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**30.07.2026**

**AUK Supplies Ltd Carbon Reduction Plan**

**Commitment to Net Zero**

AUK Supplies Ltd is committed to achieving Net Zero emissions by 2050.

**Baseline Emissions Footprint**

Baseline emissions are a record of the greenhouse gases produced in the past and prior to the introduction of reduction strategies. Baseline emissions are the reference point against which emissions reduction can be measured.

**Baseline Year – 2024**

Our baseline year is 2024 due to the restructuring of the business and the relocation to a new larger facility during Q4 2023

| **Emissions** | **Total ($tCO_2e$)** |
|---|---|
| Scope 1 | 176.83 |
| Scope 2 | 16.57 |
| Scope 3 (Included Sources) | 230.23 |
| Total Emissions | 423.63 |

**Baseline Recalculation Policy**

The 2024 baseline reflects the business's operational footprint following its Q4 2023 restructuring and relocation. Should a significant structural change occur in future — including but not limited to changes in fleet size, facility footprint, acquisition or divestment of business units, or a change in scope of reporting boundary — the baseline will be recalculated to maintain like-for-like comparability, in line with GHG Protocol guidance on base year recalculation. Any such recalculation will be disclosed transparently in the relevant year's Carbon Reduction Plan update, including the rationale and the recalculated baseline figure.

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Newton Abbot, Devon. TQ12 6TQ

**Scope 3 Breakdown – 2024 Baseline**

| Scope 3 Category | Total ($tCO_2e$) |
|---|---|
| Upstream transportation and distribution | 161.40 |
| Waste generated in operations | 0.46 |
| Downstream transportation and distribution | 40.28 |
| Business travel | 6.00 |
| Employee commuting | 22.09 |
| Total Scope 3 | 230.23 |

**Current Emissions Reporting - 2025**

| Emissions | Total ($tCO_2e$) |
|---|---|
| Scope 1 | 187.97 |
| Scope 2 | 21.36 |
| Scope 3 (Included Sources) | 285.64 |
| Total Emissions | 494.97 |

**Scope 3 Breakdown – 2025**

| Scope 3 Category | Total ($tCO_2e$) |
|---|---|
| Upstream transportation and distribution | 183.31 |
| Waste generated in operations | 0.33 |
| Downstream transportation and distribution | 60.09 |
| Business travel | 6.00 |
| Employee commuting | 35.91 |
| Total Scope 3 | 285.64 |

**Emissions Intensity**

While absolute emissions increased between 2024 and 2025, intensity-based measures — which normalise emissions and operational output against business activity — show improvement in several key areas. These metrics do not replace the absolute emissions figures reported above, which remain the primary basis for tracking progress against our Net Zero commitment, but they provide important context for the year-on-year change.

| Metric | 2024 | 2025 | Change |
|---|---|---|---|
| Diesel fuel per vehicle | 6,641.5 L/vehicle | 6,584.0 L/vehicle | -0.87% (improved) |
| Electricity per tonne produced | 156.09 kWh/tonne | 131.29 kWh/tonne | -15.88% (improved) |
| Items delivered per £ turnover | 0.1283 items/£ | 0.1307 items/£ | +1.86% (improved) |

Our fleet grew from 8 to 10 vehicles (+25%) between 2024 and 2025, while diesel consumption grew by 23.92% — meaning fuel use per vehicle fell slightly, indicating marginally improved fleet efficiency despite the increase in fleet size.

Electricity consumption rose by only 1.38% while production output (measured in tonnes processed through electricity-dependent machinery) rose by 20.5%, indicating a meaningful improvement in energy efficiency per unit of output.

Delivery volumes grew slightly faster than turnover in 2025, reflecting improved commercial efficiency in items delivered per unit of revenue. To further improve transport efficiency, we are introducing a customer delivery-consolidation incentive — offering reduced delivery costs for customers who select a 3-day delivery window over next-day delivery — enabling greater route consolidation and reduced transport emissions per item delivered as uptake grows.

**Employee Commuting – Explanatory Note**

Employee commuting emissions increased from 22.09 to 35.91 $tCO_2e$ between 2024 and 2025, a rise of approximately 63%, against workforce growth of approximately 26% over the same period.

Analysis of the underlying data indicates this increase is structural rather than behavioural. It is not attributable to a broad shift in commuting patterns, reduced hybrid working, or increased office attendance across the workforce. Instead, approximately 80% of the increase is concentrated in a small number of employees, driven by two identifiable factors:

- Recruitment geography: a small number of employees who joined in 2025 live materially further from site than the existing workforce average, and account for the majority of the mileage increase. This reflects a widening of the recruitment geography for senior positions as the business continues to grow, rather than a change in commuting policy for the existing workforce.
- Partial-year to full-year comparison effect: a small number of employees who joined partway through 2024 contributed only a partial year of commuting mileage in the baseline year, followed by a full year in 2025, mechanically inflating the year-on-year comparison for the

same individuals and the same commuting pattern.

In addition to the recruitment-geography and comparison effects above, two employees have joined the Cycle to Work scheme during 2026, switching a portion of their commute from car to bicycle. Based on estimated commute distance and working days, this is expected to reduce commuting emissions by approximately 0.7–0.8 $tCO_2e$ per year once fully established — a modest but genuine contribution set against the wider increase described above, and one we intend to build on through continued Cycle to Work promotion and the targeted engagement described below.

The remaining variance reflects ordinary workforce turnover and is not indicative of a systemic change.

Implication for reduction strategy: because the increase is driven by where new employees live and when they joined — rather than a workforce-wide change in commuting frequency — a targeted rather than blanket mitigation approach is appropriate. This will include prioritising car-share, public transport, and EV-incentive engagement with identified long-distance commuters, and incorporating commute distance as a factor in future recruitment and hybrid-eligibility decisions, rather than assuming a general reduction in office attendance is required across the existing workforce.

**Emission Reduction Targets**

Emissions in 2025 (494.97 $tCO_2e$) increased against our 2024 baseline (423.63 $tCO_2e$). This increase is a direct and expected consequence of business growth — a 25% expansion of our delivery fleet, a 20.5% increase in production output, and workforce growth that included widening our recruitment geography for senior positions — rather than a decline in operational or environmental performance.

This is evidenced directly by our intensity data: diesel use per vehicle fell 0.87%, electricity use per tonne produced fell 15.88%, and items delivered per £ of turnover rose 1.86%, all in the same period that absolute output grew sharply. In other words, the efficiency measures already in place are working — each unit of activity is generating less carbon than it did in 2024. The 2025 increase in absolute emissions reflects the scale of growth, not a weakening of environmental performance.

On that basis, we are maintaining our original target of 360.09 $tCO_2e$ by 2030 — a 15% reduction against our 2024 baseline — and setting out below exactly how the gap between our 2025 position and that target will be closed, rather than treating it as a restated ambition.

**How the Target Will Be Met**

The 134.88 $tCO_2e$ reduction required between 2025 (494.97 $tCO_2e$) and the 2030 target (360.09 $tCO_2e$) is addressed through three complementary

strands, set out in full in the Future Carbon Reduction Measures table below:

- Quantified committed measures already scheduled: the progressive EV fleet transition, route optimisation, LED/smart lighting, the customer delivery-consolidation incentive, and targeted employee commuting engagement together are projected to deliver approximately 58–65 $tCO_2e$/yr once fully implemented by 2030 — around 45% of the required reduction, from measures that are funded, scheduled, and already underway or contracted.
- Continuation of demonstrated efficiency trends: the intensity improvements evidenced above (fleet, energy, and delivery efficiency) are expected to continue as these measures mature and scale with the business, offsetting a further portion of growth-driven emissions without requiring new initiatives.
- Annual review and refinement: as our data quality and operational practices improve year on year — including validation of transport distances and adoption of updated conversion factors — further reduction opportunities are expected to be identified and added to this Plan, consistent with our track record of introducing new measures (route optimisation, ISO 14001, LED upgrades) since the baseline year.

Any residual gap remaining after the above measures are fully realised will be addressed through verified carbon offsetting, applied strictly as a last resort in line with our Offsetting Policy below. Progress against interim and final targets will be reviewed annually and reported alongside updated emissions data, including any baseline recalculation required under our Baseline Recalculation Policy.

**Interim Milestones 2025-2030**

| Year | Emissions (tCO2e) | Status |
|---|---|---|
| 2024 (Baseline) | 423.63 | Actual |
| 2025 | 494.97 | Actual — reflects business growth (fleet, output, workforce); intensity data confirms efficiency per unit improved |
| 2026 | 460 | Delivery-consolidation incentive and commuting engagement launch; smaller fuel-efficient vans deployed on 2 long-distance routes |

| | | |
|---|---|---|
| 2027 | 425 | EV fleet transition scaling; route optimisation gains compounding |
| 2028 | 400 | EV fleet transition at target 50%; delivery-consolidation impact fully realised |
| 2029 | 380 | Continued efficiency gains; annual review measures incorporated |
| 2030 | 360.09 | Final target — 15% reduction vs. 2024 baseline; residual gap addressed via offsetting if required |

These milestones are modelled against the combined, phased delivery of the measures set out in the Future Carbon Reduction Measures table below, and will be recalibrated annually as measure performance is confirmed against actual data.

**Carbon Reduction Projects**

Completed environmental management measures and projects implemented since the baseline year:

- Defined organisational and reporting boundaries
- Identified all relevant emission sources
- Implemented data collection and calculation tools
- Implemented reduction and mitigation planning
- Completed ISO 14001 certification
- Introduced route optimisation software
- Upgraded to energy-efficient LED fixtures linked to automated smart systems
- Increased use of online meeting software to reduce travel
- Introduced two Cycle to Work scheme sign-ups in 2026, reducing car-based commuting mileage for the participating employees

**Future Carbon Reduction Measures**

The following measures have been costed and scheduled against our reduction pathway. Estimated impacts are planning assumptions, reviewed and refined annually as part of our reporting cycle.

| **Measure** | **Timeline** | **Estimated Impact ($tCO_2e/yr$)** | **Basis** |
|---|---|---|---|
| Progressive EV fleet transition (target 50% of fleet by 2028, 100% where | 2026–2030 | ~35–45 reduction in Scope 1 by 2030 | Phased replacement of diesel vans/trucks |

| | | | |
|---|---|---|---|
| operationally and commercially feasible by 2030) | | | against 2025 diesel-related Scope 1 emissions |
| Route optimisation software — continued refinement | Ongoing | ~5–8 / yr | Reduction in upstream/downstream transport distance |
| LED/smart lighting upgrade — extended to remaining sites | 2026 | ~2–3 / yr | Scope 2 reduction from remaining non-upgraded lighting |
| Increased online meetings vs. business travel | Ongoing | ~1–2 / yr | Marginal; business travel already low against 6.00 $tCO_2e$ baseline |
| Customer delivery-consolidation incentive (reduced-cost pricing for 3-day vs next-day delivery) | Rollout from 2026, reviewed annually | Estimated 10–15% reduction in downstream transport emissions by 2028, subject to customer uptake | Reduced next-day volume allows route consolidation, cutting trips per item delivered |
| Targeted commuting engagement for long-distance commuters (car-share, public transport, EV incentives) | From 2026, reviewed annually | ~3–5 / yr | Addresses the identified concentration of mileage among a small number of long-distance commuters |
| Commute distance considered in future recruitment/hybrid-eligibility decisions | Ongoing from 2026 | Not separately quantified — preventative measure | Reduces future growth in commuting intensity as workforce expands |
| Verified carbon offsetting (residual emissions only) | From 2028, reviewed annually | Variable — applied only to unavoidable residual emissions after all above measures | See offsetting policy below |
| Cycle to Work scheme uptake | Introduced 2026, ongoing | ~0.7–0.8 (current uptake); expected to grow with further participation | Estimated commute-distance reduction for enrolled employees, based on postcode-level distance and standard car emissions factor |

| | | | |
|---|---|---|---|
| Deployment of smaller, more fuel-efficient vans on longer-distance routes (2 vans) | Q4 2026 | Not yet quantified — pending post-deployment fuel data | Reduced fuel consumption per mile vs. the vehicles currently used on these routes |

**Offsetting Policy**

Carbon offsetting will be used only as a last resort, applied exclusively to genuinely residual emissions that cannot be eliminated through operational or technological improvements. Offsetting is not a substitute for the reduction measures set out in this Plan and will not be counted toward the interim or final targets above except where residual emissions remain after all feasible reduction measures have been implemented. Where used, offsets will be sourced from verified, accredited schemes (e.g. Gold Standard, Verra, or the UK Woodland Carbon Code), and disclosed separately from gross emissions reductions in annual reporting.

We will continue to review emerging low-carbon technologies and operational practices to identify further opportunities to reduce Scope 1, Scope 2 and Scope 3 emissions, and will continue to refine our emissions data and methodology, including validation of transport distances and adoption of the latest published UK Government emission conversion factors, as part of our annual review cycle.

**Methodology and Reporting Boundary**

This Plan reports Scope 1, Scope 2, and the five Scope 3 categories required as a minimum under PPN 06/21: Upstream transportation and distribution, Waste generated in operations, Downstream transportation and distribution, Business travel, and Employee commuting.

Scope 2 emissions are calculated on a location-based methodology, using grid-average emission factors published by the UK Government for the relevant reporting year.

Scope 3 transport and waste figures are calculated using a distance and weight-based methodology, drawing on company purchasing, delivery, and waste transfer data, consistent with GHG Protocol Scope 3 guidance. Business travel and employee commuting emissions are calculated from recorded and estimated mileage data using standard vehicle emissions factors. Where precise routing or vehicle data was not available, reasonable estimates have been applied, and emissions factors are reviewed and updated as part of our annual reporting cycle.

Emissions have been calculated using the latest published UK Government GHG Conversion Factors for Company Reporting, applied via the Circular Ecology calculation template and methodology. Conversion factors are reviewed and updated annually to reflect the most recently published UK Government dataset at the time of reporting.

This Plan is reviewed and updated annually to reflect improved data quality, the latest published emission conversion factors, and progress against our reduction targets.

**Declaration and Sign Off**

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 (Taking account of Carbon Reduction Plans in the procurement of major government contracts) and its associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Protocol Corporate Accounting and Reporting Standard and use the appropriate UK Government emission conversion factors for greenhouse gas company reporting.

Scope 1 and Scope 2 emissions have been reported in accordance with Streamlined Energy and Carbon Reporting (SECR) requirements, and the required subset of Scope 3 emissions (upstream transportation and distribution, waste generated in operations, downstream transportation and distribution, business travel, and employee commuting) have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Protocol Corporate Value Chain (Scope 3) Standard.

This Carbon Reduction Plan has been reviewed and approved by the Board of Directors (or equivalent management body) of AUK Supplies Ltd and is signed below by a company director on that basis.

**Matt Besley**
**Director**
30/07/2026