UTAC

ADVANCING MOBILITY SINCE 1924

Carbon Reduction Plan 2025

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Executive Summary

We understand that Climate Change is a pressing global concern that is important to our Shareholders, Regulators, Customers, Colleagues and Community. At UTAC, as part of our focus on ESG (Environment, Social and Governance), we support the drive for decarbonisation.

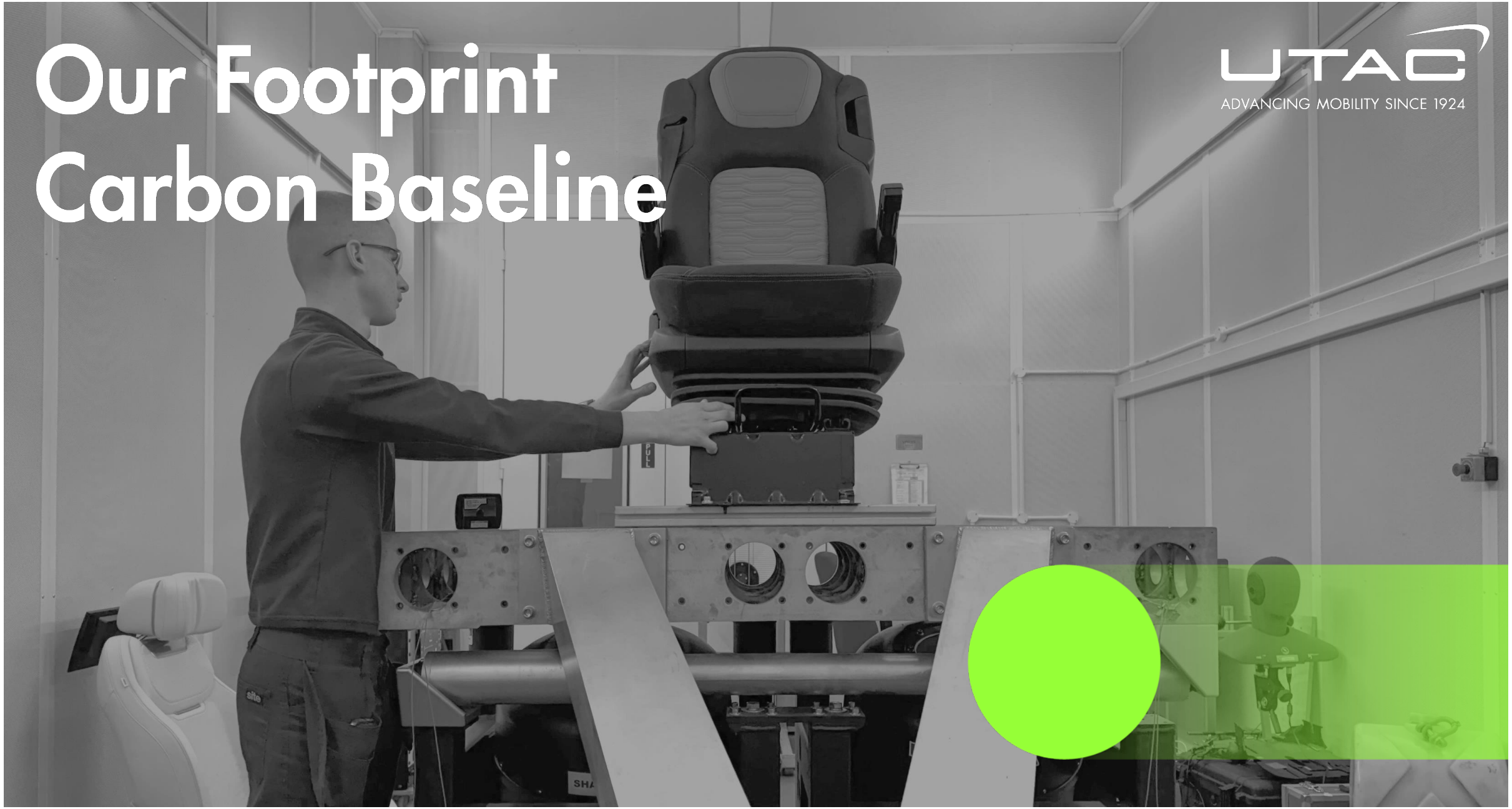
Climate Change is important to UTAC and we report our climate-related data to shareholders through ESG Reporting and have established climate-related ESG KPIs for our lenders. From a regulatory perspective, UTAC discloses its Corporate Carbon Footprint to SECR (UK) and is currently preparing for the EU CSRD, which includes ESRS E1, a standard dedicated to climate.

UTAC frequently receives requests from customers to complete initiatives such as CDP on Climate, for which we obtained an SME score B for the UK, and ECOVADIS for France, where we received a Silver medal. We also respond to tailor-made customers' sustainability questionnaires.

We are developing service offerings that consider both climate mitigation and adaptation. For instance, our EV Battery testing and EDU services are examples of climate mitigation offerings, while our portfolio now includes climate adaptation test opportunities such as immersion and deeper wade testing.

UTAC makes information readily available to colleagues through the ESG HUB, which includes the Corporate Carbon Footprint report and individual internal communication articles. Additionally, UTAC communicates with the wider community via the internet and social media. Information on climate change is available in our Sustainability Report, accessible both internally and externally

Our Footprint
Carbon Baseline



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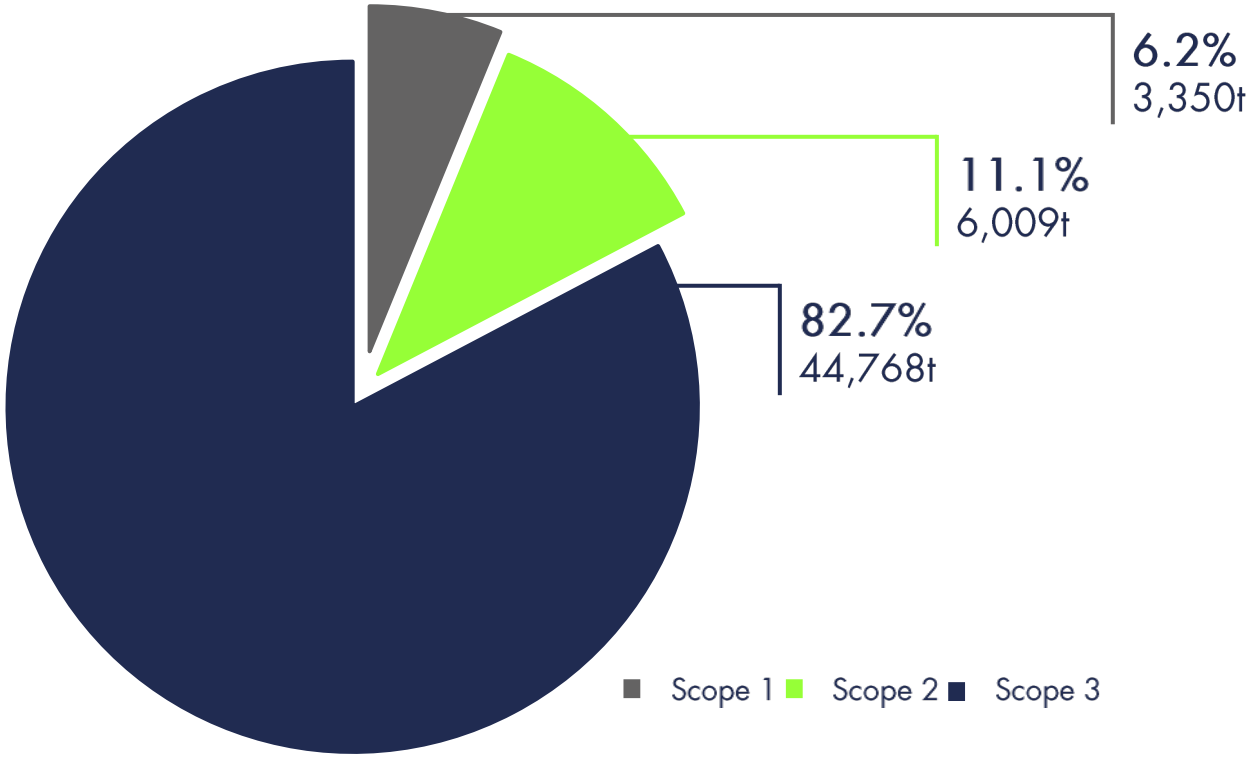
CO_2 Emissions Categorised by scope 1, 2 and 3

At UTAC we recognise that to improve our environmental efforts we must first identify where our greatest impacts lie. Therefore, we worked with an external environmental consultancy in 2023 to calculate our full 2022 corporate carbon footprint. This report covered all sourced of emissions within our operations as well as our supply chain. We are also now in the process of calculating our 2024 footprint.

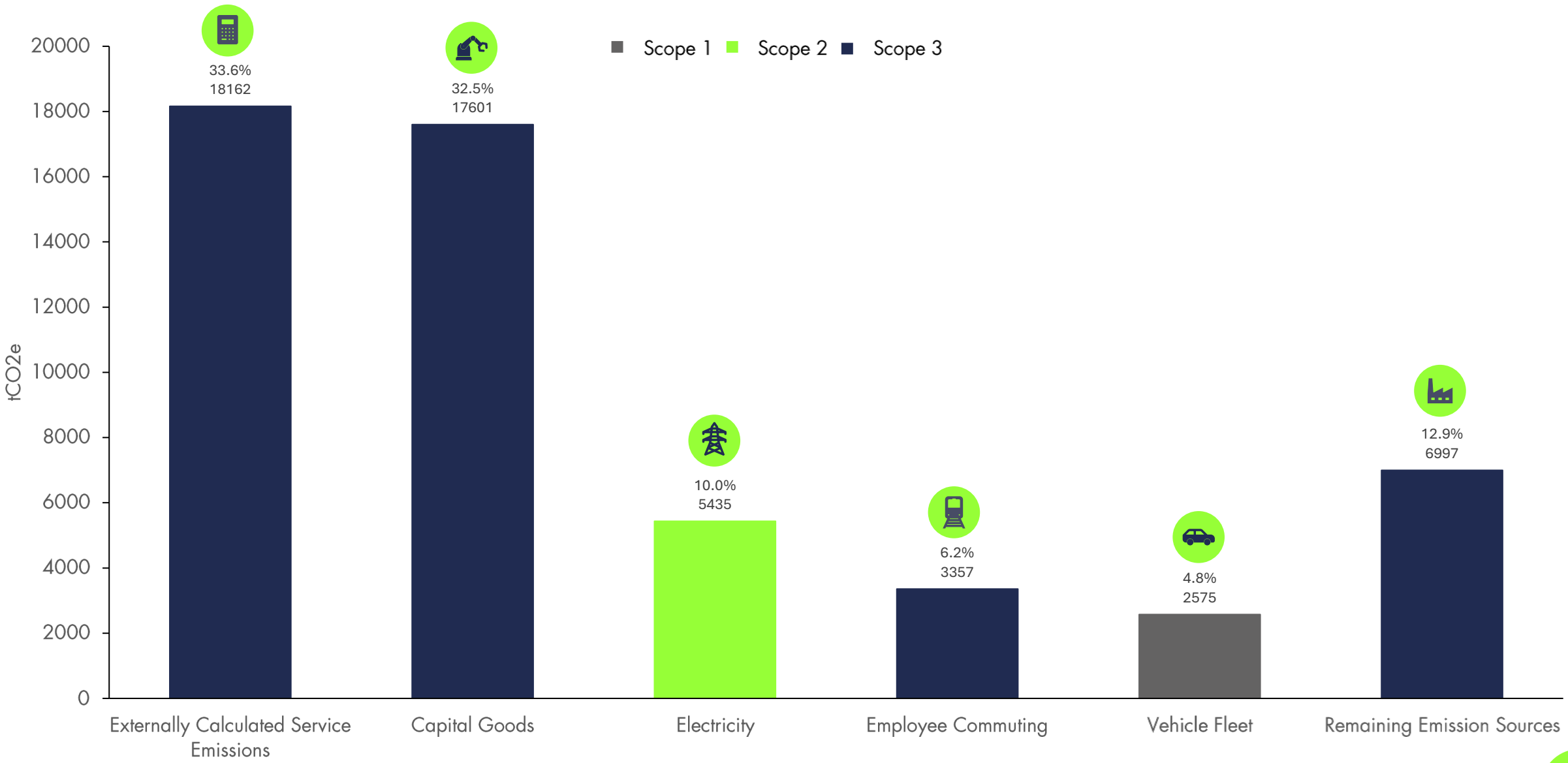
Our total 2022 greenhouse gas emissions were 54,127.03 tonnes of carbon dioxide equivalent. The calculations were conducted following the guidelines of the GHG protocol.



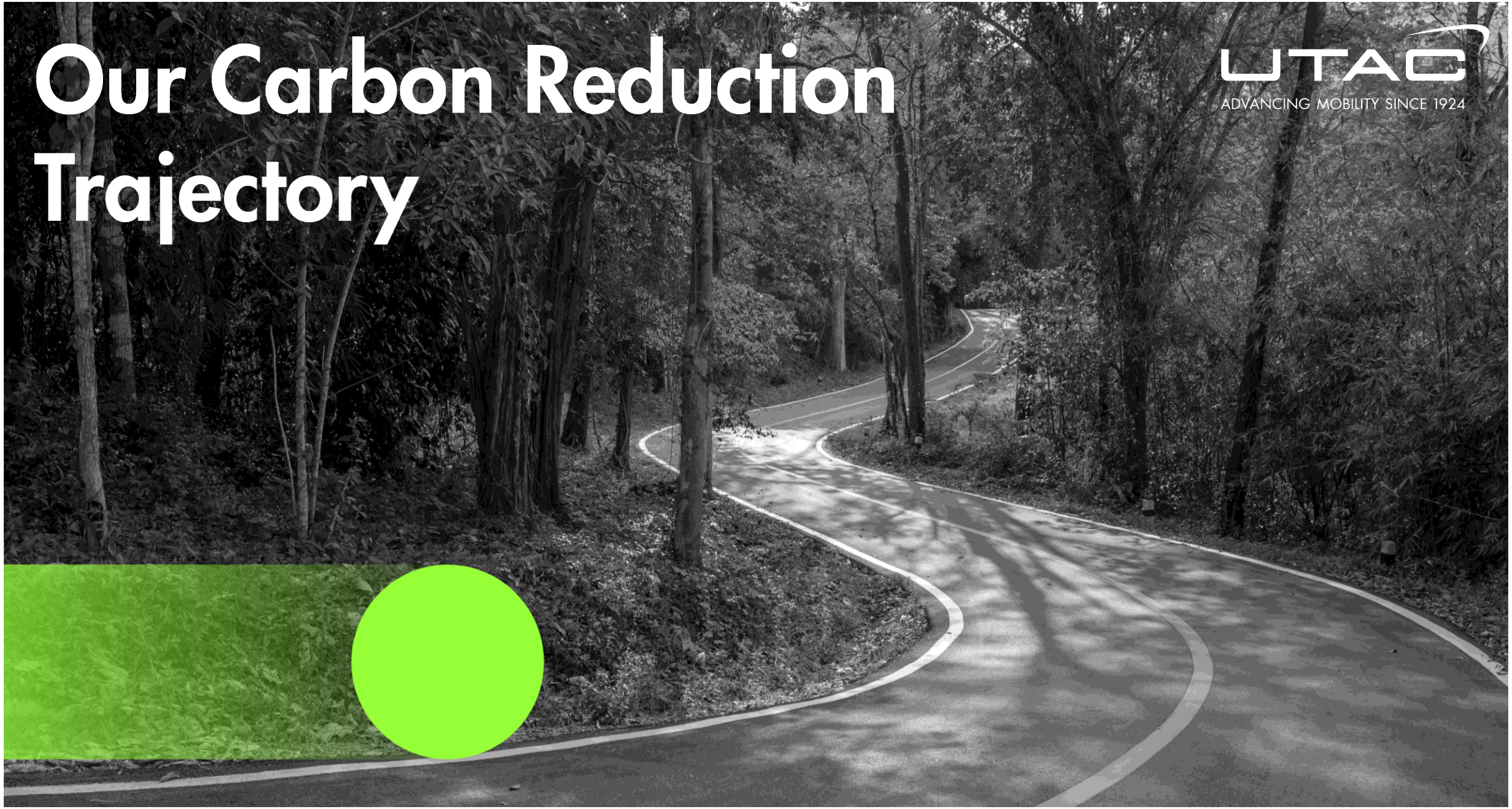
Scope 1 includes all emissions generated directly by UTAC, for example by company-owned equipment or vehicle fleets. However, Scope 2 lists the emissions that are generated by purchased energy, for example electricity and district heating.

Scope 3 includes all other emissions that are not under direct corporate control, such as employee travel or product disposal. For many businesses this is where their greatest emissions lie and UTAC is consistent with this theme. Almost 83% of our total emissions are from categories within scope 3 with 66% comprised of Purchased good and services and capital goods emissions.

UTAC's Largest CO_2 Emission Sources



Our Carbon Reduction Trajectory



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Our Near-Term Science-Based Emissions Reduction Targets

Taking stock of our achievements so far, we are proud of the steady progress that we have been making in our climate journey, but we know we can do more.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

The Science Based Target initiative (SBTi) has approved UTAC's near-term science-based emissions reduction target.

"UTAC Group commits to reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2022 base year. UTAC Group also commits to reduce absolute scope 3 GHG emissions from purchased goods and services, capital goods and fuel- and energy related activities, upstream transportation and distribution 25% within the same timeframe."

"The SBTi's Target Validation Team has classified UTAC Group's scope 1 and 2 target ambition and has determined it is in line with 1.5°C trajectory."

We are currently reviewing material to embark on a decarbonisation awareness initiative, aiming to collaborate with local teams to understand their priorities. To support this effort, we have launched a mandatory online decarbonisation awareness training for all our colleagues. Additionally, we are actively listening to stakeholders' requirements.

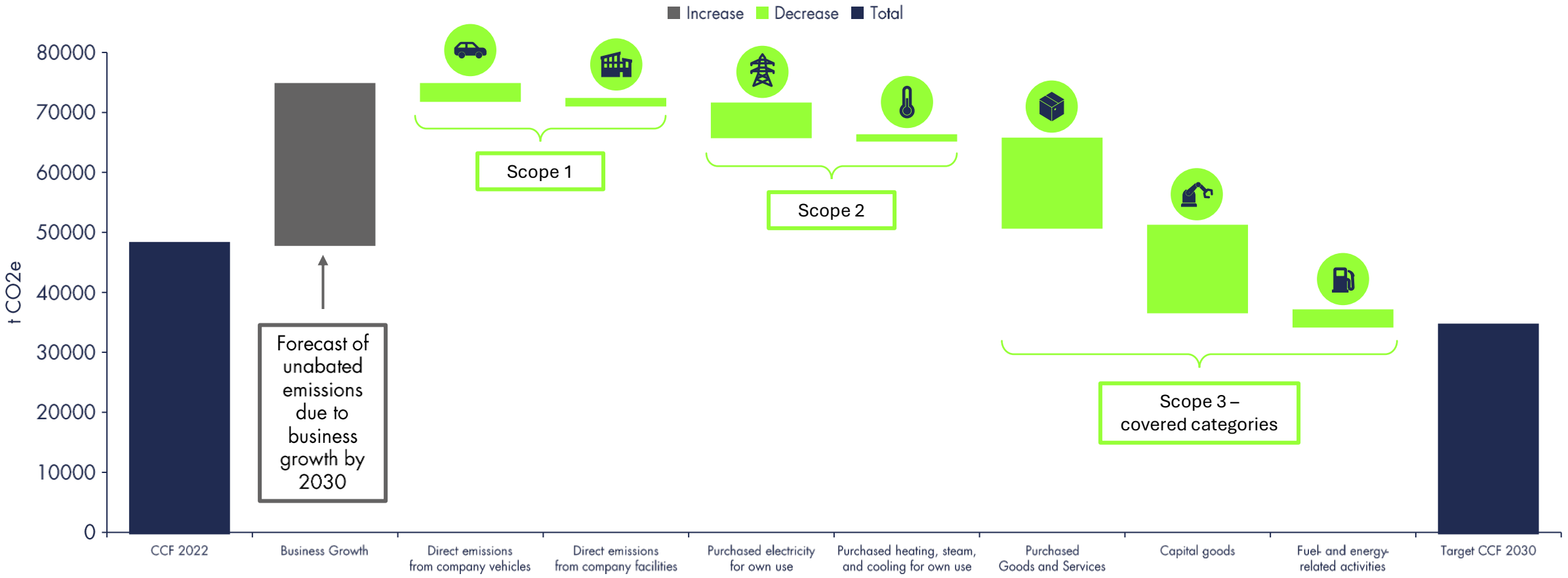
To enhance our efforts, we have implemented a new system to track, monitor, act, and report on carbon emissions. This carbon measurement platform includes a dedicated module for supplier engagement concerning Scope 3 emissions, as well as support for colleague engagement.

In terms of sustainable procurement, we launched our Group Sustainable Procurement Policy and Supplier Code of Conduct in 2024. As part of this initiative, we conducted a supplier analysis to map our most carbon-intensive suppliers and categories. To further strengthen our approach, we have hired additional resources to initiate supplier engagement.

UTAC Group – Carbon Reduction Trajectory

UTAC Group – Carbon Reduction Pathway – 2022 to 2030

This waterfall chart illustrates the transition for UTAC Group's carbon emissions from the baseline year (2022) to the estimated growth of unabated emissions by 2030. It shows the notional decrease required per Scope and categories to achieve the absolute carbon reduction targets agreed.



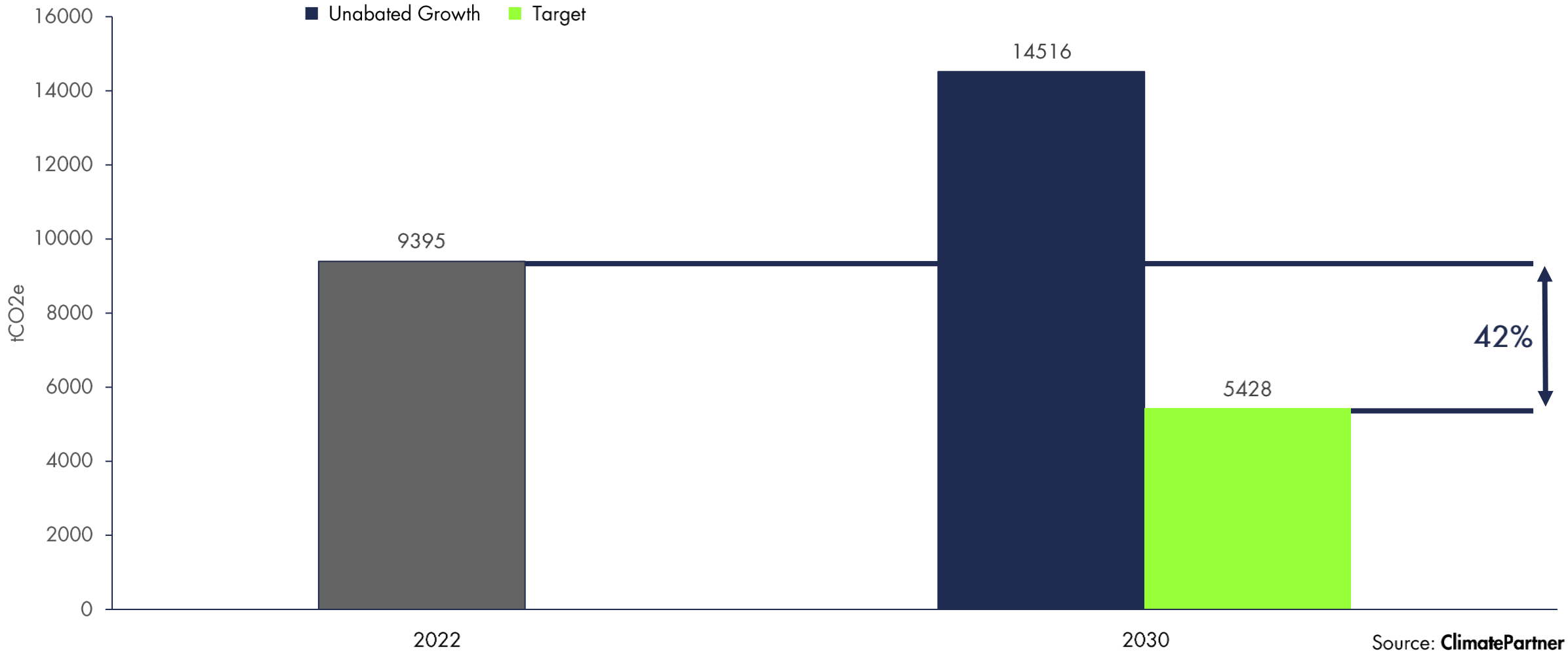
Note: UTAC Group Corporate Carbon Footprint 2022 (CCF2022). Target UTAC Group Corporate Carbon Footprint 2030 (Target CCF 2030)

Source: Own calculation

Scope 1 & 2 Targets – Notional Values – 1.5°C Trajectory

Scope 1 + 2 target Ambition 1.5°C

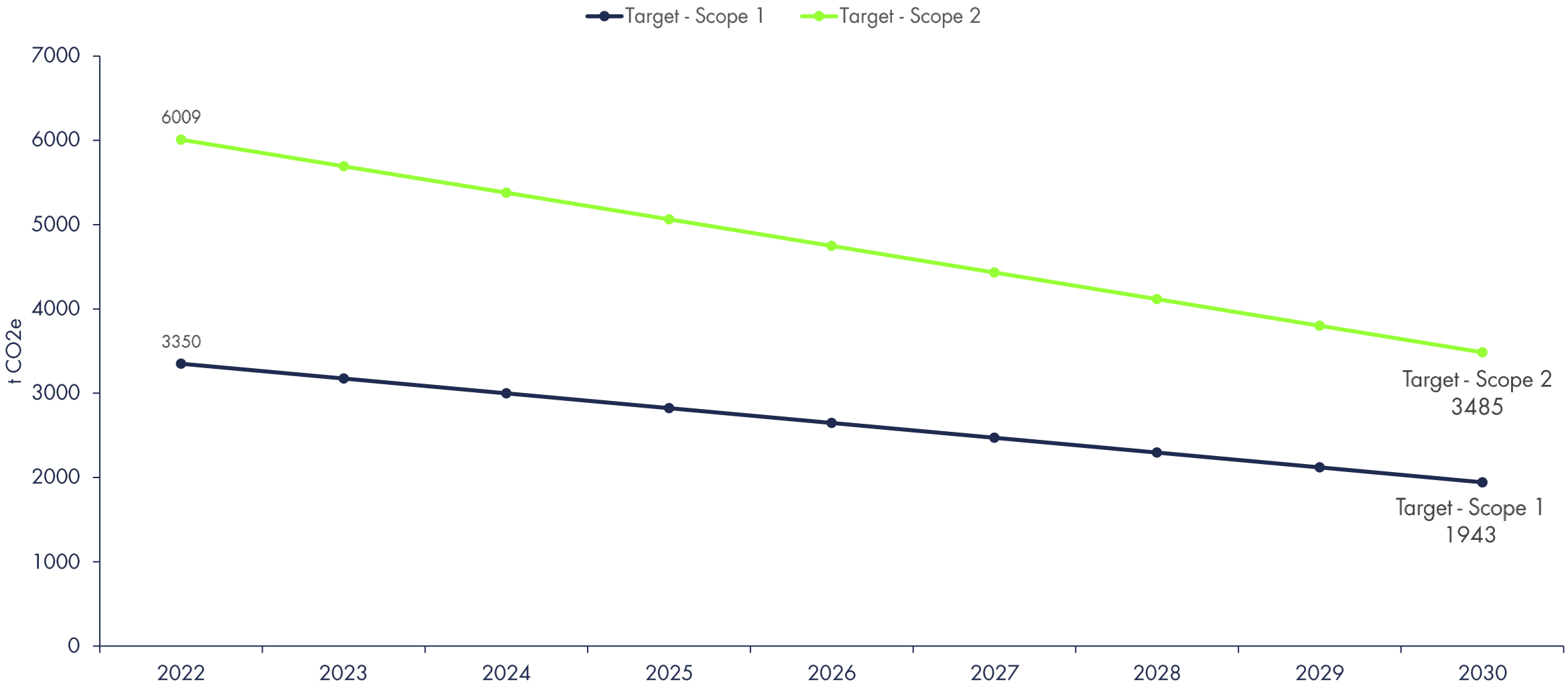
UTAC Group commits to reduce absolute scope 1 and 2 GHG emissions 42.00% by 2030 from a 2022 base year.



Source: **ClimatePartner**

Scope 1 & 2 Targets – Notional Values – 1.5°C Trajectory

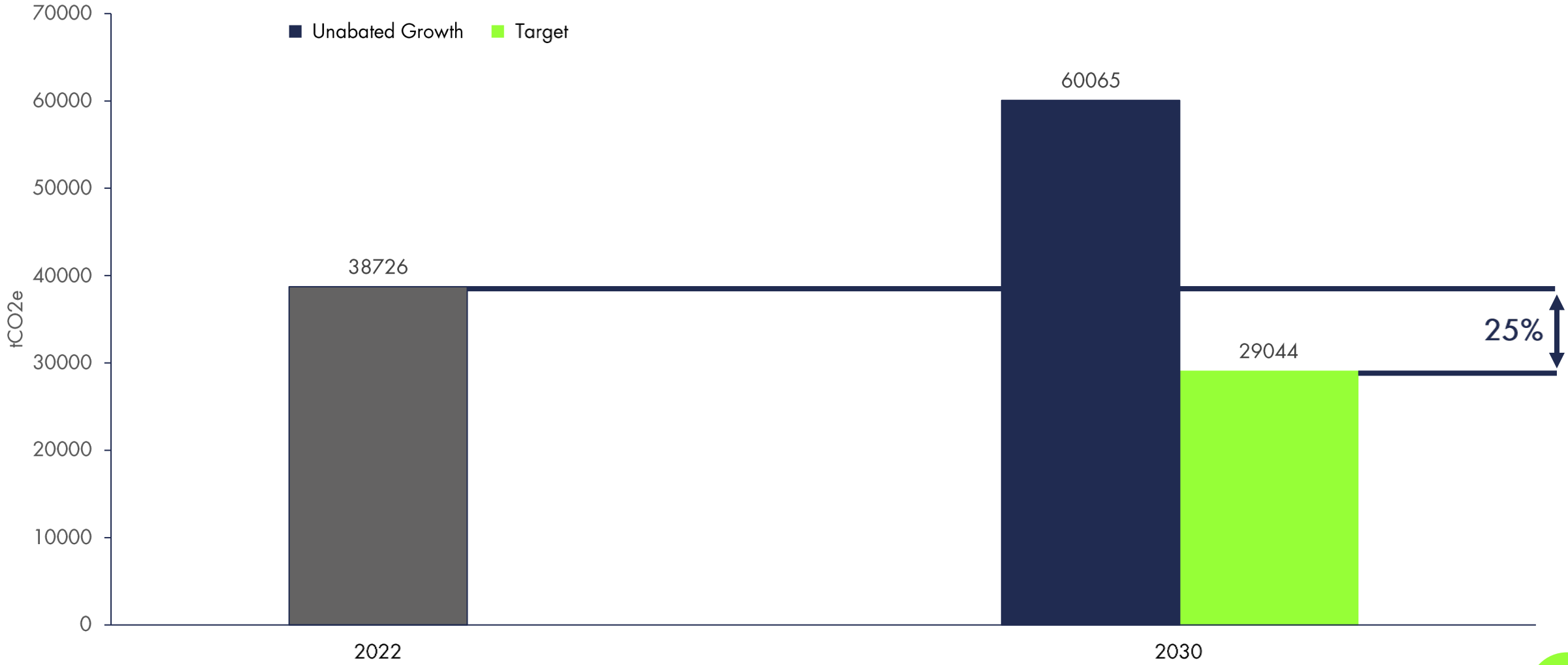
This graph shows a notional carbon reduction pathway for Scope 1 & 2.
Please note that it is for indication only, as the real data may be above or below the target line.



Source: Own calculation

Scope 3 Targets – Notional Values – Well-Below 2°C

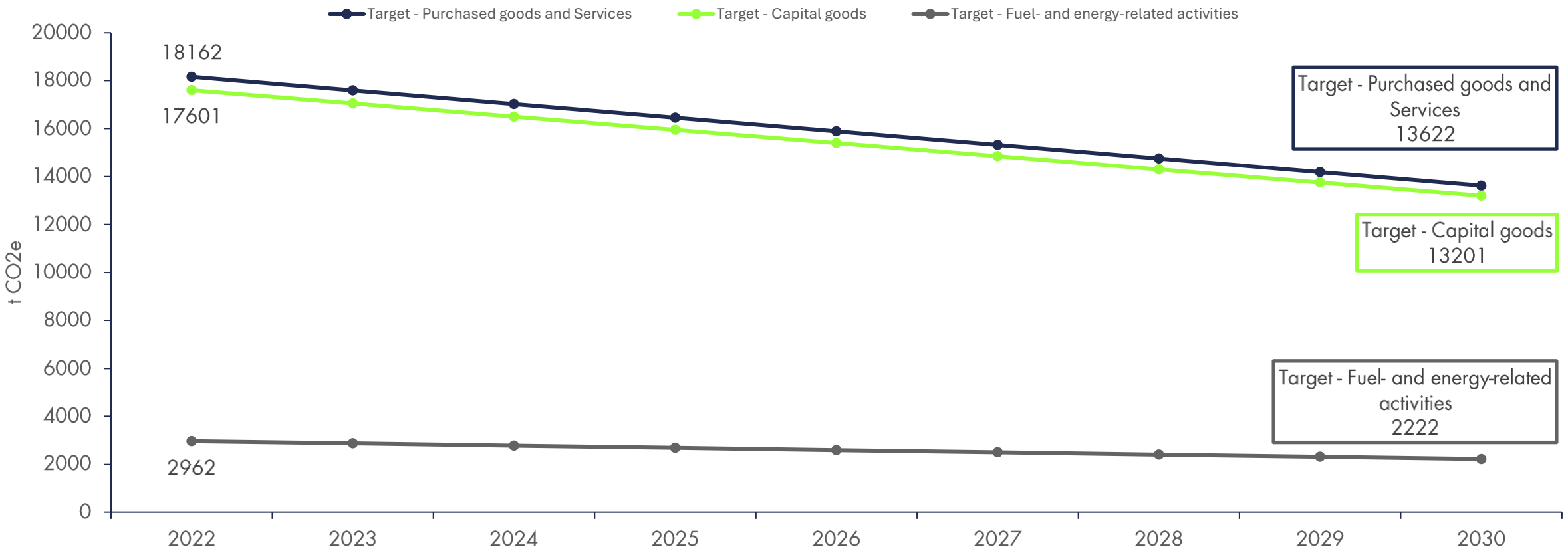
UTAC Group commits to reduce absolute scope 3 GHG emissions from purchased goods and services, capital goods, fuel- and energy-related activities, upstream transportation and distribution 25.00% by 2030 from a 2022 base year.



Source: ClimatePartner

Scope 3 Targets – Notional Values – Well-Below 2°C

- By engaging with suppliers on the Scope 3 emissions for purchased goods and services and capital goods, we will understand where our suppliers are at on their decarbonisation journey.
- We aim at providing the knowledge and tools to our colleagues to compare and make scenarios based on emission, as well as Opex and Capex, to support them in decision-making.
- We will obtain more accurate carbon data and progressively move away from the spend based approach. When ever possible, we will be working with our suppliers on their carbon reduction.



Source: Own calculation

Our Climate Actions

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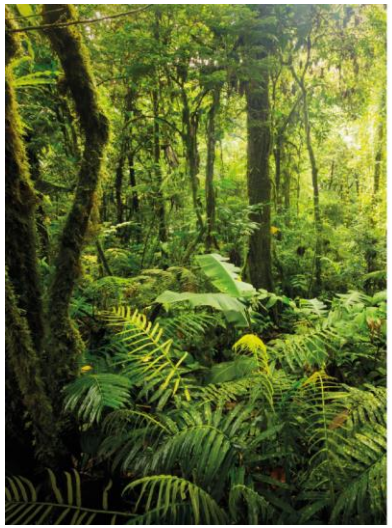
What climate actions have already been accomplished or are under way?

A series of initiatives have been launched and are currently ongoing to enhance sustainability and energy efficiency.

In the UK, efforts include switching to 100% renewable power and reducing electricity use in Leyland. We are also monitoring monthly electricity consumption in the UK and France and conducting energy audits to improve efficiency. Additionally, LED lighting and thermal destratification systems are being installed in buildings across these countries.

Nature-based solutions are being introduced to capture rainwater for wading testing, and a Group Sustainable Procurement Policy has been implemented.

UTAC has also mandated decarbonisation awareness training across the Group, available in French, English, and Finnish. And finally, a collaboration with CENEX and 3Ti has led to UTAC UK hosting a solar car port as part of the Vehicle to Everything (V2X) Fast Hub Demonstration Project.



Looking Ahead

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Suggested Areas of focus for UTAC

Energy Efficiency

To enhance energy efficiency, several initiatives are being suggested.

Energy audits are proposed, and electricity usage is to be recorded by cell in the US. Efforts are suggested to improve building insulation and investigate opportunities for heat recovery.

At battery testing cells, thermal storage and re-use could be explored to prevent the loss of heat generated by cooling cells, while additional energy is used to heat adjacent cells. Additionally, initiatives to save power in computer rooms include the use of passive cooling instead of active cooling.

Fuel Switch

A switch in fuel use is another suggestion that is to be explored.

In France, there is a shift towards using heat pumps, while in the UK, efforts are focused on potentially reusing heat from neighboring businesses.

Suggested Areas of focus for UTAC

Renewable Electricity (on/offsite)

UTAC will aim to move towards renewable energy, as far as possible.

For example, there are proposals for renewable energy projects in Finland and the UK.

Energy Attribute Certificates

Another area we will explore in future is a potential switch of our electricity contract from Renewable Power to Pure Green Power in the UK. This transition would ensure that our energy consumption is sourced from 100% renewable resources, such as wind, solar and hydroelectric power.

Suggested Areas of focus for UTAC

Supplier Engagement for Scope 3 Reduction

Our carbon measurement tool provides a supplier engagement package that will enable us to understand where our suppliers are in their decarbonisation journey. This package will facilitate meaningful conversations to help suppliers measure and reduce their carbon footprint, allowing us to collect more accurate carbon data and drive our Scope 3 emissions down.

We plan to deploy internal and external training workshops on Scope 3 emissions. These workshops will make tools, information, and resources available for colleagues and suppliers, empowering them with the knowledge needed to effectively manage and reduce emissions.

Additionally, we aim to work towards colleagues being able to create scenarios when making decisions on the purchasing of goods and services.

This approach will help ensure that sustainability is a key consideration in procurement processes.

The "IT and equipment" category has been identified as a significant contributor to emissions. Therefore, it could be the focus of special attention and efforts. We could investigate specialised solutions to manage the impacts of this category more effectively.

Suggested Areas of focus for UTAC

Colleague Engagement

We launched decarbonization awareness training at the end of 2024, and more engagement with colleagues will follow, through our carbon measurement platform which will foster a culture of sustainability within the organisation.

Finance

We will continue to investigate funding and partnership opportunities and will introduce carbon accounting for Opex, Capex and Turnover.

Upstream and Downstream Transport

We could request carbon data from transporters and choose more sustainable transportation options.

Conclusion

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Conclusion

Climate change is important to UTAC because it is a pressing global concern and important to our stakeholders.

Our support for decarbonisation is reflected in the approval of UTAC's near-term science-based emissions reduction target by the Science Based Targets initiative (SBTi). This milestone underscores our commitment to reducing our carbon footprint and aligning with global climate goals.

We have invested in a carbon measurement solution to track, monitor, act, and report our emissions. To engage our colleagues, we have launched mandatory decarbonisation awareness training ensuring everyone in our organisation is informed and motivated to contribute to our decarbonisation efforts.

Our focus on sustainable procurement is a key component of our strategy. We are concentrating efforts on sourcing goods and services that align with our environmental goals.

Conclusion

We have a clear vision of where we aim to be by our target year, with notional yearly targets and identified hotspot categories per country and as a Group.

Our decarbonisation journey has already begun, demonstrated through various climate actions. We have identified areas of focus, including energy efficiency, renewable energy, fuel switching, energy attribute certificates, supplier engagement, colleague engagement, potential funding options, and upstream and downstream transportation. We have mapped our stakeholders from facilities, environment, fleet, operation, procurement, finance, HR, and legal perspectives. This comprehensive approach ensures that all relevant parties are involved in our sustainability efforts.

Moving forward, we will engage with internal stakeholders to identify, set up, and refine our action plan. This collaborative effort will drive our decarbonisation initiatives and help us achieve our environmental targets.

For any queries concerning UTAC Group ESG, please contact:

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