Carbon Reduction Plan Annex

SBTi-Aligned Climate Transition Plan (2020/21–2040)

Last Updated 11/06/2026

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Version Control

Date	Version Number	Updated By	Reason for Change
30/04/2025	1	Andrew Young	First issue as standalone document
11/06/2026	2	Andrew Young	Scope 3 rebaselined and targets amended

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Purpose & Scope

This annex sets out APS Group's climate transition plan in accordance with the Science Based Targets initiative (SBTi) Corporate Net-Zero Standard. It describes how APS Group will achieve its approved absolute emissions reduction targets across Scope 1, Scope 2 and Scope 3, culminating in net-zero greenhouse gas (GHG) emissions by 2040.

The transition plan prioritises real-world emissions reductions through operational decarbonisation, energy efficiency, renewable energy generation, and supply-chain engagement. Neutralisation through carbon removals is limited to residual emissions only, in line with SBTi requirements.

Target Boundary & Baselines

Organisational Boundary

The transition plan covers all activities within APS Group's organisational boundary using a GHG Protocol operational control approach, consistent with financial and operational decision-making responsibilities.

Baselines (Years & Emissions)

Scope	Baseline year	Baseline emissions (tCO_2e)	Share of total
Scope 1	2020/21	529	≈1%
Scope 2 (location-based)	2020/21	1,369	≈4%
Scope 3	2025/26	37,034	≈95%

Baseline selection reflects data completeness, control and methodological maturity. Baseline years and baseline emissions are summarised in the table above.

Scope 3 emissions account for over 90% of total emissions, indicating that supply-chain decarbonisation is the critical pathway to net zero. This is driven primarily by:

- Purchased goods & services
- Downstream transportation & distribution
- Business travel and employee commuting
- Ad hoc impacts through varying capital investments in manufacturing operations

While Scope 3 dominates the emissions profile, Scope 1 and Scope 2 emissions remain highly material to APS Group's core print operations. Print activities involve comparatively limited raw-material inputs beyond paper and downstream distribution, meaning that direct energy use and fuel consumption play a disproportionate role in operational performance. Reducing Scope 1 and 2 emissions therefore directly supports cost control, waste minimisation, energy efficiency and lean production practices, all of which are critical to competitiveness in the print market and to meeting client expectations around efficiency, quality and sustainability.

Rebaselining

Rebaselining ensures that the emissions baseline used in the transition plan remains a fair and consistent reference point for measuring decarbonisation progress over time. As the business evolves and data quality improves, recalculating the baseline prevents structural or methodological changes from distorting performance against targets, ensuring that reported reductions reflect genuine emissions improvements.

Rebaselining is undertaken only where changes are material, such as acquisitions or divestments, significant shifts in organisational or operational boundaries, updates to calculation methodologies, or the identification of material data improvements or errors. It is not applied to normal business growth or routine fluctuations, but is used selectively to preserve the integrity and credibility of transition plan reporting.

Scope 1 and 2 emissions were baselined in 2020/21. Despite business growth, particularly in manufacturing activity, these baselines remain representative and continue to provide a robust basis for tracking performance.

Scope 3 emissions have been rebaselined at 37,034 tCO_2e, reflecting improved data coverage and expanded category inclusion. This represents approximately 95% of total emissions and reinforces that supply chain decarbonisation remains the critical pathway to Net Zero.

The updated category profile is as follows:

Category	**Emissions (tCO_2e)**	**Share (approx.)**
Purchased Goods & Services / Upstream T&D*	30,480	≈82%
Capital Goods	2,549	~7%
Downstream T&D	3,085	~8%
Business Travel	365	~1%
Employee Commuting	503	~1%
Waste in Operations	14	<1%
End-of-Life Treatment	39	<1%
Other categories	0	<1%

*Upstream transportation and distribution emissions are reported within Category 1 due to data aggregation and alignment with procurement reporting structures.

This revised baseline materially shifts the emissions profile, with an increased concentration in Category 1 (Purchased Goods & Services and upstream logistics) and a comparatively lower share from downstream logistics than previously estimated.

Science-Based Targets

We have adopted the following absolute emissions reduction targets, aligned with the SBTi Corporate Net-Zero Standard.

Scope 1 & 2

Scope	Reduction	Baseline	Target year
Scope 1	50% absolute	2020/21	2030
Scope 1	90% absolute	2020/21	2035
Scope 2 (location-based)	50% absolute	2020/21	2030
Scope 2 (location-based)	90% absolute	2020/21	2035

Scope 3

Scope	Reduction	Baseline	Target year
Scope 3	25% absolute	2025/26	2030
Scope 3	50% absolute	2025/26	2035
Scope 3	90% absolute	2025/26	2040

Targets as Emissions & Savings (tCO_2e)

Scope	Target year	Target reduction	Target emissions (tCO_2e)	Absolute saving vs baseline (tCO_2e)
Scope 1	2030	50%	≈265	≈264
	2035	90%	≈53	≈476
Scope 2 (location-based)	2030	50%	≈685	≈684
	2035	90%	≈137	≈1,232
Scope 3	2030	25%	**≈27,776**	**≈9,258**
	2035	50%	**≈18,517**	**≈18,517**
	2040	90%	**≈3,703**	**≈33,331**

Net-Zero Target

We've committed to achieving net-zero GHG emissions across Scopes 1, 2 and 3 by 2040.

Year	Scope 1 (tCO_2e)	Scope 2 (tCO_2e)	Scope 3 (tCO_2e)	Total (tCO_2e)	Total saving vs baseline
Baseline	529	1,369	37,034	≈38,932	—
2030 target	≈265 (50%)	≈685 (50%)	≈27,776 (25%)	≈28,726	≈10,206 (≈26%)
2035 target	≈53 (90%)	≈137 (90%)	≈18,517 (50%)	≈18,707	≈20,225 (≈52%)
2040 target	Residual (≤10%)	Residual (≤10%)	≈3,703 (90%)	Net zero	≈35,229 (≈90%)

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Transition Risks, Dependencies & Assumptions

The delivery of this transition plan is subject to a number of external and internal dependencies which are actively managed.

Key Transition Risks

- **Technology readiness:** Availability and suitability of low-carbon heat technologies for specific operational settings.
- **Supplier engagement risk:** Pace of emissions reduction among key supply-chain partners may vary.
- **Energy system dependency:** Ongoing decarbonisation of the UK electricity grid underpins residual Scope 2 reductions.
- **Data quality maturity:** Scope 3 emissions reductions are sensitive to improvements in supplier data accuracy over time.

Mitigation Actions

- Phased implementation aligned to technology replacement cycles.
- Formal supplier engagement and disclosure requirements for high-impact suppliers.
- Conservative planning assumptions to avoid over-reliance on external decarbonisation trends.
- Annual recalibration of Scope 3 estimates as primary data coverage improves.

Capital Allocation & Strategic Alignment

Our capital investment and procurement decisions are aligned with delivery of this transition plan. Low-carbon outcomes are considered in:

- Asset replacement and refurbishment decisions
- Energy infrastructure investments (including on-site renewables)
- Fleet replacement cycles
- Supplier selection and review

Capital is prioritised towards measures that deliver permanent emissions reductions, operational resilience and long-term cost efficiency, ensuring consistency between financial planning and climate commitments.

Scope 1 Transition Pathway

Emissions Profile

Scope 1 emissions are primarily driven by:

Source	Percentage (%)	Emissions (tCO_2e)	Notes
Natural gas combustion	82%	433	Primary contributor
Fleet fuel consumption	18%	97	Secondary contributor
Fugitive refrigerant emissions	Negligible	—	De minimis

Decarbonisation Measures

a. Heat and fuel demand reduction (2025–2035)

- Progressive reduction in gas demand through enhanced building controls, insulation, heat recovery and process optimisation.
- Phased electrification of heat via air-source heat pumps at asset end-of-life where technically feasible.

b. Fleet decarbonisation (2025–2032)

- Transition of company-owned vehicles to battery-electric or ultra-low-emission vehicles.
- Route optimisation and efficiency measures embedded into fleet policy.

Expected Outcome

- ≥50% absolute Scope 1 reduction by 2030 (from 529 to ≈265 tCO_2e; ≈264 tCO_2e saved)
- ≥90% absolute Scope 1 reduction by 2035 (from 529 to ≈53 tCO_2e; ≈476 tCO_2e saved)

Scope 1 savings: reduced natural gas use (building controls, insulation, heat recovery and process optimisation) and fleet fuel reduction via electrification and route optimisation.

Scope 2 Transition Pathway (Location-Based)

Strategic Approach

We will prioritise absolute electricity demand reduction and on-site renewable generation ahead of market-based instruments. However, inline with the commitments of SBTi, we have committed to procuring 100% renewable electricity by 2030.

Key Interventions

Chetham House – solar photovoltaic generation

- Expansion and optimisation of on-site solar PV delivering an estimated 21% annual reduction in grid demand/electricity-related emissions at this site.

Preston Brook – sub-metering and ongoing efficiency improvements

- Installation of sub-metering and targeted efficiency measures delivering approximately 20% electricity savings (equivalent to ~40–60 tCO_2e per year based on recent consumption), supported by operational actions (load management, peak avoidance).

Grid decarbonisation leverage

- UK grid emissions factors continue to decline, compounding physical reductions already achieved.

Scope 2 lever	Forecast % saving (where known)	Forecast saving (tCO_2e)	Notes
Chetham House – solar PV expansion/optimisation	~21% reduction in grid demand (site level)	~80–100 tCO_2e per year	Direct demand displacement from renewables
Preston Brook – sub-metering & efficiency	~20% electricity saving (site level)	~40–60 tCO_2e per year	Range reflects operating profile and grid emissions factor
UK grid decarbonisation (location-based factor)	External dependency	Not separately claimed	Supports residual reduction beyond direct actions

Expected Outcome

- ≥50% absolute Scope 2 reduction by 2030 (from 1,369 to ≈685 tCO_2e; ≈684 tCO_2e saved)
- ≥90% absolute Scope 2 reduction by 2035 (from 1,369 to ≈137 tCO_2e; ≈1,232 tCO_2e saved)

Scope 2 savings: on-site solar PV generation (Chetham House) and electricity-demand reduction via sub-metering and targeted efficiency measures (Preston Brook), supported by

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ongoing grid decarbonisation. Supported by behavioural change and operational improvements to improve production flows and efficiencies.

Scope 2 Transition Pathway (Market-Based)

Strategic Approach

We currently procure mixed-source electricity, with a strategic focus on demand reduction and on-site generation rather than supplier-led renewable procurement.

From 2026/27, we intend to transition to a new electricity procurement contract forecast to deliver 100% renewable electricity. However, we recognise uncertainty in the energy market (including supply constraints and price volatility) and therefore adopt a pragmatic, risk-managed approach to market-based decarbonisation which aligns with commercial targets.

Key Interventions

1. Transition to renewable electricity supply (2026/27 onwards)

- New procurement contract targeting 100% renewable electricity supply
- Preference for:
  - Direct renewable contracts or PPAs (where feasible)
  - Supplier-backed renewable tariffs with clear sourcing transparency

2. Bridging strategy using market instruments

Where direct renewable sourcing is constrained, we will utilise:

- Renewable Energy Guarantees of Origin (REGOs)
- Verified contractual instruments aligned with GHG Protocol Scope 2 guidance

These will be used as an interim mechanism to support the transition, rather than as a substitute for real-world decarbonisation.

3. Continued prioritisation of demand reduction

- Maintain focus on absolute electricity reduction (core to decarbonisation strategy)
- Ensure that procurement decisions do not dilute operational efficiency gains

Key Risks & Mitigation

Risk	Mitigation
Energy market volatility (2026–2028)	Flexible procurement strategy and staged transition
Over-reliance on certificates (REGOs)	Prioritise physical renewable sourcing where possible
Misalignment with SBTi expectations	Maintain hierarchy: demand reduction → on-site generation → credible procurement

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Expected Outcome

Progression to 100% renewable electricity (market-based) by 2030

Near-elimination of Scope 2 market-based emissions (subject to procurement quality)

Complementary to location-based reductions driven by:

- Energy efficiency
- Solar PV
- Grid decarbonisation

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Scope 3 Transition Pathway

Priority Categories

- Purchased goods and services
- Capital goods
- Downstream transportation and distribution
- Business travel and employee commuting

Key Reduction Levers

Supplier engagement, logistics optimisation, hybrid working, modal shift and data quality improvement.

Scope 3 category	Baseline (tCO_2e)	% of Scope 3	Strategic priority
Purchased Goods & Services / Upstream T&D	30,479.61	~82%	Primary lever
Capital Goods	2,548.78	~7%	Secondary
Downstream T&D	3,085.31	~8%	Secondary
Business Travel	364.83	~1%	Supporting
Employee Commuting	502.56	~1%	Supporting
Waste	13.79	<1%	Minor
End-of-Life	39.38	<1%	Minor

Purchased Goods & Services (Category 1)

Baseline: ~30,480 tCO_2e

Methodology:

We calculate Category 1 emissions using a hybrid approach, combining:

- Primary supplier emissions data (where available)
- Product / material-level data (e.g. paper types, weights, recycled content)
- Recognised emissions factors
- Spend-based estimates to address data gaps

The intention is to progressively transition towards supplier-specific and product-level carbon accounting, improving accuracy and enabling more targeted reduction interventions.

Strategy:

- Prioritised supplier engagement programme targeting all suppliers contributing ≥0.5% of Scope 3 emissions
- Mandatory data disclosure via onboarding, reviews and ongoing reporting cycles

- Capture of:
  - Emissions intensity
  - Production location
  - Material composition and recycled inputs
  - Certifications (e.g. FSC, PEFC, ISO, SBTi alignment)
  - Product carbon footprint / LCA data
- Integration of carbon criteria into procurement decision-making (cost–carbon optimisation)
- Material optimisation (weight reduction, recycled content, lower-carbon substrates)

Impact

- ~30% reduction by 2030
- ~55–60% reduction by 2035

Capital Goods (Category 2)

Baseline: ~2,549 tCO_2e

Strategy:

- Embodied carbon considerations in capital investment decisions
- Supplier selection based on manufacturing efficiency and material intensity
- Lifecycle extension and refurbishment over replacement where feasible

Impact:

- Reduction aligned to capital investment cycles rather than linear trajectory

Downstream Transportation & Distribution (Category 9)

Baseline: ~3,085 tCO_2e

Strategy:

- Freight consolidation and routing optimisation
- Carrier engagement (fuel efficiency, alternative fuels, EV transition)
- Improved activity data to replace modelled assumptions

Impact

- ~20-25% reduction by 2030
- ~40-50% reduction by 2035

Business Travel & Commuting (Categories 6 & 7)

Baseline: ~867 tCO_2e

Strategy:

- Permanent reduction in air and long-distance travel through hybrid working.
- Rail-first travel policy.
- EV salary sacrifice and active travel incentives.

Impact

- ~40% reduction by 2030
- ~70% reduction by 2035

Expected Outcome

- ≥25% absolute Scope 3 reduction by 2030
- ≥50% absolute Scope 3 reduction by 2035
- ≥90% absolute Scope 3 reduction by 2040

Scope 3 lever	Baseline (tCO_2e)	% reduction by 2030	Saving by 2030 (tCO_2e)	% reduction by 2035	Saving by 2035 (tCO_2e)
Purchased Goods & Services (Cat. 1)	30,480	~30%	≈9,144	~55–60%	≈16,764–18,288
Downstream T&D (Cat. 9)	3,085	~20–25%	≈620–770	~40–50%	≈1,230–1,540
Capital Goods (Cat. 2)	2,549	~15–20%	≈380–510	~30–40%	≈765–1,020
Business Travel & Commuting	867	~40%	≈347	~70%	≈607

These category-level savings are indicative and do not sum exactly to total Scope 3 reductions, as:

- Additional categories contribute to the overall footprint
- Baselines will continue to evolve as primary supplier data replaces spend-based estimates

Where the Scope 3 savings come from: supplier engagement and lower-carbon purchasing (especially paper and print inputs), logistics optimisation (route planning, consolidation and carrier selection), and reduced travel/commuting through hybrid working and modal shift. Improved supplier data will increase targeting accuracy over time.

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Emissions Reduction Trajectory Summary

Year	Scope 1 (tCO_2e)	Scope 2 (tCO_2e)	Scope 3 (tCO_2e)	Total (tCO_2e)	Total saving vs baseline
Baseline	529	1,369	37,034	≈38,932	—
2030 target	≈265 (-50%)	≈685 (-50%)	≈27,776 (-25%)	≈28,726	≈10,206 tCO_2e (≈26%)
2035 target	≈53 (-90%)	≈137 (-90%)	≈18,517 (-50%)	≈18,707	≈20,225 tCO_2e (≈52%)
2040 target	Residual (≤10%)	Residual (≤10%)	≈3,703 (-90%)	Net zero (residual neutralised)	≈34,160 tCO_2e (≈90%)

Primary Sources of Savings

Savings source	Forecast saving by 2030	Forecast saving by 2035
Scope 1 – heat + fleet	≈264	≈476
Scope 2 – demand reduction + solar	≈684	≈1,232
Scope 3 – purchased goods & services	≈9,144	≈16,764–18,288
Scope 3 – downstream logistics	≈620–770	≈1,230–1,540
Scope 3 – business travel & commuting	≈347	≈607

- Scope 1: reduced gas demand (controls, insulation, heat recovery, process optimisation) and fleet electrification/efficiency (route optimisation, vehicle replacement).
- Scope 2: electricity-demand reduction (sub-metering and targeted efficiency) plus increased on-site solar PV generation; residual intensity improvements supported by UK grid decarbonisation.
- Scope 3: lower-carbon purchasing with key suppliers (especially purchased goods & services), logistics optimisation in downstream distribution, and reduced business travel/commuting via hybrid working and modal shift; increasing use of primary supplier data to target the highest-impact categories.

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Neutralisation of Residual Emissions

By 2035, remaining emissions (~10–15%) will be:

- Hard-to-abate logistics
- Residual supply-chain emissions
- Limited gas/process energy

Neutralisation (post-abatement only)

- High-integrity removals (permanent)
- No reliance on avoidance-only offsets

Net-zero achieved by 2040

Residual emissions after 2035 will be neutralised using high-integrity carbon removals consistent with SBTi guidance. Avoidance-only offsets will not be used to meet net-zero claims.

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Governance & Review

- Annual progress tracking via APS Group's carbon accounting framework
- Board-level oversight and integration into strategic planning
- Periodic review to reflect updates in regulation, technology and SBTi guidance

Declaration

Signed

Andrew Young
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Date: 11/06/2026