



CARBON REDUCTION PLAN

NP Aerospace Limited / NP Aerospace SV Limited

Date: 27 August 2026

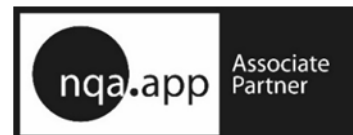
Prepared for: Adrian Smith
Director of Compliance
NP Aerospace Limited

Prepared by: David Wilshin
Carbon and Procurement Consultant
Auditel (UK) Limited

Contents

Executive Summary	2
Commitment to Achieving Net Zero	2
Performance to date	2
Site 2, Courtaulds Way	3
Wider progress and compliance history	3
The challenge ahead	3
Governance and Ownership	4
Baseline Emissions	5
Current Emissions	7
Emission Reduction Targets	8
Completing the Scope 3 Inventory	10
Data Improvement Plan	12
Scope and Status of this Plan	13
Possible Carbon Reduction Initiatives	14
Short Term	14
Medium Term	14
Long Term	15
Next Steps	16
Declaration and Sign Off	17

Auditel's Credentials – Verification Bodies



Executive Summary

NP Aerospace Limited and NP Aerospace SV Limited report here as a single boundary, against a calendar year 2025 baseline — the first fully measured year. The plan is prepared to PPN 006 and its Technical Standard, in accordance with the GHG Protocol Corporate Standard, using the published UK Government 2025 conversion factors.

The reported footprint for CY2025 is 3,158.35 tCO₂e: Scope 1, 898.00; Scope 2, 424.80; Scope 3, 1,835.55, including all five Scope 3 categories required by PPN 006. The figures for categories 4, 5, 6, 7 and 9 are screening-level, spend-based estimates and are deliberately conservative; survey-based activity data will replace them in the Q4 2026 update, and the reported total is expected to reduce.

Reduction is already evident. Scope 1 and 2 emissions fell 3.9% in 2025 while a second manufacturing facility came into operation and turnover grew 17%, and emissions intensity per £m of turnover fell 17.8%. The new facility was specified for low consumption from the outset, with a full roof-mounted solar array and an all-electric forklift fleet.

Targets follow science-based framing: a 42% absolute reduction in Scope 1 and 2 emissions by 2035, supplier engagement targets, and Net Zero across all scopes by 2050. The Net Zero pathway will be recalculated when the activity-based Scope 3 inventory is established, and site-level savings for the energy initiatives will be quantified through the funded ESOS Phase 4 assessment.

The plan is approved by the boards of both companies, signed by a director, published on the NP Aerospace website and reviewed at least annually. The environmental management system is certified to ISO 14001, independently verified at both Coventry sites. Data limitations are disclosed openly, each with a defined remedy in the Data Improvement Plan.

Commitment to Achieving Net Zero

NP Aerospace Limited 03472480 and NP Aerospace SV Limited 15630835 (hereon in referred to as NP Aerospace) is committed to achieving Net Zero emissions across all scopes by 2050 at the latest. Achieving genuine Net Zero means reducing greenhouse gas emissions by at least 90% against a defined baseline, with only a small residual balance addressed through certified removals.

This plan covers both companies as a single reporting boundary. NP Aerospace SV Limited's operations are carried out entirely within the two Coventry facilities and by the shared workforce; its site energy use is therefore already contained within the consumption reported in this plan.

Performance to date

NP Aerospace is already reducing its emissions in absolute terms while the business grows. Across calendar year 2025 the company brought a second manufacturing facility into operation, increased total energy consumption by 9.8%, and still reduced Scope 1 and Scope 2 emissions by 53.57 tCO₂e against the previous year, a fall of 3.9%.

Emissions intensity per £m of turnover fell from 23.37 tCO₂e in 2024 to 19.20 in 2025, a reduction of 17.8% in a single year, achieved while a second site came into operation and

turnover grew 17%. Measured per employee, the basis reported in the statutory accounts, intensity moved from 6.16 tCO₂e in 2023 to 4.86 in 2024 and 5.21 in 2025. The 2025 movement reflects a lower average headcount of 254 against 283 in 2024, not higher emissions – absolute Scope 1 and 2 emissions fell 3.9% in the year.

Site 2, Courtaulds Way

The clearest demonstration of that commitment is the facility occupied at Courtaulds Way in 2025 for vehicle armouring. Rather than take on conventional industrial space, NP Aerospace specified a state-of-the-art sustainable facility from the outset:

- **Full roof-mounted solar array**, generating renewable electricity on site and reducing imported grid demand.
- **Electric forklift fleet throughout**, eliminating combustion fuel from materials handling at the site entirely.
- **LED lighting across the facility**, specified from first fit-out rather than retrofitted.
- **Hybrid heating**, reducing dependence on natural gas for space heating and providing the reference installation for heat decarbonisation across the wider estate.

The effect is visible in the numbers. Adding an entire second manufacturing site raised purchased electricity emissions by only 12.16 tCO₂e. The facility was specified to consume less in the first place, and the roof-mounted solar array is expected to meet part of the new demand; generation metering is being commissioned to quantify that contribution. Site 2 is the template for how NP Aerospace intends to operate, not an exception to it.

Wider progress and compliance history

A three-year LED replacement programme completed across the estate in 2024. The Advanced Armour Systems facility at Foleshill Road is certified to ISO 9001 and houses a UKAS-accredited ballistics testing laboratory, and the ISO 14001 environmental management system has been independently verified at both Coventry sites. NP Aerospace reports under Streamlined Energy and Carbon Reporting (SECR) and is preparing for its ESOS Phase 4 assessment, for which the qualifying period runs to 31 December 2026.

The company also responds to the sustainability requirements of its major customers, including detailed supply chain disclosure questionnaires, and expects those requirements to increase across the defence and automotive sectors it supplies.

The challenge ahead

As the more accessible reductions are taken, further progress will require capital investment and, in some areas, technology that is not yet commercially mature. Natural gas accounts for roughly two thirds of Scope 1 and 2 emissions – the emissions most directly within NP Aerospace’s operational control – which makes heat the single most important decarbonisation question facing the business.

One constraint specific to this sector should be stated plainly. Ballistic integrity requirements mean NP Aerospace cannot substitute recycled or lower-carbon steel into armour applications without requalification, so a material share of the upstream footprint depends on

decarbonisation of primary steelmaking rather than on procurement choices available today. NP Aerospace monitors that market and engages its supply chain accordingly.

This document sets out the emissions measured to date across Scopes 1 and 2, the reduction targets proposed for adoption, the data improvement work under way to complete the inventory, and the initiatives identified for the short, medium and long term.

Governance and Ownership

Accountability for carbon reduction at NP Aerospace is defined and sits within an externally certified management system.

- **Day-to-day ownership:** the Environmental Health and Safety Manager owns emissions data collection, reporting and delivery of the measures in this plan.
- **Executive accountability:** the Board of Directors reviews and approves the Carbon Reduction Plan, its targets and its published disclosures.
- **Financial oversight:** the finance function owns the energy, fuel and expenses data that underpins reporting, and appraises the capital investment required to meet the targets.
- **External assurance:** the environmental management system is certified to ISO 14001, independently verified at both Coventry sites and subject to independent certification audit. Emissions are reported annually in the audited statutory accounts under SECR.
- **Independent support:** Auditel is retained to prepare the carbon inventory across Scopes 1,2 & 3, verify emission factors and advise on reduction pathways.
- **Review cycle:** emissions are compiled annually against the calendar year, reported in the statutory accounts, and the Carbon Reduction Plan is reviewed and republished at least annually.

This plan is signed by a director and published on the NP Aerospace website in accordance with the reporting standard; the next update, incorporating survey-based Scope 3 data, is planned for Q4 2026.

Baseline Emissions

Calendar year 2025 is adopted as the baseline year. For this first Carbon Reduction Plan it is also the current reporting year, which the reporting standard permits.

Why 2025 and not 2024. A baseline under PPN 006 must carry Scope 1, Scope 2 and the five required Scope 3 categories in the same structure as the reporting year. A CY2024 baseline would therefore require CY2024 waste, business travel, employee commuting and freight data. Waste and travel could be reconstructed from invoices and the expenses ledger. Employee commuting could not: it would mean surveying staff in late 2026 about travel patterns from two years earlier, across a workforce that has since taken on a second site. A CY2025 baseline precisely requires the data already being collected.

What is not being claimed. The occupation of Site 2 is not offered as justification. Under the GHG Protocol, base-year recalculation is triggered by structural change such as acquisition, divestment or outsourcing, not by organic growth. Adding a site is organic growth and does not of itself warrant a restatement, and NP Aerospace does not rely on it.

All emission and energy factors are taken from the DEFRA 2025 set. Natural gas 0.18296 kgCO₂e per kWh and well-to-tank 0.03021, both on gross calorific value. Diesel 2.57082 and petrol 2.06916 kgCO₂e per litre, with well-to-tank at 0.61101 and 0.58094. Electricity 0.17700 for generation, 0.01853 for transmission and distribution losses, with well-to-tank at 0.04590 on generation and 0.00397 on losses. Grey fleet mileage applies the average car, unknown fuel factor of 0.16725 kgCO₂e per km, with well-to-tank at 0.04399.

Table 1: Carbon inventory breakdown by scope category, CY2025 baseline year. Scope 3 categories 4, 5, 6 (balance) and 7 and 9 are reported on a spend-based methodology; see the Scope 3 reporting statement and the supporting methodology note, available on request.

Scope	Category	Emissions (tCO ₂ e)	Contribution to Footprint (%)
1	Natural gas	878.00	27.8%
1	Transport fuel (road, fuel cards)	20.00	0.6%
1	Total	898.00	28.4%
2	Electricity (location-based)	424.80	13.5%
2	Total	424.80	13.5%
3	Well-to-tank, natural gas	144.97	4.6%
3	Well-to-tank, electricity generation	110.15	3.5%
3	Electricity transmission and distribution losses	44.50	1.4%
3	Well-to-tank, electricity T&D losses	9.53	0.3%
3	Well-to-tank, road fuel	4.75	0.1%
3	Grey fleet mileage (category 6, measured element)	20.12	0.6%
3	Well-to-tank, grey fleet	5.29	0.2%
3	Upstream transportation and distribution (category 4)	379.30	12.0%
3	Waste generated in operations (category 5)	263.82	8.4%
3	Business travel – expenses (balance of category 6)	271.78	8.6%
3	Employee commuting (category 7)	385.23	12.2%
3	Downstream transportation and distribution (category 9)	196.11	6.2%
3	Total	1,835.55	58.1%
All	Total	3,158.35	100.0%

The first five Scope 3 lines shown are GHG Protocol category 3, fuel- and energy-related activities; that category is complete. Grey fleet business mileage is the measured element of category 6; the balance of category 6, and categories 4, 5, 7 and 9, are quantified on a spend-based methodology. Category 3 is not part of the PPN 006 required subset and is reported voluntarily, broken out separately as the standard requires, because it is directly calculable from the Scope 1 and 2 activity data already held. Spend-based estimates are deliberately conservative and tend to overstate emissions; survey-based primary data will replace them in the Q4 2026 update and the reported total is expected to reduce as a result. They are upper-bound screening values and should not be read as measures of actual transport, travel or commuting activity. Component figures are rounded to two decimal places. The SECR statement in NP Aerospace Limited's statutory accounts reports 1,340.17 tCO₂e (required disclosures) and 1,658.62 tCO₂e including voluntary Scope 3 on its narrower single-entity boundary; the figures here additionally include NP Aerospace SV Limited's business mileage.

Current Emissions

The current reporting year is calendar year 2025 and is therefore identical to the baseline year. CY2024 is shown below as a comparative, prepared on the Scope 1 and 2 basis published in the audited statutory accounts.

Table 2: CY2025 reporting year against the CY2024 comparative.

Scope	CY2024 comparative (tCO ₂ e)	CY2025 baseline and reporting year (tCO ₂ e)
Scope 1	963.73	898.00
Scope 2 (location-based)	412.64	424.80
Scopes 1 and 2 subtotal	1,376.37	1,322.80
Scope 3	Not quantified	1,835.55
Total	1,376.37	3,158.35

The CY2024 Scope 1 and Scope 2 split is derived: the statutory accounts disclose natural gas separately at 942.10 tCO₂e and report electricity and transport together at 434.27 tCO₂e. The transport element of 21.63 tCO₂e has been separated using the Allstar fuel card records for the period, valued at the 2024 diesel factor of 2.51279 kgCO₂e per litre, leaving electricity at 412.64. The total of 1,376.37 tCO₂e reconciles exactly to the published figure. The CY2023 comparative was 1,306.73 tCO₂e. CY2024 Scope 3 was not reported and is not recoverable for all required categories.

Table 3: Energy consumption, CY2025 against CY2024.

Energy source	CY2024 (kWh)	CY2025 (kWh)
Natural gas		4,798,705
Electricity		2,399,821
Transport fuel (road)		81,951
Grey fleet (reimbursed business mileage)		91,652
Total	6,714,522	7,372,129

Total energy use rose by approximately 9.8% year on year, including grey fleet mileage reported for the first time in 2025 across both companies. This is consistent with the occupation of Site 2 at Courtaulds Way from January 2025 and does not indicate a deterioration in efficiency at the existing estate. The CY2024 figure is reported as a single total in the statutory accounts and is not disaggregated by source.

Intensity Metrics

Metric	CY2023	CY2024	CY2025 (baseline)
tCO ₂ e per employee	6.16	4.86	5.21
tCO ₂ e per £m turnover	–	23.37	19.20

NP Aerospace reports intensity on a per-head basis in its statutory accounts, and that metric is retained here as the primary measure. The CY2025 figure uses Scopes 1 and 2 only, for comparability with the published years, and applies the confirmed 2025 average permanent headcount of 254 (2024: 283), the shared workforce across both companies. Turnover intensity is shown as a secondary metric using NP Aerospace Limited turnover: £58.9m for CY2024 and £68.9m for CY2025.

Scope 3 reporting statement. Scope 1 and Scope 2 emissions are reported in full in this plan, together with Scope 3 category 3 (reported voluntarily) and the measured element of category 6

(business travel in employee-owned vehicles). The remaining required Scope 3 categories – 4, 5, the balance of 6, 7 and 9 – are quantified in this issue using a spend-based methodology: financial records (carriage, waste-contractor, travel and expense spend) converted using official ONS greenhouse gas intensity factors and DESNZ 2025 conversion factors, with employee commuting estimated from confirmed workforce numbers. The methodology, factor sources and assumptions are set out in a supporting methodology note, available on request. Spend-based figures are deliberately conservative and tend to overstate emissions. The structured, board-endorsed data collection programme continues – supplier transport and employee commuting surveys, with consignment-level freight data – and the survey-based inventory will be incorporated, approved at director level and re-published in Q4 2026. Categories 4, 5, 6, 7 and 9 should therefore be read as screening-level estimates pending their replacement with activity-based data, and the reported figures are expected to move materially – downward – at the next update. None of this affects the commitment to achieving Net Zero by 2050, which applies across all scopes.

Emission Reduction Targets

Targets are expressed against the CY2025 baseline of 1,322.80 tCO₂e for Scopes 1 and 2, and follow the standard SBTi framing of a 4.2% absolute reduction each year across a ten-year near-term period.

Target 1: To achieve near-term targets on emissions across Scopes 1 and 2 by 2035.

In line with SBTi guidance for cross-sector absolute reduction, NP Aerospace would target a 42% reduction in Scope 1 and 2 emissions against the CY2025 baseline by 2035. This is a reduction of approximately 556 tCO₂e, to a 2035 position of around 767 tCO₂e. Given that natural gas represents roughly two thirds of that baseline, the target cannot be met through electricity measures alone and will require a decision on heat. The ten-year period is what makes that decision financeable.

Target 2: To achieve near-term targets on operational emissions across Scope 3 categories by 2035.

SBTi cross-sector guidance points to a 25% absolute reduction in Scope 3 over the same near-term period. A quantified target should not be set on spend-based estimates, which will be superseded. It is recommended that NP Aerospace commits to the principle now and fixes the number once the survey-based inventory is delivered in Q4 2026.

Target 3: To achieve near-term supplier engagement targets by 2035.

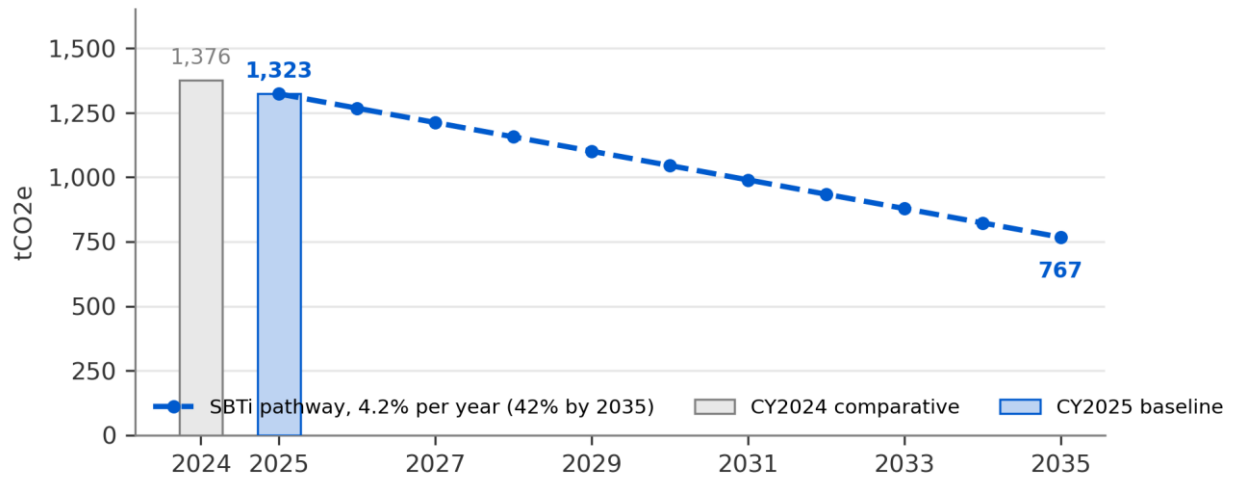
In line with SBTi guidance, NP Aerospace proposes a supplier engagement programme securing science-based commitments from suppliers covering a defined share of upstream spend. The engagement baseline and the spend-coverage KPI will be set alongside the survey-based Scope 3 inventory in Q4 2026, using the supplier-level spend analysis already completed across both companies. This target carries particular weight given the ballistic-grade steel constraint, where the reduction pathway sits with the supplier rather than with NP Aerospace.

Target 4: To achieve Net Zero across Scopes 1, 2 and 3 by 2050.

A 90% reduction against the baseline, equivalent to approximately 1,191 tCO₂e on the Scope 1 and 2 baseline, with the residual of around 132 tCO₂e addressed through certified removals. These figures are calculated on the Scope 1 and 2 baseline and are provisional: the Net Zero pathway, including the 90% reduction quantum and the residual, will be recalculated in full when the activity-based Scope 3 inventory is established in Q4 2026.

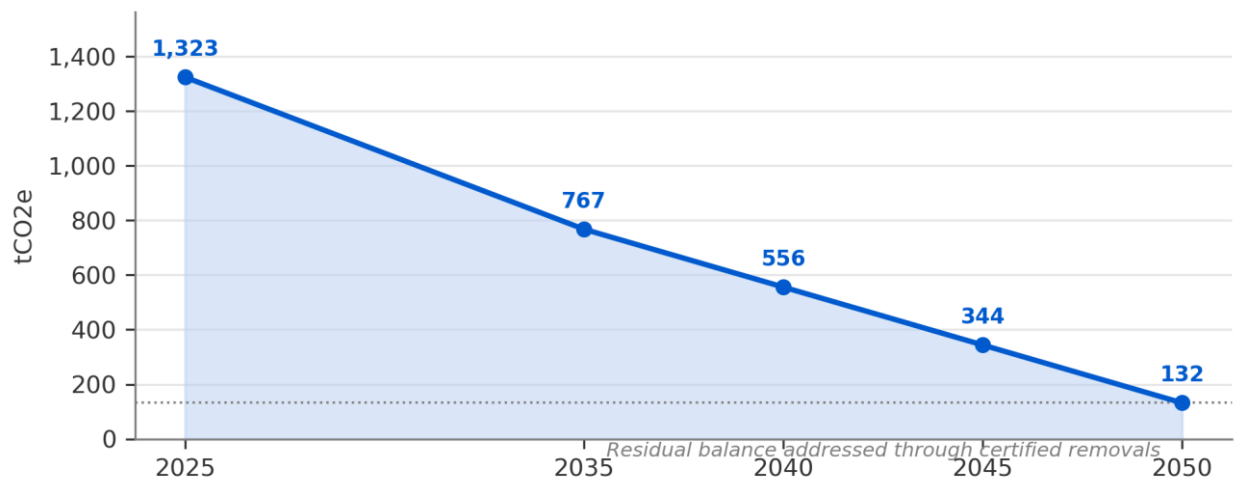
Reduction Targets

Chart 1: Science-based reduction pathway for Scopes 1 and 2 from the CY2025 baseline.



The dashed line is the pathway implied by a 4.2% absolute reduction each year against the CY2025 baseline, reaching 42% by 2035. CY2024 is shown for context only and sits outside the target period.

Chart 2: Trajectory to Net Zero across Scopes 1, 2 and 3 by 2050.



Shown against the Scopes 1 and 2 baseline. The required Scope 3 categories are quantified in this issue on a spend-based methodology; the trajectory and the 2050 residual will be restated on the survey-based inventory in the Q4 2026 update.

Table 4: Reduction required under each target model, against the CY2025 Scope 1 and 2 baseline of 1,322.80 tCO₂e.

Target	Scopes	Near term (2035)	Long term (2050)
Target 1	1 and 2	556 tCO ₂ e	N/A
Target 2	3	To be set on the survey-based inventory (Q4 2026)	N/A
Target 3	1, 2 and 3	Engagement measure	N/A
Target 4	1, 2 and 3	N/A	1,191 tCO ₂ e

Table 4a: Indicative Scope 1 and 2 reduction pathway milestones. To be re-based when the activity-based Scope 3 inventory is established (Q4 2026).

Year	Scope 1 and 2 pathway (tCO ₂ e)	Reduction against baseline	Basis
2025	1,322.80	—	Baseline (measured)
2030	1,045.0	21%	4.2% absolute reduction each year (SBTi-aligned)
2035	767.2	42%	Near-term target achieved
2040	555.6	58%	Interpolated on the pathway to 2050
2050	132.3 (residual)	90%	Net Zero – residual addressed through certified removals

Completing the Scope 3 Inventory

PPN 006 does not require all fifteen Scope 3 categories. It requires five, and all five are quantified in this issue. The table below separates the two methodologies: the spend-based method applied in this issue, which converts financial records with official intensity factors so that the plan is complete now, and the activity-based method that replaces it in the Q4 2026 update, when the surveys – prepared and ready for issue – and the primary data collection report back.

Table 5: PPN 006 required Scope 3 categories: method applied in this issue and the activity-based replacement programmed for Q4 2026.

Cat.	Category	Method in this issue (spend-based)	Q4 2026 replacement (activity-based)
4	Upstream transportation and distribution	Carriage-in spend converted with the official ONS freight intensity factor	Supplier transport survey (prepared for issue) plus consignment-level data from freight providers
5	Waste generated in operations	Waste-contractor spend converted with the official ONS waste-industry intensity factor	Tonnage by stream and treatment route from contractor invoices, applying DESNZ waste factors
6	Business travel	Grey fleet measured from mileage claims; remaining spend split by mode, converted to activity, DESNZ 2025 factors applied	Booking-level mode, route and room-night data from the expense system
7	Employee commuting	Screening estimate: confirmed workforce numbers with average commuting assumptions	Employee commuting and homeworking survey across both Coventry sites (prepared for issue)
9	Downstream transportation and distribution	Carriage-out spend converted with the official ONS freight intensity factor	Consignment-level despatch data; relevance of customer-arranged (ex-works) distribution assessed

Categories reported voluntarily in addition to the required subset may be included provided they are broken out separately. Fuel- and energy-related activities (category 3) is calculated in full and is shown in Table 1. Purchased goods and services and capital goods are not required under PPN 006. They are material for NP Aerospace given steel and aramid inputs, and are recommended for a later phase – note that NHS suppliers are expected to report all fifteen categories from April 2027, and defence customers may follow.

Sequencing. All five categories are quantified in this issue; sequencing now applies to the activity-based replacement. The commuting survey (category 7) is prepared for issue and, carrying the longest analysis lead time, issues first. The supplier transport survey and consignment-level freight data (categories 4 and 9) build as responses arrive, and any element of customer-arranged distribution reported as not relevant will carry a documented justification, which the standard permits. Waste tonnage and booking-level travel data (categories 5 and 6) come directly from contractor invoices and the expense system. Budget has been assigned to complete this activity for the Q4 2026 reissue.

Data Improvement Plan

Improving data quality reduces uncertainty, and in most cases reduces the reported emission count by replacing conservative estimates with actuals. More importantly, better data supports better decisions on where to invest. The following measures are specific to NP Aerospace and are ordered by urgency.

- **Site 1 main supply metering:** the replacement MPAN commissioning failed between March and June 2025, leaving the main site load unmetered for much of the year. Consumption for 16 February to 31 December 2025 has been estimated from the corresponding 2024 half-hourly profile. Permanent metering must be verified and the position reconciled with the supplier, including the outstanding back-billing exposure.
- **Site 2 on-site generation:** no data currently available for the roof-mounted solar array. Generation and export metering is needed both to report accurately and to evidence the reduction already achieved.
- **Grey fleet mileage:** business mileage claimed by staff in their own vehicles is required for SECR as well as for Scope 3 category 6. The expenses ledger defines the boundary; extracts have been received, and a reconciliation of the NP Aerospace SV mileage figures is in progress.
- **On-site liquid fuel:** diesel storage was observed at Site 1 during the site visit. Confirmed that Diesel is only used for the sprinkler house during annual service & emergency.
- **Fuel card vehicle register:** registration numbers are entered manually at the pump and are unreliable, with multiple spellings of the same plate and free-text entries in place of registrations. Total litres are sound; vehicle-level analysis is not possible without a card-to-vehicle mapping from NP Aerospace.
- **Employee commuting survey:** the survey is prepared and ready for issue across both sites, capturing mode, distance and homeworking pattern; results replace the category 7 screening estimate in the Q4 2026 update.
- **Freight data capture:** agree with logistics providers a standing report of movements, weights and distances, rather than reconstructing them annually from invoices.
- **Supplier transport survey:** the cleansed supplier list is prepared (158 suppliers covering approximately 96% of ledger spend across both companies); NP Aerospace to populate supplier contact emails, with the survey issued to the confirmed list and responses replacing the category 4 spend basis.
- **Waste tonnage capture:** collect waste contractor invoices so that category 5 is reported by tonnage and treatment route in place of spend.
- **Travel data at booking level:** obtain mode, route and room-night detail from the expense system; resolve the NP Aerospace SV mileage and fuel classifications and the car hire/parking split, moving category 6 from spend-derived to activity-based.
- **Normalised data collection:** establish a shared folder and a data collection checklist so that activity data is deposited through the year rather than gathered retrospectively. This is the single change that most reduces the cost of future reporting.

Scope and Status of this Plan

The environmental management measures set out in this plan are capable of being applied by NP Aerospace in the performance of relevant contracts, supported by the ISO 14001-certified environmental management system, independently verified at both Coventry sites. In the performance of customer contracts, including Ministry of Defence contracts, these measures bear directly on delivery: consolidation of inbound and outbound freight movements, minimisation and re-use of packaging, reduction of business travel through remote review where appropriate, energy-efficient manufacture at both Coventry facilities, and engagement with the suppliers of the materials that dominate the embodied carbon of delivered equipment. Reductions achieved at the facilities and in the supply chain flow directly to the carbon performance of the contracts delivered from them.

This plan reports Scopes 1 and 2 in full for calendar year 2025, together with a complete account of fuel- and energy-related activities under Scope 3 category 3. It has been prepared from primary data: supplier invoices and half-hourly meter readings for gas and electricity, and transaction-level fuel card records for road fuel. Emission factors are the published UK Government 2025 set, verified line by line.

The five Scope 3 categories required by the reporting standard are quantified in this issue using a spend-based methodology, documented in a supporting methodology note, available on request. Survey-based primary data will replace these estimates in the Q4 2026 update, which will supersede this document.

The Scope 1 and 2 figures are described as provisional for two specific reasons, each with a defined remedy in the Data Improvement Plan: a metering commissioning failure at Site 1 during 2025 which required part of the electricity load to be modelled from the corresponding 2024 half-hourly profile (approximately 1.7 GWh of the 2.4 GWh electricity total – around 70% of reported electricity and roughly a tenth of the total footprint quantified in this issue), and one outstanding gas supply invoice run. NP Aerospace has chosen to disclose these openly rather than present a single unqualified figure. The direction of travel and the order of magnitude are robust; the decimal places may move.

Possible Carbon Reduction Initiatives

To reduce carbon impact further, the following initiatives are identified for the short, medium and long term. Individual initiatives are deliberately not assigned estimated savings in this issue: the ESOS Phase 4 assessment – budget approved and programmed – will produce engineering-grade, site-specific savings figures for the energy initiatives across both facilities, and those quantified figures will be incorporated into the reduction programme and into this plan as they are delivered. Savings estimates published here will therefore be measured against engineering assessments rather than assumptions.

Short Term

- **Heat controls and building management review:** gas is roughly two thirds of Scope 1 and 2 emissions, so controls are the highest-value low-cost intervention within direct operational control. Review set points, time clocks and zoning across both sites, and confirm the hybrid heating at Site 2 is operating on its intended control strategy.
- **Compressed air leak survey:** a standard measure in armour manufacturing with a short payback, addressing electricity demand directly.
- **Half-hourly profiling of base load:** half-hourly data is available for the main Site 1 supply. Profiling overnight and weekend consumption typically identifies plant left running outside production hours.
- **Destratification and heat recovery:** assess high-bay areas for destratification fans, and process ovens and presses for recoverable waste heat.
- **Solar self-consumption at Site 2:** once generation metering is in place, review whether load can be shifted to increase on-site consumption rather than export.
- **Fleet routing and telematics:** fuel card data shows a concentrated Coventry to Folkestone and Eurotunnel corridor. Review load consolidation and consider telematics on the vans that carry the majority of the mileage.
- **Grey fleet policy:** introduce an EV salary sacrifice scheme and review the mileage policy, targeting the highest-mileage claimants identified once expenses data is analysed.
- **Renewable electricity procurement:** a REGO-backed supply will not reduce reported Scope 2 under location-based accounting, which PPN 006 requires, but supports dual reporting and increases renewable demand on the grid. Worth pursuing on cost grounds in any case at the next contract renewal.
- **Lighting controls:** the LED replacement programme completed in 2024, so the remaining opportunity is in occupancy and daylight controls rather than further lamp replacement.
- **Carbon champions:** recruit representatives at both sites to carry messages outward and feedback back to the environmental team.

Medium Term

- **Heat decarbonisation study for Site 1:** the decisive question for Target 1. Assess heat pump, hybrid and electrification options against the process heat requirement. This is the

natural output of the scheduled ESOS Phase 4 assessment and should be scoped so that ESOS produces investment-grade recommendations rather than a compliance document.

- **On-site generation at Site 1:** feasibility for roof-mounted solar, informed by the Site 2 experience and by the half-hourly demand profile.
- **Fleet transition:** the local Coventry duty cycles are the strongest early candidates for electric vans; the long-distance corridor work is not, until range and charging infrastructure allow.
- **Supplier engagement programme:** formalise the response to customer sustainability questionnaires into an outbound programme, prioritising steel and aramid suppliers by spend, and seeking supplier-specific emission factors in place of spend-based proxies.
- **Waste and material efficiency:** use the waste data gathered for category 5 to target offcut and scrap reduction in armour panel production.

Long Term

- **Low-carbon ballistic materials:** monitor the availability of electric arc furnace and hydrogen-based steel at ballistic specification, and the requalification pathway required to adopt it. This is the principal route to a Net Zero outcome for the upstream footprint and is not available today.
- **Residual removals:** from around 2040, identify certified removals to address the residual balance once a 90% reduction has been delivered.

Once the management team decides which initiatives to progress, estimated reduction impacts can be calculated and a formal, costed carbon reduction plan written against them.

Next Steps

The following actions are programmed for delivery ahead of the autumn tender cycle.

- **Confirm targets:** the board to review this document and confirm which targets and reduction actions are adopted.
- **Complete the Scope 3 inventory:** quantified in this issue on a spend basis; replace with survey-based primary data in the Q4 2026 update.
- **Lock the baseline:** CY2025 is adopted as the baseline. It cannot be considered fixed until the three outstanding Scope 1 and 2 data gaps are closed – the Site 1 main-supply metering reconciliation, generation metering for the Site 2 solar array, and the outstanding gas supply invoice run – which moves those items onto the critical path. Each has a defined remedy in the Data Improvement Plan.
- **Close the Scope 1 and 2 data gaps:** the measures in the Data Improvement Plan, with the Site 1 metering reconciliation taken first.
- **Maintain the published Carbon Reduction Plan:** this issue carries board approval and director signature and is published on the NP Aerospace website, with a link included in bid returns; the survey-based update follows in Q4 2026.
- **Align with ESOS Phase 4:** budget is approved and the assessment is in plan; the qualifying period runs to 31 December 2026 with a compliance deadline of 5 December 2027. Scoping the assessment to generate investment-grade heat and electricity recommendations turns a compliance cost into the capital plan behind Target 1, and provides the quantified savings figures for the initiatives in this plan.
- **Move toward real-time reporting:** begin CY2026 data collection immediately rather than retrospectively, shortening the gap between emission and report.

Declaration and Sign Off

This document has been prepared with reference to PPN 006 (formerly PPN 06/21) and the associated Technical Standard for the Completion of Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the GHG Protocol Corporate Standard and use the published UK Government emission conversion factors for greenhouse gas company reporting.

Scope 1 and Scope 2 emissions have been prepared on a basis consistent with SECR requirements and are reported in full, together with a complete account of fuel- and energy-related activities under Scope 3 category 3. The five Scope 3 categories required by the reporting standard are reported in this issue using a spend-based methodology, with survey-based primary data to replace these estimates in the Q4 2026 update.

This plan has been reviewed and signed off by the board of directors or equivalent management body and published on the NP Aerospace website, and will be reviewed and republished at least annually.

Prepared by

{Original Signed}

David Wilshin,

Carbon & Procurement Specialist

Auditel

27th August 2026

This Carbon Reduction Plan NP-DOC-2787 Issue 03 (dated 27 August 2026) has been reviewed and approved by the Board of Directors of NP Aerospace Limited and NP Aerospace SV Limited and is signed on behalf of NP Aerospace Limited and NP Aerospace SV Limited by

{Original Signed}

Adrian Smith,

Compliance Director

27 August 2026