



Precision Sheet Metal Limited

Environmental Policy & Carbon Reduction Plan

April 2026 Revision 002

Environmental Commitment Summary

- **A Clear Vision for Sustainable Growth...**

At **KMF Group**, we are committed to continually improving our environmental performance. Our **Environmental Policy** and **Carbon Reduction Plan** provides a strategic framework, setting out clear principles to guide responsible decision-making at every level of the organisation.

Addressing Climate Challenges Head-On

We understand the significant challenges of climate change, including rising temperatures and extreme weather, and the growing pressure these places on our customers and supply chain. Through scientific data and transparent reporting, KMF Group is committed to managing and reducing our environmental impact.

Leading by Example Since 2018

Since 2018, KMF Group has been proactively measuring environmental impact and carbon emissions. This document outlines our carbon reduction goals and ongoing efforts to align with customer expectations and exceed government sustainability targets.

Driving Innovation Through Sustainability...

We manufacture high-quality parts and assemblies by continuously investing in our people and machinery. We tailor our solutions to meet unique market needs, offering expert sheet metal fabrication, high level integration, and precision machining to support our customers' growth.

KMF UK completed and submitted ESOS ahead of the March 2024 deadline. The Phase 3 report's recommendations to enhance efficiency and further reduce carbon emissions.

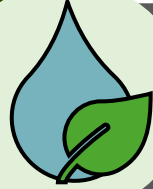
At our Newcastle-under-Lyme site, ALL capital expenditure decisions are made with sustainability impact considered in each instance.

Our
Mission

ESOS
Compliance

Smarter
Equipment





Water Consumption - During 2025, KMF introduced consumption monitoring, aligned with the completion of a multi-site audit. This resulted in fixtures and fittings upgrades to reduce waste through leakage and excessive use.



Clean Transport -KMF's fleet of passenger vehicles continues to be replaced with EV alternatives. In 2026, we will reduce our diesel commercial fleet by a further 25%.

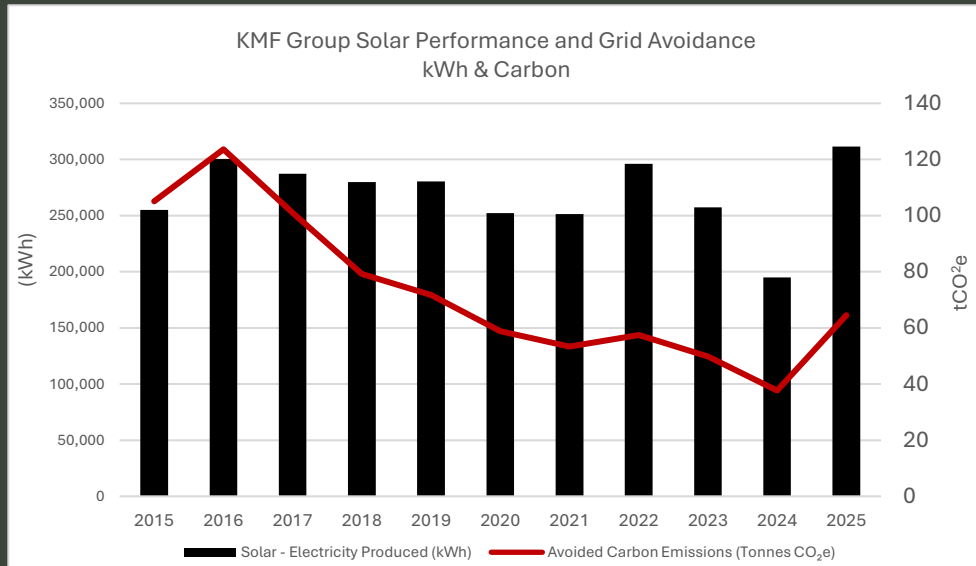


Solar Power - During 2026, KMF have made further investment in the expansion of our Solar PV coverage, increasing the available energy creation by 134.4 kWp.



Efficient Lighting - Upgrades to our existing LED lighting system were completed during Q1-2026 across our Main Production facility, resulting in an anticipated annual consumption reduction of 55,000 kWh.

Solar Performance & Grid Avoidance



- KMF have PV solutions at three production sites and have committed to an extension to our existing PV system to further increase our renewable energy capacity.
- Solar panels have produced over 2,900,000kWh of renewable electricity avoiding 800 tonnes of Scope 2 emissions since 2015.
- The graph below summarises annual electricity produced by the solar panels in kWh and the amount of tCO₂e which the grid has avoided subsequently avoided generating. This considers changing conversion factors for electricity emissions since 2015.



Introduction of a factory wide, high efficiency LED Hi-Bay lighting solution.

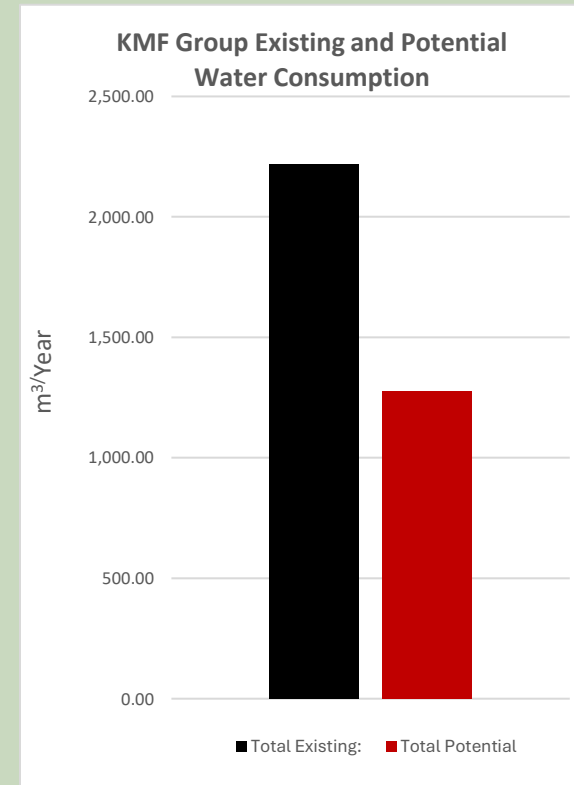


Water Conservation and Management

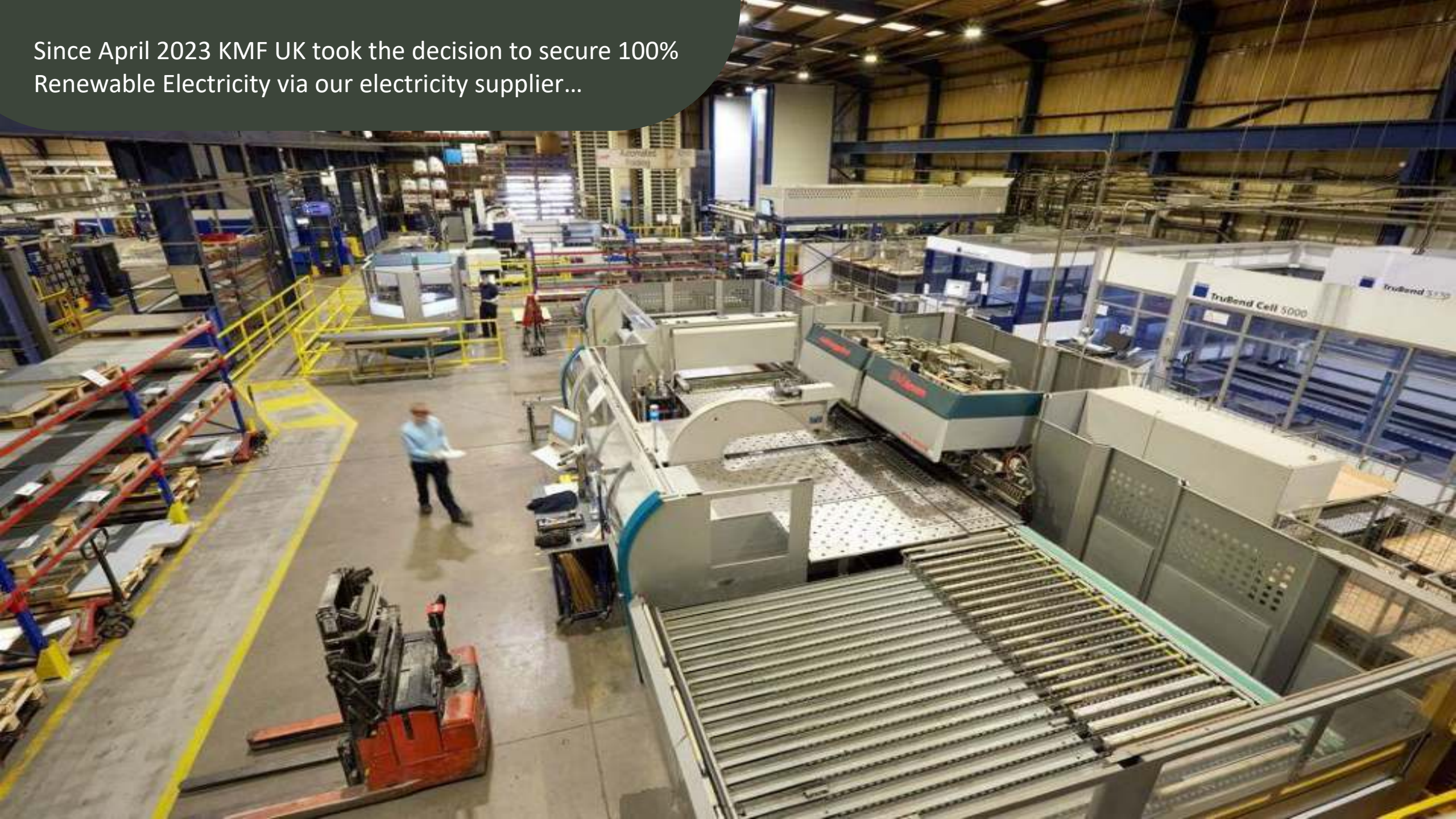
Aqualogic Water Conservation Program ...

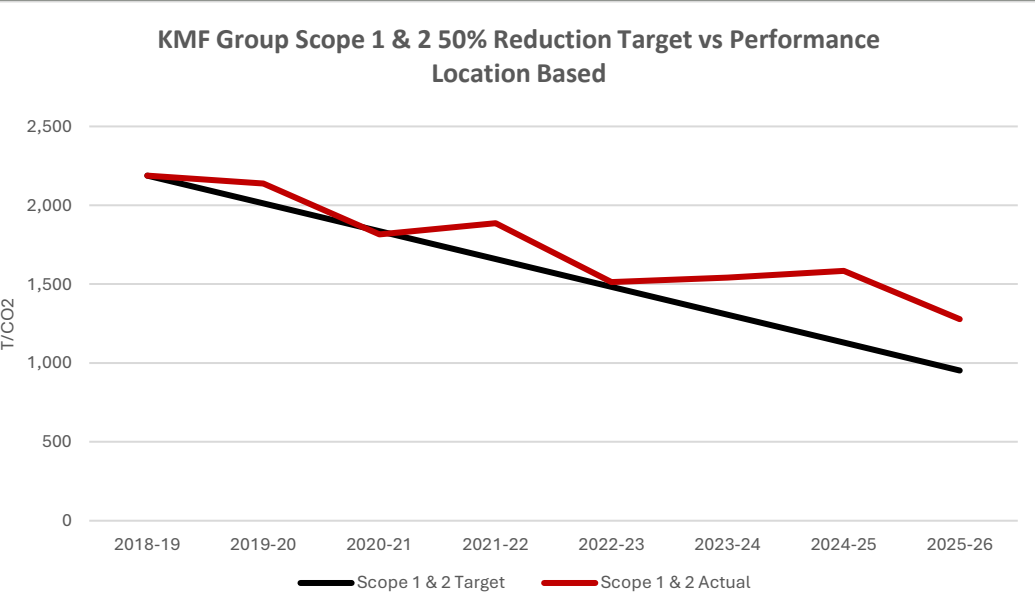
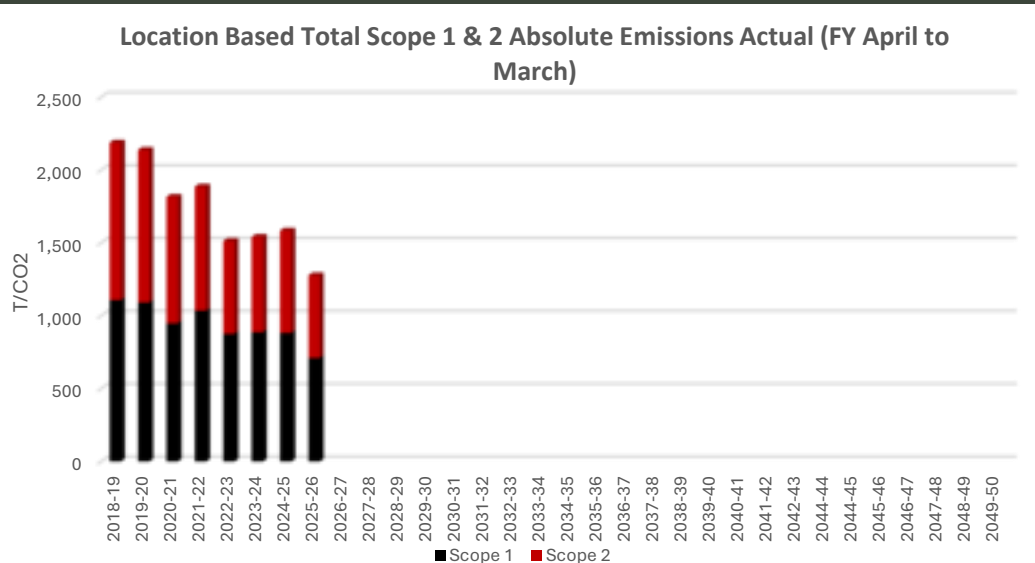
- As part of KMFs commitment to reducing our environmental impact we have introduced consumption monitoring aligned with the completion of a multi-site audit.
- KMF's implementation of an Aqualogic Water Conservation Program identified potential savings of 940.07m³/Year totalling 42% of annual consumption.

KMFs recent fixtures and fittings upgrade to taps have the potential to save 264.95 m³/Year accounting for 87% of annual consumption.



Since April 2023 KMF UK took the decision to secure 100% Renewable Electricity via our electricity supplier...





Scope 1 & 2

• Location Based

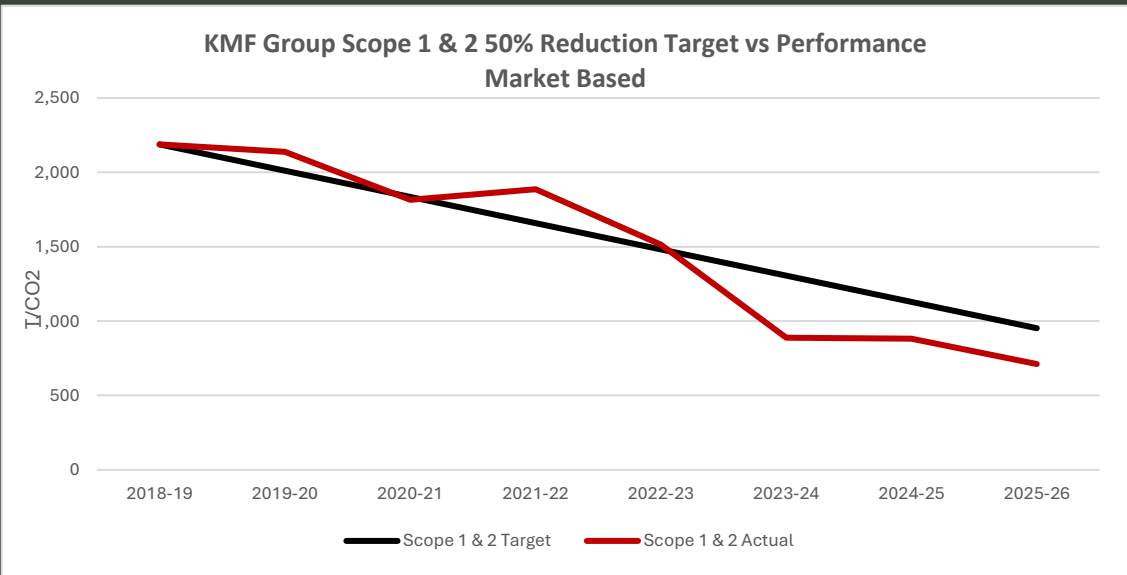
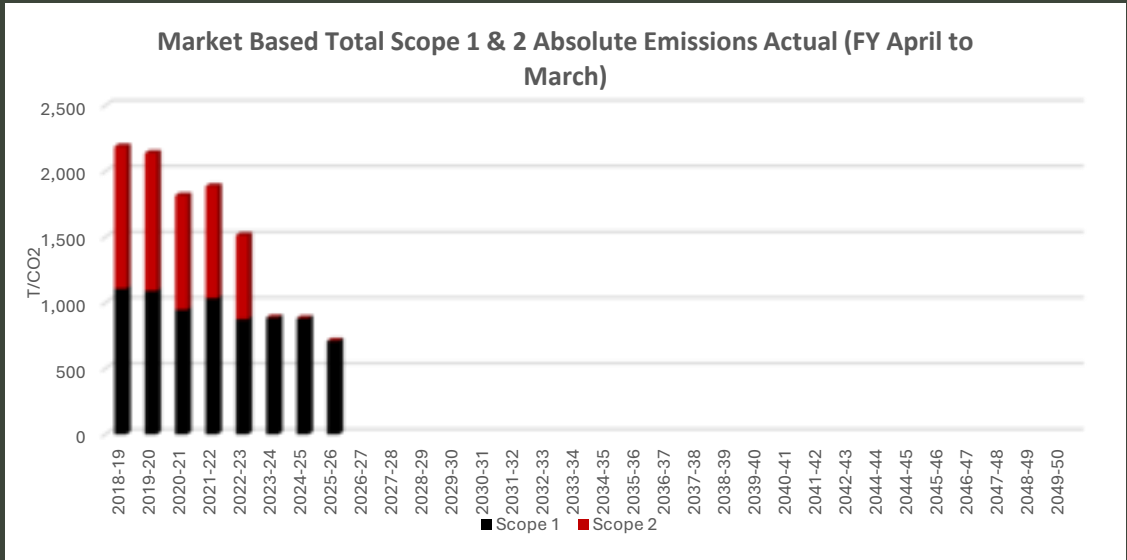
- Using the Location based reporting methodology (grid averages) KMF have achieved a 41% reduction in total scope 1 & 2 emissions since the base year of FY 2018-19. A 31% reduction was achieved in FY 2022-23, emissions then increased in FY 2023-24 and 2024-25 due to a more energy intensive product mix being manufactured on site, before decreasing in FY 2025-26.
- These graphs summarise scope 1 and 2 absolute emissions performance versus target since FY 2018-19 on a Location based methodology.
- Since April 2023 KMF UK took the decision to secure 100% renewable electricity via our electricity supplier. Based on a Market based emissions report (including 100% renewable electricity) KMF have exceeded the 50% reduction target in FY 2025-26 based on the 2018-19 base year. Find details below.



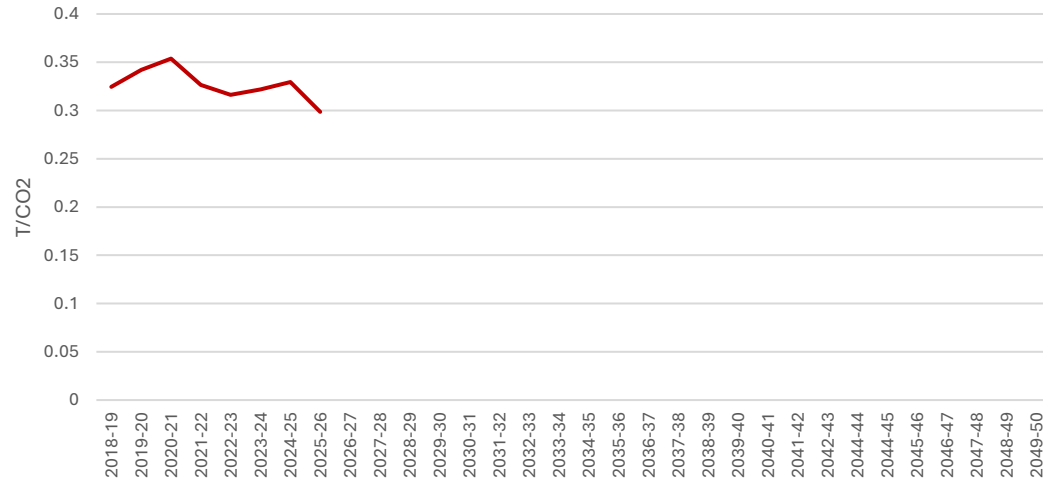
Scope 1 & 2

- **Market Based**

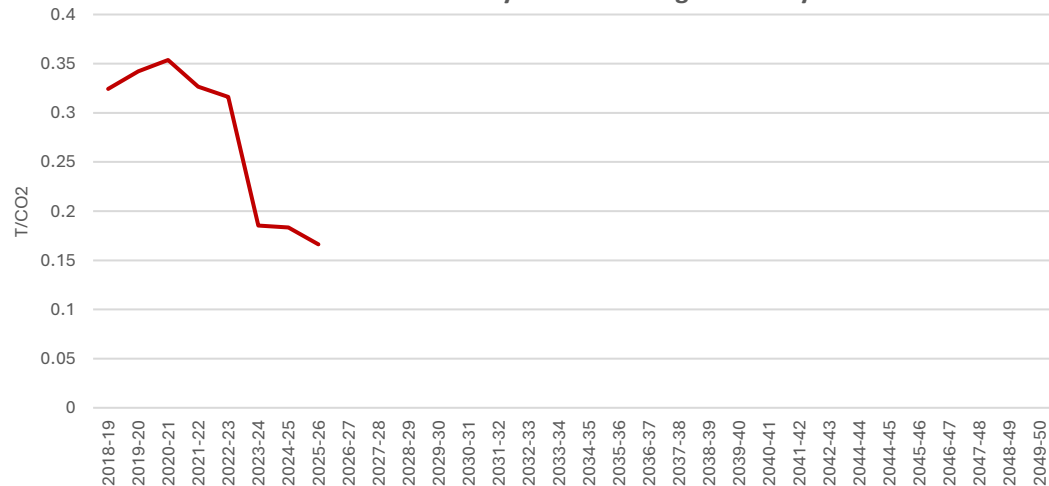
- KMF has achieved its 50% scope 1 and 2 reduction target in FY2024-25 using the Market based methodology. This reflects our procurement of 100% renewable energy since April 2023. Despite an increase in emissions during FY 2024-25 due to a more gas intensive product mix being manufactured on site, emissions remained significantly below target, delivering a 67% reduction in FY 2025-26.
- These graphs summarise scope 1 and 2 absolute emissions performance versus target since the FY 2018-19 base year on a Market based methodology.



Location Based Intensity Ratio - Tonnage Intensity



Market Based Intensity Ratio - Tonnage Intensity



Tonnage Intensity

- Using the Location based reporting methodology (grid averages) KMF has seen the intensity ratio based on tonnage increase since 2018-19. In FY 2024-25 tonnage intensity reduced from 0.3244 t/CO² for the FY 2018-19 base year to 0.2986 t/CO² in FY 2025-26.
- Using the market based reporting method reflecting KMFs commitment to 100% renewable energy the intensity ratio has decreased from 0.3244 t/CO² for the FY 2018-19 base year to 0.1660 t/CO² in FY 2025-26.



Emissions Reductions and Renewable Energy

- **Recent Emissions Update**

KMF has achieved a 41% reduction in total Scope 1 and 2 greenhouse gas emissions compared to its 2018-19 base year. Notably, a 31% reduction was recorded in the FY 2022-23. However, emissions increased across FY 2023-24 & 2024-25 due to the manufacture of a more intensive product mix on site.

- **Renewable Energy Milestone**

To strengthen its commitment to sustainability, KMF UK transitioned to sourcing 100% renewable electricity from its supplier as of April 2023. As a result, based on a market-based emissions report that accounts for the use of renewable energy, KMF has already surpassed its FY 2025-26 target of a 50% reduction in emissions relative to the 2018-19 base year.





Carbon Reduction Projects

We continue to focus on areas that generate Carbon Emissions. See below opportunities (live and planned) during the next 24 months to help meet short term carbon intensity goals. Several of the following Carbon Reduction projects align with our ESOS Phase 3 Action Plan.

- Compressed air system
- Investigation into the introduction of a Business wide, Carbon Literacy' Program
- Air operated hand tools
- Robot cell material handling
- Maintenance Software
- Further develop internal 'Waste Stream Segregation, aligned to 'Simpler Recycling' regulation introduction 31st March 2025.



Future Carbon Reduction Targets



As we continue to grow in terms of number of customers, staff, footprint and tonnage we expect our total carbon footprint to increase with this growth. Our initial carbon plan is to ensure a year-on-year improvement in carbon efficiency in line with our long-term carbon intensity performance targets.



We now have a clearly defined pathway to Net Zero. The UK government is aiming for the country to be net zero by 2050 but we plan to achieve this target by 2040 for both direct and indirect emissions.



Our Environmental Policy & Carbon Reduction Plan will be updated annually to reflect the previous Financial Year with carbon performance monitored on a monthly frequency and discussed quarterly at Board level within KMF Group.



A link to our REGO certificate can be found on the website at the following address; [Sustainability Commitment KMF Group](#)

Summary Of Our Net Zero Targets...

Scope 1 & Scope 2 (Direct Emissions):

- On our journey to Net Zero by 2040, we have successfully achieved our preliminary target: a 50% reduction in Scope 1 and 2 emissions by FY 2024-25 compared to FY 2018-19 baseline.
- Further reduction measurements will be confirmed at the end of FY 2026-27 with further emission targets set for 2030 and to be carbon neutral by 2035.

Scope 3 (Indirect Emissions):

- Current Scope 3 target is to achieve a 55% reduction by 2035 based on a baseline of FY 2024-25 for all scope 3 emissions.
- By the end of FY 2026-27 KMF Group will be formalising and introducing a Scope 3 measurements and reduction strategy following an engagement programme with our supply chain.

