INTEGRATED MANAGEMENT SYSTEM

Conforming to:

Quality Standard BS EN ISO 9001:2015
Environmental Standard BS EN ISO 14001:2015
Health and Safety Standard BS ISO 45001:2018
Business Continuity Standard BS ISO 22301:2019

Carbon Reduction Plan 2026

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1. Commitment to achieving Net Zero

ITS Technology Group Ltd is committed to achieving Net Zero emissions by 2040.

2. Baseline Emissions Footprint

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

Baseline Year	2023

Additional Details relating to the Baseline Emissions calculations.

ITS Technology Group (ITS) has been growing at an extraordinary pace over the last few years; appreciating its rapid success and understanding its position in the market, the company has recently undertaken the responsibility of measuring and reducing its carbon footprint; in 2022, the company's tCO_2e data was captured and a baseline established, using this figure a carbon reduction strategy is being developed to meet our target. We have since re-baselined to 2023 to ensure our reductions measurements are compared to a year with a more accurate methodology of carbon reporting.

As an organisation, ITS understands that we are responsible for working in a way that considers our impact on the environment and that controlling and reducing any negative impact is key; Hence, why we are not only on board with the government's target of reaching carbon net zero by 2050, but we believe that this can be achieved earlier. To achieve this, ITS has implemented an efficient method of obtaining and tracking our carbon footprint, enabling the company to understand its current position and establish targets for reduction.

ITS has invested in the resources to manage and track its carbon footprint data; this is done using the government's guidance for conversion factors in order to quantify all of our output sources. For example, all energy consumption is recorded in kWh on our master document, which calculates our tCO_2e. The company has also implemented an Environmental Management System (ISO14001), which reflects our objectives; this system is maintained by our SHEQ department and audited externally every year; the system's goal is to remain compliant and always seek continuous improvement.

In some areas of the business, obtaining an exact output figure is impossible due to a lack of premisses control or vast differences in vehicle types. Where this is applicable, a proxy or an average will be used to work out the overall emission. For example, ITS has different offices around the country; some of these offices are located in shared buildings in which electricity, waste, and gas are all maintained and charged through the landlord; in this example, the main HQ office will be used as a proxy in order to calculate emission per m^3. Another example is expensed vehicle miles, which ITS employees will submit when using their own vehicles to attend site visits or meetings; each vehicle's fuel type and engine size will emit a different amount of CO_2. To calculate this, the total expenses related to business miles are divided by the average mile rate, resulting in a total estimated figure for business miles.

For a more detailed overview of our carbon reduction and sustainability measures, please refer to our annual ESG Report.

Baseline Year Emissions (2023)	
Emissions	**Total(tCO_2e)**
Scope 1	67.9
Scope 2	97.1
Scope 3 Subset (Included Sources)	• Upstream Transportation and Distribution 18049.5 • Waste Generated in Operations 270.2 • Business Travel 134.3 • Employee Commuting 252.9 • Downstream Transportation and Distribution 46.2
Total Emissions	18,753.14 tCO2e (99.15% of total)

3. Current Emissions Reporting

Reporting Year: 2025	
Emissions	**Total(tCO_2e)**
Scope 1	64.0
Scope 2	78.4
Scope 3 **(Included Sources)**	• **Purchased Goods as Services** 10857.4 • **Upstream Transportation and Distribution** 0.9 • **Waste Generated in Operations** 165.9

	• **Business Travel** 309.2 • **Employee Commuting** 252.9 • **Downstream Transportation and Distribution** 0.0
Total Scope 3 Emissions	**11,334.0 tCO2e (99.15% of total)**

Based on the 2025 carbon footprint data collated by ITS during 2026 using specialist environmental consultation with Planet Mark. The previous reporting year's Scope 3 data was used due to a lack of accuracy available for Scope 3 in 2025 as our reporting methods are being developed. The total emissions amount to **11,334.0 tCO_2e** (market-based). Scope 3 emissions dominate the profile, with significant contributions from **purchased goods and services and capital goods activities**. Below is a reduction plan targeting these sources:

a. Purchased Goods and Services and Capital Goods

• **Emissions:** 10857.4 tCO_2e

Purchased Goods and Services Strategies:

1. **Sustainable Procurement Policies:**

• Work with suppliers who adhere to carbon-neutral or low-carbon production methods.

• Use certified sustainable materials.

2. **Supplier Engagement:**

• Set reduction targets for top suppliers contributing the highest emissions.

3. **Process Optimisation:**

• Reduce waste in production and supply chain logistics.

Capital Goods Strategies:

1. Use recycled or reused materials in construction and manufacturing.

2. Shift to low-carbon or modular construction techniques.

3. Minimise capital expenditures through effective asset management.

4. Emissions Reduction Targets

In order to continue our progress to achieving Net Zero, we have adopted the carbon reduction targets outlined in our Net Zero Strategy.

Key Objectives

1. **Achieve Net Zero Emissions**:

• Target a 90% reduction in absolute emissions by 2040, in line with Science-Based Targets initiative (SBTi) requirements.

• Address Scope 1, Scope 2, and Scope 3 emissions, focusing heavily on supply chain (Scope 3), which accounts for ~99% of total emissions.

2. **Establish a Decarbonisation Framework**:

• Implement a structured action plan encompassing data improvement, emissions reduction, renewable energy use, and offsets for residual emissions.

3. **Improve Supply Chain Sustainability**:

• Engage suppliers to measure and reduce their emissions.

• Introduce sustainable procurement policies and set minimum supplier standards by 2028.

4. **Operational Emissions Reduction**:

• Electrify 100% of the vehicle fleet by 2034.

• Transition to 100% renewable electricity and explore on-site renewable energy generation.

5. **Enhance Data Collection and Transparency**:

• Collect higher-quality data on GHG emissions, including detailed tracking of supply chain impacts.

• Disclose progress under frameworks like Science-Based Targets.

6. **Stakeholder Engagement and Biodiversity**:

• Continue to align corporate actions with UN Sustainable Development Goals (SDGs).

• Explore biodiversity initiatives, including rewilding and nature-based carbon offsets.

Immediate and Long-Term Actions

1. **Short Term (by 2025-2030)**:

• Implement energy efficiency measures at the Daresbury site, including rooftop solar PV.

• Engage with key suppliers for carbon data and develop a sustainable procurement policy.

• Set and disclose headline net zero targets.

2. **Medium Term (by 2032)**:

• Achieve a 50% reduction in Scope 3 emissions through supplier engagement.

• Maintain momentum in fleet electrification and sustainable procurement.

3. **Long Term (by 2040)**:

• Attain Net Zero status by offsetting residual emissions after achieving a 90% absolute reduction.

Challenges and Recommendations

1. **Scope 3 Emissions Dominance**:

• Procurement of goods and services accounts for 95% of total emissions. Focused supplier engagement and targeted interventions are essential.

2. **Data Limitations**:

• Current reliance on expenditure-based emissions estimates requires significant improvements in data granularity.

3. **Cost Implications**:

• Offset costs projected at ~£90,000 annually from 2040.

4. **Innovation in Decarbonisation**:

• Leverage existing initiatives like EV adoption, low-GWP refrigerants, and waste circularity while investing in innovative solutions.

Strategic Advantages

• Builds resilience against future regulations and carbon pricing.

• Enhances brand reputation and market positioning.

• Improves cost efficiencies through energy savings and operational optimisation.

This strategy reflects ITS Technology Group's alignment with global climate goals and positions the company as a leader in corporate sustainability within its sector.

5. Carbon Reduction Projects

5.1. Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2023 baseline. The carbon emission reduction in 2023 is estimated to achieve a reduction of 39.6%. This is likely due to the significant decrease in direct construction completed between reporting years. The same projects and measures will

remain in effect when operating normally, with additional carbon offsetting schemes likely to be introduced.

The following projects or measures have been completed:

- Environmental Policy outlining our commitment to minimise the negative environmental impact of our activities.
- Introduction of a carbon emissions calculator within our ISO14001 management system.
- Continue to monitor and analyse the company's tCO_2e emissions.
- Issue bulletins and training around energy conservation.
- Continue to ensure resources to maintain the ISO 14001 certification and to achieve it's intended outcome of continuous improvement.
    - Set and achieve environmental objectives.
- Light controls within the office are on timers and work from motion sensors.
- Moved office premises, which a reduction in energy and gas consumption was a contributing factor for the decision making.
- Electric charging stations are available at the new office location.
- 100% Renewable Energy usage within the Head office.
- Zero Waste to landfill from Head Office.
- Offsetting of business travel and hotel stays booked through Travel Perk system.
- Promote Cycle to Work Scheme.

5.2. Carbon reduction initiatives

The following environmental management measures and projects will be completed during 2023-2027, including:

- We will share our commitments through our wider Corporate Social Responsibility statement on our website.
- Continue to improve the tCO_2e data capture and identify opportunities to reduce emissions through data analyses.
- Launch a hybrid approach to working for 60% of our staff, which supports homeworking and brings a reduction in the amount of carbon generated through employee commuting.
- Facilitate the recycling and reuse of waste with separate waste streams.
- Advocate for the use of green energy suppliers in buildings in which we are a tenant.
- Support colleagues through a cycle to work scheme, with salary sacrifice available to support the purchase of a bicycle and provide office facilities for bike storage and showers.
- Support colleagues through an electrical vehicle scheme, with salary sacrifice available to support the purchase of an electric vehicle and provided facilities at offices for free vehicle charging.
- Offset all business travel emissions.
- Provide environmental training for all staff members, particularly concerning carbon reduction.

- Introduce a carbon reduction procedure and implement it within the business.
- Introduction of an expense policy to facilitate the usage of trains or other means of public transport, intending to reimburse employees upfront.
- Use renewable energy for as much of our fibre network as is feasible.
- Introduction of electric vehicles in the company fleet.

5.3. Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 006 and 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 Reporting Protocol corporate standard[1] and uses the appropriate Government emission conversion factors for greenhouse gas company reporting[2].

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements (where required), and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard[3].

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Signed on behalf of ITS

Name: Michael C Jones
Position: Head of SHEQ
Date: 02/11/2026

[1] https://ghgprotocol.org/corporate-standard
[2] https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting
[3] https://ghgprotocol.org/standards/scope-3-standard

Revision Sheet

DATE	PAGE	REVISION NUMBER	*REVISION DETAILS*	APPROVED BY
02/01/2023	All	1	First Issue 2023	Michael C Jones
05/04/2023	All	1.1	Updated plan and figures	Michael C Jones
20/01/2025	All	1.2	Updated plan and figures	Michael C Jones
10/06/2026	All	1.3	Updated plan and figures	Michael C Jones
20/07/2026	All	1.4	Corrected figures	Michael C Jones
02/11/2026	All	1.5	Updated to align with PPN 006	Michael C Jones