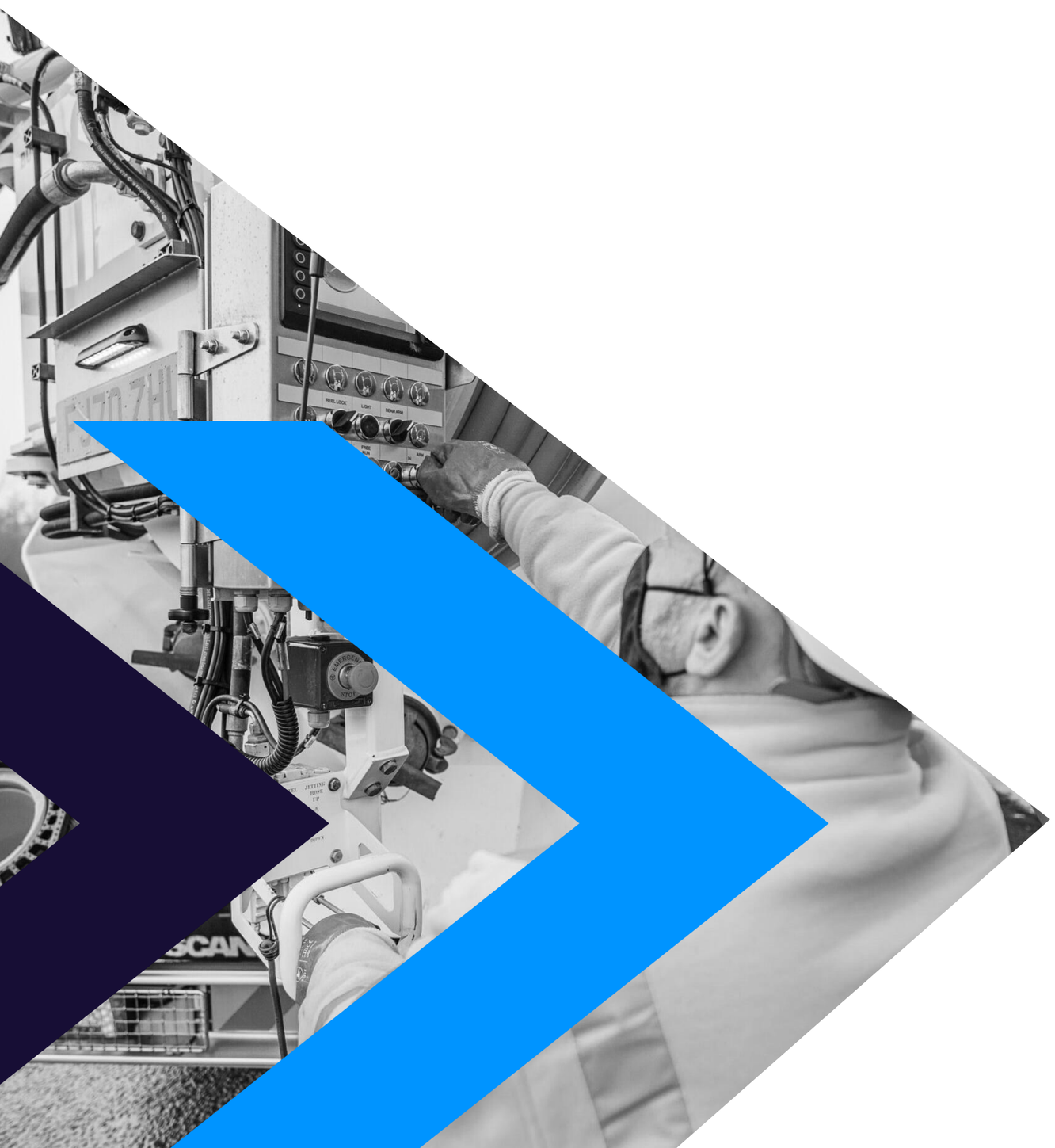

2025 Carbon Reduction Plan

PPN006 aligned

Your specialist engineering services provider

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Our Net Zero ambition

Ipsum is committed to achieving Net Zero greenhouse gas emissions for our UK operations by 2050 at the latest, in line with the UK Government's target and the requirements of PPN 006. We have signed the Science Based Targets initiative (SBTi) commitment letter and are in the process of developing near-term and long-term targets for validation, aligned with a 1.5°C pathway.

Reducing our emissions is a core component of our business strategy. Not only is it the right thing to do; it also presents opportunity, can reduce risk and is increasingly expected by our clients and investors. You can read more about our strategic approach and progress to date in our 2024 Impact Report.

This Carbon Reduction Plan explains our current footprint and the actions we intend to take, and are taking, to reduce emissions over time.

Baseline emissions footprint

The 'baseline' is our emissions footprint prior to making efforts to reduce them. It is the reference point that enables us to track the effectiveness of our decarbonisation actions.

Ipsum is a rapidly growing business. In 2025 alone we have made six acquisitions, and our emissions profile continues to evolve. For the purposes of the SBTi process, we therefore expect to select 2025 as our formal baseline year once the calculations for the enlarged Group have been performed. As those figures are not yet available, the contents of this Plan are based on our 2024 emissions data, which we have used to size and test the impact of different decarbonisation levers.

For Scope 1 and 2, our most material emissions source is fuel used in our operational vehicles. As a specialist engineering contractor, we operate a large fleet of around 500 vans and specialist HGVs to support clients across the UK. Tackling this emissions source is therefore a core focus of this Plan.

You can see our 2024 emissions data on the next page. We will update this Plan to include the confirmed 2025 baseline once it is available.

2024 emissions methodology

We have calculated our 2024 greenhouse gas emissions in line with the GHG Protocol Corporate Standard, covering our UK operations under operational control and using UK Government conversion factors. Scope 2 emissions are reported on a location-based basis in this Plan.

For Scope 3, categories 1, 2, 4, 5 and 6 are estimated using a spend-based methodology applied to finance data. Category 3 (fuel and energy related activities) is calculated using activity-based methods derived from Scope 1 and 2 data, and category 7 (employee commuting) is estimated using staff survey data, in line with GHG Protocol guidance.

We use a third-party carbon accounting platform to collate, check and calculate our emissions. This provides a single, consistent dataset which is fully auditable – giving assurance that appropriate emission factors are applied.

Our emissions

The table below summarises our greenhouse gas emissions for the 2024 reporting year, expressed in tonnes of carbon dioxide equivalent (t CO_2e). Scope 3 categories 8 – 15 are not applicable to our business.

Emissions Category	**2024 Total (tCO_2e)**
Scope 1	4,717
Scope 2 - location based	131
Scope 3	38,369
Scope 3 breakdown:	
1 - Purchased Goods and Services	33,937
2 - Capital Goods	1,677
3 - Fuel & Energy Related Activities	1,193
4 - Upstream Transport & Distribution	70
5 - Waste Generated in Operations	158
6 - Business Travel	1,109
7 - Employee Commuting	225
Scope 1, 2 and 3 total	**43,217**

Emissions reduction targets

We are in the process of developing near and long-term greenhouse gas reduction targets for our UK operations aligned with the SBTi requirements.

The SBTi have released v2.0 of the corporate standard, which is currently going through consultation. This offers alternative target-setting methods and criteria. The exact form our targets take will therefore be defined in 2026 once this standard is finalised.

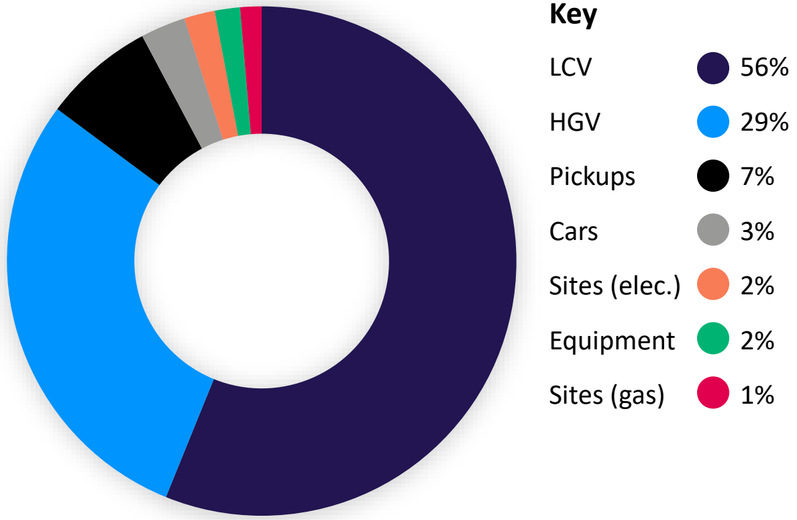
The internal modelling we have carried out so far has been based on achieving substantial (at least 42%) Scope 1 and 2 emissions reductions by 2030. We are committed to making significant near-term emission reductions and will update our pathway once our targets are validated by the SBTi.

We do not currently directly purchase any offsets, focusing instead on reducing emissions through efficiency and low carbon alternatives.

Emissions sources

The chart below shows the breakdown of our 2024 Scope 1 and 2 emissions across our operational vehicles (vans, pickups and HGVs), company cars and buildings (gas and electricity). This informs where we will focus our efforts.

You can see our proposed interventions, and the impact they will have, on the pages that follow.



Progress to date

The following emissions reduction initiatives have been implemented.

- In 2023, we moved to a 100% plug-in Hybrid (PHEV) or electric vehicle (EV) company car fleet. 49% of company cars are now EVs.
- We have upgraded most of our property portfolio to LED lighting, with PIR controls in place at many sites, reducing electricity consumption in our offices and depots.
- In 2025, we rolled out enhanced telematics with driver feedback across our operational vehicle fleet. This enables proactive and reactive intervention with drivers to improve driving efficiency.
- We have introduced an EV salary sacrifice scheme for eligible employees, which is helping to accelerate the shift to EVs beyond our core company car fleet.

Reduction initiatives

We have explored a range of different interventions across four different categories to reduce our scope 1 and 2 emissions. On the next page, you can see the modelled impact of these initiatives.

We continue to build our understanding of our scope 3 emissions profile. While this is not yet matured to the level to enable specific interventions to be defined, we do understand the priority emissions sources. We therefore anticipate activities to include: engaging with top tier suppliers in purchased goods and services, moving to less emissions intense waste processing and selecting lower emission alternatives in key areas (like non-diesel-powered generators). We will define emission reduction activities against scope 3 in a future update.

Electrification

This involves replacing the burning of a fossil fuel with an electrically powered alternative. This is our preferred intervention where feasible.

We are pursuing the initiatives below.

- Moving to an “electric first” company car policy, allowing PHEV by exception.
- Introducing fully electric vans following a phased approach (see page 9 for more detail on our electrification pathway).
- Phasing out ICE (internal combustion engine) pickups through policy interventions mandating the vehicle is PHEV / EV.
- Installing EV charge points across our sites to support electrification.
- Replacing gas boilers with an electric alternative.
- Electrifying tools and equipment as battery-electric alternatives become viable.

Alternative fuels

Where electrification is not yet practical for heavier vehicles and specialist plant, lower-carbon fuels will support near-term reductions in our Scope 1 emissions. Sustainable hydrotreated vegetable oil (HVO) from verified waste cooking oil has up to a 90% lower lifecycle greenhouse gas intensity (GHG) than diesel and can be used in many existing diesel engines without modifications. We will use these fuels as a transition, where electrification is not feasible, while alternative technology develops.

We are pursuing the initiatives below.

- Introducing HVO fuelling facilities at Water depots to displace diesel in our HGV fleet.
- Exploring the use of HVO for suitable items of plant and equipment, subject to operational trials, cost and supply-chain constraints.

Efficiency

Initiatives in this area are focused on increasing the efficiency of how we use our existing vehicles, plant and buildings so we cut mileage, fuel and electricity use – getting more from less.

We are pursuing the initiatives below.

- Running green-driver training.
- Providing retrospective driver feedback utilising telematics data to improve driving standards.
- Applying speed-limiters to LCVs, restricting max speed to 65mph.
- Reviewing standard load-out and vehicle specs to reduce weight.
- Enhancing route planning to reduce mileage for each job.
- Upgrading lighting at depots and offices to LED and improving controls (timers, and sensors) to reduce electricity use.
- Optimising set-points for heating and cooling in buildings.

Renewables

Depots and offices are a smaller share of our Scope 1 and 2 emissions today, but they will become more important as we increase EV charging. This category involves the deployment of renewable energy production to reduce electricity demand, ensure clean energy consumption and, where possible, supply clean energy back to the grid.

We are pursuing the initiative below.

- Installing solar PV and, where relevant, battery storage, at suitable sites – prioritising locations with higher electricity use and EV charging demand.

S1&2 decarb pathway

We conducted modelling to understand the potential impact of each reduction initiative against our core scope 1 and 2 emissions sources. Within this modelling, we have assumed our emissions will be 2.4 times larger by 2030 (compared to 2024) with no intervention. This is due to our history of rapid expansion through acquisition which we expect to accelerate.

Set out opposite is a summary output of the modelling, showing the impact we expect to have on each source compared to both 2024 and our anticipated 2030 emissions incorporating growth. While this reflects our current delivery commitments, the actual impact on each source may vary due to uncertainty in how our emissions growth will materialise. The numbers defined should therefore be viewed as indicative and primarily used to understand the scale of impact expected against each source.

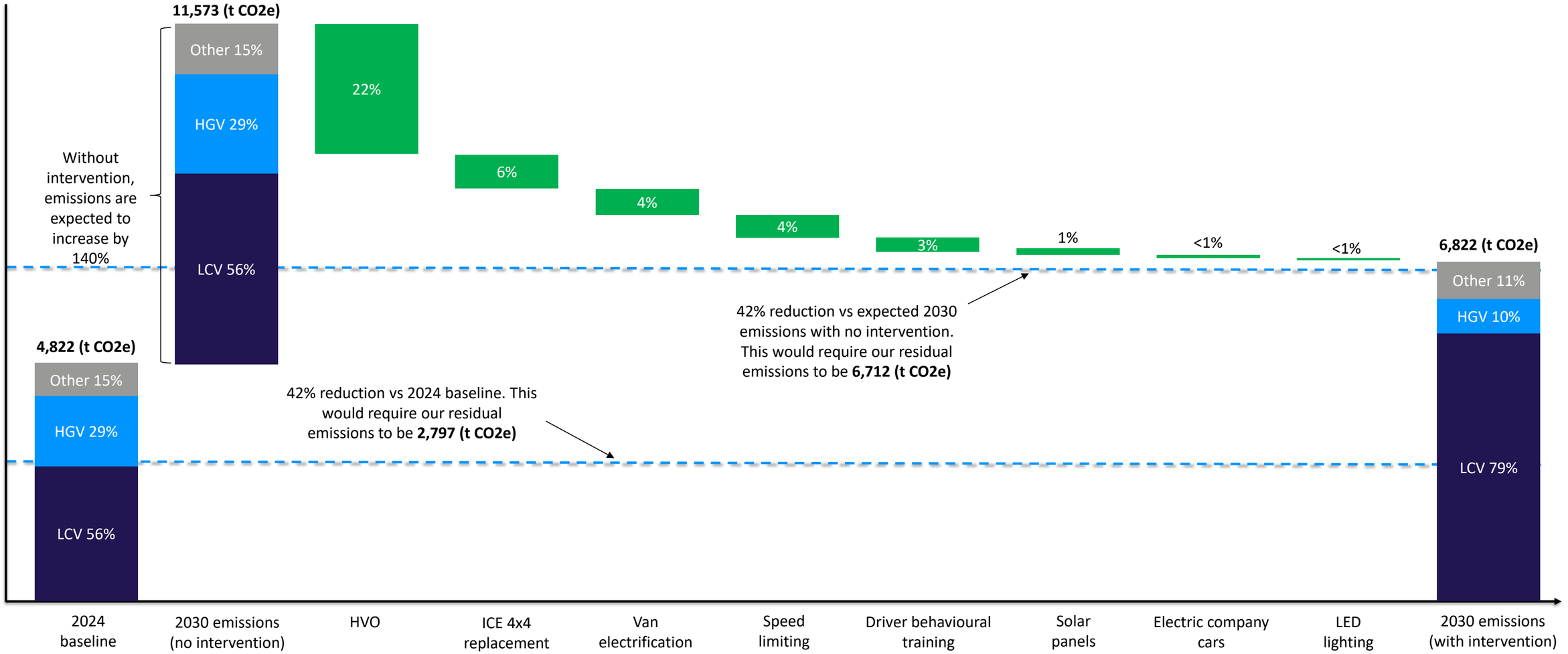
On the next page, we have visualised this pathway in the form of a decarbonisation waterfall.

	2024 baseline	2030 no Intervention	2030 with intervention	Reduction vs. 2024	Reduction vs. 2030 (no intervention)
LCV	**2,707** (t CO_2e)	**6,966** (t CO_2e)	**5,366** (t CO_2e)	+98%	-17%
HGV	**1,400** (t CO_2e)	**3,361** (t CO_2e)	**689** (t CO_2e)	-51%	-80%
Pickups	**340** (t CO_2e)	**817** (t CO_2e)	**136** (t CO_2e)	-60%	-83%
Cars*	**138** (t CO_2e)	**331** (t CO_2e)	**304** (t CO_2e)	+120%	-8%
Sites (elec.)	**94** (t CO_2e)	**226** (t CO_2e)	**114** (t CO_2e)	+121%	-50%
Equipment	**77** (t CO_2e)	**185** (t CO_2e)	**56** (t CO_2e)	-27%	-70%
Sites (gas.)	**65** (t CO_2e)	**157** (t CO_2e)	**157** (t CO_2e)	+140%	0%

*The limited reduction in company car emissions is due to a predicted substantive increase in cars (beyond the assumed 2.4 times growth) because of transitioning existing ICE pickups to EV company cars.

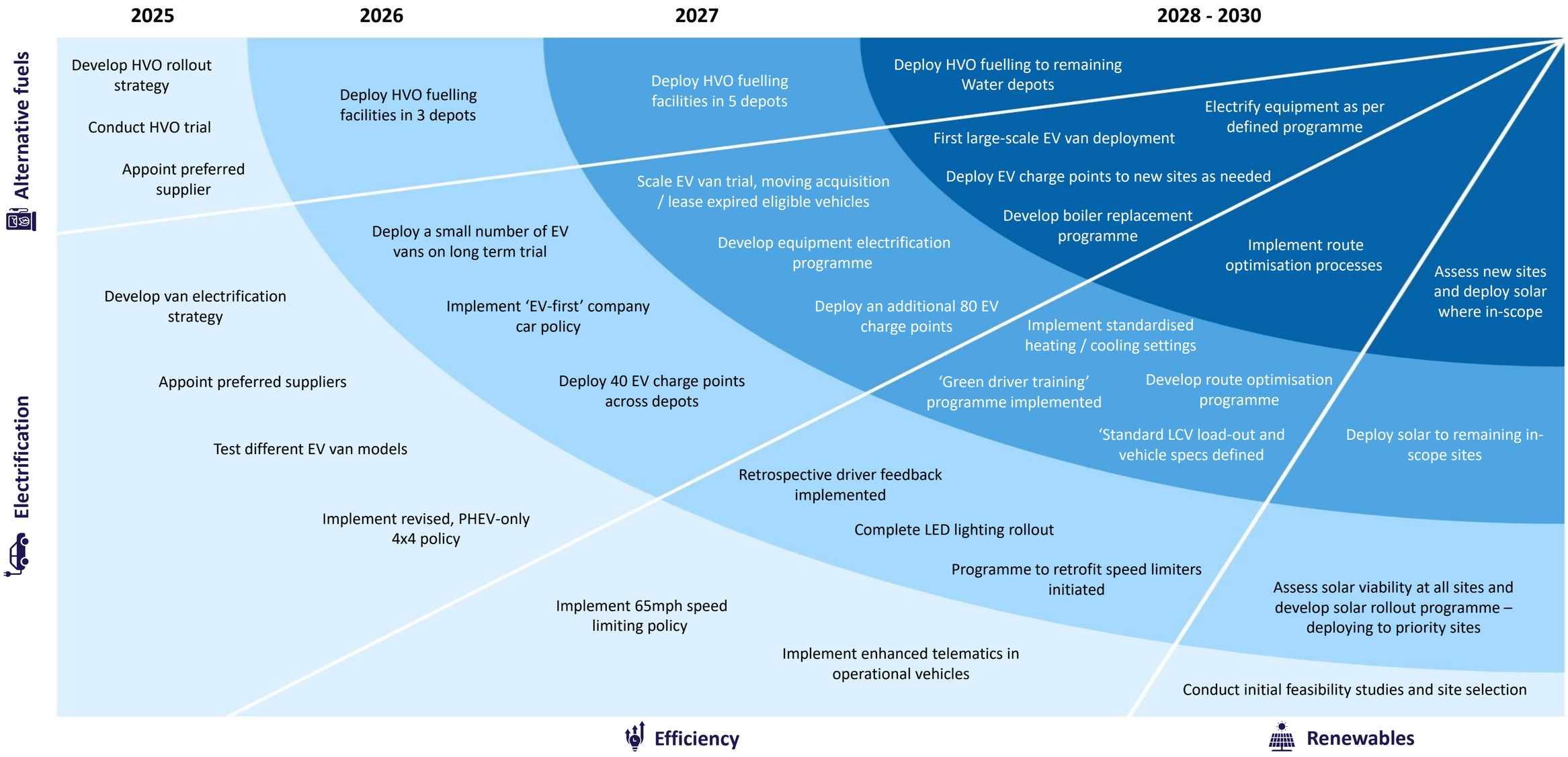
S1&2 decarb pathway

Our S1&2 decarb pathway is visualised in the waterfall chart below. This shows the expected impact (in terms of percentage reduction) of each intervention by 2030, compared to our expected 2030 emissions profile with no intervention. Introducing HVO is expected to have the greatest impact of the various initiatives explored and is critical to achieving our near-term targets.



Roadmap to 2030

Achieving the emissions reductions modelled on the previous page requires the delivery of several different interventions between now and 2030. The key components of these interventions are summarised below.



Exploring van electrification

Electrifying our van fleet is essential to achieving Net Zero, yet it presents a significant challenge for the business. These challenges are a combination of cognitive bias, fear of a new technology, and genuine operational concerns. The latter include:

- **Range:** electric vans have shorter single trip mileage capability than their ICE equivalents, with many models only achieving 150 miles or less in winter conditions.
- **Infrastructure:** while rapidly improving, the availability of public-charge points is varied with many ‘dead zones’ in places we operate. Additionally, the dwell time to charge is considerably more than traditional refuelling.
- **Home charging:** many colleagues take vans home but may not have a driveway and those that do may not want to park their work vehicle on it. Where home charging can be utilised, it introduces additional considerations – like reimbursement for electricity.

Overcoming these challenges required setting up an electrification working group. Through this, we have identified key solutions and established the necessary partnerships to implement them in practice.

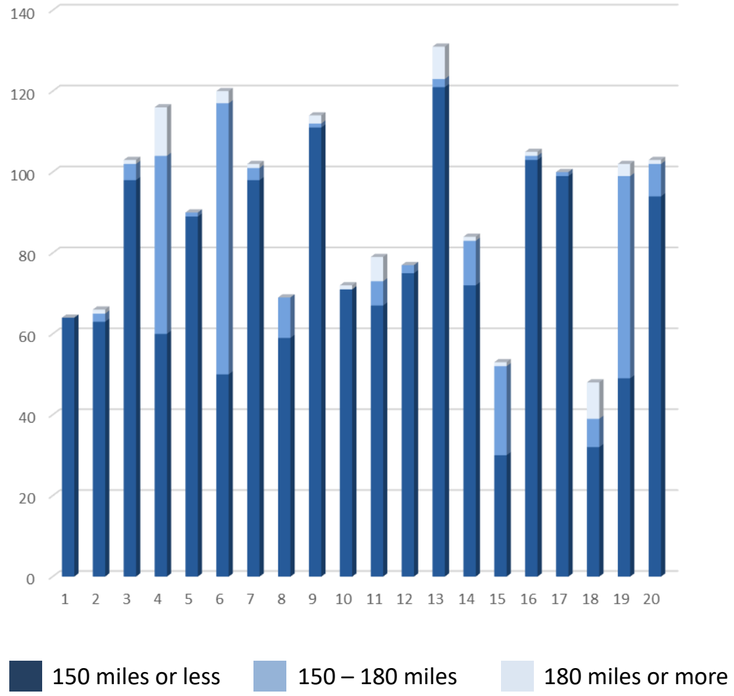
The most important aspect of this group’s work was to determine the extent to which range is a genuine constraint. To do this, we analysed 6-months of data from our telematics system to understand the daily driving patterns of each van. We identified that many of our vehicles could be eligible for electrification as their range profile was within tolerance of a predominantly home charging strategy.

Next steps

The output of the analysis identified several contracts where many of the vehicles could be electrified. We are using these as test beds for electrification. The key activities over the next two years are to:

- Conduct short-term trials of various electric vans to test real world range, including the running of ancillary equipment, and loading capacity.
- Deploy a small number of vans on long term lease. This will involve the identification of drivers willing to participate in the trial and who agree to have a charger installed at home.
- Utilise lessons learned from the trials to feed into more extensive analysis to select the first tranche of ICE vans which will be replaced (permanently) with an electric van at our refresh cycle in 2028.

The chart below provides a snapshot of the analysis we performed. For a sub-set of 20 vans, this shows the number of days over a 6-month period travelled at different distance thresholds.



Declaration

This Carbon Reduction Plan has been completed in accordance with Procurement Policy Note (PPN) 006 and the associated Technical Standard for Carbon Reduction Plans. Emissions have been reported and recorded in accordance with the published reporting standards for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard and uses the appropriate Government emissions conversion factors for Greenhouse Gas company reporting.

Scope 1 and 2 emissions have been reported in accordance with SECR requirements.

I confirm that Ipsum Utilities Ltd is committed to achieving Net Zero greenhouse gas emissions for our UK operations by 2050, and that the carbon reduction measures set out in this Plan will be delivered during the performance of in-scope contracts.

This Carbon Reduction Plan has been reviewed and approved by the board of directors.

Signed on behalf of Ipsum Utilities Limited:

Andrew Cowan
Chief Executive Officer

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