Extreme weather events such as extreme precipitation and storm events represent the most significant threat to our facilities and suppliers.

During 2025, there was one minor impact to our operations and supply chain as a result of extreme weather events. This occurred at D-Line’s USA site where a tornado damaged the site, causing a short-term disruption to operations. Our business continuity plans were successfully implemented and enabled the fulfilment of orders within 18 days of the event. A temporary site was established whilst repairs were conducted at the damaged facility, and we relocated back there in January 2026. The insured financial impact and losses were minimal.

In recognition of the potential disruptions posed by extreme weather events, we hold additional stock in our warehouses in both the UK and China. This buffer helps to bolster our resilience to any temporary disruptions within the supply chain. The Group has ownership of product designs and production tooling, allowing manufacturing activities to be moved between suppliers more easily, should any disruptions arise. We have established comprehensive business continuity plans and secured business interruption insurance for our manufacturing facilities and critical OEM suppliers. This ensures our preparedness and financial protection against unforeseen events. Over the medium to long term, we are looking at greater diversification of our supplier base to further mitigate our risk exposure and are planning to have small-scale options outside of China.

Strategy

We recognise that climate-related risks and opportunities can manifest over longer time horizons that extend beyond traditional business planning horizons (and hence these timelines are different to our assessment of non-climate-related risks). To develop a resilient business capable of navigating the uncertainties introduced by climate change, we have embedded the management of these climate-related considerations within our business strategy, encompassing our short, medium and long-term time horizons.

- Short term: 0 to 1 year
- Medium term: 1 to 3 years
- Long term: 3 to 10+ years

Our strategic priorities help to ensure our work contributes increasingly to society’s sustainability goals.

Grow our presence in higher-growth product segments

Our growth strategy focuses on continued organic growth and targeted acquisitions to gain access to emerging product markets and expand our existing product offering. We aim to leverage the opportunities presented by the electrification of energy which helps drive decarbonisation and the transition to net zero.

Enhance our existing market position

Through our excellent product range, including our expanding range of complementary products, we aim to provide our existing customers with more opportunities to grow their businesses.

Expand the breadth and depth of our product range

Through research and development, we will continue to develop innovative products which are more efficient and designed with sustainability in mind. As we progressively add greater technology, such as controls, smart functions and connectivity, we can help our customers reduce their energy usage.

Deliver synergistic growth

Leveraging our strategic acquisitions, we can introduce wider complementary product ranges while benefiting from leaner operating and support functions and in-house product development.

Environment, Social and Governance continued

Creating a sustainable future continued

Task Force on Climate-related Financial Disclosures (“TCFD”)

continued

Strategy continued

Transitioning to a low carbon economy

We recognise the UK Government’s net zero target for 2050 alongside the net zero commitments and emission reduction targets that our customers have made. In setting our strategy, we have established near-term science-based emission reduction targets which were validated by the Science Based Targets initiative (“SBTi”) in 2023. Following new acquisitions in 2024, these entities are now integrated into the Group’s GHG reporting and the Group aims to have both near-term targets revalidated by the SBTi during 2026. Delivering progress against our near-term targets is an important step in our transition towards a low carbon economy. To achieve our Scope 1 and 2 target we will continue to source 100% renewable electricity, and in September 2024 we completed the installation of our second solar PV array at our manufacturing facility in China. After a full year of use in 2025, 15% of the site’s electricity consumption was self-generated, a 70% increase in power generation compared to 2024.

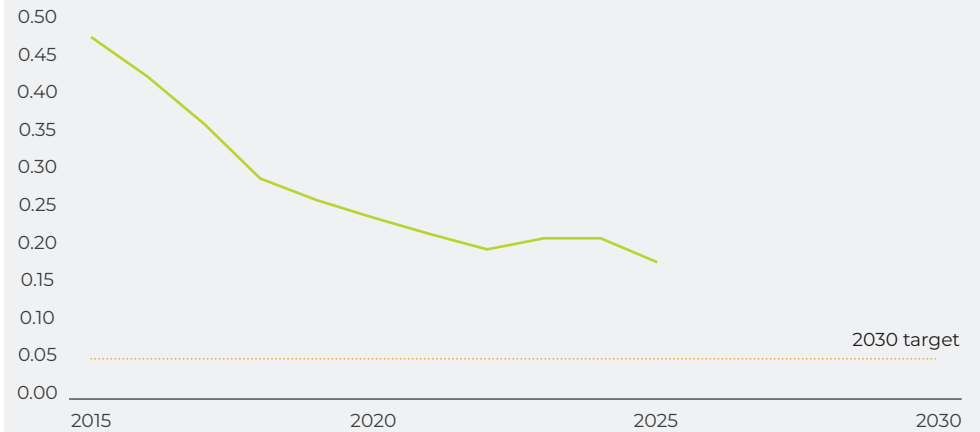
Ensuring we use energy efficiently across heating, manufacturing processes and transportation will play an important role in reducing our use of fossil fuels. We have made improvements to the management of our heating system at our main distribution centre in Telford, reducing gas consumption by 50% compared to last year.

All CMD forklift trucks are battery operated and charged on site using renewable-backed electricity contracts. Continued LED lighting replacements have occurred across all DW Windsor sites, with one site’s boiler replaced with a more efficient system which utilises a new control system to reduce usage. During 2025, an EV car salary sacrifice scheme was introduced which also provides participants with a complementary Sync Energy charger for their home. This has been completed alongside the installation of EV chargers at our sites to support employees with the transition to electric vehicles.

Over the medium term, we will need to continue the transition of Company-owned vehicles to electric and low carbon alternatives as well as assessing the use of low carbon heating and processing solutions to reduce our reliance on fossil fuels.

Our Scope 3 target focuses on emissions from the use of the products we sell. We continue to enhance product efficiency through research and development, integrating energy-saving features such as advanced controls and smart functionality. Our expanding product range, including off-grid solar-powered and hybrid lighting solutions, demonstrates our commitment to innovation and decarbonisation, helping our customers transition to a low carbon economy.

UK electricity grid emissions intensity (kgCO₂e /kWh)



Achieving our Scope 3 target is dependent upon the decarbonisation of electricity grids in the markets where our products are sold. For example, the carbon intensity of the UK electricity grid has halved due to increased renewable energy generation since 2015. The UK Government remains committed to delivering a clean power system by 2030, with the aim to reduce the carbon intensity of electricity to below 50gCO₂e/kWh. Recent data shows in the four quarters to Q3 2025, 63.7% of UK electricity generation came from clean sources, with the target set at 95% by 2030 (source: Government policy paper from April 2025, “Clean Power 2030 Action Plan”).

To strengthen our transition to a low carbon economy, we will be conducting a comprehensive review of our strategic plans for achieving our emission reduction targets. Throughout 2026, our senior leadership team will engage in workshops with climate advisers to evaluate our current trajectory, to ensure our internal roadmap remains robust. As the UK Government moves toward finalising the UK Sustainability Reporting Standards (“UK SRS”), we are proactively reviewing our approach to inform our strategic direction and ensure we are well positioned for future disclosure requirements.


Environment, Social and Governance continued

Creating a sustainable future continued

Task Force on Climate-related Financial Disclosures (“TCFD”) continued

Strategy continued

 Products & Services	 Supply Chain	 Research & Development	 Operations
<p>Our low carbon product ranges (LED lighting, EV chargers and smart standby products) help customers to reduce their GHG emissions and transition towards a low carbon future. We strive to develop more efficient products and better controls to improve energy efficiency.</p>	<p>One of our strengths is the relationship we have with our suppliers. We recognise that we must work together to make more sustainable choices across product design, material choices and the manufacturing processes.</p>	<p>Our business is well placed to take advantage of the inevitable electrification of energy as we transition towards a low carbon economy. Opportunities for expansion into electric vehicle charging and other low carbon solutions such as smart home technology.</p>	<p>One of our first priorities is to reduce the emissions from our operations. By implementing efficiency improvements, we can reduce energy use, raw material use, waste and water use to limit our GHG emissions.</p>
Links to strategic priorities			
			
Links to climate-related risks and opportunities			
			
Achievements during 2025			
<ul style="list-style-type: none"> £91.5m revenue generated from low carbon product categories Strong pipeline of new products launched, including EV chargers for commercial premises, HEMs for integrating residential batteries, EV chargers, solar PV systems and heating controls as well as solar-powered lighting solutions LED lighting product developments completed to allow for adjustable wattage and colours for several ranges; reduces stock holding requirements and improves efficiency of project delivery Continued development of TM65, TM66 and EPD for LED products in response to increased customer demand for sustainability-related product information 	<ul style="list-style-type: none"> Continuing to work with our key customers on the Manufacturing 2030 programme to reduce our GHG emissions Worked with our logistics partner to improve our quantification methodology for upstream logistics As part of developing our product sustainability information, our Global Compliance team has expanded. A dedicated carbon engineer is now responsible for engaging with our supply chain to obtain critical data for TM65 and EPD assessments 	<ul style="list-style-type: none"> Specialist global R&D functions employing 155 specialists with an expenditure of £6.3m (2024: £5.1m) Development focus on EV and HEMs which are key growth areas for the business and also a key high market growth opportunity DW Windsor and Kingfisher Lighting continue to develop innovative hybrid power lighting solutions, including solar-integrated products, to help customers reduce their energy consumption and costs 	<ul style="list-style-type: none"> Sourced 100% renewable electricity for all Group facilities in 2025, for the fourth consecutive year Completion of the second solar PV array at our manufacturing facility in China. Both arrays contributed to 15% of electricity consumption in 2025, a 70% increase in power generation against 2024 Investment in process optimisation and automation at the China site, reducing compressed air usage and electricity consumption Installation of EV chargers across our sites for employees and visitors to utilise Superior packaging solutions implemented Introduced a Group-wide Octopus EV salary sacrifice scheme and provided participants with a Sync Energy charger for their home
Targets and commitments			
<p>Luceco plc commits to reduce absolute Scope 3 GHG emissions from the use of sold products by 27.5% by 2031 from a 2021 base year.</p>	<p>Luceco plc commits to generating £120m revenue from low carbon product sales by 2030.</p>	<p>Luceco plc commits to reduce absolute Scope 1 and Scope 2 GHG emissions by 46.2% by 2031 from a 2021 base year.</p>	

Key to strategy  Grow our presence in higher-growth product segments  Enhance our existing market position  Expand the breadth and depth of our product range  Deliver synergistic growth

Environment, Social and Governance continued

Creating a sustainable future continued

Task Force on Climate-related Financial Disclosures (“TCFD”)

continued

Strategy continued

Financial planning

Climate-related matters influence various elements of our financial planning process. The potential financial impact of each risk and opportunity is calculated to better understand its materiality for the Group. Acquisitions have played, and will continue to play, a key role in our sustainable growth strategy. We have acquired three businesses since 2017 to gain access to emerging product markets, such as EV chargers through our acquisition of Sync EV in 2022, and to expand our existing LED lighting product offering through the acquisitions of Kingfisher and DW Windsor. In 2024 we acquired CMD, who design and manufacture a comprehensive range of wiring accessories for commercial premises and offices, which represents an opportunity for the Group to sell our LED lighting products to complement their existing offering.

Our aim is to leverage our position as the UK's leading provider of domestic electrical devices to seize opportunities presented by the electrification of energy as society charts its path towards net zero.

We generated £91.5m of revenue from low carbon products in 2025, an increase of 10.8% (2014: £82.6m). Products captured in this target area include HEMs launched in 2025, as well as existing products such as LED lighting, EV chargers, solar lighting, and all smart controls. With significant market expansion in these fields, particularly in the EV market driven by the low carbon transition, we have made good progress against our current target of £120m of low carbon sales by 2030.

Copper is a key raw material for our products, and we anticipate that demand for copper will continue to increase, driven in part by the electrification of energy and transportation. We continue to use forward purchasing strategies and hedging along with short-term fixed price agreements to protect against volatility.

Over the course of 2025, we have continued to invest £6.3m in R&D (2024: £5.1m), with a significant proportion attributable to the development of low carbon products. Additionally, we have invested to reduce our GHG emissions, including the second solar PV array at our manufacturing facility in China which operated for a full year in 2025 and produced 15% of the site's electricity consumption. Additionally, we continue to invest in a range of measures to improve our energy efficiency and reduce GHG emissions, including the installation of seven new EV charging piles at the China site and several operational efficiency measures, with details provided on page 14.

Scenario analysis: Transition risks and opportunities

In 2022, we carried out a detailed assessment of how our main climate-related transition risks and opportunities could evolve under three different scenarios based upon the Network for Greening the Financial System (“NGFS”) climate scenarios. Potential impacts and their materiality were considered across short (present), medium (2030) and long-term (2050) horizons. Our medium-term horizon is aligned with our near-term science-based emission reduction target, and our long-term horizon aligns with the UK Government's net zero commitment. In 2025, we revisited the risks and opportunities evaluated within our scenario analysis process and are satisfied that there were no new emerging risks or opportunities at this stage which need to be factored into our assessment.

Whilst we are due to repeat our scenario analysis in line with our three-year planning cycle, due to delays in the endorsement of the UK SRS and no significant changes in our identified climate-related risks and opportunities, our current scenario analysis will remain in place. The FCA have launched a consultation to update their listing rules to reference the UK SRS following the publication of the final standards in February 2026. Over the course of this year, we aim to repeat our scenario analysis assessment, taking into consideration the UK SRS and the proposed updates to the FCA listing requirements.

In the Net Zero (“NZ”) scenario, we are likely to be confronted by escalating risks associated with the evolution of customer preferences and increasing stakeholder concern regarding climate change. Should we fail to align with these escalating demands for climate action, our revenue could be impacted by falling customer demand and our share price could be adversely affected. The advent of carbon pricing mechanisms and the surge in raw material costs driven by the global shift towards sustainable energy, may result in higher costs. This scenario also unveils the most substantial opportunities for the Group, especially in the medium to long term. The development of new markets such as EV charging equipment and other emerging technologies represent substantial growth opportunities for the Group. Additionally, there is potential within existing product categories for growth, through the electrification of energy and a growing appetite for environmentally conscious products.

In the Delayed Transition (“DT”) scenario, the perceived risks appear more subdued in the short to medium term but escalate towards the long-term horizon. This suggests a delayed transition might lead to sudden and more significant changes over a shortened timescale later on. The potential financial impacts from changing customer behaviour and stakeholder concern on revenue and share price could become more significant if we failed to act over the long term.

Environment, Social and Governance continued

Creating a sustainable future continued

Task Force on Climate-related Financial Disclosures (“TCFD”)

continued

Strategy continued

Scenario analysis: Transition risks and opportunities continued

The Current Policies (“CP”) scenario, which assumes there is no expansion in climate policies and lowered expectations from customers and other stakeholders, results in a lower level of transitional risk. We still anticipate growth prospects within this scenario, as advances in energy efficiency and the progression towards the electrification of energy present viable opportunities. However, the magnitude of these opportunities is less pronounced than in the NZ or DT scenarios.

Our strategic approach to sustainable growth continues to focus on organic growth complemented by strategic acquisitions aimed at gaining access to emerging markets and enhancing our existing portfolio. Sustainability is a key pillar of our business strategy, and we are well positioned to seize the opportunities presented by the transition to net zero. We recognise and support the significant commitments our customers are making to reduce their carbon footprint and will work closely with them to help them achieve their climate aspirations.

Climate scenarios

Net Zero 2050 – an ambitious scenario that limits global warming to 1.5°C through stringent climate policies and innovation, reaching net zero CO₂ emissions no later than 2050.

Delayed Transition – assumes global emissions do not peak until 2030, followed by strong policies that are needed to limit warming to below 2°C. This scenario explores the impact that a delayed and disorderly transition could have.

Current Policies – assumes that only currently implemented policies are preserved, leading to a “hot-house world”, a higher degree of physical risk and lower impact of transitional risk.



Environment, Social and Governance continued

Creating a sustainable future continued

Task Force on Climate-related Financial Disclosures (“TCFD”) continued

Strategy continued

Scenario analysis: Transition risks and opportunities continued

Transition risk/ opportunity	Description	Potential financial impact	Scenarios	Short term	Medium term	Long term
Risks						
Changing customer demands	Trend within our retail customer base of ambitious carbon reduction targets that requires suppliers to set similarly ambitious targets	Failure to respond to increasing customer demand for climate action could lead to a loss of revenue through reduced demand for products and services	NZ	3	4	5
			DT	2	3	5
			CP	2	2	2
Increased stakeholder concern	ESG issues, particularly climate change, are a large concern for our key stakeholders (investors, customers, employees and consumers)	Damage to our reputation in relation to climate change could lead to a loss of revenue or negative impact on share prices	NZ	3	4	6
			DT	2	3	6
			CP	2	2	2
Increased pricing of GHG emissions	To achieve the ambitious goal of net zero emissions by 2050, the policy landscape around GHG emissions will need to evolve to create the necessary environment to enable the transition to a low carbon economy	More ambitious climate policies could increase direct and indirect operating costs. Failure to comply with reporting obligations could have a negative impact on our reputation	NZ	4	4	4
			DT	2	2	5
			CP	1	1	1
Increased cost of raw materials	Demand for critical materials, such as copper, is projected to rapidly grow as sustainable technologies are deployed (renewable energy, electrification, EVs etc.) in pursuit of net zero. Rapid growth in demand and the timespan to develop new supplies of metals can affect the supply and demand balance	Increased raw materials costs would inevitably lead to increased product costs, although these costs can usually be passed on. Constrained supply chains could temporarily reduce production output	NZ	4	4	4
			DT	2	2	5
			CP	2	2	2
Opportunities						
Access to new markets	The electrification of energy presents a significant opportunity for the Group through the net zero transition. This predominantly relates to EV charging solutions but could also extend to new product categories that complement our existing offering (battery storage, inverters, solar PV etc.)	The transition to net zero presents a range of exciting opportunities for the Group to grow revenues from new product categories. For example, the UK EV charging market is a vital market for the Group and was previously estimated to be worth £500m annually by 2025; current market value is £450m with estimated growth to £1,244m by 2030	NZ	4	6	6
			DT	2	4	6
			CP	2	4	4
Expansion of existing products and services	The transition to net zero relies on the electrification of energy and efficiency gains within buildings which could increase demand for our products. This includes low carbon products (LED lighting, solar lighting, EV charging, battery storage, smart plugs, electric heating and smart controls) and wiring accessories as building electrics are upgraded to manage the additional electrical load	The transition to net zero presents a range of exciting opportunities for the Group to also grow revenues within existing product categories	NZ	4	6	6
			DT	2	4	6
			CP	2	4	4

Materiality	Low	Medium	High
Risk	1 2	3 4	5 6
Opportunities	1 2	3 4	5 6

Environment, Social and Governance continued

Creating a sustainable future continued

Task Force on Climate-related Financial Disclosures (“TCFD”) continued

Metrics and Targets

Greenhouse gas emissions

We are committed to measuring and reducing our greenhouse gas emissions (“GHG”), having established 2021 as the baseline for our GHG inventory and emission reduction targets. The Group’s emissions have been independently calculated in accordance with the GHG Protocol, utilising emission factors published by the UK Government, the International Energy Agency (“IEA”) and the EXIOBASE EEIO factors. The table below details our GHG emissions from all Group operations and our value chain across Scopes 1, 2 and 3 for the year ended 31 December 2025, compared to the previous year and the 2021 base year. The datasets have been updated to include the emissions associated with CMD and D-Line following the acquisitions of these entities in 2024.

GHG emissions (tCO ₂ e)	2025	2024	2021	Change vs 2024	Change vs 2021
Scope 1					
Natural gas	525.3	557.9	535.7	(6)%	(2)%
LPG	15.8	20.8	33.7	(24)%	(53)%
HFCs	109.3	183.3	47.7	(40)%	129%
Company vehicles	519.9	489.3	499.0	6%	4%
Scope 2					
Market-based method (“MBM”)	—	—	403.5	—	(100)%
Location-based method (“LBM”)	5,158.8	5,271.5	4,994.0	(2)%	3%
Scope 3					
Purchased goods and services	88,424.3	85,853.1	94,535.1	3%	(6)%
Capital goods	1,981.0	1,729.7	2,474.5	15%	(20)%
Fuel and energy-related activities	2,213.6	1,949.3	1,896.9	14%	17%
Upstream transportation and distribution	15,667.3	14,441.3	13,024.2	8%	20%
Waste generated in operations	175.8	234.5	212.9	(25)%	(17)%

	2025	2024	2021	Change vs 2024	Change vs 2021
GHG emissions (tCO ₂ e)					
Business travel	947.3	918.1	415.9	3%	128%
Employee commuting	1,492.5	1,286.2	1,580.8	16%	(6)%
Downstream transportation and distribution	10,192.7	14,219.9	21,313.1	(28)%	(52)%
Use of sold products	467,038.4	441,124.0	688,659.1	6%	(32)%
End-of-life treatment of sold products	895.8	878.4	1,184.0	2%	(24)%
Downstream leased assets	20.6	22.7	—	(9)%	—
Investments	—	142.9	—	(100)%	—
Total Scope 1 + 2 (MBM only)	1,170.3	1,251.3	1,519.6	(6)%	(23)%
Total Scope 3	589,049.3	562,800.1	825,296.5	5%	(29)%
Total GHG emissions	590,219.6	564,051.4	826,816.1	5%	(29)%
Outside-of-scope direct biogenic emissions	19.1	19.4	124.7	(2)%	(85)%

In 2025 our total Scope 1 and 2 market-based emissions decreased to 1,170 tCO₂e, representing a 6.5% reduction compared to last year and a 23% reduction compared to our 2021 base year. This performance reflects continued progress in operational efficiency and decarbonisation initiatives across the Group. The year-on-year improvement was driven primarily through reductions in natural gas consumption and fewer refrigerant leaks resulting in lower HFC emissions. Company vehicle emissions have increased slightly consistent with increased business activity in the year. Our market-based electricity emissions remained as zero in 2025, reflecting our ongoing commitment to sourcing renewable electricity.

Scope 3 emissions have increased by 5% compared to last year, however they are 29% lower compared to our base year. The base year emissions have been restated to account for improvements to underlying product data relating to the use of sold product calculations. This revealed that earlier calculations had understated emissions by over-representing lower carbon UK sales, while higher intensity markets such as Mexico and the UAE were under-represented. Updating the dataset to reflect more accurate product information and market-specific emission factors has resulted in a higher and more accurate baseline.

Environment, Social and Governance continued

Creating a sustainable future continued

Task Force on Climate-related Financial Disclosures (“TCFD”) continued

Metrics and Targets continued

Streamlined Energy and Carbon Reporting

The Companies Act 2006 (Strategic Report and Directors’ Report) Regulations 2013 requires the Group to disclose its annual energy consumption and greenhouse gas emissions from Streamlined Energy and Carbon Reporting (“SECR”) sources for global Scope 1 and 2 emissions. Our emissions intensity per unit of turnover is reported in the GHG inventory table on page 18 and the narrative on energy and emission reduction measures is included in the Strategy section on pages 12 to 17.

	2025			2024			Total change (%) vs 2024
	UK	Non-UK	Total	UK	Non-UK	Total	
Energy use (kWh)							
Natural gas	1,288,835	1,582,231	2,871,066	1,705,113	1,344,544	3,049,657	(6)%
LPG	73,777	—	73,777	96,821	—	96,821	(24)%
Company vehicles	1,889,942	188,691	2,078,633	1,900,928	116,800	2,017,728	3%
Electricity (grid)	1,820,403	8,290,980	10,111,383	1,925,118	8,005,660	9,930,778	2%
Electricity (solar generation)	—	1,397,374	1,397,374	—	824,039	824,039	70%
Total	5,072,957	11,459,276	16,532,233	5,627,980	10,291,043	15,919,023	4%

	2025			2024			Total change (%) vs 2024
	UK	Non-UK	Total	UK	Non-UK	Total	
Scope 1 and 2 emissions (tCO ₂ e)							
Natural gas	235.8	289.5	525.3	311.9	245.9	557.8	(6)%
LPG	15.8	—	15.8	20.8	—	20.8	(24)%
HFCs	4.5	104.8	109.3	10.2	173.2	183.4	(40)%
Company vehicles	475.0	44.8	519.9	462.0	27.3	489.3	6%
Electricity (location-based)	322.2	4,836.5	5,158.7	398.6	4,872.9	5,271.5	(2)%
Electricity (market-based)	—	—	—	—	—	—	—
Total (market-based)	731.1	439.1	1,170.3	804.9	446.4	1,251.3	(6)%

	2025	2024	Total change (%)
Emissions intensity ratio			
£m revenue	271.4	262.2	3%
Scope 1 + 2 (MBM) tCO ₂ e/£m turnover	4.3	4.8	(10)%

Our emissions intensity ratio has continued to improve in 2025 with a 10% reduction compared to last year. The revenue figure used for 2024 and 2025 includes full-year revenue for CMD and D-Line to ensure a fair comparison with the associated GHG emissions.

Environment, Social and Governance continued

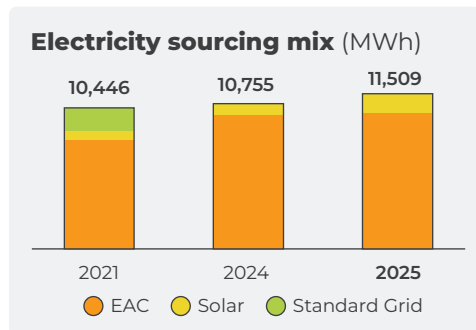
Creating a sustainable future continued

Task Force on Climate-related Financial Disclosures (“TCFD”) continued

Metrics and Targets continued

Renewable electricity

We have continued our efforts to mitigate our Scope 2 emissions and sourced 100% renewable electricity across all operations for the fourth year running. From October 2025, our major UK sites were moved to a renewable energy tariff; this represents approximately 85% of UK electricity consumption. For the remaining Group electricity consumption on standard contracts, renewable Energy Attribute Certificates (“EACs”) have been sourced to cover grid electricity consumption. We were unable to source EACs generated for our operations in Mexico due to the small volume of certificates required and have instead sourced EACs from Guatemala, which shares an electrical interconnector with Mexico. Our second solar PV array at our manufacturing facility in China began operating in September 2024 and following a full operational year in 2025, the array accounted for 15% of the site’s electricity consumption.



Carbon neutrality

Carbon neutrality (or carbon neutral) is defined as having zero Scope 1 and Scope 2 emissions by a combination of carbon reduction activities together with offsetting measures, such as carbon credits. We have retired a total of 1,171 credits this year, sourced from the Weyerhaeuser Afforestation Project in Uruguay (350 credits) and the Corazón Verde del Chaco Project in Paraguay (821 credits). The Weyerhaeuser nature-based project covers over 18,800 hectares of degraded land which is expected to continue to degrade in the absence of this afforestation project. The Corazón Verde del Chaco project supports the protection of native forest in the Paraguayan Chaco, preventing deforestation-related emissions while delivering important biodiversity benefits and long-term conservation outcomes.

GHG data verification

As part of improving our CDP disclosures, we obtained external verification from Lucideon CICS for our 2024 Scope 1 and 2 emission sources, as well as verification for our Use of Sold Products emissions. The verification findings provide limited assurance that the GHG emissions statement is materially correct and a fair representation of the Group’s Scope 1, 2 and Use of Sold Products GHG emissions. The Group is committed to repeat verification for these sources for the 2025 period as part of our 2026 CDP disclosure.

Calculation methodology

Scope 1 and 2

Natural gas – Calculated using metered consumption from supplier invoices. Where actual consumption data was not available, consumption has been estimated based on floor areas and published benchmarks or heating degree day regression analysis.

HFCs – Refrigeration emissions have been calculated from service records where available. Where records were unavailable, HFC losses have been estimated using the screening methodology which estimates annual refrigerant losses based on equipment type.

Company-owned vehicles – Emissions have been calculated using fuel consumption data where available. Vehicle type and mileage have been used to calculate emissions where fuel data is not available. UK Government “SECR” kWh emission factors have been utilised to calculate the underlying energy use.

Electricity – Calculated primarily using metered consumption from supplier invoices and half-hourly consumption data. Where actual consumption data is not available, consumption has been estimated based on floor areas and published benchmarks.

Exclusions – Emissions from rented sales offices with shared air conditioning services, including our sales offices in the UAE and Spain, have been excluded due to a lack of data, however emissions are immaterial.

Scope 3

Financial screening – Purchased goods and services, capital goods, business travel, waste generated in operations and some aspects of transport and distribution have been calculated using a financial screening methodology which uses high-level environmentally extended input output (“EEIO”) factors to estimate associated GHG emissions from financial spend information. Country or region-specific EXIOBASE EEIO factors from 2020 have been utilised along with the most up-to-date deflation factors published by the World Bank and UK Government to normalise spend back to the year of the emission factors.

Upstream transportation and distribution – We have obtained GHG calculations from our main freight forwarder to improve the calculation and move away from financial screening. The calculations are completed on a tonne/km basis in line with the GHG Protocol and relevant UK Government emission factors are used. The financial screening is adjusted to exclude the main freight forwarder from that part of the calculation to avoid double counting.

Use of sold products – Emissions have been modelled based on sales data and product information and assumptions on the use of our products over their expected lifespan. For LED lighting products, we have taken the quantity of lights sold and their individual wattages and multiplied by 75% of their overall lifetime run hours to estimate their lifetime energy usage.

Environment, Social and Governance continued

Creating a sustainable future continued

Task Force on Climate-related Financial Disclosures (“TCFD”)

continued

Metrics and Targets continued

Calculation methodology continued

Scope 3 continued

This is then multiplied by the country of sale electricity emission factor, provided by the UK Government for the UK and IEA factors for the rest of the world. Where the product wattage or lifetime run hours is unknown, we uplift the emissions from known products on a revenue basis to estimate emissions from products with missing information.

For EV chargers we have included the standby power rating and charging losses (excluding battery losses) within their energy use calculation. Our EV charger management system provides the annual average energy consumption per sold charger, which we use to approximate the charging losses. We estimate that our chargers have an average lifespan of eight years. We multiply the estimated lifetime energy use per charger by the country of sale electricity emission factor.

For standby power products such as Wi-Fi or USB-enabled wall sockets and CMD power distribution products, we assume a standby power consumption of 0.1W and an estimated lifespan of ten years. We multiply the estimated lifetime energy use per product by the country of sale electricity emission factor.

For HEMs, we have assumed that these systems are coupled with a solar PV system, therefore emissions with these systems are zero.

End-of-life treatment – We have calculated the total weight of sold product and packaging for the reporting period. Where there is weight data missing, we have used an average for the product category to estimate the missing product and packaging weight. Around 80% of our products are sold within the UK, therefore we have used UK Government waste treatment statistics for packaging and the Waste Electrical and Electronic Equipment (“WEEE”) regulations to estimate the treatment method for each waste stream.

Based on available data, an assumption on packaging types was assumed to be 70% paper and cardboard and 30% plastic and UK Government emission factors were used to estimate emissions.

Fuel and energy-related activities –

The underlying energy figures used in the Scope 1 and 2 calculations have been multiplied by the UK Government well-to-tank and transmission and distribution emission factors.

Downstream transportation and distribution –

Where our customers have arranged the transportation of our products, we have estimated their shipping costs on the basis of what we have paid in terms of shipping costs. We have then used the EXIOBASE EEIO factors to estimate the associated emissions.

To account for the retailing and distribution emissions associated with our customers' operations, we have taken a sample of our customers' Scope 1 and 2 emissions per revenue by sales channel.

This is multiplied by the revenue from each sales channel, with a multiplier to account for customer margin, to estimate the associated emissions.

Employee commuting – For China-based employees, we have created a model based on average commuting distances within major Chinese cities and a survey on modes of transport for commuting within China. Within this model, UK Government emission factors have been utilised as a proxy, and we have applied a 15% uplift to these factors to be conservative. The majority of all other employees are based in the UK and therefore the average commuting emissions per full-time equivalent for a UK worker has been used.

Carbon Disclosure Project (“CDP”)

We received a leadership-level score (“A-”) for our response to the CDP Climate Change questionnaire in 2025, which scores us within the top 5% of the FTSE SmallCap index. This is our fifth year of reporting to the platform, so we are delighted to have achieved a strong grade, reflecting our progress integrating climate-related issues into our business operations. Our CDP response contains further information on our climate governance, risk management processes, climate-related risks and opportunities, GHG emissions and verification, emission reduction targets, and a strong business strategy.

EcoVadis

We received a 53% score for our 2025 response, which placed the Group in the 41st percentile. Our score has shown improvement against our 2024 score (2024: 43%), with our environment (50/100 to 68/100) and sustainable procurement (30/100 to 53/100) being the main driving force behind the overall improvement. One of our main 2026 goals is to continue to improve our score in the next disclosure cycle since we have had more focus on it since 2024.

Science Based Targets initiative

Our near-term emission reduction targets were successfully validated by the SBTi in April 2023. At present, our targets do not include emissions data from the recent acquisitions of D-Line and CMD. Now that our base year inventory has been updated to include these entities, a target recalculation has been triggered as our base year recalculation threshold has been exceeded. Our target performance is reported against the existing scope and boundaries (excluding D-Line and CMD) and we plan to update and revalidate our targets through the SBTi in 2026.

The SBTi defines and promotes best practice in science-based target setting and establishes how quickly organisations need to reduce their GHG emissions to prevent the worst effects of climate change. Our targets are to:

- Reduce absolute Scope 1¹ and Scope 2 GHG emissions by 46.2% by 2031 from a 2021 base year
- Reduce absolute Scope 3 GHG emissions from the use of sold products by 27.5% by 2031 from a 2021 base year

1. Scope 1 emissions include the biogenic elements as per the SBTi target requirements.

Environment, Social and Governance continued

Creating a sustainable future continued

Task Force on Climate-related Financial Disclosures (“TCFD”) continued

continued

Metrics and Targets continued

Science Based Targets initiative continued

continued

Scope 1 and 2 target

In 2025, our Scope 1 and Scope 2 emissions fell by 6% compared to the previous year and 10% relative to our 2021 base year, reflecting continued progress in operational efficiency and decarbonisation initiatives. However, this reduction is below the year-on-year decrease required to remain on track with our SBTi validated trajectory, leaving us 8.5% (98 tCO₂e) short of the annual reduction needed.

We continue to achieve zero market-based electricity emissions through the use of renewable energy certificates and on-site solar generation. We have introduced a range of measures to tackle our Scope 1 emissions, including the measures outlined on page 18.

However, several sources remain challenging to abate in the near term. These include emissions from fleet vehicles, refrigerant gases, and fossil fuel-based processing and heating systems.

During 2026, we will review and strengthen our strategic plan to ensure alignment with our near-term science-based targets. This includes integrating the updated base year, which now incorporates the acquisitions of D-Line and CMD, and reassessing our reduction pathway accordingly to ensure we get back on track against the year-on-year trajectory.

Scope 3 target

In 2025, our use of sold products emissions increased by 6% compared to last year but are 11.4% lower compared to the 2021 base year. We are performing slightly ahead of expectations against the year-on-year reduction trajectory of 11% (2,054 tCO₂e). However, following the restatement of our 2021 base year emissions, we know that our performance against this target is significantly better and this will be reflected once our SBTi targets are revalidated.

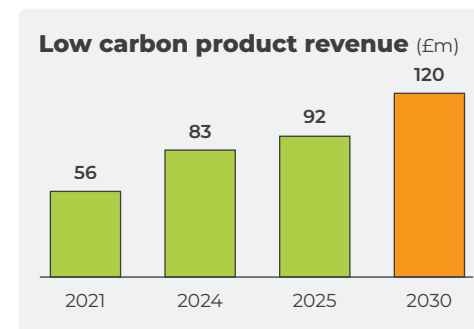
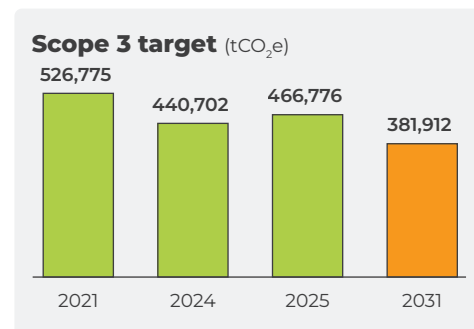
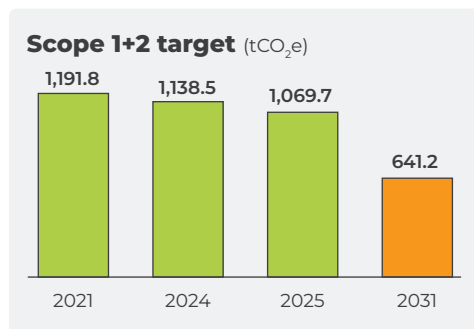
Over 98% of our 2025 emissions arise from our LED lighting products and there are several driving factors that impact progress against our target, including the quantity of products sold, changes in our product mix, improvements in energy efficiency and the lifespan of our products, as well as changes in the carbon intensity of electricity grid. We continue our efforts to develop energy efficient products and enhanced controls to help minimise the GHG emissions impact of our products.

Low carbon product revenue – £120m sales by 2030

Low carbon products are those products which are enablers to reduce greenhouse gas emissions throughout their entire life, compared to traditional counterparts. Examples would be switching to LEDs from traditional light bulbs or switching to charging an electric vehicle rather than using fossil fuels. Additionally, if the product has better power controllability it enables the use of less electricity, for example smart lighting systems which only operate when required. The definition in 2025 includes the following products:

- LED lighting (excluding revenue from lighting columns and other accessories)
- Energy Transition products including EV charging and HEMs
- Smart controls and electric heating products

We generated £91.5m of revenue from low carbon products in 2025, an increase of 10.8% year-on-year, and we continue to focus on this key area as society transitions towards net zero emissions.



SBTi targets currently exclude CMD and D-Line and therefore Scope 1+2 and Scope 3 performance has also been presented excluding CMD and D-Line.

Environment, Social and Governance continued

Creating a sustainable future continued

Sustainability objectives

Our progress against our sustainability objectives for 2025 is outlined below, along with our next steps for 2026.

Grow EV further in the domestic space and expand into the commercial space

EV sales continued to demonstrate strong growth in 2025 and remain a core component of our low carbon product strategy. The UK EV charging market was valued at £450m in 2025 and is forecast to reach £1,244m by 2030, reinforcing this as a key growth area for the Group. During the year, EV charging sales increased by 84.7% (2024: 25.6%), contributing significantly to the performance of the Sync Energy division, which generated £18.1m in sales (2024: £9.8m).

Develop our Home Energy Management system

Our new HEMs platform was launched in 2025, providing customers with an integrated solution to monitor and reduce their energy consumption and associated costs. Revenue from the HEMs product range contributes directly to the Group's £120m low carbon product revenue target for 2030, and continued expansion of this range will be an important driver of progress towards this goal.

Grow LED in our UK Trade and Projects channels and our product proposition

Our internal LED product ranges have been supported by the launch of our commercial lighting controls system which powered the growth during 2025. Furthermore, our external LED lighting product portfolio has been enhanced, including release of our new solar lighting ranges in DW Windsor, which saw 5.3% sales growth in 2025. We continue to ensure that our products are innovative, good value and quality in the LED space with our continued commitment to research and development.

Deeper engagement with suppliers and customers

Following expansion of the Global Compliance team with the addition of a carbon engineer whose focus is on supplier engagement, TM65 and EPD declarations, significant progress has been made on the number of TM65s produced in the year. For 2025 lighting revenue, 72% of project lighting ranges and 31% of LED lighting sales have accompanying TM65 assessments, combining to a total of £22.8m.

Fully incorporate the recent acquisitions of CMD and D-Line into our GHG reporting and our science-based targets

For the 2025 GHG disclosure, all entities within the Luceco Group have been incorporated into the consolidated GHG inventory, covering the 2025 reporting year, 2024, and the 2021 base year. Although the inventory has been updated to reflect the recent acquisitions, the Group's science-based targets have not yet been revalidated. During 2026, the Group intends to resubmit its targets for validation by the SBTi, with progress against these targets to be reported in the 2026 Annual Report.

New objectives for 2026

1. Continue growth in EV markets, across all business divisions
2. Grow HEMs product sales
3. Improve our EcoVadis score and maintain CDP A- score
4. Grow solar product sales across all Group sales channels
5. Fully incorporate the recent acquisitions of CMD and D-Line into our science-based targets and revalidate targets



Empowering people

How we're empowering people

Action in the year	Read more	Status
Luceco culture		
• Engagement survey	Page 26	●
Equality and gender diversity		
• Ongoing monitoring and improvements	Page 26	●
Learning and development		
• Utilisation of key L&D tools during the year	Page 26	●
• Identified L&D gaps for 2025 implementation	Page 26	●

Key to status

● Ahead of target ● On target ● Ongoing improvement ☑ Complete

Our culture

Our business model is underpinned by the “can-do” culture of our teams. Our people are customer-driven, designing products which we know our customers will love and that will improve the customer experience. We are team-focused, working together to achieve our objectives. We ensure that we reward achievement with opportunity.

We aim to be bold and innovative, thinking differently and trusting each other to create great products for our customers. Finally, alongside all these qualities, we are principled in the way we act with our customers and suppliers. We do what we say and do what is right.

We recognise that in order for this “can-do” culture to continue to thrive, we need to invest in our people. We focus on the training and development of our teams, so they have the skills to innovate and confidence to move quickly. We carefully recruit from all backgrounds to ensure our teams work well together. We engage with our employees and act on their feedback, to ensure our teams feel part of our business and go the extra mile for our customers. Above all else, we treat our teams with the respect and recognition that their hard work deserves and apply the same principled mindset to them as they do to our customers.

Equality and diversity

We understand the importance and benefits of greater diversity, including social and professional background, cognitive and personal strengths, sexual orientation, disability status, gender and ethnicity throughout the organisation. We are committed to ensuring that recruitment and promotion of individuals at all levels of the business is based on merit and objective criteria and that, within this context, each candidate is judged on their unique combination of skills, knowledge and experience, cognitive and personal strengths, and there is no relevance to their social and professional background, sexual orientation, disability status, gender and ethnicity.

This is reflected in our Diversity and Inclusion Policy, which demonstrates our commitment to:

- Developing an ethos which respects and values all individuals equally
- Eliminating all forms of discrimination
- Ensuring there are no barriers based upon colour, culture, ethnicity, race, religion, disability, gender, sexuality or age which limit or discourage access to promotion, recruitment or training
- Ensuring that all aspects of employment avoid stereotyping based upon colour, culture, ethnicity, race, religion, disability, gender, sexuality or age

- Promoting good understanding of cultural, racial, ethnic and religious diversity, good race relations, disability, gender and age equality
- Taking positive action to encourage the development of a more diverse workforce

The policy is available on our intranet and all new starters are made aware of it during their induction into the business and are expected to subscribe to it at the time of their appointment.

The policy is reviewed on an ongoing basis and a full review takes place at least annually.

We do not tolerate behaviour which breaches the policy and encourage staff to use our grievance procedure to report any actual or suspected breaches. We are not aware of any breaches during the year.

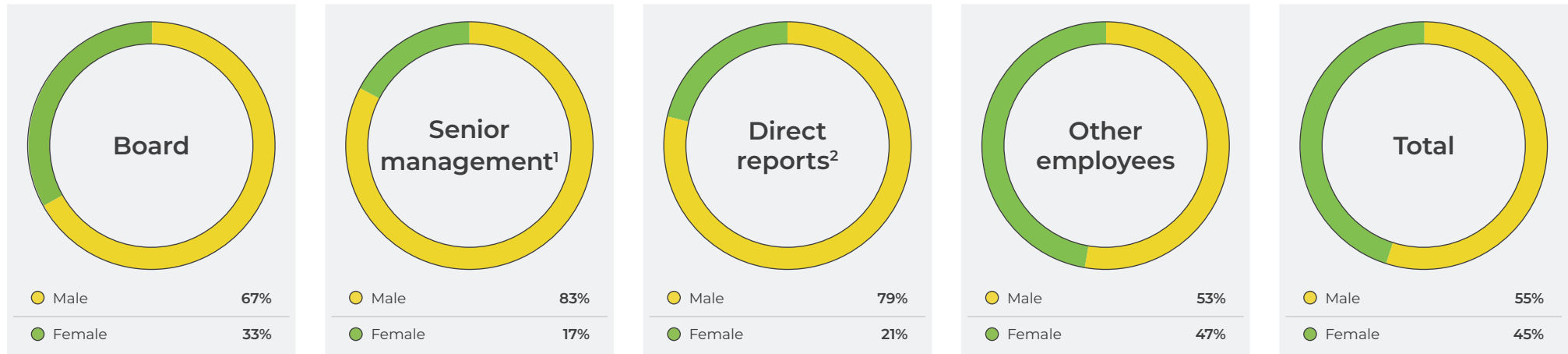
Gender diversity

We have taken a number of steps in recent years to promote the retention of female talent, including improving maternity benefits and improving flexible working. The table overleaf shows the gender diversity of our workforce at the year end. With the proportion of females holding Board, senior management or direct report positions in 2025 being in line with 2024, we appreciate there is more to do to create a more diverse team within management positions.

Environment, Social and Governance continued

Empowering people continued

Gender diversity continued



	2025				2024			
	Male		Female		Male		Female	
Board	6	67%	3	33%	5	63%	3	37%
Senior management ¹	15	83%	3	17%	14	78%	4	22%
Direct reports ²	125	79%	33	21%	93	80%	23	20%
Other employees	1,008	53%	905	47%	785	46%	922	54%
Total	1,154	55%	944	45%	897	49%	952	51%

1. Individuals reporting directly to the CEO or CFO.
 2. Individuals reporting directly to senior management.

Flexible working

We appreciate the importance of flexible working in the modern workplace and we empower our employees to work flexibly when possible. We have a stand-alone Flexible Working Policy and employees have a right to make an application from day one of their employment. This policy allows employees to request a change to the number of hours that they work, change the pattern of hours worked or perform some or all of the work from the employee's home. We also endorse hybrid working with our Homeworking Policy and, where circumstances allow, there is a minimum requirement of 40% office attendance with the remaining 60% being home working. We recognise we have a duty of care to employees working from home and we ensure that working from home risk assessments are performed in order to ensure our teams have the correct tools and environment to work comfortably.

Employee involvement

We know the importance of good internal communication. The Board communicates the strategy to employees each year and we provide regular updates on progress and any changes taking place in the business, including quarterly updates from the senior leadership team. Employees are invited to contribute product or operational ideas and are supported by their line managers and HR department if they have any concerns.

In 2025, we have introduced the Culture Club which acts to strengthen communication and engagement across the business. Its role is to provide a two-way communication forum, bridging between employees and leadership, sharing updates, gathering feedback, and ensuring everyone feels informed and heard. The introduction of this forum has become a key vehicle in actioning employee feedback, organising charity initiatives and enhancing employee wellbeing.

Environment, Social and Governance continued

Empowering people continued

Employee engagement

In February 2026, we conducted our annual Group-wide employee engagement survey. Participation reached 80%, meeting our target and reflecting strong engagement across the organisation. While participation was lower than the exceptional 87% achieved in 2025, it remains well above typical benchmarks for manufacturing businesses, where participation rates above 70% are considered excellent.

In China, we saw a 96% participation rate in a similar survey to last year, along with engagement scores rising significantly from 90% last year to 97%.

The overall Group engagement score for 2026 was 69%, a slight decrease from 71% in 2025, but still 3% above the industry standard for large manufacturing organisations.

During 2025, we made meaningful progress across key engagement drivers, including communication, leadership visibility, social connection, and learning and development ("L&D"). This was supported by a range of initiatives, including the launch of a new Group intranet to enhance access to information, expanded community and charitable activities, a Group-wide Leadership and Management Programme, customer-focused development programmes, and a strengthened learning offer for all employees.

For 2026, our analysis has highlighted three priorities with the greatest potential to improve engagement across the Group: leadership communication and social connection, leadership and management capability, and L&D for all. Looking ahead, we will continue to build capability, expand high-quality development opportunities, and further improve communication channels.

Insights from this year's survey remain central to shaping our people strategy and ensuring that the employee voice continues to influence decision-making across the Group.

Remuneration arrangements

We ensure that our remuneration policies and practices are aligned to our purpose and values, support the delivery of the Group's strategy and promote long-term sustainable success. We regularly benchmark employee pay against the external market to ensure it is fair throughout the Group and we reward achievement with opportunity.

All UK employees are encouraged to participate in the Company's performance through our Share Incentive Plan ("SIP"), where we provide each employee with the maximum two free matching shares for each partnership share that they purchase through the scheme. This scheme not only enhances retention, it also helps our teams feel part of the business and allows them to share in the Group's success.

During 2025, we have taken further steps to enhance the benefits available to our employees as well as ensuring the remuneration is fair and consistent between our acquired businesses and the rest of the Luceco Group.

Following a thorough review of the employee pension scheme, we were delighted to confirm a percentage increase in employer contributions, meaning most colleagues will see an uplift in the employer contribution rate, which is now set at 6% from January 2026. Holiday entitlements have also been standardised to 25 days with an option to purchase additional days at the employee's request.

We have enhanced our health care benefits to ensure a better base-level package is provided to employees who choose to enrol, whilst also reviewing our providers to ensure our employees have the most cost-effective range of options. We continue to promote the health of our employees through participation in the cycle to work scheme, which we have improved in the year by increasing the number of available providers.

Finally, we have partnered with Octopus to provide employees with an electric vehicle salary sacrifice scheme, which we have supplemented by providing all participants with a free Sync Energy EV charger.

Learning and development

We know that high quality and sustained L&D is crucial to the ongoing success of the business. We are also aware that as we encourage our teams to work flexibly, it is all the more important that we maintain consistency in our training procedures, and this starts on day one of an individual's employment at Luceco Group. Within their first week of employment, all staff receive a Company induction from their Human Resources Manager, Payroll Manager and a Health, Safety and Facilities Coordinator. This ensures the new team member feels comfortable in their environment and that they know we are available to help should they need assistance.

We also recognise how important the line manager's role is in the induction process and we ensure that all line managers are trained in how to work with new starters, how to identify their initial needs and how to set clear goals and objectives.

Following induction, we continue to develop employees for the long term. Through our Annual Performance Review process, we do not just look to appraise performance in the year, we identify individual training needs and ensure specific personal development plans are in place to tailor to that team member's requirements. In 2025, we took further steps to streamline the personal development plans and appraisal documents to support more meaningful conversations within our teams.

Following feedback from the 2025 employee engagement survey we have taken further steps to broaden the training provided to our teams. Training schemes including Sales, Leadership and Management, Customer Service, Introductions to AI and targeted apprenticeships have all been provided through the year.

We also take seriously the increasing cyber security risks being faced by all companies and conduct regular Group-wide cyber security training for employees.

We have also invested heavily in our L&D tools in recent years, which are available to all employees. This platform covers compulsory training, such as "Anti-money Laundering" to ensure our teams have the knowledge they need to comply with all relevant laws and regulations, but also includes modules related to personal development and growth.

Importantly, the L&D platform also covers learning regarding mental health and general wellbeing, which is something that we have signposted to our employees. Our employees' health, happiness and wellbeing is paramount to us and we are pleased that this platform is providing further support.



Working with integrity and transparency

How we're working with integrity and transparency

Action in the year	Read more	Status
Health and safety		
• Very low level of incidents	Page 27	●
Key integrity and transparency policy		
• Anti-bribery and Corruption Policy with zero tolerance	Page 27	●
• Whistleblowing for a clean open culture	Page 28	●
• Supporting fundamental human rights	Page 28	●
• Taxation compliance	Page 28	●
• Supply chain validation	Page 28	●
• Commitment to communities	Page 28	●

Key to status

● Ahead of target ● On target ● Ongoing improvement ☑ Complete

We act fairly in our dealings with fellow employees, customers, suppliers and business partners. We are encouraged by the progress we have made in improving our EcoVadis score, having achieved a “good” score of 53 in 2025 (2024: 43). EcoVadis measures the transparency of our actions to address a broad range of ESG matters and we are pleased to have been recognised as “committed” to this scheme and look forward to further improving our rating as we move forwards.

Our global Code of Conduct applies to all Group employees and our external business partners. It aims to ensure that Luceco Group maintains consistently high ethical standards across the globe, while recognising that our businesses operate in markets and countries with cultural differences and practices. The Code of Conduct is available on our intranet and all new employees are made aware of it during their induction.

Health and safety

Our Health and Safety Policy sets out our approach to providing attractive working conditions for our people. We aim to prevent harm to, and promote the health of, all employees, by applying health and safety programmes, rules and regulations at all of our sites.

We provide our customers with access to our manufacturing facilities so they can inspect and feel comfortable with the working conditions in their own supply chain. In 2025 we provided three separate site visits with different customers to our manufacturing facility in China.

All employees are responsible for complying with health and safety regulations and we have a health and safety champion in each operating unit, who is responsible for ensuring compliance with best practice and all local regulations.

Our Health and Safety Policy is made available in local languages and all new starters must confirm that they have read and understood it. The policy is reviewed in full at least annually and more regularly if required.

We continually monitor our health and safety performance to ensure compliance and to enable us to take any corrective action if issues are identified. During the year, there were 28 non-reportable, but no reportable accidents in our Telford facility (2024: ten non-reportable and one reportable) and, in China, three minor accidents were reported (2024: three minor accidents).

We also recognise that workplace stress is a health and safety issue and acknowledge the importance of identifying and managing stress in the workplace. We have a Stress at Work Policy aimed at reducing and managing work-related stress through proactive measures and support systems. We have trained mental health first aiders within the workplace who are equipped to provide initial support to someone experiencing a mental health issue or emotional distress. We also provide employees access to an around-the-clock Employee Assistance Programme to provide team members counselling and advice whenever they may need it.

Anti-bribery and Corruption Policy

Our Anti-bribery and Corruption Policy sets out our zero-tolerance approach, which extends to all business dealings and transactions in which we are involved. The policy is widely publicised across all our operations and is also available on our intranet. All new starters are made aware during their induction. It includes a prohibition on offering or receiving inappropriate gifts or making undue payments to influence the outcome of business dealings. We routinely review our policy and guidance in this area.

We maintain a log of all hospitality and gifts offered to and by our people, whether or not the hospitality or gifts are accepted. The policy also makes clear how our people can raise concerns or report any issues, which should be raised with the Chief Financial Officer as soon as possible. No concerns were reported during the year.

Environment, Social and Governance continued

Working with integrity and transparency continued

Whistleblowing

We encourage an open culture, so any issues can be raised and handled at a local business level. However, we recognise that there may be times when it is uncomfortable or inappropriate for our people to raise a concern through line management.

We therefore have a Whistleblowing Policy ("Speak Up"), which is available on the corporate intranet. The policy is widely publicised across our operations and sets out clearly how colleagues should report whistleblowing concerns.

Whistleblowing contacts are initially received by an independent specialist company, then passed to a nominated Non-Executive Director, the Chief Financial Officer and the HR team for further investigation as necessary.

The Board routinely reviews the whistleblowing process and the reports arising from its operation, and ensures that arrangements are in place for the proportionate and independent investigation of such matters and for follow-up action. Matters raised during the year were all investigated and resolved satisfactorily.

Human rights

One of our business principles is that we will support fundamental human rights, in line with the legitimate role of business. Our Code of Conduct sets out our policies in respect of a range of human rights and related issues, including child labour, forced labour, the right to organise, collective bargaining and participation in political life.

The Group's operations in high-risk countries must perform self-assessments, to make sure they are aware of the human rights impact of their operations. If a negative impact seems possible or likely, they are encouraged to take precautions or find solutions that are beneficial for employees and the communities in which they operate.

Among our international operations, China is the location where people's rights could be most at risk. By owning the facility in China, we can directly control the environment and conditions in which our employees live and work, to ensure they are treated fairly and in accordance with our policies. The Directors and senior leadership regularly visit China and routinely invite customers to the facility, so they can witness the working and living conditions of our employees. This helps our customers to fulfil their own responsibility agendas.

The UK Modern Slavery Act 2015 requires us to outline the steps we take to identify and prevent modern slavery within our organisation and supply chain. The latest statement is available on our website: www.lucecoplc.com.

Approach to taxation

We are committed to complying with all applicable tax laws, both in the UK and in all countries in which we operate. It is a core principle of the Group that deliberately failing to comply with tax law is unacceptable; our tax affairs are kept in good order and uncertainties are minimised. We have a low tolerance to tax risk, and we plan our taxes with reference to current relevant tax legislation.

When entering into commercial transactions, where appropriate we seek to take advantage of available tax incentives, reliefs and exemptions, in line with local tax legislation, but we do not undertake tax planning unrelated to our commercial transactions. We apply the OECD transfer pricing guidelines to intercompany transactions so as to ensure the prohibition of tax avoidance through transfer pricing. We do not, and will not, have a presence in a country in which we are not commercially operating, simply to minimise the Group's global tax liabilities.

External tax advisers prepare tax benchmarking analysis to support all Group transfer pricing arrangements.

Supply chain

The Group wants to do business with partners who endorse our values and our social and environmental standards. We regard the application of our business principles as being of prime importance in deciding whether to enter into or to continue relationships with suppliers and contractors.

Our Supplier Code of Conduct is designed to ensure that all of our business partners, suppliers and manufacturing meet our basic expectations of doing business related to legal requirements, ethical practices, human rights and environmental management.

These standards are based on well-respected and recognised international standards, including the International Labour Organization, United Nations Universal Declaration of Human Rights and industry best practices.

We source raw materials and certain products from suppliers in close proximity to the factory in China. The Directors and senior leadership visit suppliers periodically, to inspect their operations and ensure they are satisfied by how the supply process is managed, the quality of products produced and the working environment of the employees.

Communities

We are committed to contributing to the communities we operate in and our Code of Conduct encourages our people to actively participate and to propose projects to site management or site committees.

In 2025, following an employee vote, the British Heart Foundation was nominated as our UK charity partner, with successful fundraising events held across our UK locations. Alongside this, our UK teams also took part in local initiatives such as food bank collections, animal sanctuary volunteering, litter-picking and clothing donations. Our international teams also had great success with a range of volunteering and fundraising events.

In Jiaxing, China, we are heavily involved with the local university, establishing a "Luceco class" where students were selected to receive weekly lectures for three terms. These are led by our managers or technical experts and aim to provide students with greater business sense and awareness, career advice and preparation for entering the work environment, with exposure to marketing, management, product knowledge and development and project management.



Luceco plc

Registered office
Building E Stafford Park 1
Stafford Park
Telford TF3 3BD

www.lucecoplc.com
ir@luceco.com

Company number 05254883