



CARBON REDUCTION PLAN

2021 – 2040 v9.00 dated June 2025

This Carbon Reduction Plan will help our customers understand the impact any awarded contract along with the wider operations have upon the environment. They will detail our emission sources and greenhouse gasses.

Premier Modular Group

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Revised Strategic Carbon Reduction Commitment

At Premier Modular Limited, we remain firmly committed to environmental stewardship and the urgent need to reduce carbon emissions within our operations. Our original target to achieve net zero carbon emissions by 2035 reflected our ambition to lead by example in sustainability within the modular construction industry.

However, considering evolving geopolitical, economic, and infrastructure challenges at both the UK and global levels, we have reassessed our timeline to ensure our goals remain realistic, achievable, and aligned with broader general developments.

Context for Our Revised Commitment

The UK government has established ambitious climate goals, including a legally binding target to reach net zero carbon emissions by 2050, as set out in the Climate Change Act (2008, amended 2019) and reaffirmed in the UK Net Zero Strategy (2021). While these targets provide a clear national framework, the path to net zero is complex and dependent on multiple interrelated factors including energy infrastructure development, supply chain decarbonisation, and technological innovation.

Recent government reports, such as the National Infrastructure Commission's 2023 assessment, highlight significant challenges in scaling up low-carbon energy capacity, including grid modernisation (which is essential in East Yorkshire), renewable energy integration, and widespread electrification of industrial processes. These infrastructure constraints, combined with ongoing global supply chain disruptions and geopolitical uncertainties, have affected the pace at which industries can transition to net zero operations, and we are not immune to these issues.

Rationale for Extending Our Net Zero Target to 2040

Given these realities, Premier Modular has adjusted its net zero target from 2035 to 2040. This five-year extension reflects a pragmatic approach that balances our environmental ambitions with the operational feasibility within the current external environment.

Key factors informing this decision include:

- **Energy Infrastructure Development:** The UK's energy grid is undergoing significant transformation, yet full decarbonisation and the availability of green energy sources at scale are projected to mature closer to the late 2030s, according to government projections;
- **Supply Chain and Technological Innovation:** Achieving decarbonisation in manufacturing requires access to low-carbon materials, green technologies, and supportive policies, many of which are still under development or in early adoption phases, which will take time to implement and become effective; and

- **Alignment with National Policy:** Our revised target remains ambitious and well within the UK's broader net zero trajectory to 2050, positioning Premier Modular Limited as a proactive contributor to national climate goals.

Our Commitment Moving Forward

Premier Modular will continue to implement robust emission reduction measures across our factories and operations, including energy efficiency improvements, increased use of renewable energy, and sustainable material sourcing. We will also actively engage with policymakers, industry partners, and supply chain stakeholders to accelerate progress.

By setting a revised net zero goal of 2040, we reaffirm our dedication to responsible business practices and environmental leadership, while acknowledging the complex and dynamic landscape in which we as a business operate, and the wider context of the construction sector.

Context

The Intergovernmental Panel on Climate Change (IPCC) Special Report 'Global Warming of 1.5°C' (2018) was clear on the causes and the effects of climate change on the world. The report stated that the primary driver of long term global warming is carbon dioxide emissions (CO₂) and that global temperatures relate to increased cumulative CO₂ emissions from human activity, primarily energy use. This is likely to significantly impact the environment with a loss of ecosystems and biodiversity along with increased impacts on human health and the economy.

Furthermore, the UN Framework Convention on Climate Change (UNFCCC) Paris Agreement 2015, to which the UK is a signatory, aims to:

“strengthen the global response to the threat of climate change by keeping global temperature rise this century well below 2°C above pre-industrial levels to pursue efforts to limit the temperature increase even further to 1.5°C.”

The UK will look to delivery on the Paris Agreement by vigorously pursuing a target to reduce greenhouse gas (GHG) emissions to 'net zero' by 2050, ending the UK's contribution to global warming within what is now 28 years. This is enshrined in law in June 2019 through amendments to the 2050 GHG emissions reduction target in the Climate Change Act 2008.

The UK Government amended the Climate Change Act 2008 in 2019 by introducing a target of at least a 100% reduction in the net UK carbon account (i.e. reduction of greenhouse gas emissions, compared to 1990 levels) by 2050, or otherwise known as the 'Net Zero' target. In June 2021 the Government issued a Procurement Policy Note (PPN) setting out how to take account of suppliers' net zero Carbon Reduction Plans in the procurement of major government contracts, of which Premier Modular are on several government frameworks for construction works.

Environmental Management Measures

Premier Modular holds ISO certification for our Integrated Management System (IMS) which incorporates ISO14001:2015. This is supplemented by our ESG Policy Statement, designed to ensure that as a business we drive sustainability, whilst being held to account.

As a business we qualified under both the following schemes:

- Energy Savings Opportunity Scheme (Phase II) (ESOS); and
- Streamlined Energy & Carbon Reporting (SECR).

Under the ESOS scheme the requirement is to calculate the total energy consumption used by assets held by the organisation, which includes energy consumed by buildings, processes and transport. As an organisation we approached LG Energy as our auditors to define our consumption and assist with identification of potential opportunities for improvement, for which the 2019 Compliance Period will be held as our 'baseline' use.

Running concurrently is SECR a mandatory UK government framework that replaced the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme in April 2019. The aim of SECR is to simplify the reporting process and reduce emissions from business and industry by 80% by 2050.

At the basic level, the difference between SECR and ESOS is what they measure. SECR focuses on a company's emissions, whereas ESOS examines energy use.

Baseline Data

Commitment to achieving Net Zero

Premier Modular Limited is committed to achieving Net Zero emissions by 2035.

Emissions Footprint

Baseline emissions are a record of the greenhouse gases that we as a business have produced in the baseline year (2018) and were produced prior to the introduction of any strategies to reduce emissions but allow us an early indication as to levels of emissions in the latter part of the previous decade.

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

Data

Baseline Year: 01 January – 31 December 2018

Additional Details (relating to the baseline emissions calculations):

In qualifying through ESOS Phase II by way of meeting Balance Sheet and Turnover figures, we have used the primary data as derived from that report, given it is pre implementation of any remedial works as identified in our ESOS Report.

The Primary Data is:

- Utility data is from invoices;
- Transport Fuel is from mileage claims;
- Fuel oil data is from customer records.

Our ESOS audit, as conducted by LG Energy was conducted in April 2019.

The audit was conducted at the Brandesburton production facility, focusing on electricity and transport fuels as used in the production facilities, the manufacture and processes involved in our product, plus transportation fuels used at site and in a direct relation to the business (where mileage is paid for by the company).

Scope	Description	kWh	tCO ₂ e ¹
2	Buildings - Electricity	640,094	149.23
2	Buildings - Heating Oils	973,095	240.02
1	Business Fuel - Petrol	83,407	19.11
1	Business Fuel - Diesel	677,300	162.94
TOTAL		2,373,896	571.3

1. The factors used in the above are taken from BEIS' greenhouse gas conversion factors for company reporting, published in June 2020

Emissions Reporting

Emissions footprint FY20 (Financial Year End 30.06.2020)

Reporting Year: 01 July 2019 – 30 June 2020

Scope Fuel as per SECR criteria

Scope	Description	kWh	tCO ₂ e ¹
1	Transport-Company Fleet - Diesel	479,780	129.017
1	Buildings – Fuel Oil	162,042	46.156
1	Transport-Company Fleet – Diesel	55,520	14.156
1	Transport-Company Fleet - Petrol	2,326	0.563
2	Buildings – Electricity Purchased	712,255	166.055
3	Transport-Staff/Rental – Diesel	487,026	124.007
3	Transport-Staff/Rental – Petrol	71,442	17.219
3	Transport-Staff/Rental - Petrol	748	0.186
TOTAL		1,971,142	497.387
Intensity Ratio per '000 Employee Hours Worked			3.83

The factors used in the above are taken from BEIS' greenhouse gas conversion factors for company reporting, published in June 2020

The Primary Data is:

- Utility data is from invoices
- Transport Fuel is from mileage claims
- Fuel oil data is from customer records

Our SECR calculation, as conducted by LG Energy was conducted in August 2020, with submission in the FY2020 Directors Report.

The information provided was that evidenced from within the Brandesburton production facility, focusing on electricity and transport fuels as used in the production facilities, the manufacture and processes involved in our product, plus transportation fuels used at site and in a direct relation to the business (where mileage is paid for by the company).

Emissions footprint FY21 (Financial Year End 30.06.2021)

Reporting Year: 01 July 2020 – 30 June 2021

Scope Fuel as per SECR criteria

Scope	Description	kWh	tCO ₂ e ¹
1	Transport-Company Fleet - Diesel	806,117	190.93
1	Buildings – Fuel Oil	165,776	44.45
2	Buildings – Electricity Purchased	849,635	180.40
3	Transport-Staff – Diesel	279,723	70.08
3	Transport-Staff – Petrol	179,390	43.34
TOTAL			529.20
Intensity Ratio per '000 Employee Hours Worked			2.58

The factors used in the above are taken from BEIS' greenhouse gas conversion factors for company reporting, published in June 2021

The Primary Data is:

- Utility data is from invoices
- Transport Fuel is from mileage claims
- Fuel oil data is from customer records

Our SECR calculation, as conducted by LG Energy was conducted in August 2021, with submission in the FY2021 Directors Report.

The information provided was that evidenced from within the Brandesburton production facility, focusing on electricity and transport fuels as used in the production facilities, the manufacture and processes involved in our product, plus transportation fuels used at site and in a direct relation to the business (where mileage is paid for by the company).

Emissions footprint FY22 (Financial Year End 30.06.2022)

Reporting Year: 01 July 2021 – 30 June 2022

Comment

During the financial year Net Zero Buildings Limited became part of the Premier Modular Group. Net Zero do not qualify for SECR as a standalone company so their figures have been included in this report. This artificially increases the emissions for Premier Modular in comparison to the previous year. Furthermore, a number of scope 3 emissions such as train journeys, flights and waste emissions have now been included.

Scope Fuel as per SECR criteria

Scope	Description	kWh	tCO2 e ¹
1	Transport-Company Fleet - Diesel	1,075,398	275.64
1	Buildings – Fuel Oil	71,044	19.05
1	LPG	1,684	0.39
2	Buildings – Electricity Purchased	830,655	160.63
3	Fuel Combustion -Transport Staff	746,043	186.40
3	Mixed Waste		48.65
	Renewable Energy	-678,245	-131.16
TOTAL		2,724,826	559.60
Intensity Ratio per '000 Employee Hours Worked			3.59

The factors used in the above are taken from BEIS' greenhouse gas conversion factors for company reporting, published in 2022

The Primary Data is:

- Utility data is from invoices and ½ hourly data
- Transport Fuel is from mileage claims
- Fuel oil data is from customer records

Our SECR calculation, as conducted by LG Energy was conducted in September 2022, with information submitted for inclusion in the FY2022 Directors Report.

The information provided was that evidenced from within the Premier Modular Limited Brandesburton production facility and that of Net Zero Buildings in Newmarket, focusing on electricity and transport fuels as used in the production facilities, the manufacture and processes involved in our product, plus transportation fuels used at site and in a direct relation to the business (where mileage is paid for by the company).

Waste was included for the first time as a Scope 3 emission.

Premier Modular Limited operated a Renewable Energy contract from 01.08.2021, hence the reduction.

Emissions footprint FY23 (Financial Year End 30.06.2023)

Reporting Year: 01 July 2022 – 30 June 2023

Comment

During the financial year Net Zero Buildings Limited became part of the Premier Modular Group. Net Zero do not qualify for SECR as a standalone company so their figures have been included in this report. This artificially increases the emissions for Premier Modular in comparison to the previous year. Furthermore, a number of scope 3 emissions such as train journeys, flights and waste emissions have now been included.

Scope Fuel as per SECR criteria

Scope	Description	kWh	tCO2 e ¹
1	Transport-Company Fleet - Diesel	845,100	202.04
1	Buildings – Fuel Oil	22,620	6.06
1	LPG	2,180	0.47
2	Buildings – Electricity Purchased	822,500	170.32
3	Fuel Combustion -Transport Staff	914,870	225.56
3	Mixed Waste		46.09
3	Train Journeys		0.02
	Renewable Energy	822,500	-170.32
TOTAL		2,607,270	480.25
Intensity Ratio per '000 Employee Hours Worked			2.88

The factors used in the above are taken from BEIS' greenhouse gas conversion factors for company reporting, published in 2022

The Primary Data is:

- Utility data is from invoices and ½ hourly data
- Transport Fuel is from mileage claims
- Fuel oil data is from supplier invoices

Our SECR calculation, as conducted by LG Energy was conducted in September 2023, with information submitted for inclusion in the FY2023 Directors Report.

The information provided was that evidenced from within the Premier Modular Limited Brandesburton production facility and that of Net Zero Buildings in Newmarket, focusing on electricity and transport fuels as used in the production facilities, the manufacture and processes involved in our product, plus transportation fuels used at site and in a direct relation to the business (where mileage is paid for by the company).

Waste was included as a Scope 3 emission once more, and we continued to hold a renewable energy contract at Brandesburton, whilst the Newmarket facility obtained its own renewable energy contract with Eon. Both businesses had renewables for the year, hence the reduction.

Emissions footprint FY23 (Financial Year End 30.06.2024)

Reporting Year: 01 July 2023 – 30 June 2024

Comment

During the financial year Net Zero Buildings Limited became part of the Premier Modular Group. Net Zero do not qualify for SECR as a standalone company so their figures have been included in this report. This artificially increases the emissions for Premier Modular in comparison to the previous year. Furthermore, a number of scope 3 emissions such as train journeys, flights and waste emissions have now been included.

Scope Fuel as per SECR criteria

Scope	Description	kWh	tCO ₂ e ¹
1	Buildings – Fuel Oil	17,540	4.7
1	LPG	13,070	2.8
1	Combustion - Diesel	21,030	5.03
1	Combustion - HVO	1,790	.01
1	Combustion - Petrol	210	.05
1	Combustion Co. Vehicles - Fuel	497,400	111.72
1	Solar Generation	166,200	-
	Total	685,230	124.3
2	Buildings – Electricity Purchased	667,680	138,240
	Of Which is Renewable Resources	667,800	-138,240
	Total	667,800	-
3	Fuel Combustion -Transport Staff	1,014,100	250.12
3	Mixed Waste	-	13.01
3	Train Journeys	-	0.04
	Total	1,014,100	263.17
TOTAL		2,367,010	387.47
Intensity Ratio per '000 Employee Hours Worked			2.48

The factors used in the above are taken from BEIS' greenhouse gas conversion factors for company reporting, published in 2022

The Primary Data is:

- Utility data is from invoices and ½ hourly data
- Transport Fuel is from mileage claims
- Fuel oil data is from supplier invoices

Our SECR calculation, as conducted by LG Energy was finalised on 07 October 2024, with information submitted for inclusion in the FY2024 Directors Report.

The information provided was that evidenced from within the Premier Modular Limited Brandesburton production facility and that of Net Zero Buildings in Newmarket, focusing on electricity and transport fuels as used in the production facilities, the manufacture and processes

involved in our product, plus transportation fuels used at site and in a direct relation to the business (where mileage is paid for by the company).

Waste was included as a Scope 3 emission once more, and we continued to hold a renewable energy contract at Brandesburton and had 383kW arrays of Solar PV installed in December 2023. The Newmarket facility had its own renewable energy contract with Eon. Both businesses had renewables for the year, hence the reduction.

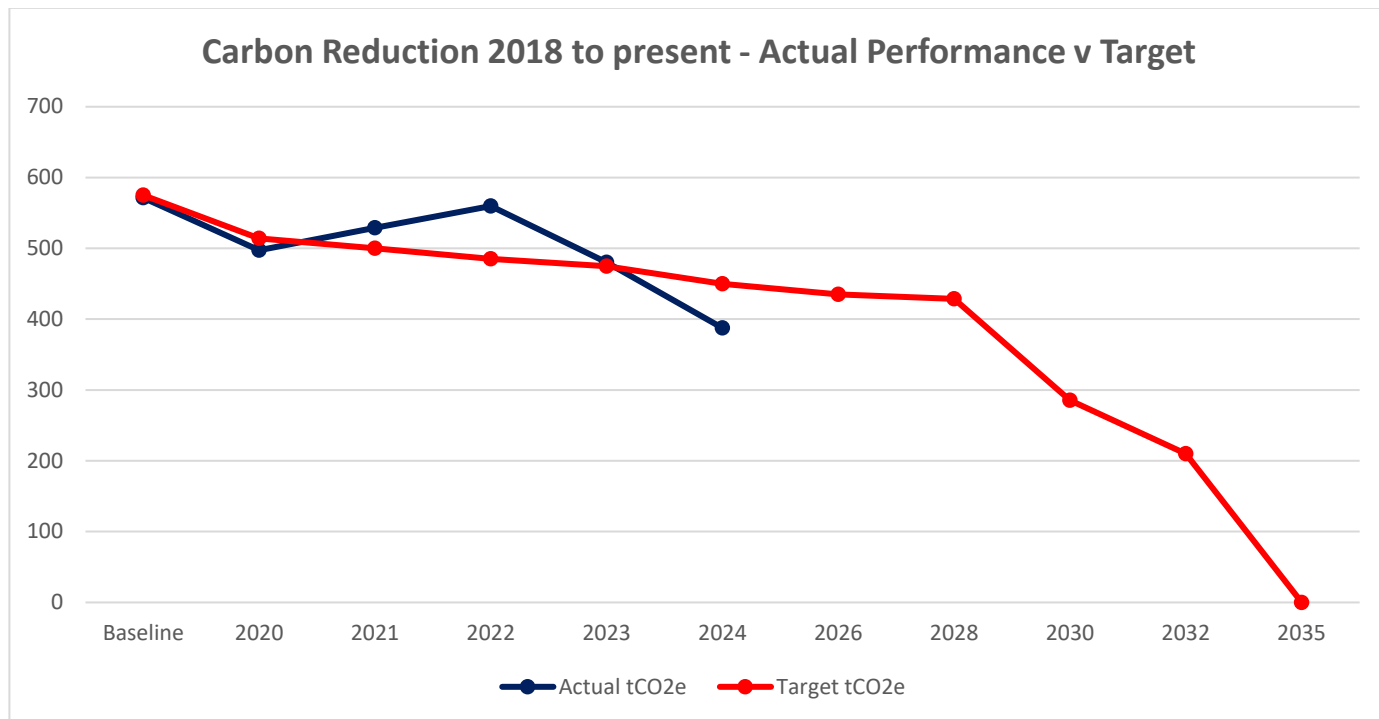
Additionally, at the Brandesburton facility, 2 No. diesel forklift trucks were replaced by Lithium i-on battery running trucks.

During FY24 ESOS audits also took place in preparation for end of year submission via the government portal.

Emissions Reduction Targets

Overall, the performance is improved, with significant reduction observed, due in part to the Solar PV installation in December 2023.

Progress



The graph demonstrates a significant reduction in tCO₂ from 2022, which is a direct result of the Solar PV install, renewable energy and utilisation of 2 No. eFLTs. The NZB facility is still operating, but utilisation reduced due to works won.

However, in FY24 we showed significant reduction in combustion fuels for company fleet vehicles, and a clear reduction in purchased electrical energy, due again to the Solar PV. Furthermore, waste reduction training and campaigns saw a significant reduction in waste generation, leading to a 72% reduction in emissions. The Premier Modular Limited renewable energy contract signed in 2020 ceased on the 31 July 2024, bringing an end to 100% renewable energy to the Brandesburton facility.

Beyond 2024

To continue our progress to achieving Net Zero, we have adopted the following reduction targets:

- Signed Premier Modular Limited to a 100% Carbon Free energy contract;
- Installation of Solar PV arrays at Premier Modular Limited in 2023, due to be commissioned in Qtr 4 of 2023;
- Establish a procurement 'hire' strategy for Electrical Fork Lifts with our supply chain partner Windsors Material Handling, with first two trucks coming on line in Qtr 1 of 2024;

Whilst the above targets are realistic targets, we accept that there may be additional increases / decreases on percentages achieved, particularly in terms of 'Transport-Company Fleet – Diesel' and in our scope 3 emissions as we look to increase the area of reporting.

Additional Areas of Potential Savings

Whilst we have previously stated, we observed an artificial increase in our emissions, given the acquisition of another company in FY2022. This did not deflect from our original commitment to achieve Net Zero by 2035, and as a 'Group' we are now beyond our target emissions reductions.



As an organisation we continue to monitor opportunities, which will form part of targeted strategies to progress to the end of the decade with a 37% reduction in total tCO₂e, we continue to reviewing other strategies to promote and achieve Net Zero by 2040. These currently include, but are not limited to:

- Installation of Solar PV at the Brandesburton Facility;
- Increasing use of 'electric' Forklift Trucks across the fleet by no later than 2030;
- Implemented an official and approved booking process for transport and accommodation, allowing us to offset the CO₂ emissions through reputable sources.

Our existing procurement strategy on electricity is ensuring that we have a robust supply of energy, derived from 'green' and, or 'Carbon Free' sources e.g. nuclear, wind, hydro etc. Our new contract runs from 01.08.2024.

This is a live document and subject to change.

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 as an organisation we have volunteered a number of the subsets of Scope 3, 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 by the board of directors (or equivalent management body).

Signed on behalf of the Supplier:



W P Fothergill, Group HSE & ESG Manager

01.06.2025

PREMIER MODULAR GROUP

Premier Modular Group of Companies Comprises:

PREMIER 
MODULAR

 **NET ZERO**
BUILDINGS
THE FUTURE'S GREEN