MD Ltd.

MACHINE DIAGNOSTICS

ENERGY AND CARBON MANAGEMENT POLICY

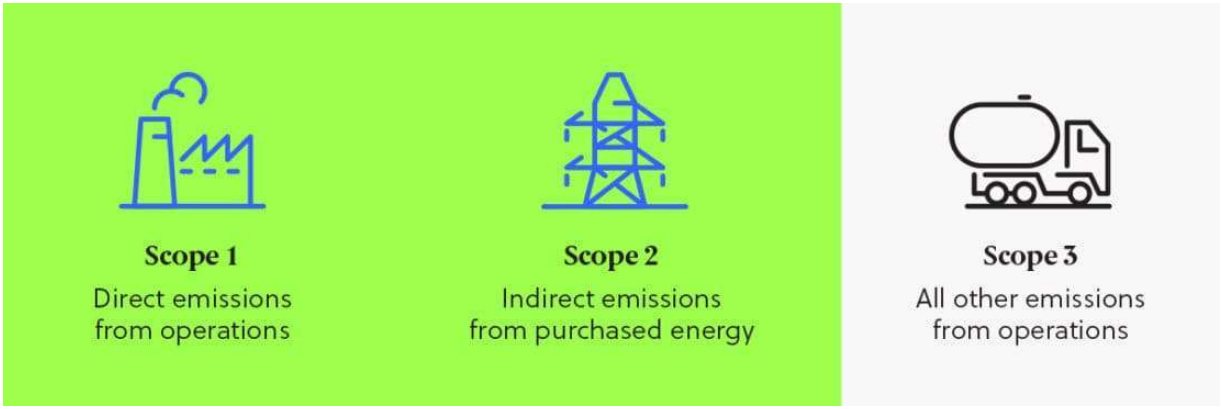
Updated: Feb 2026
Version: No.3

Introduction

Machine Diagnostics Ltd recognise that as a result of its activities there are associated greenhouse gases emissions from energy use, waste procurement travel and other services. Machine Diagnostics Ltd is committed to be as efficient as possible in its use of energy and natural resources in order to minimise both its impact on the environment through carbon and other emissions and its energy costs.

Starting in 2022, our carbon footprint measurement only consisted of Scope 3 emissions (all other emissions from operations). In 2023 premises were procured at the end of the year therefore Scope 2 emissions (indirect from energy use) were introduced, the energy usage for that year was estimated based on the size of property using the Business Carbon Calculator by Normative tool.

This is the fourth year for which we are calculating our carbon footprint. It was decided that 2023 would be set as an appropriate fixed baseline from which to measure our carbon reductions. Thus enabling a comparison for business operations on a year to year basis now that premises were procured. The carbon emissions for 2024 & 2025 were calculated using the SME Climate Hub Small Business Calculator by Equipoise which detailed Scope 3 emissions more thoroughly, this can be seen in the Carbon Reduction Plan of this policy. Machine Diagnostics Ltd report and publish results on the SME Climate Hub each year.



Scope

Machine Diagnostics Ltd want to minimise the impact of our activities on the environment and will give our employees the knowledge, skills and tools to implement sustainable thinking, including carbon reduction, on their projects and will engage and deliver on opportunities to reduce our collective environmental impacts.

As part of this, Machine Diagnostics Ltd is committed to reduce carbon emission in half by 2030 with the goal to achieve Net Zero by 2050. We will review and update this policy on an annual basis, or more frequently if necessary.

Carbon Reduction Action Plan

April 2025

Commitment to achieving Net Zero

Machine Diagnostics Ltd is committed to achieving Net Zero emissions by 2050.

Baseline and most recent year emissions footprint

Baseline Year: **2023**

Most Recent Year: **2025**

Additional details relating to the Baseline and Most Recent Year Emissions calculations

Our baseline Scope 2 emissions were estimated as premises were purchased in Dec 2023 therefore the usage was estimated for the year based on the size of property. Due to renovation works being carried out the new premises were not fully used until July 2024, therefore the electricity usage reflects only 6 months. At the beginning of 2025, new office premises were purchased therefore the Scope 2 emissions were calculated using actual meter readings for energy consumption used.

The baseline Scope 3 emissions were only split between business travel, purchased goods and services, and capital goods based on the carbon calculator used. The SME Climate Hub carbon calculator was used for 2024 emissions and included all measureable Scope 1, 2 and 3 emissions. This calculator has also been used for 2025 to calculate emissions and will be used for future year calculations.

EMISSIONS (tCO2e)		Most Recent Year emissions 2025	Previous Year emission 2024	Baseline Year emissions 2023
Scope 1	Heating of buildings	0.594	0.475	-
Scope 2	Purchased electricity	0.129	0.082	2.52
Scope 3[1.]	Business travel[2.]	4.7	5.92	17.4
	Purchased goods and services[3.]	7.79	12.44	18.4
	Capital goods[4.]	1.54	1.2	6.53
	Fuel and energy related activities	0.13	0.11	-
	Employee commuting & homeworking[5.]	2.1	3.4	-
Total Emissions		**16.98**	**23.61**	**44.9**

1. Scope 3 emissions in 2023 were split between 3 categories, a more detailed carbon calculator was used for 2024 onwards which more accurately split categories down resulting in two additional categories.
2. Business travel for 2025 was based on the number of miles travelled by train, air, bus, taxi & car and the number of hotel stays when providing consultancy services to clients.
   Employees spent 29% of the time working away from home providing consultancy services in 2025.
3. Purchased goods and services emissions have decreased since our baseline year due to a decrease in expenditure.

4. Capital goods have increased slightly as new instrumentation had to be purchased. All other goods purchased, such as phones and IT equipment, were bought second hand/refurbished and used/repaired.
5. Employee commuting for 2025 was based on the number of miles travelled by employees using the bus, train and their own personal cars. Employees are encouraged to always use public transport first where possible when commuting or carry out duties on behalf of the business. Employees spent 71% of the time working from home in 2025.

The changes to the emissions are a result of:

- Scope 1 emissions (heating of buildings) were introduced in 2024, emissions were estimated for the year, measureable emissions were recorded in 2025
- Scope 2 emissions (purchased electricity) in 2024 was for 6 months only, in 2025 smaller premises were acquired using renewable energy overall resulting in less electricity usage for the year but there was a slight increase to heat the building
- Scope 3 emissions overall were reduced from 23.057(tCO2e) in 2024 to 16.257(tCO2e) in 2025, mainly a decrease in Staff Business Travel due to employee participation in making better travel choices in 2025

Reduction strategy and principles:

Compliance and Monitoring

- Accurate reporting and calculation of Scope 1, 2 and 3 emissions
- Report annually on cost and consumption of resources

Energy usage

- Continue to procure renewable energy
- Reduce energy consumption in the office where possible

Staff Business Travel

- Develop and implement action plans in relation to travel/transport when carrying out consultancy services for clients
- Reduce business travel through the use of information technology where possible
- Choose the most carbon-efficient flight routes by minimizing stopovers, fly economy, and use high-quality aviation fuel services when available
- Encourage sustainable travel through car sharing and use of public transport
- Continue to enforce working from home
- Support the entire workforce to make better travel choices

Procurement of Goods and Services

- Procure resources, including utilities, responsibly and maintain on-going review of contracts and service delivery