

KDM Group

Carbon Reduction Plan



Commitment to achieving Net Zero

KDM Group is committed to achieving Net Zero emissions by 2040.

Emissions Footprint

Emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions.

Baseline emissions are the reference point against which emissions reduction can be measured.

Baseline Year Assessment: 1 st June 2021 to 31 st May 2022										
This Assessment: 1st June 2025 to 31st May 2026										
This is KDM Groups fourth year report on emissions.										
Emissions	Base Line Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year	7 th Year	8 th Year	9 th Year	10 th Year
Scope 1:	100	104	130	133	147					
Scope 2:	54	58	39	18	45					
Scope 3: (Included Sources)	708	570	559	872	2644					
Total (tCO2e) Emissions:	862	732	729	1023	2836					

Emissions reduction targets

Committed to working towards Net Zero.

In line with the data & reduction methods noted within this plan KDM Group anticipates being Net Zero by Jan 2040.

Assessment carried out on behalf of KDM Group by Tunley Environmental

Date: 19/08/2026

Rev: 06

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Executive Summary

KDM Group (hereafter, KDM) would like to report on the carbon emissions for assessment year between the 1st of June 2025 and the 31st of May 2026. Quantifying their business carbon emissions puts KDM in a position to demonstrate sustainability and environmental responsibility to their customers and the wider public. It allows KDM to show how a measurable change can be made to climate change emissions and facilitate the achievement of Net Zero Carbon (NZC). KDM and Tunley Environmental have collaborated to identify emission sources and collect data.

Tunley Environmental has conducted an independent assessment to quantify carbon emissions due to business activities conducted by KDM and their contractors, based on the data provided by KDM. The evaluation herein reported includes two components of emission quantifications for:

- The company's business activities are from the 1st of June 2025 and the 31st of May 2026. This first component evaluates carbon emissions from their emissions in Scopes 1, 2 and 3.
- A roadmap to Net-Zero Carbon (NZC) based on emissions from the quantification year and comparison with the 2022 baseline, including annual performance across each reaudit (2023–2026) and an assessment of both market-based and location-based emissions. This will provide KDM with a clear pathway to minimise the carbon footprint resulting from its business activities.
- Granular analysis of purchased goods and business travel emissions.
- Outside of Scope emissions quantification to demonstrate carbon sequestration in

purchased wood products.

This assessment demonstrates KDM's commitment to showing how carbon emissions can be reduced. It also provides KDM and its customers with a clear evaluation of carbon emissions associated with these business practices and aligns with KDM's ambition for achieving carbon neutrality.

Total greenhouse gas emissions for the reporting period, calculated using the location-based approach are **2,836 t CO₂e** per annum (Figure 1).

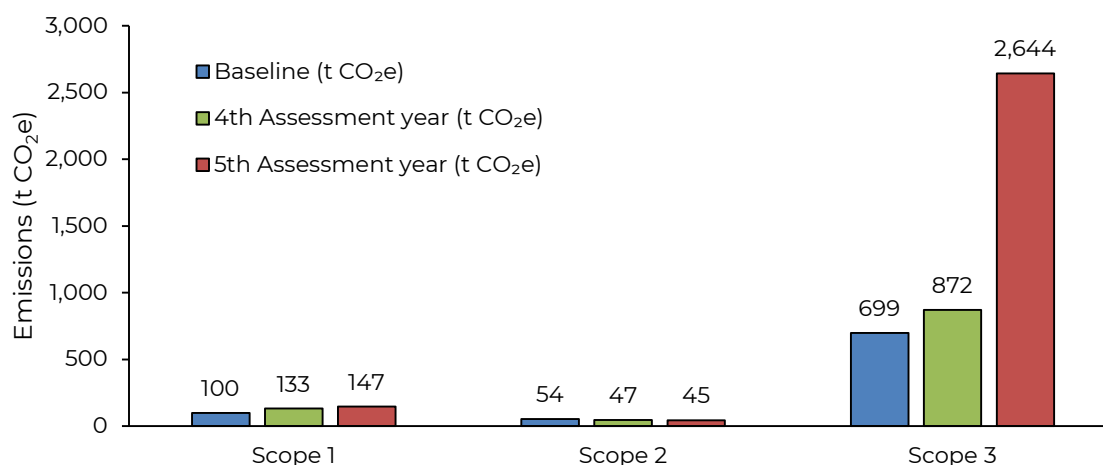


Figure 1. KDM's greenhouse gas emissions for Scopes 1, 2 and 3 for the location-based analysis.

Tunley Environmental recommend taking steps to reduce emissions and become NZC by implementing a phased programme of carbon reduction initiatives to support KDM's transition to Net Zero Carbon by 2040. The roadmap includes renewable electricity (2027), switching to EVs and HEVs (2029), electric heating (2030), adopting lower-carbon construction materials (2032), electrifying business travel for vans and cars (2035), and offsetting residual emissions (2040). By implementing these reduction initiatives, KDM shall be able to reduce their emissions by 1,102 t CO₂e (38.9%) by 2040.

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Introduction

Climate change poses a significant challenge to the environment, necessitating mitigation measures at international, national, and local levels. It impacts businesses, natural systems, and communities. This is caused by global warming, as a result of an increase in greenhouse gas (GHG) emissions, known as carbon emissions.

Tunley Environmental conducted this assessment using the standard protocols stated above and data provided by KDM for their business activities, based on data between the 1st of June 2025 and the 31st of May 2026.

This assessment is based on data categorised into three scopes, as defined by the Greenhouse Gas Protocol (Figure 1). For each year, the assessment provides detailed quantification of GHG emissions due to:

- Scope 1: Direct emissions such as those arising from gas heating and consumption of diesel/petrol.
- Scope 2: Indirect emissions from purchased electricity.
- Scope 3: Other indirect emissions from purchased goods, waste generated in operations, and business travel.

Appreciating the importance of determining major contributors to the emissions, Tunley Environmental provides detailed analysis and discussion on the major contributors to emissions; this will support KDM's customers with their decision-making processes to reduce their carbon emissions. Where information and data were limited, we made reasonable assumptions based on our expertise and external sources of data.

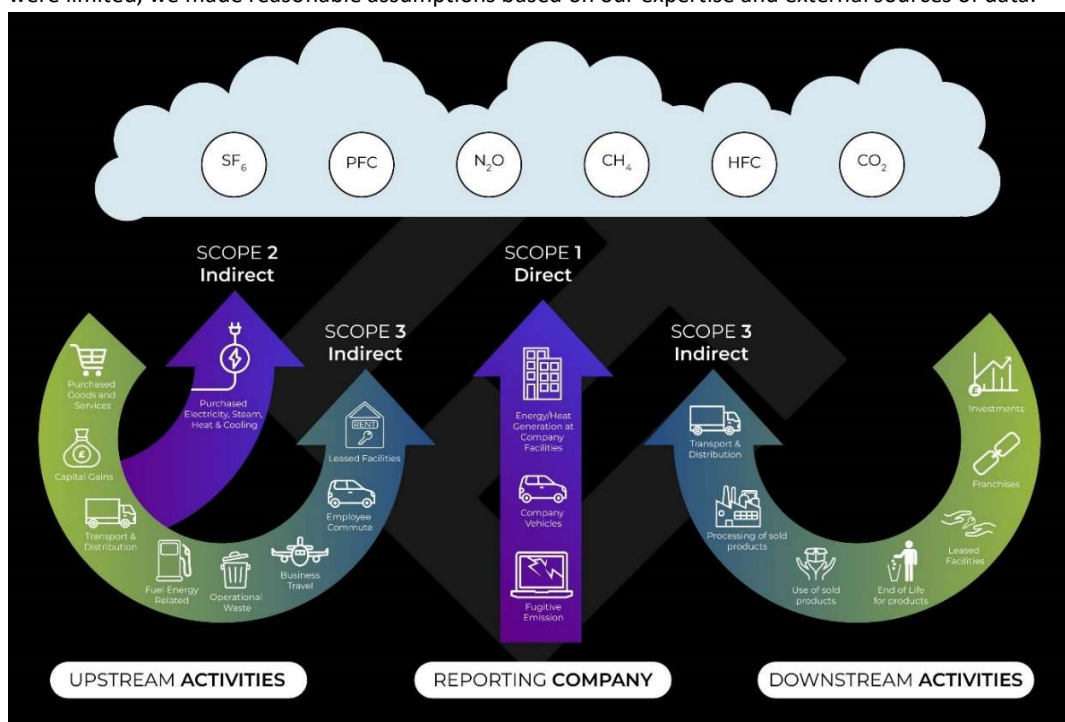


Figure 1. An overview of the GHG Protocol scopes and emissions across an entire value chain.

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Emission Data

GHG Emissions Categories

Table 1 and Figure 2 provide the emissions for KDM from the 1st of June 2025 and the 31st of May 2026. The largest emissions category quantified 2,477.2 t CO₂e for Purchased Goods and Services. The second highest source of emissions was 146.7 t CO₂e that was for Business Travel.

Table 1. Emission data for KDM's business operations from the 1st of June 2025 and the 31st of May 2026 categorised according to The Greenhouse Gas Protocol.

Scope	Category	Emissions (t CO ₂ e)	Percentage (%)
S1.1	Stationary combustion	23.0	0.8
S1.2	Mobile combustion	124.3	4.4
S1.3	Refrigerants	0.0	0.0
S2.1	Purchased heat	0.0	0.0
S2.2	Purchased electricity	44.5	1.6
S3.1	Purchased goods and services	2,477.2	87.3
S3.2	Capital goods (e.g., assets, machinery, etc)	0.0	0.0
S3.3	Fuel and energy related activities not included in S1 or S2	0.0	0.0
S3.4	Upstream transportation and distribution	0.0	0.0
S3.5	Waste generated in operations	20.5	0.7
S3.6	Business travel	146.7	5.2
S3.7	Employee commuting	0.0	0.0
S3.8	Upstream leased assets	0.0	0.0
S3.9	Downstream transportation and distribution	0.0	0.0
S3.10	Processing of sold products	0.0	0.0
S3.11	Use of sold products	0.0	0.0
S3.12	End of life treatment of sold products	0.0	0.0
S3.13	Downstream leased assets	0.0	0.0
S3.14	Franchises	0.0	0.0
S3.15	Investments	0.0	0.0
Total (t CO₂e)		2,836	100

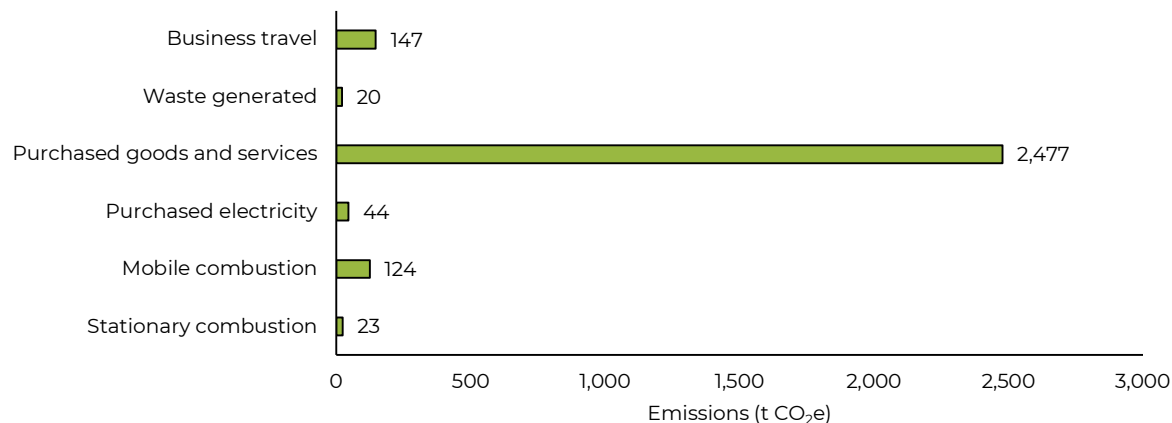


Figure 2. Graphical representation for the quantified emission categories (GHG Protocol) for KDM from the 1st of June 2025 and the 31st of May 2026

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Annual Comparison – Location-Based

The emissions across Scopes 1, 2 and 3 for the baseline and the current assessment (5th reaudit) are displayed in Table 2. Scope 1 emissions have increased from the baseline year by 47 t CO₂e. This is primarily due to an increase in business activity, reflected in higher emissions from mobile combustion, whilst stationary combustion emissions have remained broadly consistent with the baseline. Scope 2 emissions have decreased when compared with the baseline (refer to Table 2), reflecting an increase in purchased electricity consumption. Scope 3 emissions show the largest increase, rising by 1,945 t CO₂e from the baseline. This increase is primarily driven by a three- to four-fold increase in timber purchased, resulting in substantially higher emissions from purchased goods and services. The increase is consistent with the growth in business activity, as demonstrated by the rise in turnover from £30 million in the baseline year to £54 million in the current assessment year.

Table 2. Quantified annual emissions for KDM categorised according to The Greenhouse Gas Protocol Scopes.

Scope	Baseline (t CO ₂ e)	4th Reaudit (t CO ₂ e)	5th Reaudit (t CO ₂ e)	Difference from Baseline
1	100	133	147	Increase by 47.4 t CO ₂ e
2	54	47	45	Decrease by 9.1 t CO ₂ e
3	699	872	2,644	Increase by 1,945.5 t CO ₂ e
Total	852	1,052	2,836	Increase by 1,938.8 t CO₂e
Turnover (£ m)	30	51	54	Increase by £24 m
Intensity Ratio (t CO₂e/£ m)	28	21	53	Increase by 25 t CO₂e/£ m

Overall, total greenhouse gas emissions have increased by 1,939 t CO₂e compared with the baseline. Similarly, the emissions intensity ratio has increased from 28 t CO₂e/£m to 53 t CO₂e/£m, indicating that emissions have increased at a greater rate than turnover. As purchased goods and services account for the majority of emissions, future carbon reduction initiatives should prioritise procurement decisions, material efficiency and supplier engagement while supporting continued business growth.

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Annual - GHG Emissions Categories

Figure 3 and Table 3 provide the emissions for KDM for the current assessment (5th reaudit) in comparison with the 2022 baseline. The largest emissions category is purchased goods and services, quantified at 2,477 t CO₂e, accounting for the majority of the increase in total emissions. The second largest source of emissions is business travel at 147 t CO₂e, followed by mobile combustion at 124 t CO₂e. In contrast, stationary combustion emissions have decreased slightly compared with the baseline, whilst waste generated in operations remains significantly lower than baseline levels despite a small increase compared with the previous assessment year. Purchased electricity (location-based) have decreased from the baseline to the previous and now at the current assessment year. These results demonstrate that future carbon reduction efforts should focus primarily on reducing emissions associated with purchased goods and services, whilst continuing to improve transport efficiency, energy management and waste management practices.

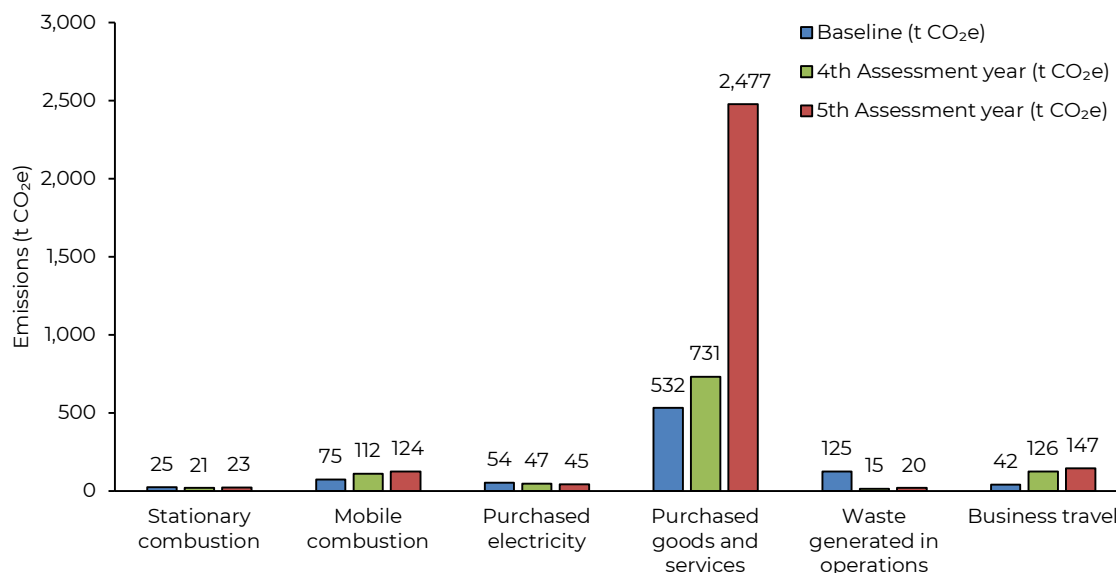


Figure 3. Graphical representation for the quantified emission categories (GHG Protocol) for KDM from the 1st of June 2025 and the 31st of May 2026

Table 3. Emission data for KDM's business operations from the 1st of June 2025 and the 31st of May 2026 categorised according to The Greenhouse Gas Protocol.

Category	Baseline (t CO ₂ e)	4th Reaudit (t CO ₂ e)	5th Reaudit (t CO ₂ e)	Difference from Baseline
Stationary combustion	25	21	23	Decrease by 2.2 t CO ₂ e
Mobile combustion	75	112	124	Increase by 49.6 t CO ₂ e
Purchased electricity	54	47	45	Decrease by 9.1 t CO ₂ e
Purchased goods and services	532	731	2,477	Increase by 1,945.2 t CO ₂ e
Waste generated in operations	125	15	20	Decrease by 104.5 t CO ₂ e
Business travel	42	126	147	Increase by 104.8 t CO ₂ e

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Granularity – Purchased Goods and Services

A granular analysis of the purchased goods in the current assessment year is provided in Figure 4. Timber remains the largest source of emissions from purchased materials at 1,286 t CO₂e, followed by paper, plasterboard, MDF, door blanks, plywood and laminate (refer to Figure 5 for the quantitative data). The significant increase in emissions from purchased goods is primarily attributable to a four-fold increase in timber purchased compared with the baseline year, reflecting the increased material demand associated with business growth. This trend is consistent with the increase in company turnover observed during the reporting period.

The purchased goods assessment is predominantly based on primary activity data (material quantities), providing a higher level of accuracy. In contrast, a small proportion of emissions (approximately 0.8 t CO₂e) relates to routine air conditioning maintenance, which has been estimated using a spend-based methodology where activity data were unavailable. As these emissions are largely influenced by customer specifications and procurement requirements, KDM has limited direct control over material selection. However, where feasible, lower-carbon material alternatives, certified sustainable timber and supplier engagement should be considered to reduce embodied carbon without compromising product performance or client requirements.

Overall, the material profile indicates that emissions are concentrated within a small number of core construction materials, highlighting where future procurement efforts can deliver the greatest carbon savings. Prioritising engagement with suppliers of these key materials will provide the greatest opportunity to reduce upstream embodied carbon while maintaining manufacturing output.

As the assessment is largely based on measured material quantities, it provides a reliable baseline for tracking future procurement performance. Continued improvements in supplier data quality, together with the increased use of products containing recycled or responsibly sourced content, will enable KDM to monitor progress more effectively and support reductions in purchased goods emissions over subsequent reporting periods.

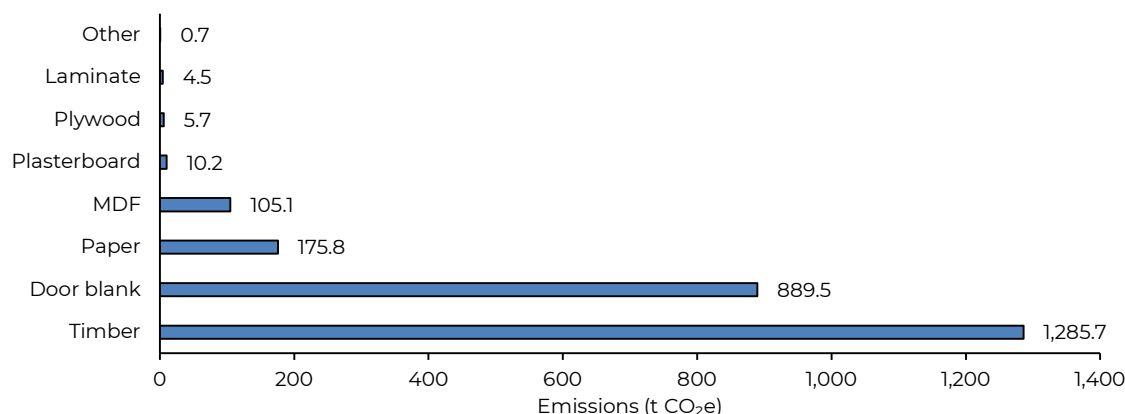


Figure 4. Granular analysis of KDM's Purchased Goods and Services in from the 1st of June 2025 and the 31st of May 2026.

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FSC Timber

The Forest Stewardship Council (FSC) is a globally recognised forest certification scheme that promotes responsible forest management. FSC claim that certified woodlands store at least 30% more carbon compared to other forests. There are four main values which are integrated with FSC certified woodlands covering not only environmental but also economic and social benefits:

1. Zero deforestation – no net loss of forest is ensured over time.
2. Environmental protection – biodiversity of forests is maintained, and high conversation areas are untouched.
3. Indigenous peoples rights respected – forest inhabitants are consulted and engaged to maintain their cultural rights.
4. Fair wage and work environment for workers – all forestry workers are given decent wages, as well as required training and safety equipment.

KDM has continued to strengthen its commitment to responsible timber procurement through increased use of FSC-certified wood products. Figure 6 illustrates the quantities of FSC-certified and non-FSC materials purchased across all assessment years together with the proportion of FSC-certified material within each product category.

The current assessment year demonstrates a substantial increase in timber procurement, with total timber purchases increasing by more than fourfold compared with the previous assessment year. Encouragingly, the proportion of FSC-certified timber also increased from 54% to 60%, demonstrating that responsible sourcing has continued alongside business growth. Similarly, FSC door blanks remain exceptionally high at 98%, whilst FSC fibreboard continues to exceed 90% of total fibreboard purchased.

Error! Reference source not found.. provides the details of each FSC and non-FSC purchased products as part of the share of the Scope 3 – Purchased goods and services.

Although the increase in production demand has resulted in higher absolute quantities of both FSC and non-FSC timber products, KDM has maintained a strong commitment to responsible sourcing. Maintaining and further increasing the proportion of FSC-certified materials should remain a key objective as the business continues to expand.

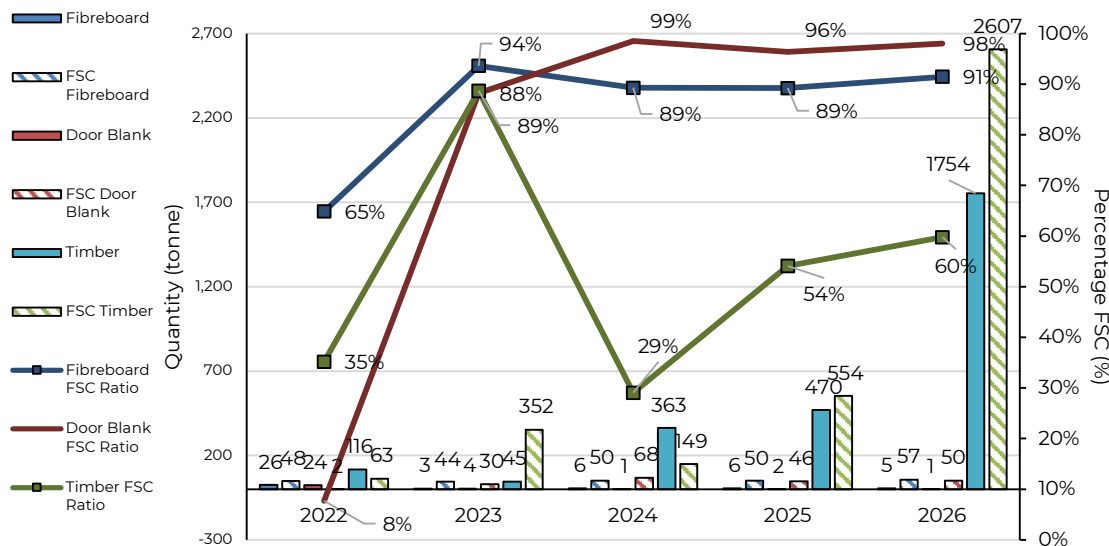


Figure 6. FSC and non-FSC purchased products comparison over all the assessment years

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Market-based versus Location-based Emissions

Greenhouse gas emissions from purchased electricity have been reported using both the location-based and market-based approaches in accordance with the GHG Protocol Scope 2 Guidance. The location-based method reflects the average emissions intensity of the national electricity grid from which electricity is consumed, irrespective of the electricity supplier or tariff selected. In contrast, the market-based method accounts for the emission factors associated with the specific electricity supplier and tariff procured by the organisation. Table 4 presents the Scope 2 emissions for KDM's Dalgety Bay and Warrington sites using both reporting methodologies. During the reporting period, electricity for the Dalgety Bay site was supplied by EDF, whilst the Warrington site was supplied by E.ON Next. Under the location-based approach, electricity consumption of 226,750 kWh at Dalgety Bay and 24,584 kWh at Warrington resulted in total Scope 2 emissions of 44.5 t CO₂e. Under the market-based approach, the same electricity consumption resulted in total emissions of 78.4 t CO₂e. The difference between the two reporting methods is primarily driven by the supplier-specific emission factors associated with the electricity contracts at each site. The Dalgety Bay facility reports substantially higher market-based emissions (75.1 t CO₂e) than location-based emissions (40.1 t CO₂e), reflecting the emission factor associated with the EDF electricity tariff used during the reporting period. Conversely, the Warrington site reports slightly lower market-based emissions (3.3 t CO₂e) than location-based emissions (4.4 t CO₂e), reflecting the comparatively lower emission factor associated with the E.ON Next electricity tariff. Overall, the market-based methodology reports 78.4 t CO₂e, compared with 44.5 t CO₂e under the location-based methodology, representing an increase of 33.9 t CO₂e (approximately 76%). This comparison demonstrates the influence that electricity procurement decisions can have on reported Scope 2 emissions and highlights the importance of regularly reviewing electricity contracts and considering lower-carbon or certified renewable electricity tariffs as part of KDM's Net Zero Carbon strategy.

Table 4. Comparison of Location-Based and Market-Based Emissions in current assessment year.

	Location Based		Market Based	
	Dalgety Bay	Warrington	Dalgety Bay	Warrington
Electricity Used (kWh)	226,750	24,584	226,750	24,584
Emission Factor (kg CO ₂ e/kWh)	0.1770	0.1770	0.3310	0.1360
Emissions (t CO ₂ e)	40.1	4.4	75.1	3.3
Total Emission (t CO₂e)	44.5		78.4	

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Outside of Scopes Emissions

Following the requirements of ISO 14064-1, carbon stocks, representing carbon (C) stored within greenhouse gas reservoirs are reported separately from Scope 1, 2 and 3 emissions. For KDM, this primarily comprises the carbon sequestered within harvested wood products incorporated into purchased timber-based materials. Consequently, the quantified carbon removals from FSC-certified timber products and other wood-based materials are reported separately as Outside of Scopes emissions.

Figure 5 shows that the total quantified Outside of Scopes removals for the current assessment year amount to 4,279 t CO₂e, significantly exceeding the value reported in the previous assessment year (1,806 t CO₂e). The largest contribution arises from FSC-certified timber, accounting for 4,132.6 t CO₂e of carbon removals, followed by timber at 2,671.6 t CO₂e. Smaller carbon removals are associated with plywood (133.5 t CO₂e), MFC (21.8 t CO₂e), laminate (18.6 t CO₂e), MDF (7.9 t CO₂e) and door blanks (1.5 t CO₂e). These removals reflect the increased procurement of timber-based products during the reporting year and are consistent with the substantial increase in timber purchased for manufacturing activities.

In addition, quantified biogenic emissions associated with the combustion of diesel (6.8 t CO₂e) and the use of UK grid electricity (28.9 t CO₂e) are reported separately in accordance with ISO 14064-1 guidance. These values are presented independently from the organisation's Scope 1, 2 and 3 greenhouse gas inventory and therefore do not contribute to the reported operational carbon footprint.

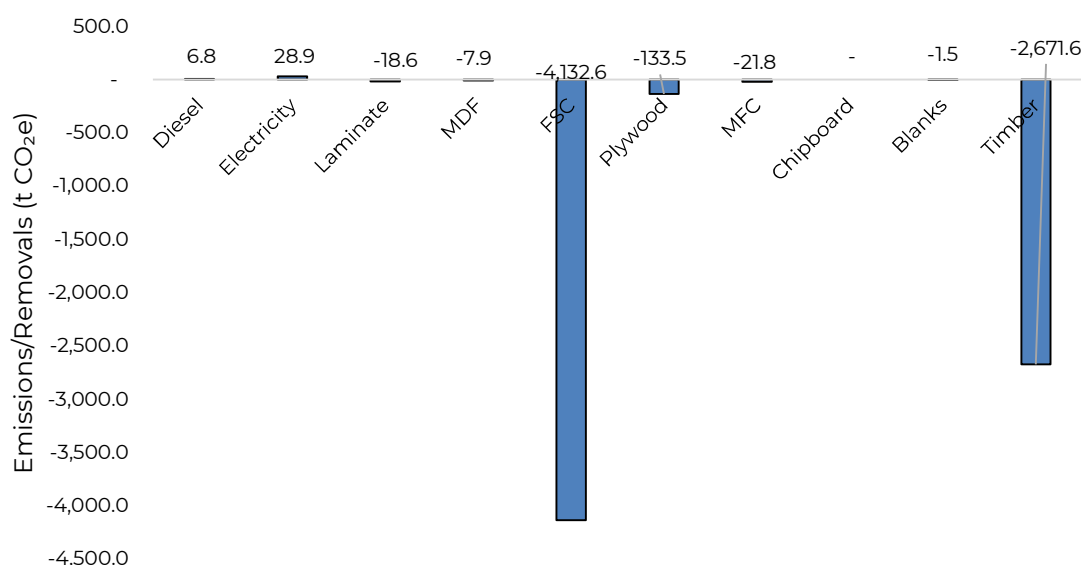


Figure 5. Quantified Outside of Scopes Emissions for KDM in the current assessment year.

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KDM's Organisational and Operational Boundary

In setting an organisational boundary KDM are able to identify if equity share, financial control, or operational control are the most appropriate for greenhouse gas quantification. In this instance operational control was identified as the most appropriate for KDM. Therefore, the operational boundaries of the assessment clearly outlining the inclusions is provided alongside the organisational boundary (**Figure 6**).

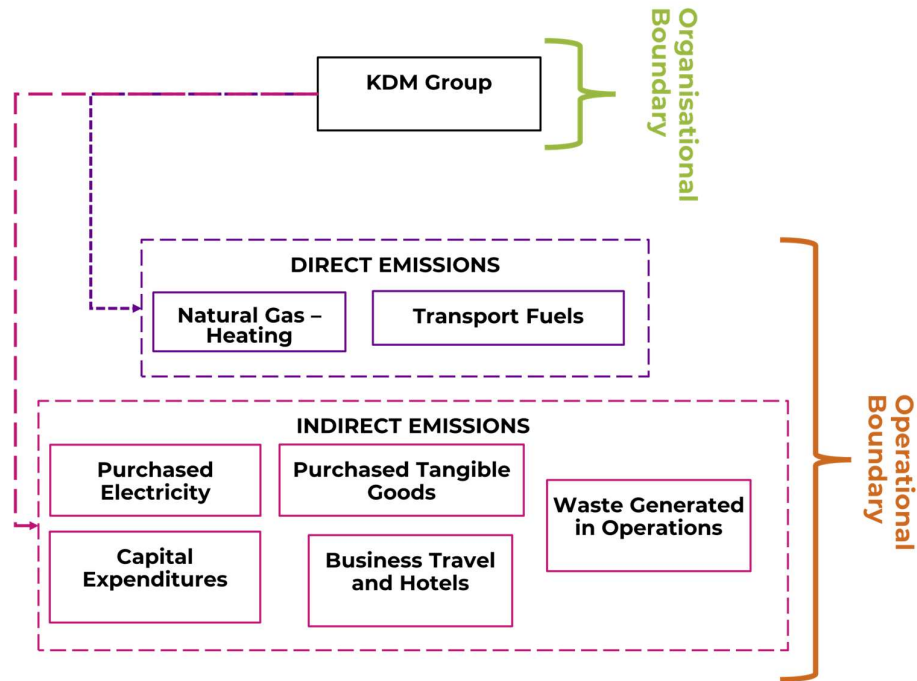


Figure 6. Organisational and operational boundary for KDM.

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Strategic CO₂e Reduction Initiatives

Tunley Environmental recommend KDM to implement a long-term approach on carbon reduction. GHG emissions can be reduced by 1,102 t CO₂e (38.9%) through implementing reduction strategies that focus on emission sources of significant contributions by 2040. Once the initiatives have been considered and taken, any unavoidable, remaining emissions can be removed by carbon off-setting actions (by 2040) (**Error! Reference source not found.**). This section provides KDM with GHG reduction initiatives.

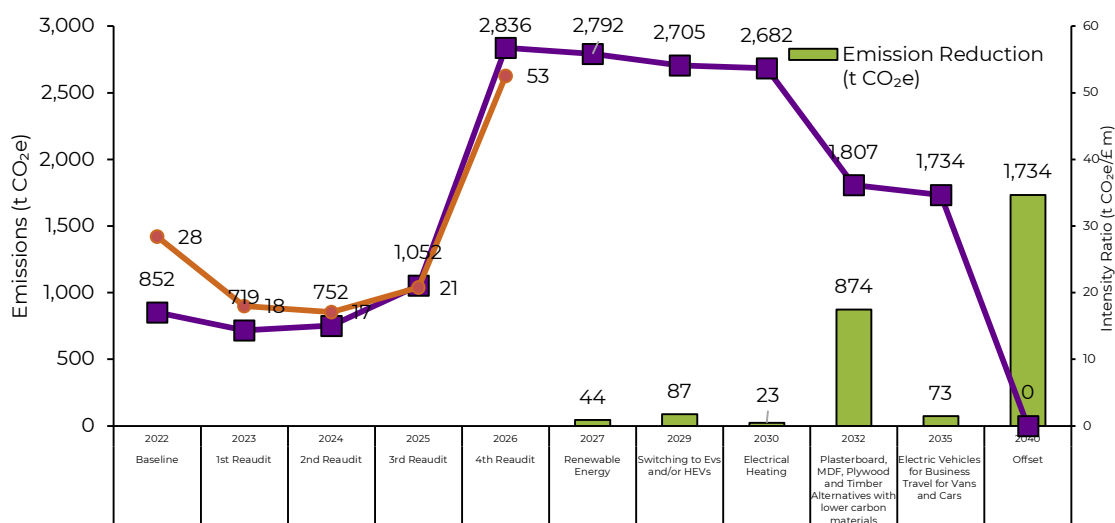


Figure 9. Roadmap to NZC for Scope 1, 2 & 3 emissions by 2040.

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Renewable Electricity – 2027

Purchased electricity remains a key source of Scope 2 emissions under the market-based reporting approach, contributing 44.5 t CO₂e. KDM should transition to an Ofgem-certified renewable electricity tariff (backed by Renewable Energy Guarantees of Origin (REGO)) for all sites where practicable. Electricity contracts should be reviewed at renewal to identify suppliers offering certified renewable tariffs with lower market-based emission factors. Implementing a 100% renewable electricity tariff is predicted to reduce emissions by 44.5 t CO₂e per year, whilst supporting KDM's wider Net Zero strategy.

Switching to Electric Vehicles (EVs) – 2029

Mobile combustion from the company-owned fleet continues to contribute to Scope 1 emissions. Replacing petrol and diesel vehicles with battery electric vehicles (BEVs) or, where operationally necessary, hybrid electric vehicles (HEVs) at the end of their useful life will significantly reduce operational emissions while avoiding the unnecessary embodied carbon associated with premature vehicle replacement. A phased fleet transition is estimated to reduce emissions by approximately 87.0 t CO₂e per year.

Electric Heating – 2030

Following the transition to renewable electricity, KDM should replace fossil fuel heating systems with electric heating technologies, such as air-source heat pumps or other high-efficiency electric systems. Electrification of heating should be undertaken only after renewable electricity procurement to maximise the carbon reduction benefit. This initiative is expected to reduce emissions by approximately 23.0 t CO₂e annually.

Lower-Carbon Building Materials – 2032

Purchased Goods and Services now represent KDM's largest emission source, largely driven by the significant increase in timber procurement required to support business growth. Whilst material selection is often dictated by customer specifications, opportunities exist to reduce embodied carbon through the adoption of lower-carbon alternatives where technically and commercially feasible. This includes lower-carbon plasterboard products, responsibly sourced timber, engineered timber products with lower embodied carbon, recycled-content materials and supplier-specific Environmental Product Declarations (EPDs). Working collaboratively with suppliers to reduce the embodied carbon of purchased materials could reduce emissions by approximately 874.5 t CO₂e per year, representing the single largest emissions reduction opportunity identified within the roadmap.

Electric Vehicles for Business Travel – 2035

Business travel remains a significant contributor to KDM's Scope 3 emissions, with mileage-based travel accounting for the majority of the category. KDM should continue to reduce business travel emissions by encouraging the use of electric hire vehicles, lower-emission transport options and virtual meetings where appropriate. Introducing business travel policies that prioritise electric vehicle use could reduce emissions by approximately 73.3 t CO₂e per year while maintaining operational flexibility.

Offsetting

Although the pinnacle objective of decarbonisation is to minimise emissions, the practicality of achieving this for every emission source may not always be plausible. In these instances, offsetting against the carbon emissions is necessary. Therefore, the remaining carbon emissions will have to be offset with bona fide suppliers. To offset against the emission for the whole period of 2,836 t CO₂e at an estimated cost of £18/t CO₂e would cost a sum total of £51,048. If these reduction opportunities were undertaken the predicted remaining 1,734 t CO₂e could be offset at a cost of £31,212.

Consequently, Tunley provide KDM with some options for Offsetting. KDM may be able to decide from:

1. Identifying a suitable programme on the [Gold Standard Marketplace](#).
2. Contacting [Carbon Neutral Britain](#) to identify suitable offsetting credits.
3. Searching the [Verra Registry](#) to find a suitable offsetting scheme.

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Conclusion

Total GHG emissions for KDM's business activities in between the 1st of June 2025 and the 31st of May 2026 are **2,836 t CO₂e**. The carbon footprint quantification presented in this report was conducted using data provided to Tunley Environmental by KDM. Tunley Environmental assessed the quality of the data and collaborated with KDM to continuously enhance this.

Tunley Environmental has provided KDM with detailed analysis of the emissions and recommendations on approaches by which KDM can reduce its carbon footprint.

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard and uses the appropriate Government emission conversion factors for greenhouse gas company reporting.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard.

This Carbon Reduction Plan has been reviewed and signed off as detailed below.

Approval Sign Off	
Signature:	
Name:	Mark Jones
Role/Position:	Executive Director
Signed Date:	19/08/2026
Next Review Date:	18/08/2027