ACEON GROUP

CARBON REDUCTION PLAN:
2025 UPDATE REPORT & 2026 TARGETS

1. OUR COMMITMENTS

AceOn Group is committed to halve our emissions by the end of this decade and achieving Net Zero emissions by 2040.

This report sets out our performance on Emissions relating to Scopes 1 and 2 in comparison with our 2024 baseline assessment.

As a responsible company, AceOn has committed to measure and report our emissions on an annual basis in relation to the 3 specified 'Scope' categories used to classify greenhouse gas emissions from a company:

- **Scope 1:**

  These are direct emissions, meaning they come from sources owned or controlled by the organisation, such as fuel combustion in boilers and vehicles, or industrial processes within the facility.

- **Scope 2:**

  These are indirect emissions from purchased electricity, steam, heat, or cooling. Although the emissions occur at the power plant, they are attributed to the organisation because they are a result of their energy consumption.

- **Scope 3:**

  This is a broader category that includes all other indirect emissions that the organisation is indirectly responsible for. This can include emissions from upstream activities like transportation of raw materials, waste disposal, and the emissions from the products or services the company uses. It also includes downstream activities like the emissions from the end-of-life phase of a product or service

This enables us to determine our impact on the climate and then we can manage and reduce our environmental impact effectively.

2. INTRODUCTION

The world needs to halve emissions by 2030 and halve again and again by 2040 and 2050 to reduce the risk of dangerous climate change. Our future depends upon this generation becoming better planetary stewards.

Being a responsible business is at the heart of our commitment to building an ever more sustainable, inclusive and progressive company. We know that we have to find the right balance of our economic, environmental and social goals for the future of our people, our communities and our planet.

As a business, we have already taken a number of important steps on our journey to achieve Net Zero:

- We established our Emissions baseline year for Scopes 1 and 2 in 2024.

- We have achieved UKAS-accredited certification for ISO 14001 in 2025 and have embedded our approach to environmental management alongside our ISO 9001 Quality Management arrangements to create our wider Integrated Quality & Environmental Management System;

- We have formally become a member of the SME Climate Hub, which is a non-profit global initiative that empowers small to medium sized companies to take climate action and build resilient businesses for the future. Membership requires a pledge to act by completing the commitment to halve emissions by 2030 and achieve net zero by 2050. By committing to reduce our emissions through the SME Climate Hub, AceOn are counted in the UN Climate Change High Level Champion's Race to Zero campaign.

- We know that actions always speak louder than words and, in October 2021, we had a 30kWp solar photovoltaic system (80 x 375w solar panels) installed on the roof of our main premises, with the capability to generate 25,691kWh/yr of renewable energy.

- One of the company vehicles, purchased in 2018, is a Nisan Leaf EV – Electric Vehicle. Ownership of another company vehicle, a diesel Ford Ranger, ceased in November 2024.

- We commissioned an Energy Assessment under the Business Energy Assessment Service offered by Buisness Growth West Midlands in September 2025 (see Section 7 for further details).

For Scope 3 emissions, in line with Science Based Target requirements, AceOn is committed to working with our suppliers and customers over the next two years to establish a baseline position. Our focus will then be on reducing emissions from the goods and services that we purchase from our supply chain, which will make up a significant part of our carbon footprint.

AceOn is also committed to eliminating all avoidable waste.

3. OUR BASELINE EMISSIONS FOOTPRINT - 2024

Baseline emissions are a record of the greenhouse gases that have been produced in the past. Baseline emissions are the reference point against which emissions reduction will be measured.

Our Baseline Year was 2024.

- **SCOPE 1 – DIRECT EMISSIONS**

Annual Fuel Combustion:

- Gas (Heating): 66,760.2kWh.

  66,760.2kWh x 0.18362kgeCO2/kWh = **12,258.51 kgCO2e Emissions**

- Company Vehicles Business Mileage: 11,165 miles (1,586.18 litres of diesel)

  1,586.18 litres x 2.54kgCO2e = **4,028.9 kgCO2e Emissions**

  Total Scope 1 Emissions = 16,287.41 kgCO2 (16.28741 Tonnes CO2e)

- **SCOPE 2 – INDIRECT GREENHOUSE GAS EMISSIONS**

- Electricity (Mains) Annual Consumption: 17,344.9kWh

  Our electricity supplier's fuel mix is sourced 85.5% Renewable; 1.5% Nuclear; 13% Coal, Gas and Other sources.

  Total Net Scope 2 Emissions (@13%) – 2,254.84kWh

  2,254kWh x 0.207kgCO2e/kWh = 466.58kg CO2e Emissions

  Total Scope 2 Emissions = 466.58kgCO2e (0.46658 Tonnes CO2e)

- **TOTAL SCOPE 1 & 2 EMISSIONS - 2024**

  16,753.99 kg CO2e (16.75399 Tonnes CO2e).

A number of Performance/Context Measures have been developed, and these are set out in the tables in **Appendix 1.**

4. OUR 2025 EMISSIONS REPORTING

Scope 1 – Direct Emissions:

2024	2025
Gas (Heating): 66,760.2kWh. 66,760.2kWh x 0.18362 kgeCO2/kWh = **12,258.51 kgCO2e Emissions**	Gas (Heating): 68,368.3kWh. 68,368kWh x 0.18290 kgeCO2/kWh* = **12,504.51 kgCO2e Emissions**

	Increase of 246 kgCO2e (2%) from 2024
Company Vehicles Business Mileage: 11,165 miles (1,586.18 litres of diesel) 1,586.18 litres x 2.54 kgCO2e = **4,028.9 kgCO2e Emissions**	Company Vehicles Business Mileage: 511.2 miles (46.5 litres of diesel) 46.5 litres x 2.54 kgCO2e = **118.11 kgCO2e Emissions** **Decrease of 3,910.79 (97%) from 2024**
Total Scope 1 Emissions = **16,287.41 kgCO2e (16.28741 Tonnes CO2e)**	**Total Scope 1 Emissions =** **12,622.62 kgCO2 (12.622.62 Tonnes CO2e)** **Decrease of 3,664.79 kgCO2e from 2024 (22.5% improvement)**

Scope 2 – Indirect Greenhouse Gas Emissions:

2024	2025
Electricity (Mains) Annual Consumption: 17,344.9kWh Our electricity supplier's fuel mix is sourced 85.5% Renewable; 1.5% Nuclear; 13% Coal, Gas and Other sources. **Total Net Scope 2 Emissions (@13%) – 2,254.84kWh** 2,254kWh x 0.207kgCO2e/kWh = 466.58 kg CO2e Emissions	Electricity (Mains) Annual Consumption: 15,562.6kWh The tariff offered by our electricity supplier fulfils its all renewables obligation by generating some renewable power itself and purchasing Renewable Energy Guarantees of Origin (REGOs) certificates from other UK renewable generators. **Total Net Scope 2 Emissions (100% renewables) - 0kWh** **In 2025, AceOn has reduced its Grid electricity consumption by 1,782.3kWh from 2024 (10.2% improvement)**
Total Scope 2 Emissions = **466.58 kgCO2e (0.46658 Tonnes CO2e)**	Total Scope 2 Emissions = **0 kgCO2e (0 Tonnes CO2e)** **Due to the 100% renewables tariff, our Scope 2 emissions have reduced by 466.58 kgCO2e to 0 (100% improvement)**

Total Scope 1 and 2 Emissions:

2024	2025
16,753.99 kg CO2e (16.75399 Tonnes CO2e)	**12,622.62 kgCO2 (12.622.62 Tonnes CO2e)** **AceOn's total Scope 1 and 2 emissions have reduced in 2025 by 4,131 kg CO2e (4.131 Tonnes CO2e) – 24.6% improvement**

5. CURRENT EMISSIONS REPORTING

Through 2026, we will continue to monitor our Scope 1 and 2 Emissions and will report our annual total emissions in early 2027. Our Carbon Reduction Plan is made publicly available via our website.

We have yet to make a meaningful start to working with our supply chain and customer base in order to scope out and establish a baseline position for Scope 3. This is a significant piece of work which we estimate will take at least two years to complete. In line with Government Guidance in its Technical Standard PPN 06/21, our initial focus in Scope 3 will be on:

- Upstream transportation and distribution
- Waste generated in operations
- Business travel
- Employee commuting
- Downstream transportation and distribution.

Appendix 2 contains an extract from the Government's Guidance regarding Scope 3.

6. EMISSIONS REDUCTION TARGETS

AceOn Group is committed to halve our emissions by 2030 and achieving Net Zero emissions by 2040. Following the establishment of our baseline in 2024 for Scopes 1 and 2, we have set reduction targets for 2026. These are set out in **Appendix 1.**

7. CARBON REDUCTION PROJECTS AND INITIATIVES

For Scope 1 and 2, we identified a number of actions that we would be implementing in order to seek to further reduce our Carbon Footprint over the next two years. These actions and our progress and, where applicable, next steps are set out below:

- ❖ We will review the heating system and arrangements to see if we can find a more efficient and less fuel intensive system to reduce significantly our gas usage.

We commissioned an Energy Assessment under the Business Energy Assessment Service offered by Buisness Growth West Midlands. The on-site assessment took place on 30 September 2025. Overall, the assessment identified relatively little opportunities for reducing energy-related emissions and saving costs. There was no recommendation to replace the heating system or review any aspect of the fabric of the building. Instead, recommendations related to:

- Arrange Export of Surplus PV Generation (we will look at this as part of the action set out below).
- Turn Down Hall Radiator TRV & Move System Thermostat (we have turned down the TRV and relocated the Thermostat).
- Look at options for improving Radiant Heating in Production Workshop (due to the relatively high cost, long (7.7 years) payback period and limited carbon reduction, we have not progressed at this stage. However, we have sought to reduce some of the negative aspects of the working environment by introducing insulated matting).

❖ We will review electricity provider/contract at the appropriate time to assess options where we may be able to access a fully renewable Tariff (subject to cost).

Our electricity contract is due for renewal in February 2026. We will review our options and seek to find the best tariff that offers VFM and positive environmental benefits.

❖ We will review our company vehicles to assess the opportunity to replace current fossil fuel vehicles with EVs.

The company now owns one less fossil fuel vehicles. Now 50% of the vehicles owned by the company are EV.

❖ We will review our older pieces of machinery and equipment to determine whether more modern, more efficient items should be procured or whether there are more suitable VFM and energy-efficient alternative means to produce the items we require.

During 2025, extensive work has been carried out to review, remove and recycle older pieces of equipment in our 'Machine Shop'. We are currently in the process of transforming this work space and procuring new, modern machinery and equipment that meet our current and future business needs. This area of the factory will be designated as our 'Advanced Manufacturing Workshop'.

8. DECLARATION AND SIGN OFF

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

Signed:

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Richard Partington

Managing Director: AceOn Group

Date: ……

*UK Government Emissions Factors published 8 July 2024

APPENDIX 1 – EMISSIONS CONTEXT/PERFORMANCE MEASURES 2024: BASELINE

SCOPE 1:

EMISSIONS	OVERALL TOTAL (kgCO2e)	EMISSION PER EMPLOYEE (27)* (kgCO2e)	OVERALL TOTAL (Tonnes CO2e)	EMISSION PER EMPLOYEE (27)* (Tonnes CO2e)
2024 TOTAL SCOPE 1	16,287.41	603.23	16.28741	0.603
TARGET 2025	14,500	537.03	14.5	0.537

EMISSIONS	OVERALL TOTAL (kgCO2e)	EMISSION PER EMPLOYEE (27) (kgCO2e)	OVERALL TOTAL (Tonnes CO2e)	EMISSION PER EMPLOYEE (27) (Tonnes CO2e)
ACHIEVED 2025	12,622.62	467.5	12.622.62	0.467
TARGET 2026	11,500	425.9	11.5	0.425

SCOPE 2:

EMISSIONS	OVERALL TOTAL (kgCO2e)	EMISSION PER EMPLOYEE (27)* (kgCO2e)	OVERALL TOTAL (Tonnes CO2e)	EMISSION PER EMPLOYEE (27)* (Tonnes CO2e)
2024 TOTAL SCOPE 2 (Net Electricity)	466.58	17.28	0.46658	0.0172
TARGET 2025	400	14.8	0.4	0.0148

EMISSIONS	OVERALL TOTAL (kgCO2e)	EMISSION PER EMPLOYEE (27) (kgCO2e)	OVERALL TOTAL (Tonnes CO2e)	EMISSION PER EMPLOYEE (27) (Tonnes CO2e)
ACHIEVED 2025	0	0	0	0
TARGET 2026	0	0	0	0

TOTAL EMISSIONS – SCOPE 1 & 2:

EMISSIONS	OVERALL TOTAL (kgCO2e)	EMISSION PER EMPLOYEE (27)* (kgCO2e)	OVERALL TOTAL (Tonnes CO2e)	EMISSION PER EMPLOYEE (27)* (Tonnes CO2e)
TOTAL SCOPE 1 PLUS NET SCOPE 2	16,753.99	620.52	16.75399	0.621
TARGET 2025	14,900	551.85	14.9	0.552

EMISSIONS	OVERALL TOTAL (kgCO2e)	EMISSION PER EMPLOYEE (27) (kgCO2e)	OVERALL TOTAL (Tonnes CO2e)	EMISSION PER EMPLOYEE (27) (Tonnes CO2e)
ACHIEVED 2025	12,622.62	467.5	12.622.62	0.467
TARGET 2026	11,500	425.9	11.5	0.425

*This was measured at year end 2025 based on the average number of employees that we had during the year.

APPENDIX 2 – EXTRACT FROM GOVERNMENT GUIDANCE REGARDING SCOPE 3

Scope 3 emissions represent up to 80% of any organisation's carbon emissions. There are 15 categories of Scope 3 emissions defined by the GHG Protocol. In completing your CRP, suppliers are required to detail their emissions for five of these categories as detailed below:

Scope 3 Category	Category description	Minimum boundary
4. Upstream transportation and distribution[4]	Transportation and distribution of products purchased by the reporting company in the reporting year between a company's tier 1 suppliers and its own operations (in vehicles and facilities not owned or controlled by the reporting company) Transportation and distribution services purchased by the reporting company in the reporting year, including inbound logistics, outbound logistics (e.g., of sold products), and transportation and distribution between a company's own facilities (in vehicles and facilities not owned or controlled by the reporting company)	The scope 1 and scope 2 emissions of transportation and distribution providers that occur during use of vehicles and facilities (e.g., from energy use) *Optional: The life cycle emissions associated with manufacturing vehicles, facilities, or infrastructure*
5. Waste generated in operations	Disposal and treatment of waste generated in the reporting company's operations in the reporting year (in facilities not owned or controlled by the reporting company)	The scope 1 and scope 2 emissions of waste management suppliers that occur during disposal or treatment *Optional: Emissions from transportation of waste*
6. Business travel	Transportation of employees for business-related activities during the reporting year (in vehicles not owned or operated by the reporting company)	The scope 1 and scope 2 emissions of transportation carriers that occur during use of vehicles (e.g., from energy use) *Optional: The life cycle emissions associated with manufacturing vehicles or infrastructure*

7. Employee commuting[5]	Transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the reporting company)	The scope 1 and scope 2 emissions of employees and transportation providers that occur during use of vehicles (e.g., from energy use) *Optional: Emissions from employee teleworking*
9. Downstream transportation and distribution[6]	Transportation and distribution of products sold by the reporting company in the reporting year between the reporting company's operations and the end consumer (if not paid for by the reporting company), including retail and storage (in vehicles and facilities not owned or controlled by the reporting company	The scope 1 and scope 2 emissions of transportation providers, distributors, and retailers that occur during use of vehicles and facilities (e.g., from energy use) *Optional: The life cycle emissions associated with manufacturing vehicles, facilities, or infrastructure*

Your Carbon Footprint Data:

The data required to complete your Carbon Reduction Plan will come from completing a carbon footprint for your organisation's emissions from sources in the United Kingdom. You may already have an existing carbon footprint that you can refer to.