

GHG RECALCULATION POLICY

1. Policy Statement

Severfield has used FY23 (2022/2023) as the base year for our greenhouse gas (GHG) emission calculations related to our near-term and net zero target.

In order to accurately track progress towards our carbon reduction targets, we will adjust our base year emissions inventory to account for significant changes, described within this policy, if the changes drive an increase or decrease in emissions of greater than 5%. We may choose to recalculate our baseline and/or one or more GHG emissions reduction targets for changes below 5%, particularly in cases involving structural changes.

The 5% variation is considered a materiality threshold for GHG emissions by the GHG Protocol and the Science Based Targets initiative (SBTi). Severfield is committed to ensuring that any future targets remain aligned with a 1.5°C trajectory for Scopes 1, 2 and 3 and will obtain SBTi validation of any new targets set.

For the avoidance of doubt, and in line with the GHG Protocol, baseline year and historic data are not recalculated for organic growth or decline. Organic growth or decline refers to increases or decreases in production output, changes in product mix, and closures and openings of operating units that are owned or controlled by the company.

This policy supports Severfield's Net Zero Transition Plan and Carbon Management Manual by defining how baseline greenhouse gas emissions are reviewed and recalculated.

2. Scope

This policy applies to Severfield plc and all applicable business units.

The policy defines the circumstances, criteria and process for reviewing and recalculating baseline greenhouse gas emissions and greenhouse gas reduction targets.

3. Our Commitments

We will maintain a consistent and transparent approach to greenhouse gas accounting and emissions reporting by reviewing and recalculating baseline emissions where material changes occur. The following circumstances could trigger the recalculation of base year and historic data emissions.

- Structural changes (Acquisition/Mergers, Divestment)
- Methodology changes
- Other changes

Structural Changes

Structural changes that significantly impact our base year GHG emissions and may trigger the adjustment of the baseline include acquisitions, investments, considerable changes in equity shares in joint ventures or partnerships, and mergers of businesses or facilities that existed during FY23. These include, but are not limited to:

- **Acquisitions / Mergers**

We apply a "year-after, all-year" approach. Emissions from a newly acquired facility will be added to the base year only after a complete calendar year of data is available and full operational control has been maintained throughout that year.

We will not recalculate previous years of historic data for new acquisitions or mergers.

Where an acquisition or merger is carried out during the fourth quarter of a year, its partial GHG emissions will not be included within that year. They will be recorded from the start of the following year, with the recalculation policy outlined above applied at the end of the following year.

- **Divestments**

The year that an operating unit is divested, it will not be included in the GHG inventory for that year-end. If applicable, the GHG emissions for the facility in question will be removed from the base year and all subsequent years after a facility is sold.

Methodology Changes

Methodology changes that significantly impact our base year GHG emissions and may trigger adjustment of the baseline include:

- Updated emission factors.
- Improved data access from suppliers.
- Updated calculation methods or protocols.

We follow DESNZ (Department for Energy Security & Net Zero) guidance on how to recalculate previous years' emissions after new emission factors have been released.

Other Changes

In addition to structural and methodology changes, we will recalculate our emissions following:

- Discovery of a significant error, or a number of cumulative errors.
- Significant changes to our organisational boundary (consolidation approach) or operational boundary.

4. Roles and Responsibilities

GHG emissions reporting is a shared responsibility across the Group.

- The **Executive Sponsor** provides strategic oversight of GHG reporting and target management.
- The **Policy Owner** maintains this policy and oversees its implementation.
- **Business Units and Relevant Functions** are responsible for providing accurate data and information required to assess recalculation triggers.
- **All Colleagues** involved in GHG reporting activities are responsible for supporting accurate and timely emissions reporting.

5. Governance

In line with SBTi guidance, we will review our targets annually. Baseline and/or GHG emissions reduction target(s) adjustments will occur at the end of each financial year, if we identify any changes described above that occurred in the reporting period which may require us to recalculate our base year.

We publicly disclose our baseline when we report the latest carbon footprint for the previous financial year. Any baseline/GHG emissions reduction target(s) will be directly reported to the SBTi.

Compliance with this policy will be monitored through Severfield's carbon reporting and target management processes.

6. Review

This policy will be reviewed annually or following any significant change affecting the requirements of this policy.

A handwritten signature in black ink, appearing to read "Abida", enclosed within a hand-drawn oval.

Abida Lalani
Group Strategy & Transformation Director
28th September 2026