SRG
IMPACT

2024 ENERGY & EMISSIONS SUMMARY

& REDUCTION PLAN

SRG

RELEASED:
MARCH 2025

ENERGY ANALYSIS

Part of SRG's sustainability program includes **decarbonizing** our facilities. This means:

- **Reducing** or **eliminating** fossil fuel-based energy (natural gas, propane, diesel, etc)
- **Replacing** with electricity-based energy (heat pumps, hybrid roof top units, etc)
- **Using** renewable energy (rooftop PV, solar walls)

In addition to reducing SRG carbon footprint, a low-carbon manufacturing facility also reduces the embodied carbon of the products we develop and decorate. Sustainable buildings are a vital part of a healthy planet and people, and remains a priority for our sustainability corporate program.

We use the GHG Protocol for assessing emissions (which is like the GAAP for GHG accounting practices).

Consumption and emissions are compared to 2022 for reference and analysis purposes.

The Impact of Decarbonizing Buildings:

The operations of buildings account for 26% of global energy-related emissions (8% being direct emissions in buildings and 18% indirect emissions from the production of electricity and heat used in buildings).

Imagine the reduction in climate change if every major facility operated efficiently using renewable energy.

SRG CARBON FOOTPRINT

A company's carbon footprint is an important measurement, but must also consider influencing factors such as degree days, equipment usage, facility changes, and occupants.

The following charts summarize our carbon footprint, based on annual utility usage and current emissions factors.

Scope 1	Tons CO2e		
	2022	2023	2024
Itasca	398.45	359.92	291.32
Markham	133.85	136.68	136.49
Elliot Lake	64.56	55.48	43.25
Total:	**596.86**	**552.08**	**471.06**

Scope 2	Tons CO2e		
	2022	2023	2024
Itasca	294.62	291.42	297.03
Markham	34.06	36.21	32.62
Elliot Lake	5.20	5.20	5.60
Total:	**333.88**	**332.83**	**335.25**

Total Emissions	Tons CO2e		
	2022	2023	2024
Itasca	693.07	651.34	588.35
Markham	167.91	172.89	169.11
Elliot Lake	69.76	60.68	48.85
Total:	**930.74**	**884.91**	**806.31**

CHANGE COMPARED TO BASELINE YEAR (2022):

Location	2022-2024
Itasca	-15%
Markham	1%
Elliot Lake	-30%
Total:	-13%

GAS CONSUMPTION

Gas	Consumption (m3) & Cost					
	2022		2023		2024	
Itasca	207,044	$78,338	187,019	$69,674	151,377	$60,529
Markham	69,835	$30,978	65,729	$33,259	70,672	$30,721
Elliot Lake	33,430	$16,164	28,725	$14,354	22,392	$10,321

Important Factors:

- Itasca uses significantly more energy for heating due to their production equipment
- The emissions factor is higher in the USA (the multiplier to convert energy usage into tons of carbon dioxide equivalent [CO2e]) which also results in a higher carbon footprint

ELECTRICITY CONSUMPTION

Electricity	Consumption (kWh) & Cost					
	2022		2023		2024	
Itasca	645,797	$73,940	638,783	$125,016	651,093	$146,719
Markham	964,967	$154,424	1,005,808	$169,796	905,994	$156,223
Elliot Lake	144,379	$33,944	144,535	$34,401	155,557	$36,917

Important Factors:

- Average temperatures rise every year, requiring more cooling and increasing consumption & cost

INTESNITY METRICS

Using an intensity metric is an effective way to compare CO_2e emissions and energy consumption on a per-product basis. This approach provides a clearer analysis by normalizing usage relative to the number of products sold, rather than focusing solely on total consumption. Naturally, as production and sales increase, overall resource consumption rises due to higher equipment usage, staffing, and operational demands.

These calculations measure the pounds (lbs) of CO_2e emitted per product sold at each facility, offering a standardized way to track and assess impact.

Lbs of Scope 1 CO2e Produced Per Product Sold				Change
	2022	2023	2024	2022-2024
Itasca	0.331	0.351	0.287	-13%
Markham	0.006	0.007	0.006	2%
Elliot Lake	0.123	0.173	0.175	42%
Total:	0.460	0.531	0.468	2%

Lbs of Scope 2 CO2e Produced Per Product Sold				Change
	2022	2023	2024	2022-2024
Itasca	0.448	0.434	0.281	-37%
Markham	0.024	0.026	0.026	9%
Elliot Lake	1.529	1.844	1.348	-12%
Total:	2.001	2.304	1.656	-17%

Total CO2e Produced Per Product Sold				Change
	2022	2023	2024	2022-2024
Itasca	0.779	0.785	0.568	-27%
Markham	0.030	0.033	0.033	8%
Elliot Lake	1.652	2.017	1.523	-8%
Total:	2.461	2.835	2.124	-14%

ENERGY EFFICIENCY & GHG REDUCTION IMPLEMENTATION PLAN

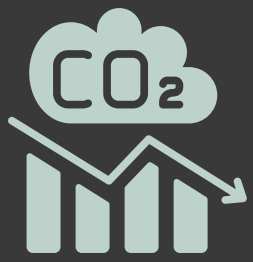
Vision:
To reduce operational energy consumption and GHG emissions across SRG's facility through efficient energy use, cleaner heating alternatives, and sustainable procurement.

Scope & Facility-Specific Approach:
Each SRG facility has unique characteristics, opportunities, and constraints when it comes to energy efficiency and emissions reduction. Factors such as building age, layout, operating hours, production processes, and regional climate all influence the most effective strategies for energy management. As such, this plan is designed to be flexible and adaptive, allowing each site—whether it's focused on manufacturing, printing, or administration—to prioritize projects that align with its specific operational realities. For example, facilities with older infrastructure may benefit most from building envelope upgrades, while newer sites might focus on smart technology integration and renewable energy sourcing. The goal is to implement a consistent sustainability framework across SRG, while tailoring solutions to maximize impact at the local level.

Carbon Footprint - Targets

As we continue to reduce energy consumption through our decarbonization efforts and eliminate fossil fuel energy where possible, we anticipate a significant decrease in our 2025 carbon footprint. SRG is committed to both short-term and long-term goals, aligned with the SBTi protocol, ensuring measurable and transparent progress.

The following targets reflect our group-wide emissions footprint (Baseline Year 2022):



REDUCE SCOPE 1 AND 2 EMISSIONS BY 50% BY 2027

Short-Term Target

Carbon neutral

CARBON NEUTRAL BY 2035

Long-Term Target

RECs and Carbon Offsets

Eliminate. Replace. Reduce—Before Offsetting.

To make real, lasting progress in the fight against climate change, reducing carbon emissions must come first—before relying on offsets. That's the path SRG is committed to.

We're actively phasing out fossil fuel-based energy and cutting overall energy consumption as a priority. Only once these steps are taken do we turn to RECs and offsets. We prioritize RECs for all Scope 2 emissions and will explore high-quality, credible offsets for any remaining Scope 1 emissions that cannot be eliminated.

Why Carbon Neutral by 2035?

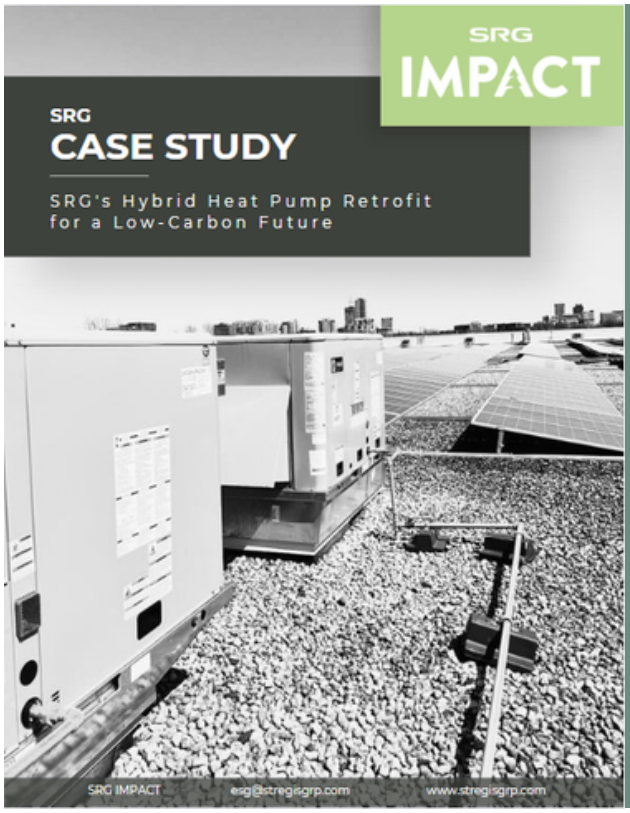
Before setting long-term targets, it's essential to understand what's truly achievable. At SRG, we believe in setting SMART goals—grounded in real data, measurable progress, and a clear understanding of both our facility's limitations and opportunities.

There are no aspirational promises here—only genuine, actionable commitment.

COMPLETED PROJECTS

MARKHAM FACILITY:

- **LED Lighting Upgrade:** All facility lighting has been upgraded to energy-efficient LED fixtures, significantly reducing electricity consumption.
- **Server Room Optimization:** Enhanced insulation and upgraded cooling infrastructure in the server room have minimized energy use associated with air conditioning.
- **High-Efficiency Air Compressor:** Replaced an outdated air compressor with a modern high-efficiency model to reduce electricity use and improve performance.
- **Air Source Heat Pumps (ASHPs):** Ten fossil fuel-based rooftop units (RTUs) were replaced with electric ASHPs, lowering Scope 1 emissions and transitioning to cleaner heating.



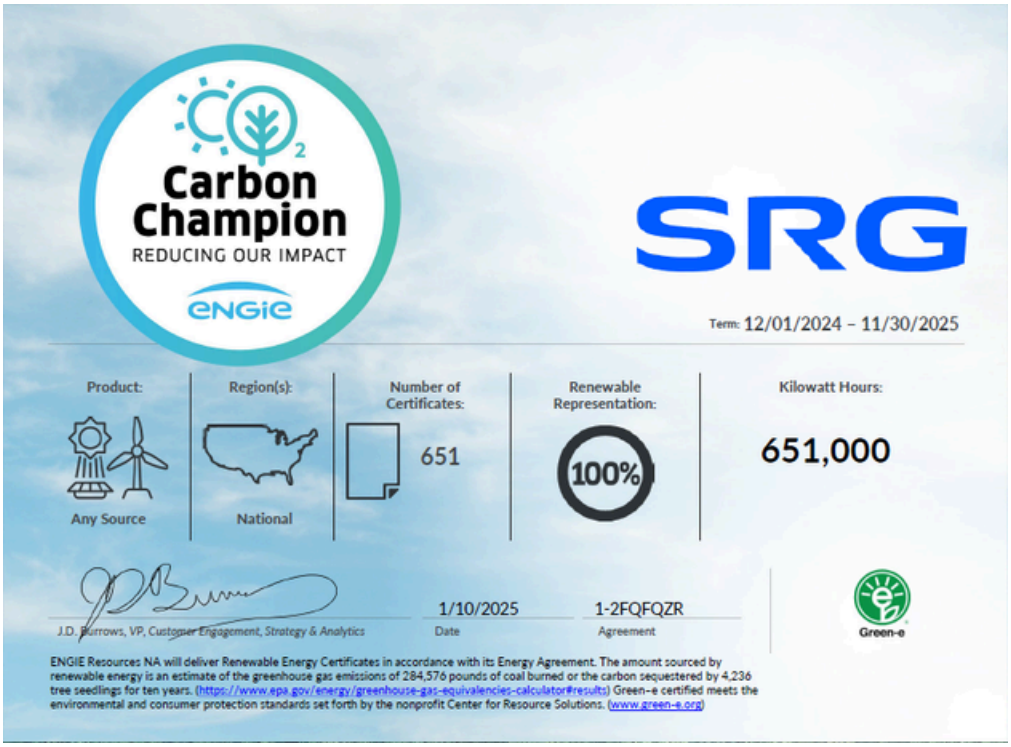
To explore our most impactful decarbonization initiative to date—replacing 10 rooftop units with high-efficiency air source heat pumps—check out our featured case study: "SRG's Hybrid Heat Pump Retrofit for a Low-Carbon Future." This report highlights the project's environmental benefits, energy savings, and our path toward a more sustainable operation.

CASE STUDY: Hybrid Heat Pumps

COMPLETED PROJECTS

ITASCA FACILITY:

- **High-Efficiency Air Compressor:** Installed a new, energy-efficient air compressor to improve operational efficiency and reduce electricity demand.
- **Heating System Upgrade:** Replaced aging heating equipment with energy-efficient unit heaters, cutting down on natural gas consumption and emissions.
- **LED Lighting Retrofit:** Ongoing replacement of fluorescent tube lighting with high-efficiency LED alternatives throughout the facility.
- **Renewable Energy Credits (RECs):** Purchased RECs to offset 100% of Scope 2 emissions for 2025, supporting renewable electricity generation.



FUTURE PROJECTS & CONSIDERATIONS

As part of our ongoing commitment to meeting our carbon reduction targets, SRG is actively planning and evaluating a number of forward-looking projects across all facilities. These initiatives will build on our progress to date and support our long-term decarbonization strategy.

1. Renewable Energy & Emissions Offsets

- Renewable Energy Credit (REC) Expansion: We plan to purchase RECs to cover 100% of Scope 2 emissions across all SRG facilities, supporting renewable electricity generation and reducing our indirect carbon footprint.
- Onsite Renewable Energy: We are exploring the feasibility of installing solar panels or other onsite renewable energy systems to directly power our operations and further reduce reliance on grid electricity.
- Carbon Offsets: To meet our long-term, carbon neutral target, we will invest in reliable carbon offsets for the remaining GHG emissions that could not be reduced.

2. Smart Technology & Automation

- Smart Thermostat Deployment: Introduction of programmable smart thermostats and climate control systems across all office and production spaces to optimize energy use and reduce HVAC emissions.
- Energy Monitoring Tools: Expansion of real-time energy tracking and analytics to identify new savings opportunities and support data-driven decision-making.

3. Fossil Fuel Reduction

- Heating System Decarbonization: We are evaluating options to replace remaining natural gas or fossil fuel-based heating systems with electric heat pumps, infrared heating, or hybrid solutions to further reduce Scope 1 emissions.
- Fleet Electrification Feasibility: For facilities with forklift use, we will assess the potential for transitioning to electric-powered equipment (for those that are not already electric).

4. Operational Efficiency Initiatives

- Lean Energy Practices: Continuous improvement of operations to minimize unnecessary energy consumption, including equipment scheduling, automation upgrades, and process redesigns.
- Employee Engagement: Develop energy-saving awareness campaigns and encourage employee-led initiatives that contribute to everyday efficiency.