



ACO Sustainability

Communication of Progress 2023



Sustainability at ACO

As Managing Director of ACO Technologies plc, I am pleased to present our latest Sustainability Report, highlighting key milestones that demonstrate our commitment to sustainable practices.

We are proud to have achieved BES 6001 certification for responsible sourcing, underscoring our dedication to ethical supply chain management and reinforcing our promise to our stakeholders and the planet.

Notably, we launched ACO Carbon Smart, our first carbon-neutral product, aligning with our carbon reduction goals and the global move towards a net-zero economy. This innovation reflects our efforts to provide environmentally responsible solutions that support our customers' sustainability goals.

Our commitment extends beyond products; we support the United Nations Global Compact and its principles on human rights, labor, environment, and anti-corruption. By aligning with these principles, we aim to balance economic growth with social responsibility.

At ACO, we value human dignity and uphold labour rights through our policies promoting equal opportunities, diversity, and fairness. Our environmental policies focus on conserving resources, mitigating risks, and reducing our carbon footprint. We also enforce strict anti-corruption measures to ensure transparency and ethical conduct.

Sustainability is our obligation to future generations. Our achievements reflect our commitment, but they are just the beginning. We will continue to pursue a sustainable business model that sets industry standards and delivers value to all stakeholders.



I extend my appreciation to the ACO team for their dedication and look forward to another year of growth and sustainability.

Yours sincerely,

Mike Simpson-Lane

Managing Director, ACO Technologies plc

22nd August 2024



ACO's Business Activity

ACO Technologies plc designs and manufactures Building Drainage and Surface Water Management solutions. 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 minimize 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, lower carbon intensity in operations and embedded within our products, and minimise our environmental and ecological impact throughout the life cycle of the product.



ESG

ACO Starting our ESG Journey

ACO Technologies plc proudly presents our Environmental, Social, Governance (ESG) credentials, showcasing our significant achievements and commitments.

Our journey in ESG reflects our dedication to responsible business practices, environmental stewardship, and social responsibility. This list summarises our key accomplishments and ongoing initiatives in the realms of Governance, Environment, and Social impact.

From achieving prestigious certifications and committing to ambitious carbon reduction targets, to actively engaging with communities and protecting wildlife, our ESG credentials are a testament to our unwavering commitment to creating a sustainable and equitable future.

Environmental Impact

- **Carbon Emissions:**
68% reduction in Scope 1 & 2 (2015-2022)
- **Green Energy:**
Tariff electricity and gas supply
- **Waste Management:**
Over 90% recycling rate
- **Product Lifecycle:** Embodied carbon measured in polymer, Qmax and Stormbrixx SD range
- **Eco-Friendly Products:**
Designed to be recycled and with reduced CO₂ emissions
- **Wildlife Protection:**
Suite of products
- **Biodiversity:**
Extensive biodiversity measures on site and implementing site action plan

Social Responsibility

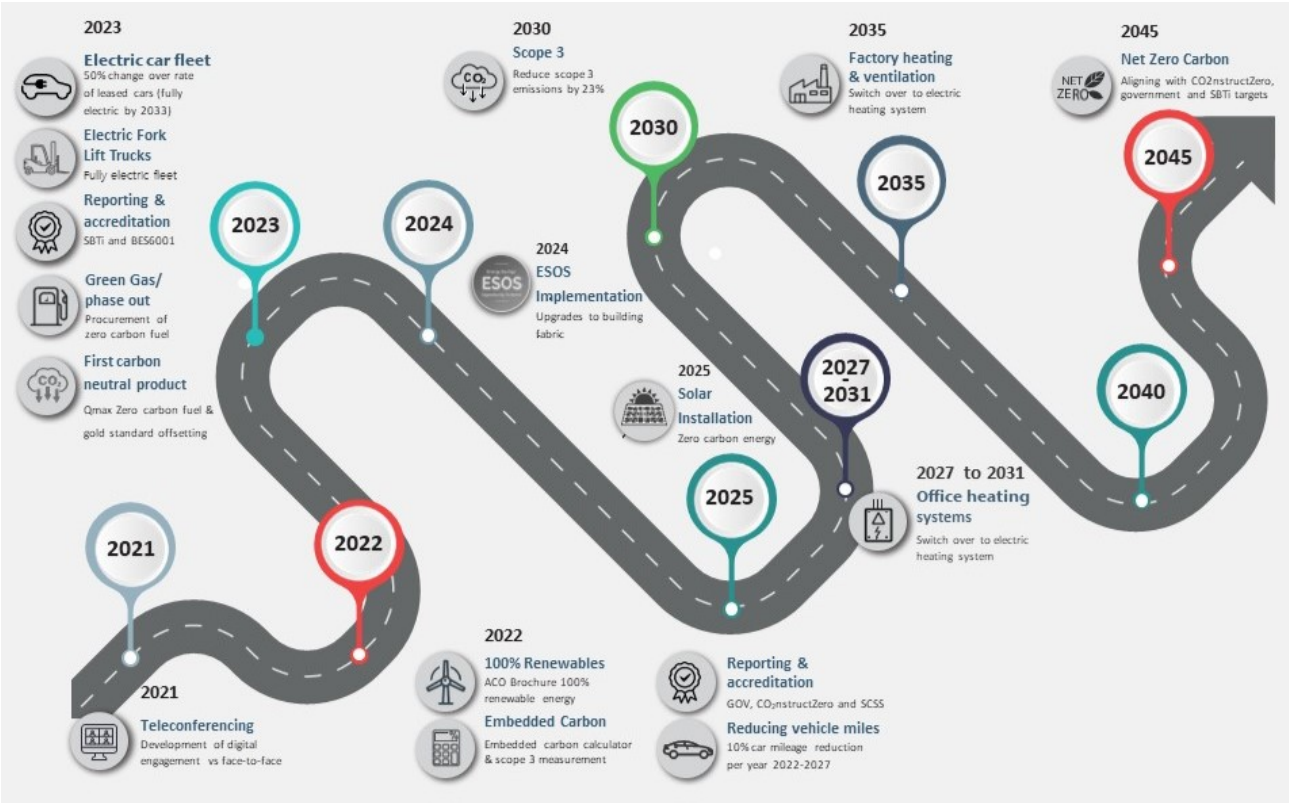
- **Carbon Neutrality:**
Scope 1 & 2, social economic gold standard offsetting credits aligned with 13 UN SDGs
- **Community Engagement:**
Off Duty Committee and Habitat Matters Mapping System
- **Wildlife Programs:**
Employee-led ACO nature champions
- **STEM Education:**
ACO qualified ambassadors
- **Employee Wellbeing:**
Comprehensive programmes
- **Community Support:**
Patron of homeless charity Crash, collaborative fundraising
- **Educational Content:**
For employees, supply chain, and customers

Governance Achievements

- **BES 6001:**
'Very good' rating for responsible Sourcing Certification
- **ISO 14001:2015:**
Accreditation across all activities
- **CEO Water Mandate:**
Endorser
- **UN Global Compact:**
Committed member
- **CO₂nstructZero:**
First business champion manufacturer
- **Science-Based Targets:**
Committed to Net Zero Carbon by 2045
- **Supply Chain Sustainability School:**
Partner and active participant in groups
- **Internal Sustainability Team:**
For holistic company engagement

Roadmap

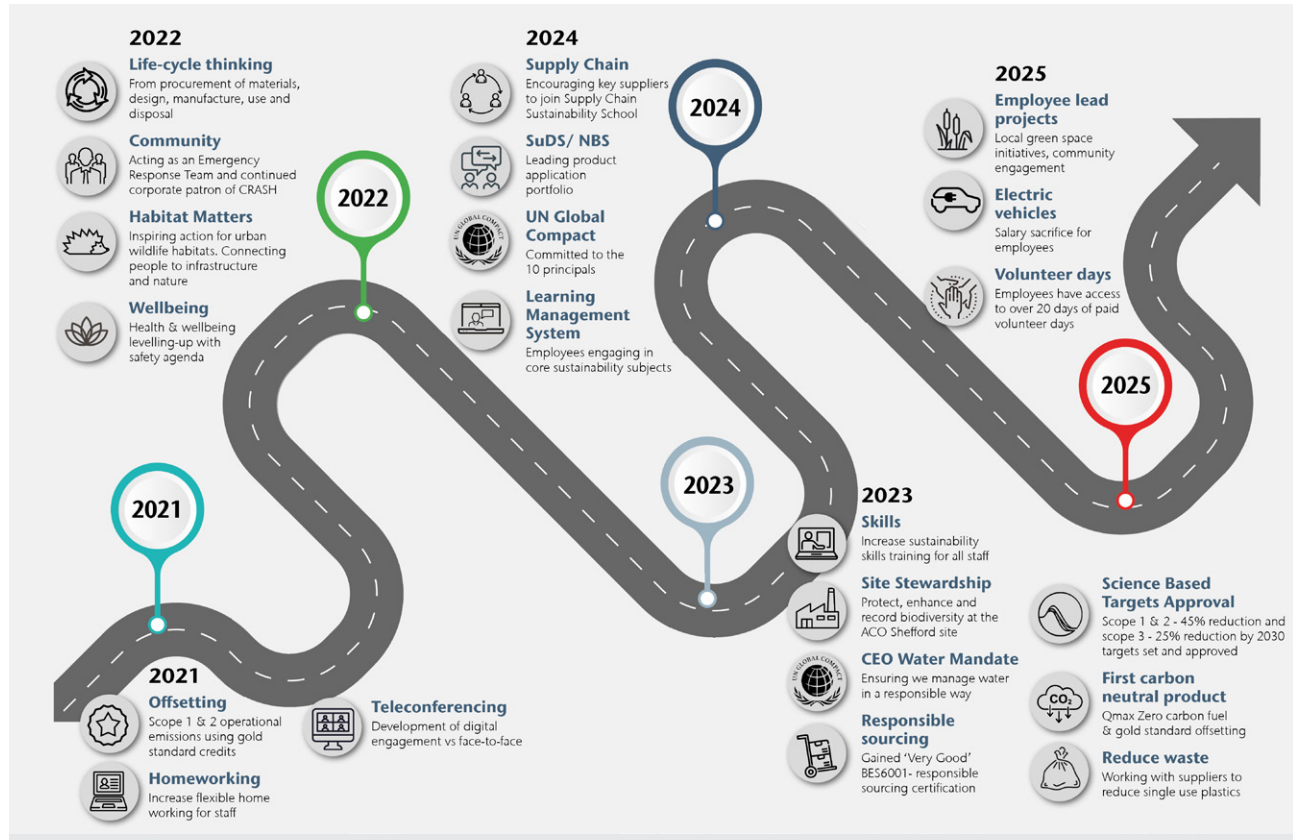
Decarbonisation Strategic Roadmap



ACO is committed to shaping a sustainable future, recognising that the journey transcends beyond mere carbon reduction. Our comprehensive strategies, detailed in our Decarbonisation and Sustainability Roadmaps, reflect our deep understanding of sustainability's multifaceted nature.

This roadmap is not just a plan; it's a commitment to excellent governance and community empowerment. It embodies our vision for a long-term, sustainable path, balancing ecological responsibility with societal contributions.

Sustainability Strategic Roadmap



Governance

In 2021, ACO were an inaugural member and the first approved construction products manufacturer to be part of the CO₂nstructZero Initiative acting as a Business Champion.

Continuing into 2023 we remain an inaugural member and a business champion. Working closely with the Department for Business, Energy and Industrial Strategy and the Construction Leadership Council who are leading the construction industry's response to the Government's Net Zero ambition.



ACO's decarbonisation targets and strategy have been approved by the Science Based Targets initiative (SBTi), in line with a well below 1.5C scenario. We are constantly reviewing our structure, processes and strategic approach towards reducing carbon intensity and aim to be Net Zero Carbon by 2045.

To achieve our commitments, we continue to accurately measure Scope 1, 2 & 3. Additionally, we measure the embedded carbon of our products and work proactively with our suppliers and customers on ways to reduce our emissions during manufacture and across the entirety of the products life cycle.



BES 6001 - Responsible Sourcing Certification

In 2022 ACO secured a 'very good' score for our BES 6001 responsible sourcing certification, demonstrating our commitment to responsibly sourced products, and delivering on sustainability and innovation. This certification provides a comprehensive evaluation of our operations, offering a framework for continuous improvement in line with industry standards.

CEO Water Mandate

In 2023 ACO became an approved signatory of the [CEO Water Mandate](#).

Aligning our water stewardship practices with international standards and supporting the 'Water Positive' campaign.

Demonstrating how we as a manufacturer, manage water responsibly and empower our customers to do the same.



UN Global Compact

ACO also committed to the UN Global Compact (UNGC) in 2023. The UNGC is a global call to action for businesses to integrate sustainability and responsible business practices into the core operations.

ACO have joined an elite group of companies with the ambition of sustainable business growth using The Ten Principles. These principles act as a framework, stretching across human rights, labour, environment, and anti-corruption.



The Ten Principles

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

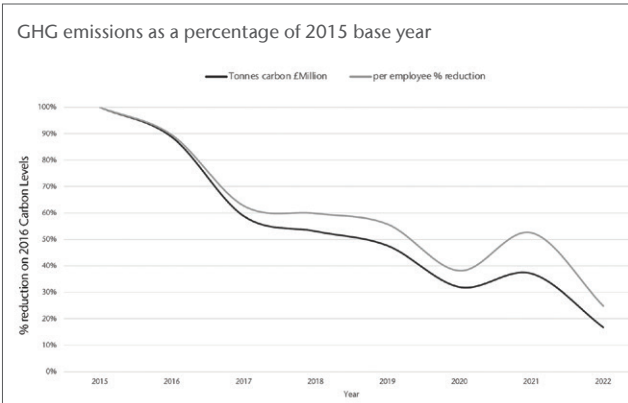
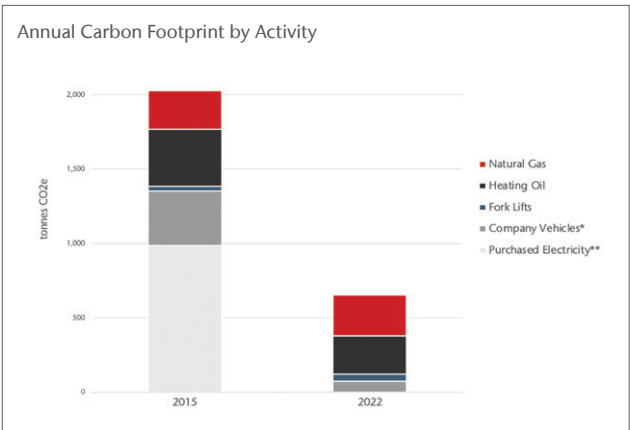
Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Environment

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 Streamlined Energy and Carbon Reporting (SECR).



ACO built back up to normal operational capacity again in 2021. We learnt from the various lockdowns and ‘locked in’ new ways of working that has resulted in environmental benefits and increased efficiency. This has mainly been around home and hybrid working for office staff and external staff using teleconferencing software. ACO have now adopted three days office-based working and two remote to strike a better work life balance and address environmental concern around transport emissions.

Since 2015 we have reduced our scope 1 & 2 emissions by 68%, resulting in a reduced carbon intensity per tonne of product by 71%. This is primarily down to efficiency measures, reduction in energy consumption and the procurement of 100% renewable energy sources since October 2021.

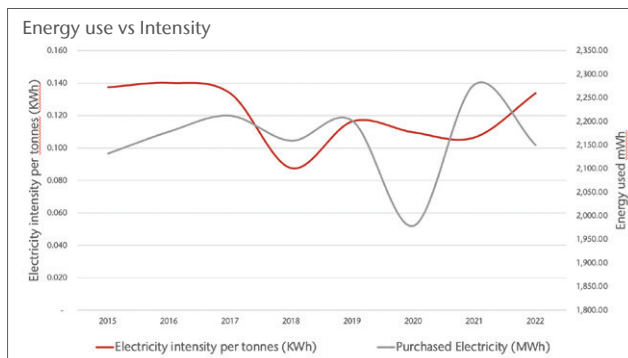
This switch has resulted in a huge decrease in emissions associated with business operations. Energy-saving devices have been implemented across our manufacturing facilities, such as LED lighting and energy awareness campaigns. The decrease in emissions is against a background of growth for ACO and when we ‘normalise’ the emissions (tCO₂e per £m of turnover or employee) we have continued to decrease emissions.





Energy Use

In 2021 ACO Carbon intensity per tonne of product manufactured increased from 0.107 kWh/ kg to 0.134 kWh/ kg. This is due in part to us increasing increasing our stock profile in 2021 to enable us to shut down core elements of our operations to maintain and improve our manufacturing facilities which will lower carbon intensity and increase efficiency in the future. Additionally ACO built a new Warehouse and Distribution Centre in 2022 which required high levels of energy demand in construction and handover. The aim is to reduce our grid dependency and meet approximately 20% of our energy demand through solar energy by 2025.



Water Use

As a proprietary product manufacturer in the Water Management industry ACO understand that water is a precious resource. Add to this the extra stress of climate change, we must use it responsibly. ACO only use water in manufacturing for wash-down processes, kitchens, rest rooms and WASH areas.

ACO have implemented water saving measures across the site from eliminating leaks, installing passive Infra-Red (PIR) urinals and shut off taps. From 2018 - 2021 ACO reduced water consumption by 10%. Although we saw a 39% increase in 2022 due to the new warehouse and distribution centre. ACO's ambition is to reduce water consumption to pre-2021 levels once the site goes live. Additionally, we aim to implement a wildlife pond and reuse water on the site.

Waste water from the development goes through a treatment process on site before entering the watercourse. To protect the natural environment ACO only use cleaning products and soaps that do not cause ecological damage. Showing our dedication to environmental stewardship. The water is tested on a regular basis to ensure we are compliant with localised regulatory statutes.

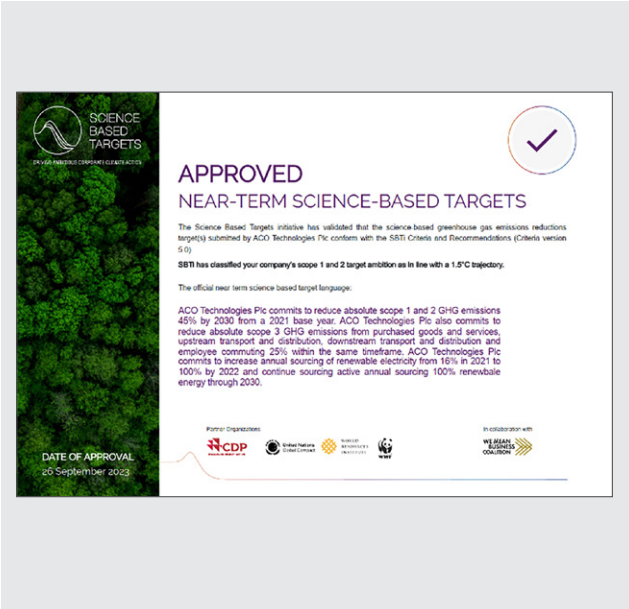
ACO Decarbonisation Compliance

ACO's decarbonisation strategy aligns with The Climate Change Act 2008 (2050 Target Amendment), which sets targets to reduce UK GHG emissions by at least 100% by 2050 on 1990 levels with 78% reduction by 2035.

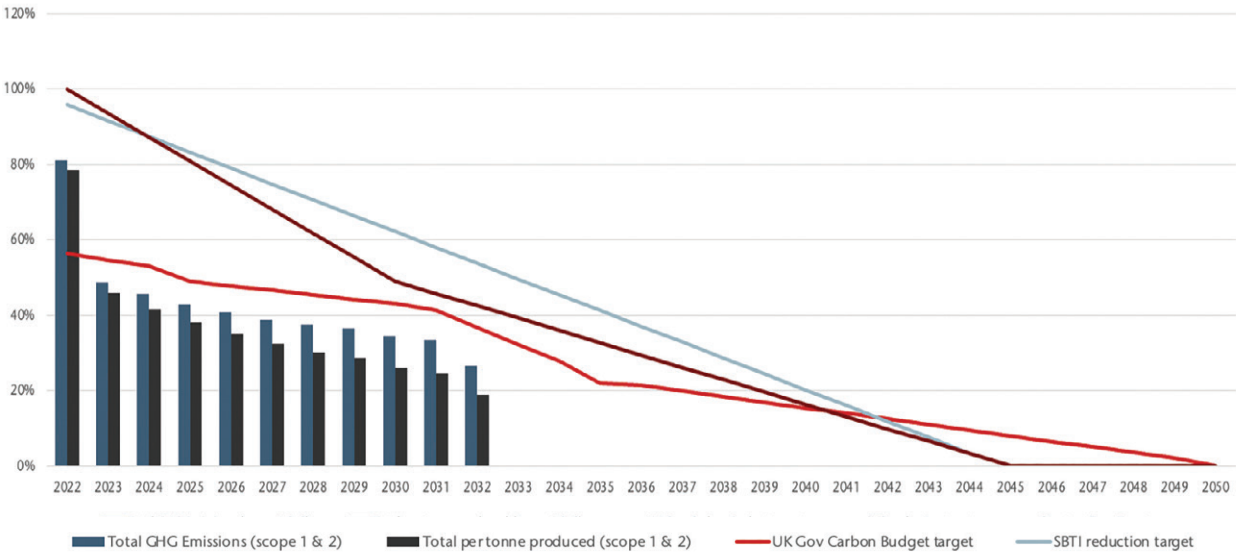
ACO have had their scope 1, 2 and 3 decarbonisation targets approved by the SBTi in line with a well below 1.5 degrees scenario. We have also aligned our targets to be Net Zero by 2045 in alignment with the CO₂nstructZero programme and adopting the 9 priorities.

ACO Targets

To remain compliant ACO have set absolute scope 1, 2 and 3 GHG emissions reduction targets of 45% and 25% respectively by 2030 and Net Zero Carbon by 2045 from a 2021 base-year. ACO have already committed to sourcing 100% renewable energy.



Scope 1 & 2 Decarbonisation vs reduction targets



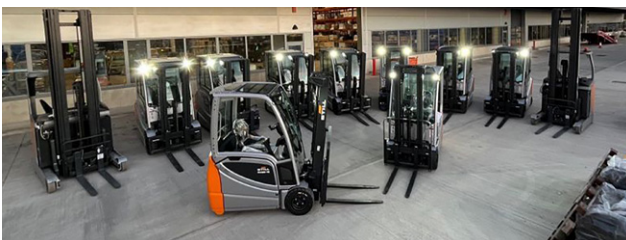
Achieving our Goal

To achieve the targets set out above ACO are drastically changing the way we do business. We've started procuring 100% renewable energy in 2021, 100% electric forklift trucks across all sites and procure 100% renewable gas from Q4 and mid 2023 respectively. We have set targets to switch over our leased company vehicle fleet to 100% electric by 2030 with fantastic uptake from our employees so far. To support our transition ACO have installed free at the point of use charging points for employees and customers. Additionally, ACO have reduced company car mileage and set car mileage reduction targets of 10% year on year until 2027.

We are changing the way we manufacture products using low carbon energy and materials through engagement with our supply chain. ACO plan to change the heating systems in our offices and factory to electric and low carbon alternatives over the next 10 years.

ACO have invested in measuring the embedded carbon associated with our products. Since 2015 we have reduced the embedded carbon in our polymer concrete by 30% and StormBrixx SD by 39%. The embedded carbon associated with Qmax bodies has reduced 34% in 2023.

We understand that our supply chain and the constituent materials make up most of our emissions. Therefore, we work closely with our suppliers to collect water and carbon emission data. This data collection typically involves questionnaire and dedicated meetings to discuss sustainability. This will become more robust in the near future with the acquirement of ESG data platforms and additional LCA data collection templates.



Offsetting Operational Carbon

ACO understand that as we progress towards low carbon manufacturing processes and business operations, we still have a residual carbon and social impact on the environment around us. We understand that it's important to ensure that we mitigate our impact and support global initiatives where it is likely the developing world will feel the biggest impact of climate change. We use Gold Standard and Verified Carbon Standard (VCS) offsetting credits that Align with the UN Sustainable Development Goals.



These support Agroforestry, Afforestation & Reforestation of land to sequester carbon, prevent flooding and create climate resilience. The offsetting also supports the installation of wind turbines to generate power. All these have a huge positive impact on communities, ensuring improvements to livelihoods, health, and empowering people with particular focus on woman and girls across the world.



Carbon Smart

ACO have released the Carbon Smart range. ‘Carbon Smart’ signifies that an ACO product has achieved carbon neutrality. This is accomplished through changes in the manufacturing process, advancements in product technology, and/or by offsetting residual impacts that are beyond our control.

Using Renewable Energy and Gas, ACO operate a Zero Carbon manufacturing process at our Caxton Road facility where the ACO Qmax bodies are manufactured. Additionally, to this we offset the embedded carbon associated with rest of the material components from Cradle to Gate. The VSC and Gold Standard offsets align with the UN Sustainable Development Goals.

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 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.

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 up to 100% whilst the specialist stainless steel used in Building Drainage products can have up to 70% recycled content.



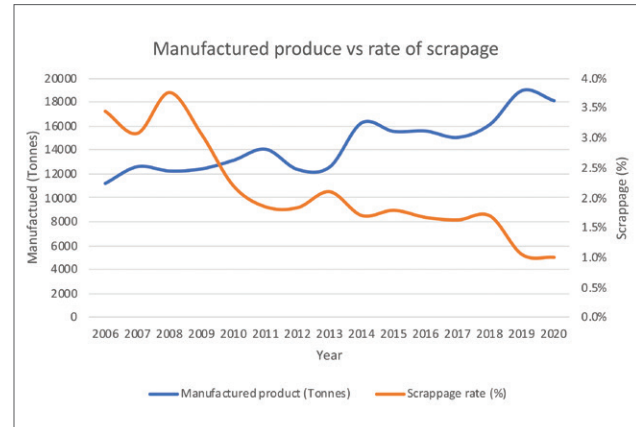
Recycling and Recyclability (Operations)

We have a robust programme of residue 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 maximise the separation of recyclable and non-recyclable waste at more centralised recycling stations. In 2022, our recycling rate across the entire business was 90%.

At ACO, we recognise that manufacturing waste is a significant contributor to our environmental impact, and we have taken steps to promote circular economy principles and reduce our scrap rate. One of our strategies is to implement overlapping shift changes to minimise waste. We also aim to prevent waste by avoiding interruptions when changing from one colour to another, resulting in some products having one colour at the base and another at the top. To ensure the highest quality of our products, we have a control system that ensures we use high quality materials to reduce product scrap once manufacturing is complete. We also leverage cutting-edge digital tools to maximise the number of products cut from each sheet of metal. Our efforts have led to a substantial decrease in our scrap rate, which dropped from 3.4% in 2006 to 1% in 2020, even as we increased production volume.

ACO segregated and recycled 99% of manufacturing waste diverting it from landfill. This approach is in line with our commitment to operating as a circular economy company, and we believe it highlights our strong environmental credentials. Our rigorous waste segregation process ensures that all reusable materials are salvaged and either reintegrated into our existing manufacturing process or reprocessed off-site.



Additionally, any waste that cannot be repurposed within our company is repurposed in the construction industry as hardcore, which further reduces the environmental impact of our operations.

Electrical items like laptops, printers and phones are sold at greatly reduced cost to ACO employees. Old office furniture is also offered to employees and given away for free.

Transportation, Distribution and Installation

ACO Technologies plc maximises inbound and outbound loads where possible to minimise carbon emissions. Our freight supplier agreements control the carbon impacts ensuring newer vehicles are used and drivers receive regular 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.

In distribution, we have reduced our carbon emissions associated with upstream and downstream transport in 2022 by 621 tonnes of CO₂ (25%) from a 2009 base level. This is against a steadily increasing volume and company growth of 285%.



To deliver products to site we only use FSC certified wood pallets and recycled pallets which reach the adequate load requirements for construction goods. ACO optimise shipping geometry to minimise packaging and design products with packaging in mind.

20% 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 CO₂e per linear metre.

ACO Carbon Footprint Calculator

Measuring the life cycle carbon of a construction project is becoming increasingly important. ACO have used a third-party consultant to measure the embedded carbon of over 900 products initially completing our polymer range, Qmax and StormBrixx SD. This Cradle to Gate analysis is compliant with BS EN 15804 and third party verified. The ACO Carbon Tool has been created for internal use and customers can request the information.

Habitat Matters Inspiring Action for Urban Wildlife Habitats

Formed through a collaboration of 19 partners, Habitat Matters aims to help the UK construction sector and the public to understand the intricate relationship between humans, infrastructure and the environment. The initiative aims to safeguard urban habitats and ultimately help tackle biodiversity decline.

ACO worked with a third-party biodiversity mapping specialist to develop the free Habitat Matters mapping tool. This enables professionals to add green and blue habitat records alongside features like bird boxes to the digital asset. This establishes an educational engagement platform that allows users to actively contribute to biodiversity records while learning about infrastructure design. This will allow long-term monitoring of data, and encourages engagement between developers, communities, and nature.

ACO continually update the site to ensure a smooth user experience. Most recently we have published a series of training videos to help users get the most from the site.



Supply Chain Sustainability School Partner

ACO Technologies plc are a partner of the Supply Chain Sustainability School and achieved gold standard accreditation, utilising the training resources available and through in-person events. We recognise that Sustainability must be prioritised in every aspect of the business. Therefore, training resources from SCSS have been integrated into the internal ACO Sustainability Strategy and Implementation Team structure and the induction to the company.

ACO are an active member of the school accessing 100's of training resources and are engaging in 8 groups across board & operations, category of spend and special interest group meetings to ensure every aspect of our business learns from experts in the industry. We contribute to the video library with an Introduction to Water and provide expert advice for education modules pertaining to SuDS and water. Our activity in groups is also contributing to the evaluation of school resources.



Social



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Site Stewardship

As part of our commitment to biodiversity we have created a Biodiversity Action Plan, which forms part of the ACO policy structure. To support the action plan, members from across the company have joined together to create an internal Nature Champions group. The aim of this group is to assess current habitats on site and implement methods to conserve and improve those habitats.

ACO take site stewardship at Shefford very seriously and have committed to increasing the density and diversity of flowering plants, increasing the number of refuges on the site for birds, bats, amphibians, and insects, and leaving wild areas wild.

As part of the new site development, we have added 10,000 trees and shrubs to support a diverse range of species and habitats including aquatic species.

This year the nature champions have added feeders, nest boxes, ground refuges and bug hotels. In 2024 the aspiration is to install a pond and add bee hives to the site.



Supporting Society

ACO understand that our operations and the products we sell have an impact on the health and wellbeing of our employees, the local community, and the broader public. ACO understand that we have a responsibility to society as a whole and aim to ensure that we provide the training and engagement required for a thriving work force and community.

Working at ACO

ACO are a national company with regional representation. Our manufacturing facilities are situated in rural areas and 90% of ACO office-based staff come from within a 25-mile radius of the Shefford Office. Helping contribute to local employment and provide the training required to thrive.

With wide ranging employee benefits including private healthcare, life insurance, pension, holidays, living wage pay and flexible working conditions, staff retention is high. ACO are a living wage employee and one of the first companies to sign up to the scheme when it was first introduced. Additionally, to all this ACO provide occupational health checks for all staff.

ACO provide staff with free hot drinks, exercise classes, maintain an onsite nature walk, outdoor seating and even a breakout room with pool tables, darts boards and table tennis along with other facilities.

The pandemic has impacted all of us in different ways both mentally and physically. ACO have taken steps to look after our employees and have specially trained mental Health First aiders and ran a campaign for Mental Health Awareness week in 2021, which has continued every year since.

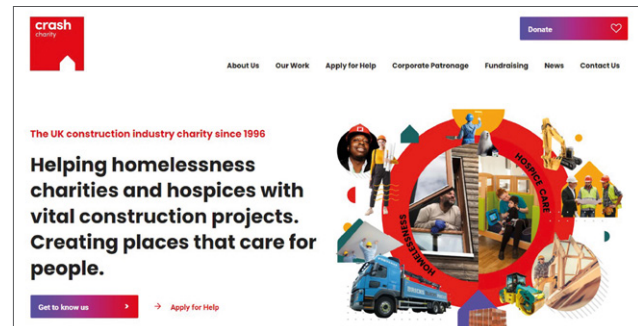
ACO support staff with life skills training through the Employee Assistance Program, Health and Safety training and have a specialist internal training suite. For Sustainability we actively encourage all our staff to access the Supply Chain Sustainability School and the UN Global Compact Academy resources, this also forms a key part of the induction process.

Supporting our community

ACO want to make sure we stand with the community and are an Emergency Response Team. Providing facilities and resources in the event of an emergency.



We have multiple STEM ambassadors working at ACO who plan to work with local schools to educate them about engineering, water, SuDS, Nature Base Solutions and biodiversity. We also invite local schools to explore the ACO manufacturing facility and learn from our onsite Academy. ACO have an off-duty committee which supports staff in extracurricular activities and events, ensuring we use local resources.



CRASH

ACO are a corporate patron to the homeless charity CRASH. CRASH prevent homelessness by building vital homes and hospices throughout the UK.

Our Supply Chain

ACO understands the importance of sustainability in the supply chain and have a responsible sourcing policy for the procurement of goods and services, working with our supply chain and stakeholders to act in a socially and environmentally responsible manner. In our most recent audit, we received a very good for BES 6001 responsible sourcing certification.

ACO have updated the supplier code of conduct to reflect our ambition to run a sustainable business model, ensuring our suppliers and their sub-tier suppliers are compliant with international standards for Quality, Health & Safety, Environmental Management, Sustainability, Business Ethics and Human Rights.

Human Rights and anti-slavery

ACO has committed to limiting the risk of modern slavery occurring within our own business or infiltrating our supply chains and other business relationships. Our Anti-slavery Policy applies to all persons working for or on our behalf in any capacity, including employees, directors, officers, agency workers, contractors, consultants and any other third-party representative.

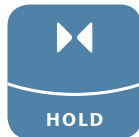
ACO conduct supplier visits and UK representatives have received training on how to spot Modern Slavery. ACO Group are using an AI based ESG platform to monitor supply chain activity as part of the new EU Supply Chain Law to prevent, end, or mitigate the negative impact of our activities on human rights and the environment such as on slavery, child labour, labour exploitation, environmental degradation, pollution, and biodiversity loss. ACO Technologies in the UK plan to use this platform for our own supply chain and can analysis the current risk of dual suppliers.





Other Environmental Activity

ACO actively engages with the SuDS (Sustainable Drainage Systems) community to develop products that follow the **Collect-Clean-Hold-Reuse** process chain and design those products to ensure integration 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 is firmly committed to sustainable practices, aligning with the UN Global Compact's 10 Principles and the Science Based Targets initiative to maintain global warming well below 1.5°C. Our approach prioritises a just transition that benefits our employees, community, supply chain, and customers, while mitigating climate-related risks. Education remains central in our journey, achieved through collaborative efforts with partners and supply chain stakeholders.

Furthermore, ACO actively combats biodiversity loss. We assist our clients in achieving Biodiversity Net Gain through Sustainable Urban Drainage Systems (SuDS), wildlife-friendly products, and informative content. Our commitment extends to enhancing biodiversity at our operational sites, ensuring a positive environmental impact with social inclusion at its heart.

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ACO. we care for water

