



Overview

- ISO 14001:2015 accredited across all activities.
- Operational CO₂e emissions verified by independent third party.
- Reduction in CO₂e of 31% between 2015 and 2019.
- Green energy tariff electricity supply.
- Separated waste streams 81% recycling of all waste.
- First manufacturer to be selected as CO₂nstruct Zero Business Champion.
- Setting science based targets to achieve Net Zero Carbon by 2050.
- Products designed to use recycled material and be recyclable at 'end of life'.
- Products designed to reduce CO₂ emissions in transport and installation.
- Suite of wildlife protection products.
- Active in development of sustainable drainage.
- Active in developing standards and guidelines.

ACO's Business Activity

ACO Technologies plc designs, develops, manufactures and supplies Building Drainage, Waste Management and Surface Water Management products. Consequently we consider our core area of activity as protecting and enhancing the living and natural environment by providing products and design support that help facilitate the creation of integrated drainage solutions.

ACO Technologies plc has been certificated by BSI to operate an Environmental Management System which complies with the requirements of ISO 14001:2015. Captured in our Environmental Policy, the company is committed to complying with relevant environmental legislation and to minimizing the risk of pollution. As a minimum, we will do this in compliance with all applicable statutory obligations – exceeding these where possible to maintain market-leading credentials that better serve our customers, business and employees.

The Directors, Management and Staff are dedicated to upholding the highest levels of environmental responsibility across every aspect of the organisation, and constantly strive, in partnership with our suppliers and customers, to continually improve our energy efficiency and minimise our environmental and ecological impact. The first part of this has been to work on the impacts most directly under our control (also known as Scope 1 and Scope 2 emissions under the <u>Greenhouse Gas Protocol</u>):

- We have actively invested to measure and reduce our greenhouse gas emissions and our water usage;
- Our operational CO₂e (<u>CO₂ equivalent</u>) emissions are verified annually by a third party;
- We continue to develop new and existing products and source raw materials and services using the maximum practicable recycled material and environmentally sustainable resources wherever feasible;
- We have prioritised the reduction of waste throughout our operations. Where waste cannot be eliminated we have robust recycling provision.





Business Champion

In 2021, ACO were an inaugural member and the first approved construction products manufacturer to be part of the <u>CO2nstuctZero</u> Initiative acting as a Business Champion. Working closely with the Department for Business, Energy and Industrial Strategy, the Construction Leadership Council are leading the construction industry's response to the Government's Net Zero ambition.

ACO have committed to the Science Based Target Initiative (SBTi) with the ambition to keep global warming to well below 2°C. We are constantly reviewing our structure, processes and strategic approach towards reducing carbon in line with absolute emissions contraction and aim to be Net Zero Carbon by 2050. The SBTi defines and promotes best practice in science-based target setting. Offering a range of target-setting resources and guidance, the SBTi independently assesses and approves companies' targets in line with its strict criteria.

To achieve our commitments we continue to accurately measure Scope 1 and 2 and gather data on our Scope 3 emissions, particularly in our inbound and outbound supply chain, in order to work proactively with our suppliers and customers on ways to reduce our emissions during manufacture and across the entirety of the products life cycle.

Operational Carbon (Scope 1 & 2 Emissions)

We manage our organisational carbon footprint in an open and transparent manner. The carbon footprint is calculated on an ongoing basis and independently verified every year. This is submitted to government as part of our <u>Streamlined</u> <u>Energy and Carbon Reporting (SECR)</u>.

We recognise that 2020 was an 'unusual year' in terms of our operations but if we compare 2019 against our 2015 base year we have reduced operational CO2e emissions by 31%.



The biggest change has been in emissions associated with purchased electricity, which has gone from 49% of total emission to less than 6%. This has been achieved through a combination of energy saving investments, such as LED lighting, energy awareness campaigns ('switch off when not in use') and moving to a (much) greener tariff.

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This decrease in emissions is against a background of growth for ACO and when we 'normalise' the emissions (tCO2e per \pounds m of turnover or employee) the results are even more dramatic:



As noted, 2020 was an unusual year and we cannot claim that all the reductions seen in 2020 are the result of proactive activities on our part. However, we see an opportunity to learn from the lockdown experience where it is possible to 'lock-in' some of the environmental benefits under a 'new normal' way of working.

Recycling and Recyclability (Product and Materials)

ACO Technologies recognises that sustainability of raw material is the single most important issue that the construction industry will face over the years to come. We have our part to play in the Circular Economy and all ACO products are manufactured from sustainable materials wherever practicable and are all designed to be 100% recyclable at "end of life".



ACO products are designed and manufactured to perform to the required industry standards to ensure the appropriate level of structural integrity and water tightness. Our approach to the use of recycled material is adjusted according to material type.

We are very aware that recycled material also comes with a carbon cost and so must be used in the most effective and responsible way possible. It is important for us to use guaranteed consistency in quality of raw material to ensure product quality standards are met. This means using the optimum quality to eliminate any risk of either a poor performing product or negating the sustainability benefits of recycled material by downcycling.

ACO Vienite[®] (resin concrete) contains post-consumer recycled material, replacing 20% of the aggregate, without compromising strength or long-term performance and is 100% recyclable at end of life.

Managing materials in a sustainable way means that recycled material is not always available to meet the required standards. Therefore our UK manufactured thermoplastic products currently use a varying range of recycled content i.e. a minimum of 10% and maximum 52% recycled content by product weight.

Thermoplastic items procured by ACO Technologies are required to have maximum possible recycled content and for most this is 100%.

Metallic products are also required to have maximum possible recycled content. For cast iron components the recycled content is 100% whilst the specialist stainless steel used in Building Drainage products is typically delivered with 70% recycled content.

Recycling and Recyclability (Operations?)

We have a robust programme of residues management ensuring that all packaging, pallets and office residues are segregated and managed in an ecologically sustainable manner. All office stationery is sourced from a supplier committed to providing eco-friendly products.

Residues of office stationery, cardboard, plastics' residues – including plastic and paper drinks' cups – and food waste are segregated for recycling by specialist processors. One successful initiative was to remove all individual waste bins from offices to maximize the separation of recyclable and non-recyclable waste at more centralised recycling stations.

In 2019, our recycling rate across the entire bsuiness was 81%

Transportation, Distribution and Installation

ACO Technologies plc maximises inbound and outbound loads where possible to minimise carbon emissions. Diesel consumption has been identified as the most significant impact of the transport aspect of our business through our ISO 14001 environmental aspects register. Our freight supplier agreement control the impacts through the use of newer vehicles and regular driver training and monitoring on efficient driving techniques. Our main transport providers are all accredited to FORS Silver or Gold to meet the latest standards.

Where possible, ACO products are manufactured in the UK reducing emissions generated through inbound logistics (and also improving logistic security).

In distribution, we have saved 161 tonnes of CO_2 per year, against 2009 levels, (against a steadily increasing volume) by using freight providers that actively use lower emission vehicles and actively working with them to maximise product delivery volume per vehicle.

To deliver products to site we only use FSC certified wood pallets and optimise shipping geometry to minimise packaging.

Electric forklifts are used for logistics across the ACO site, lowering the reliance on fossil fuels.

20% percent of the embodied carbon of a construction project is emitted during the construction stage. ACO products are designed to reduce the need for mechanical equipment for installation, lowering CO₂ emission on site.

We have also redesigned products to reduce the amount of concrete used in installation. In one example this resulted in more than 40% reduction of CO_2e per linear metre.

Other Environmental Activity

ACO Technologies are a member of the Supply Chain Sustainability School and utilise the training facilities made available online for all aspects of Sustainability.

ACO actively engages with the SuDS (Sustainable Drainage Systems) community to develop products that follow the Collect-Clean-Hold-Release process chain and design those products to ensure interoperability with other SuDS methodologies, including the management of surface water to replenish groundwater.

We work with national bodies, regional planners and local authorities to develop environmental standards and guidelines for the sectors that use our products and services.

We produce a number of products particularly aimed at wildlife protection, including road crossing tunnels and guidance systems, wildlife kerbs, wildlife refuges, bat boxes and bird boxes.

The Way Ahead

ACO have committed to using Science Based Targets as a way to establish our year on year CO₂e reduction targets to achieve net zero by 2050 in line with absolute emissions contraction methodology and keeping temperature well below 1.5°C. These targets are currently being assessed for implementation.

ACO is fully committed to reducing CO₂e emissions. We continue to review operation, manufacturing and delivery mechanisms to maximise efficient working practices and design out carbon and waste. We look to establish an accurate measurement for Scope 3 emissions in order to work with our upstream and downstream stakeholders to identify achievable reduction targets. We constantly review material selection and material science to maximise the resources we have at our disposal.

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ACO. creating

the future of drainage