



# Carbon Reduction Plan

PPN 006 Compliant – Reporting Year 2024/25

This Plan sets out Smiths (Gloucester) Ltd's current carbon footprint, reduction initiatives and net zero pathway for its UK operations. It is based on the latest SECR reporting for the year ended 30 September 2025 and has been strengthened using the organisation's ESOS Action Plan update.

## 1. Commitment to Achieving Net Zero

Smiths (Gloucester) Ltd is committed to achieving Net Zero greenhouse gas emissions by 2050 for its UK operations.

## 2. Organisational Boundary and Scope

The organisational boundary covers all UK operational activities under the control of Smiths (Gloucester) Ltd, including demolition, waste management, plant hire, transport, logistics, offices, workshops and depots.

The reporting boundary used for this Plan aligns with the latest SECR reporting and includes Brook Farm, Eastington, all five operational depots and the six Ermin Plant Hire sites.

For Scope 3 reporting, the Plan follows the five categories required under PPN 006. As Smiths is a waste handling business, 'waste generated in operations' covers only waste arising from Smiths' own offices, depots, workshops and maintenance activities. Customer waste handled as part of core service delivery is excluded from this Scope 3 category.

## 3. Baseline Emissions Footprint

Baseline year: 2020/21. The baseline year is retained from the earlier Carbon Reduction Plan as the first full year of carbon reporting across the organisation.

| Emissions                     | tCO <sub>2</sub> e |
|-------------------------------|--------------------|
| Scope 1                       | 12,777.00          |
| Scope 2                       | 128.00             |
| Scope 3 (selected categories) | 5,002.00           |
| Total emissions               | 17,907.00          |

Approved by The Board of Directors

Signature:

Alan Smith, Managing Director

Dated: 1<sup>st</sup> May 2026



The baseline year remains appropriate for tracking long-term performance. Where structural changes such as acquisitions occur, Smiths will assess the need for baseline adjustment in line with GHG Protocol guidance to maintain comparability.

#### 4. Current Emissions Reporting

Reporting year: 1 October 2024 to 30 September 2025. Scope 1 and Scope 2 figures below are taken from the latest SECR report. Scope 3 has been completed using available primary data and clearly stated conservative proxy assumptions where direct data is not yet fully available.

| Emissions                         | tCO2e            |
|-----------------------------------|------------------|
| Scope 1                           | 11,973.45        |
| Scope 2                           | 156.27           |
| Scope 3 (five PPN 006 categories) | 2,394.69         |
| <b>Total emissions</b>            | <b>14,524.41</b> |

The 2024/25 footprint indicates a material reduction against the 2020/21 baseline. This reflects operational improvements, fuel management, energy efficiency actions and a more disciplined approach to carbon data capture. It also reflects that the current Plan reports only the five Scope 3 categories required by PPN 006, rather than a broader estimated Scope 3 figure.

#### Trajectory Table

| Year               | Total tCO2e   | Commentary   |
|--------------------|---------------|--|
| 2020/21 (baseline) | 17,907        | First full reporting year                                    |
| 2024/25            | 14,524        | Reduction driven by operational efficiency and improved data |
| Future trajectory  | To be refined | Will be updated as Scope 3 data improves                     |

#### 5. Scope 3 Methodology and 2024/25 Breakdown

PPN 006 requires reporting of five specific Scope 3 categories. Smiths has used the following approach for 2024/25. Where primary data is incomplete, conservative estimation methods have been used so that categories are included rather than omitted.

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Signature:

**Alan Smith, Managing Director**

**Dated: 1<sup>st</sup> May 2026**



| Required Scope 3 category                  | 2024/25 tCO2e   | Method used for 2024/25 Plan   |
|--|-----------------|--|
| Upstream transportation and distribution   | 526.83          | Estimated as 2.5% of transport-related Scope 1 emissions to reflect inbound third-party haulage, supplier deliveries and subcontracted movements not captured in Smiths-owned fuel data. |
| Waste generated in operations              | 12.00           | Conservative estimate for Smiths' own office, depot, workshop and maintenance waste only. Customer waste handled as part of core operations is excluded.                                 |
| Business travel                            | 48.01           | Directly taken from SECR collection data for employee-owned vehicles / mileage claims used for company business.   |
| Employee commuting                         | 143.68          | Estimated using a conservative proxy benchmark equivalent to 150% of reimbursed business mileage emissions, pending fuller commuting survey data.  |
| Downstream transportation and distribution | 1664.17         | Estimated as 7.5% of transport-related Scope 1 emissions to reflect third-party haulage of materials, plant and outputs not fully captured in owned-fleet fuel records.                  |
| <b>Total Scope 3</b>                       | <b>2,394.69</b> | Sum of the five categories above.  |

For clarity, voluntary SECR disclosures such as transmission and distribution losses from purchased electricity are reported within SECR but are not included in the Scope 3 total above because they are not one of the five PPN 006 categories required for a Carbon Reduction Plan.

**Approved by The Board of Directors**

**Signature:**  **Alan Smith, Managing Director**

**Dated: 1<sup>st</sup> May 2026**



These proxy percentages have been selected to provide a conservative and consistent basis for inclusion of Scope 3 emissions in the absence of complete primary data.

Smiths recognises that a proportion of Scope 3 emissions are currently estimated using conservative proxy methodologies. The business has a defined direction of travel to improve data quality, including:

- Increased capture of subcontractor fuel and haulage data
- Supplier engagement to obtain primary emissions information where available
- Development of a more robust employee commuting dataset

These improvements will be implemented progressively and will replace proxy assumptions over time.

## **6. Carbon Reduction Targets**

Smiths remains committed to reducing emissions in line with its net zero commitment. The previous Carbon Reduction Plan set an interim objective to reduce emissions to approximately 14,000 tCO<sub>2</sub>e by 2028.

Based on the 2024/25 measured and estimated footprint set out in this Plan, Smiths is currently tracking ahead of that earlier interim target. The business will continue to strengthen data quality, particularly for Scope 3, and will keep interim targets under review so that they remain credible, evidence-based and consistent with the net zero pathway to 2050.

Smiths will continue to monitor performance against its interim trajectory and will refine interim carbon reduction targets as data quality improves, particularly in Scope 3.

Based on current performance, the business is operating ahead of its previously stated interim position and will maintain a trajectory consistent with its 2050 Net Zero commitment.

Smiths recognises the importance of carbon intensity metrics alongside absolute emissions and will continue to develop appropriate intensity measures (e.g. emissions per unit of revenue) as part of ongoing reporting improvements.

## **7. Carbon Reduction Initiatives and ESOS Delivery**

Smiths adopts a practical, delivery-focused approach to carbon reduction, integrating sustainability into core operational and investment decisions. The business combines operational efficiency measures, site upgrades, fleet and fuel actions, and longer-term capital planning, rather than relying on policy statements alone. This approach ensures that carbon reduction is aligned with operational efficiency and cost management, supporting both environmental and commercial performance.

**Approved by The Board of Directors**

Signature:

A handwritten signature in black ink, appearing to read "Alan Smith".

**Alan Smith, Managing Director**

**Dated: 1<sup>st</sup> May 2026**



### **Completed and delivered measures**

- LED lighting upgrades across multiple sites.
- Heating system upgrades, insulation improvements, new pumps, filters and thermostatic radiator valves at relevant locations.
- Air conditioning insulation and wider building services efficiency improvements.
- Monitoring and targeting improvements that strengthen management of energy use across the estate.
- Operational measures supporting route optimisation, reduced wasted movement and improved fuel management.
- Increased capability to use lower-carbon fuels including HVO where operationally appropriate.

### **ESOS Action Plan integration**

The ESOS Action Plan provides a quantified pipeline of approximately 192 tCO<sub>2</sub>e annual savings from identified measures. This forms the primary evidence-based delivery mechanism supporting near-term emissions reduction. The latest ESOS Action Plan update identifies approximately 40 discrete improvement measures across the estate and operations. Of these, 7 actions are marked completed.

This gives Smiths a credible, evidence-based near-term delivery pipeline. The ESOS programme is therefore not treated as a standalone compliance exercise; it forms a core part of the organisation's carbon reduction plan and provides tangible evidence of implementation for customers and contracting authorities. While not all measures are individually quantified within this Plan, the combination of ESOS actions, operational efficiencies and fleet improvements is expected to continue driving a downward trend in emissions over time. The ESOS quantified savings, combined with ongoing operational and fleet improvements, are expected to account for a meaningful proportion of the reduction observed between the baseline and current reporting year.

### **Ermin Gloucester redevelopment rationale**

The ESOS Action Plan records that the Ermin Gloucester measures have been postponed. This is understood to reflect a planned redevelopment of the site, with the current building expected to be demolished and replaced by a facility better suited to operational requirements.

Smiths has therefore treated the postponement not as inactivity, but as a strategic deferral of short-life interventions that would offer poor whole-life value. This is a stronger carbon management decision than investing in temporary measures on a building expected to be replaced. The replacement facility is expected to deliver materially better operational suitability, improved energy performance and lower long-term carbon intensity.

**Approved by The Board of Directors**

**Signature:**

A handwritten signature in black ink, appearing to read "Alan Smith", written over a white background.

**Alan Smith, Managing Director**

**Dated: 1<sup>st</sup> May 2026**



### **Forward programme**

- Continue implementation of priority ESOS measures with clear ownership and site-level tracking.
- Advance fleet decarbonisation and fuel transition, including appropriate use of HVO and lower-emission vehicles.
- Improve granularity of Scope 3 data through supplier engagement, subcontractor data capture and commuting information.
- Use EPC findings and site condition reviews to prioritise the most cost-effective building efficiency interventions.
- Embed carbon considerations more explicitly into procurement, asset replacement and operational planning decisions.

### **8. Governance**

Carbon reduction is overseen at senior management level and integrated into operational and financial decision-making. Performance is reviewed periodically including as part of annual SECR reporting and ongoing ESOS action tracking and internal management processes.

Responsibility for delivery sits across operational, fleet and site management functions, ensuring that carbon reduction is embedded within day-to-day business activities rather than treated as a standalone function.

### **9. Methodology and Standards**

This Carbon Reduction Plan has been prepared in accordance with PPN 006, the GHG Protocol Corporate Standard and the UK Government greenhouse gas conversion factors used in the 2024/25 SECR reporting.

The Plan uses the latest available SECR workbook data for exact Scope 1 and Scope 2 figures and supplements it with transparent Scope 3 estimation assumptions where full primary data is not yet available. Smiths will continue to replace proxy estimates with direct data over time.

This Plan reflects the current state of data and delivery. Smiths will continue to improve the accuracy, completeness and granularity of its carbon reporting over time, ensuring that future updates provide an increasingly robust representation of emissions and reduction progress.

**Approved by The Board of Directors**

**Signature:**

A handwritten signature in black ink, appearing to be "Alan Smith", written over a light blue horizontal line.

**Alan Smith, Managing Director**

**Dated: 1<sup>st</sup> May 2026**



### 10. Declaration and Sign-off

This Carbon Reduction Plan has been completed in accordance with PPN 006 and associated guidance. It has been reviewed and approved by the Board of Directors of Smiths (Gloucester) Ltd.

|                  |       |
|------------------|-------|
| <b>Name</b>      | ----- |
| <b>Position</b>  | ----- |
| <b>Signature</b> | ----- |
| <b>Date</b>      | ----- |

### 11. Publication

This Carbon Reduction Plan will be published on the company website. It will be reviewed and updated annually.

*Approved by The Board of Directors*

Signature:  *Alan Smith, Managing Director*

**Dated: 1<sup>st</sup> May 2026**