

SWARCO

Carbon Reduction Plan

SUKI-QHSSE-PLAN-001



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CARBON REDUCTION PLAN

1 Introduction

Part of the international SWARCO group, SWARCO UK & Ireland Ltd is responsible for all sales and services of SWARCO Group products and systems in the UK and Irish Markets. Employing over 400 people, we have a manufacturing facility in Richmond, North Yorkshire, and 14 other service facilities across the United Kingdom and Ireland. We also have a large field service team providing maintenance and support services to an extensive list of public and private sector customers. SWARCO UK & Ireland Ltd. is defined as a large enterprise (LE), as a result of this we must produce and submit data to comply with The Streamlined Energy and Carbon Reporting (SECR) Regulation 2018 and The Energy Savings Opportunity Scheme (ESOS) Regulations 2014. This carbon reduction plan is to comply with the Procurement policy note 06/21 (PPN 06/21). We have formed our carbon footprint report through the monitoring of scope 1, 2 and a selection of scope 3 emissions.

In 2019 the UK Government amended the Climate Change Act 2008 by increasing the target for reducing greenhouse gas emissions to become Net Zero by 2050. The intention of this document is to further outline SWARCO UK & Irelands Ltd.'s sustainability strategy detailing our aims, objectives, action plan and timescales for reducing our carbon emissions.

1.1 Scope Definitions

Scope 1 covers direct emissions from owned or controlled sources such as fuel combustion and company vehicles. Scope 2 covers indirect emissions from the generation of purchased electricity and steam consumed by the reporting company. Scope 3 includes all other indirect emissions that occur in a company's value chain. For example, purchased goods and services, business travel, employee commuting, waste management and transportation and distribution of goods.

2 Our Mission

The focus of SWARCO UK & Irelands Ltd.'s business is to keep traffic in motion, to inform and guide the traveller through use of innovative products and services that support the growing mobility needs of society. The leading idea is that we improve quality of life by making the travel experience safer, more convenient, and environmentally sound. SWARCO UK & Ireland Ltd. is dedicated to achieving Net Zero emissions by 2050 through implementing the principles of sustainable development in everyday practices.

3 Baseline Emission Footprint

Baseline Year: 2022

In 2021 SWARCO UK & Ireland was involved in an acquisition by SWARCO TRAFFIC Ltd. The companies then went on to merge in December 2022. Both entities were previously recording their carbon data, and this has been amalgamated to provide the 2022 baseline emissions thus being different to the SECR report published with the 2022 financial report. Our emissions predominantly came under scope 1 and 2 emission types such as natural gas, diesel, and electricity. In 2022 we accounted for 2 categories of Scope 3 emissions: Vehicle only Business Travel & Waste Management.

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Baseline year emissions:	
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	1440.65
Scope 2	53.46
Scope 3	82.91
Total Emissions	1577.03

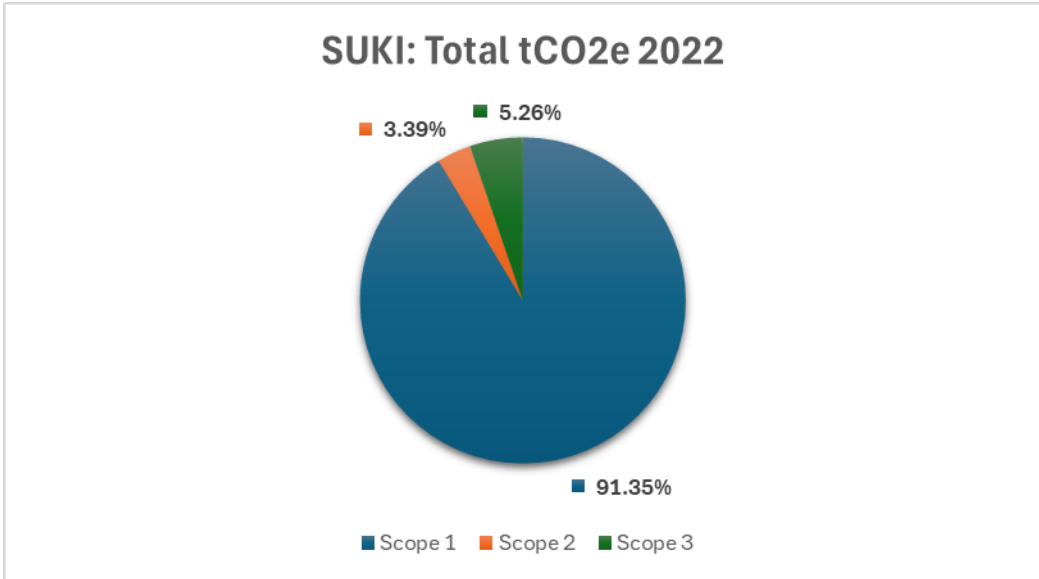


Figure 1. Total emissions for 2022, displaying the percentage makeup of each carbon scope.

3.1 2023 Emissions

Year: 2023	
In 2023 SWARCO UK and Ireland saw an overall increase in emissions by 17%, with increases in Scope 1 and 3 by 14% and 143% while Scope 2 saw a decrease of 76%. (For these figures, it is important to note that the range of SECR Scope 3 emissions reported upon was expanded in 2023, from two categories to five. These include water usage, business flights and business hotel stays).	
2023 emissions:	
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	1636.09
Scope 2	12.93
Scope 3	201.82
Total Emissions	1850.85

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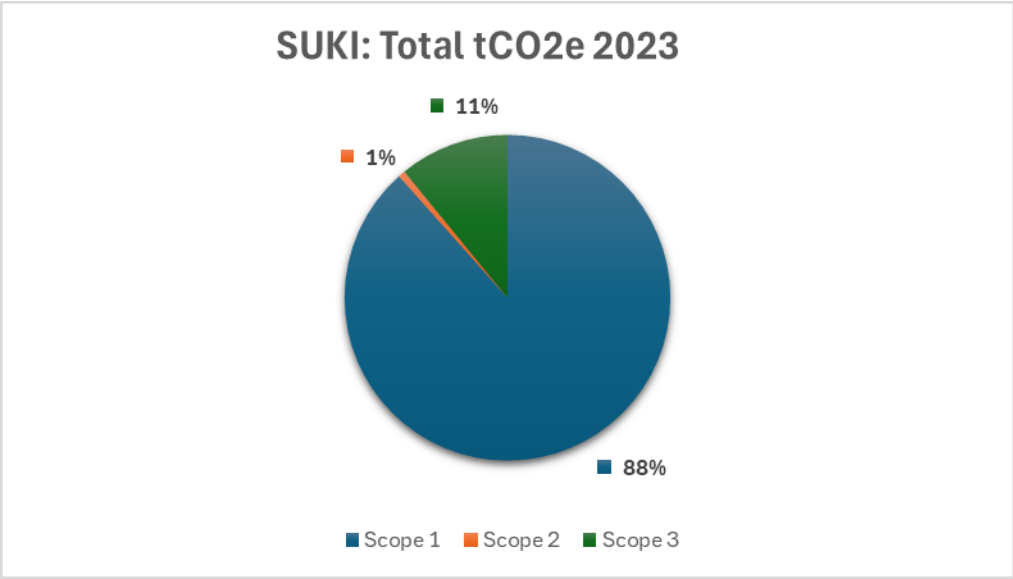


Figure 2. Total emissions for 2023, displaying the percentage makeup of each carbon scope.

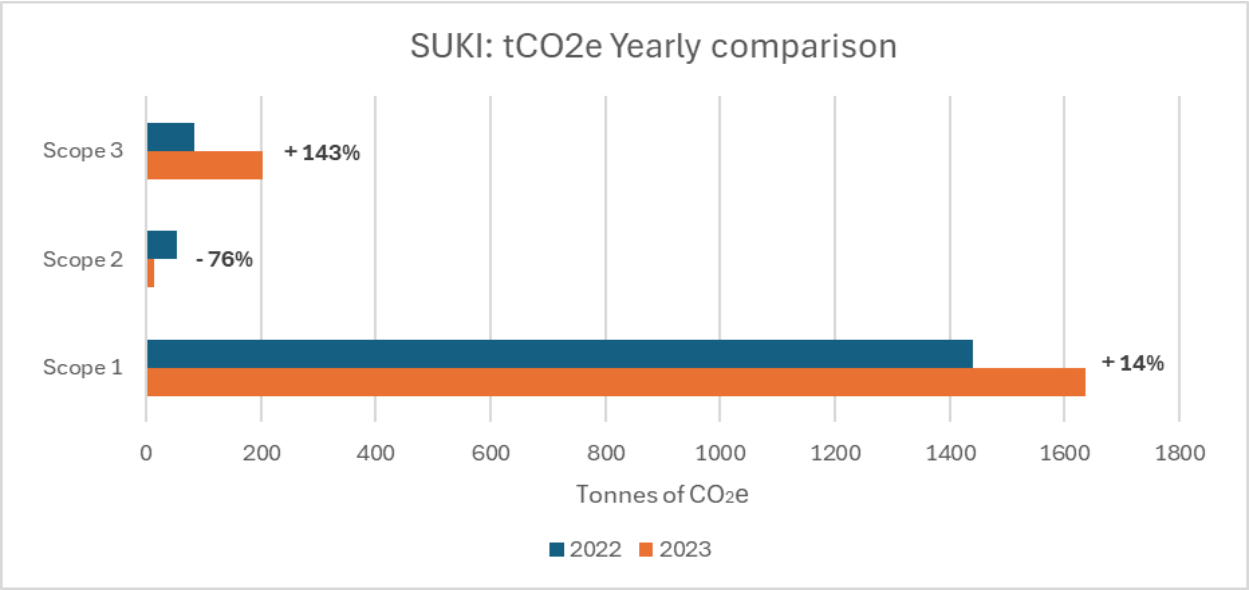


Figure 3. Chart displaying changes in scope emissions from 2022-2023. A substantial increase in scope 3 emissions results from the addition of data being captured from 3 more categories (water usage, business flights and business hotel stays).

4 Emission Reduction Targets

Both entities prior to merging set carbon reduction objectives annually. As one stronger entity SWARCO UK & Ireland Ltd set robust carbon reduction targets for 2024 with environmental management being at the forefront. Filling a previous gap within the company’s skill set, in 2024

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we appointed new personnel with sufficient training and knowledge to assist with advancing our environmental practices.

To begin SWARCO UK & Ireland Ltd.'s journey towards Net Zero, the report takes into consideration five of the Scope 3 categories. It has been noted that this is not a true reflection of the company's actual CO₂e emissions. After gaining an understanding and completing advanced training in the subject matter we have identified that other indirect emissions have previously been omitted. SWARCO UK & Ireland Ltd. acknowledges these contribute towards the overall carbon footprint and shall be included in all future carbon footprint reports. **With additions being made to the baseline in future, it is anticipated that carbon emissions will spike within the next year. However, SWARCO UK & Ireland Ltd. will have accounted for all 15 Scope 3 emission categories by 2026.**

5 Carbon Reduction Projects

The following environmental management measures and projects have been completed or implemented by both companies prior to acquisition and merger and continue to progress harmoniously. The environmental management system is continually assessed and managed through ISO 14001 auditing the analysis of various environmental KPIs. These KPIs are used to monitor the amount of waste that is recycled, the amount of electricity and gas used across the businesses and the amount of fuel used by employees for business travel.

Recycling schemes have been introduced across the business that ensure our waste is disposed of in line with government regulations and create a return on recycled waste offsetting the cost of our non-recyclable waste. All general waste is diverted from landfills including the recycling of medical pill packaging.

Previous projects undertaken include changes of multiple premises which saw the introduction of LED lighting throughout and ground source heating in our Melsonby office resulting in no natural gas being purchased for the manufacturing facility.

In the future we aim to implement the further measures below;

Objective	Required action	Current Status
Expand and develop SWARCO UK & Ireland Ltd.'s KPIs to include scope 3 emissions	The carbon reduction report for 2025 and subsequent reports shall include the remaining scope 3 emissions data as a minimum and expand on the business travel emissions category to include air travel. SWARCO UK & Ireland will have accounted for all 15 Scope 3 emission categories by the end of 2025.	-3 categories of Scope 3 emissions under the GHG protocol are currently being reported
Plan to further reduce the current amount of general waste being sent to landfill by 50% by 2026	Actively promote recycling within the organisation. Improve recycling capabilities, complete weekly volume measurements and spot checks of the contents of the general waste.	-Objective exceeded - All waste is recovered/recycled in 2024.

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Reduce Scope 1 & 2 emissions by 10% by 2026	<ul style="list-style-type: none"> - Investigate methods to reduce fleet fuel consumption either through the introduction of EV vehicles, Biofuels or more efficient navigation/fleet tracking systems. - Further progress in converting from brown to green energy at sites. 	<p>94% of depots are currently powered by renewable energy</p> <p>Scope 2 emissions reduced by 76% from 2022-2023</p>
Convert all brown energy use in depots to 100% renewable energy by 2026	<ul style="list-style-type: none"> - Work with procurement to shift energy suppliers 	<p>94% of depots are currently powered by renewable energy</p>

6 Declaration

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and the associated guidance and reporting standard for Carbon Reduction Plans.

Carbon emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard. Our report uses the appropriate Government emission conversion factors for greenhouse gas company reporting.

Scope 1 and scope 2 emissions have been reported in accordance with SECR requirements. The mandatory subset of scope 3 emissions has been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard.

SWARCO UK & Ireland Ltd. recognises that throughout the lifecycle of the plan there will be developments and societal advancements which may include but not limited to the following:

- Advancement in technology
- Changes to the understanding of climate change
- Behavioural changes
- Organisational knowledge and structure

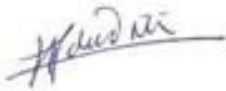
To ensure compliance and effectiveness, continuous systematic and formal monitoring of the application and implementation of the carbon reduction plan and its outputs will take place against appropriate key performance indicators. Monitoring may take a variety of forms using the most

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appropriate tools, the results of which shall be included, evaluated and any necessary action formalised as part of the management review.

Formalised actions shall be agreed upon by senior representatives from all departments at the management review and shall be subject to a feasibility review requiring a detailed action plan for implementation. Actions shall be undertaken by the most appropriate department whilst being continually monitored and verified by the compliance team.

A quarterly dashboard shall be presented and communicated to the organisation summarising actions undertaken, performance data and impact on emissions relative to previous periods to ensure compliance and effectiveness of the carbon reduction plan.

Signed:		Date: 11/09/2024		
Subject to review, monitoring and revision by:	John Pickworth	Every:	12	Months or sooner if work activity changes

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APPENDIX 1 – Added 23/05/2025

Table 1. Detailed breakdown of 2024’s total emissions

2024 emissions:	
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	2,002.0
Scope 2	0.04
Scope 3	218.0
Total Emissions	2,220.1

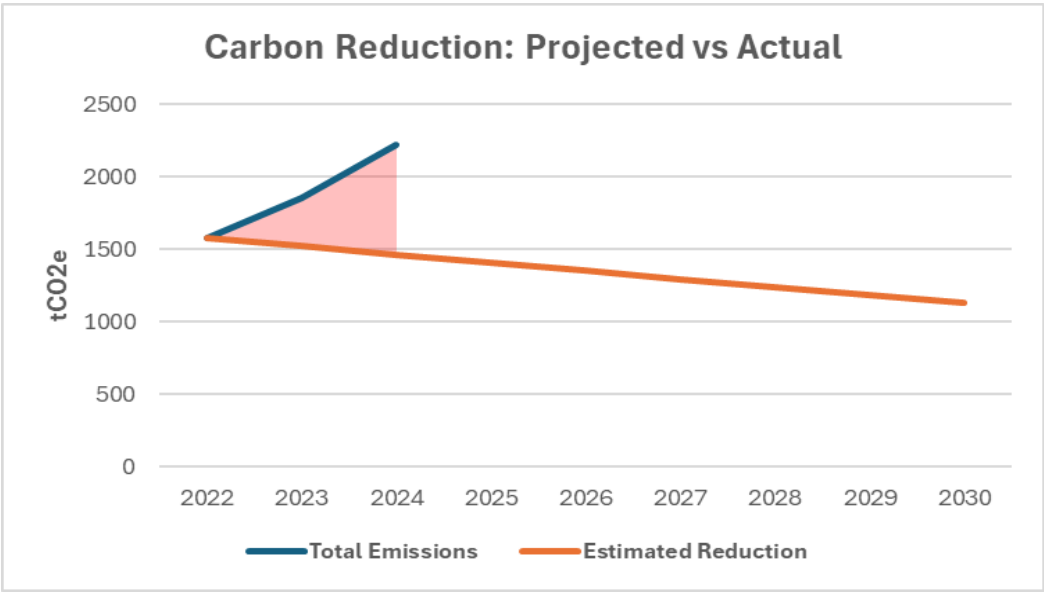


Figure 4. Graph detailing progress of actual emissions against our estimated emissions reduction to meet our Net-Zero 2050. During the 2022-2024 period, multiple categories were added to our scope 3 reporting