ROAD TO **NET-ZERO EMISSIONS**

June 2026

discoverIE

1 OVERVIEW

Welcome to our 2026

Road to Net-Zero Emissions Report.

At discoverIE, we contribute to the transition to a low carbon economy, both through our products that help others to reduce their emissions, and through our operations by committing to become a net-zero emissions business.

discoverIE is an international group of businesses that designs and manufactures customised electronic components for industrial applications. The Group consists of over 30 businesses with their own unique identities and operations. We aim to maintain these businesses as independent companies, to preserve their unique specialisms and entrepreneurial spirit. The variety of businesses within the Group means that it is not appropriate to impose a one-size-fits-all greenhouse gas ("GHG") emissions reduction strategy across all entities. We therefore consider each entity's challenges individually, and work with local management to identify the most appropriate abatement actions for each business.

In alignment with the goal of limiting the rise in the average global temperature to 1.5°C, as set out in the 2015 UN Paris Agreement, we have set science-based targets to achieve net-zero for our Scope 1 and 2 emissions by 2030 and for Scope 3 by 2040. We define net-zero as a reduction of 90% emissions from our base year levels, with the remaining 10% offset through investment in third-party abatement projects. This report outlines our plan to achieve this ambition for our direct and indirect emissions (Scope 1 and 2) and the emissions in our value chain (Scope 3).

As with all predictions related to climate transition, we have made assumptions to the best of our knowledge about the availability of suitable technologies and zero-emissions energy which may prove to be inaccurate. This is particularly true in the case of Scope 3, where our emissions reductions forecast is heavily reliant on the increasing use of clean energy in national power grids. Our plan, therefore, necessarily includes some elements of risk and represents our proposed course of action based on information and predictions available to us.

Our carbon reduction targets were validated by the Science-Based Targets initiative ("SBTi") in May 2025 as follows:

"discoverIE Group plc commits to reach net-zero greenhouse gas emissions across the value chain by 2040."

"discoverIE Group plc commits to reduce absolute Scope 1 and 2 GHG emissions 90% by 2030 from a 2021 base year. discoverIE Group plc also commits to increase active annual sourcing of renewable electricity from 58% in 2021 to 100% by 2030. discoverIE Group plc further commits to reduce absolute Scope 3 GHG emissions 42% by 2030 from a 2023 base year."

"discoverIE Group plc commits to maintain a maximum of 10% absolute Scope 1 and 2 GHG emissions from 2030 through 2040 from a 2021 base year. discoverIE Group plc also commits to reduce absolute Scope 3 GHG emissions 90% by 2040 from a 2023 base year."

At discoverIE, we understand the urgent need to preserve our planet for future generations and to mitigate the impact of climate change. We produce an annual report in accordance with the UK Climate-related Financial Disclosure Requirements ("CFD") and the recommended disclosures of the Task Force on Climate-related Financial Disclosures ("TCFD"). The analysis performed in 2026 showed that the Group's business model and strategy were appropriately robust to mitigate the expected effects of climate-related risks and opportunities, and that the net financial impact of climate change was considered to be immaterial.

More details of the climate change scenario analysis and the TCFD report can be found in our 2026 Annual Report, and on our website: www.discoverieplc.com/sustainability/tcfd-report/

However, we recognise the global imperative for all businesses to act in a manner that supports the ambitions of the UN Paris Agreement to limit the rise in average temperatures and are committed to reducing greenhouse gas emissions throughout our value chain. Our products support the transition of the global economy to a low carbon future, and we take responsibility for reducing the GHG emissions of our own operations and seek to reduce those of our value chain. Reducing our environmental impact is one of our corporate strategic priorities, and carbon emissions reduction is one of our key strategic indicators.

In 2020, we committed to reduce our carbon emission intensity by 50% from a 2019 base year by 2025. We achieved this in 2023, two years early. We then updated our short-term target to be a reduction of 65% of Scope 1 and 2 emissions by 2025 from a 2021 base year. Our reported absolute Scope 1 and 2 emissions for 2025 were 68% lower than in 2021 on a like-for-like basis. These were both key milestones in delivering reductions in our carbon emissions. We intend to build on these achievements and have committed to reducing our Scope 1 and 2 emissions by 90% by 2030 from a 2021 base year, and to reach net-zero greenhouse gas emissions across the value chain by 2040.

A summary roadmap to achieve this goal is set out in the table below. A more detailed discussion of how we will achieve this goal can be found in section 4 of this report.

Time Horizon	Target	SBTi aligned
Short-term (3 years)	▪ Achieve an 80% reduction of Scope 1 and 2 emissions by 2028 from a 2021 base year	
Medium-term (3-5 years)	▪ Achieve net-zero emissions of Scope 1 and 2 by 2030 (a 90% reduction on 2021 levels)	✓
	▪ Achieve a 42% reduction of Scope 3 emissions on 2023 levels by 2030	✓
Long-term (up to 2040)	▪ Achieve net-zero emissions of Scope 1, 2 and 3 emissions by 2040	✓

2 GHG REPORTING PRINCIPLES

Organisational boundary

We define the organisational boundary of our carbon footprint based on the operational control approach of the GHG Protocol Corporate Accounting and Reporting Standard ("GHG Protocol"). This means that we account for 100% of the emissions from operations at which we have the full authority to introduce and implement operating policies. Since all of our Group companies are 100% owned and controlled, all of our operating businesses are included within this boundary.

When the Group acquires a new business, the emissions of that company are calculated and included for the entire calendar year, regardless of the date on which it was acquired. The Group's prior year emissions are also restated to include the emissions of the new acquisition, as if it had been a member of the Group since 2021. The new acquisition's emissions are assumed to have been the same in prior years as they were in the year of acquisition.

Scope assessment

We measure and report on all Scope 1 and 2 emissions, and all applicable Scope 3 emissions categories, in line with the UK's Streamlined Energy and Carbon Reporting ("SECR") legislation. The emissions calculation and report follow the GHG Protocol.

We report both location-based and market-based emissions data for Scope 2, but have chosen the latter as the base of our net-zero plan because of its more precise approach.

Data completeness

We employ a third-party carbon specialist to calculate GHG emissions on the basis of operational data reported by Group businesses. Nothing material has been knowingly excluded from the emissions reporting.

Our 2021 base year Scope 1 and 2 emissions have been validated by an independent third party, and since 2024 our current year reported Scope 1 and 2 emissions have also been subject to third-party assurance in accordance with ISO 14064 Part 3 (2019).

Types of greenhouse gas emission

The GHG Protocol defines emissions as emanating from sources within one of the three Scopes:

Scope 1 "Burned"	Scope 2 "Bought"	Scope 3 "Beyond"
▪ Electricity generated on site ▪ On-site fuel consumption (natural gas, kerosene, LPG, biomass and diesel) ▪ Fuel consumption of company-owned or leased vehicles ▪ Refrigerants	▪ Purchased electricity used within our facilities ▪ Purchased electricity used to power company-owned or leased vehicles ▪ District heating generation	▪ Emissions in use of our products across their working lifespans ▪ Emissions from the production of purchased raw materials and components ▪ Emissions from transportation of our products and materials ▪ Other value chain emissions; including downstream processing, travel and commuting, transmission and distribution, and waste disposal

Data collection and methodology

We report our GHG emissions on a calendar year basis (January-December). This differs from our financial year (April-March) in order to remain consistent with our previous emissions assessments. It is also consistent with the GHG information reported in our Annual Report and Accounts for the year ended 31 March 2026. All figures are based on the latest available information (2025). GHG activity data is collected from each site from various sources, such as energy bills, fuel and mileage figures, invoices and service records. Wherever possible, sites are asked to provide primary activity-based data (such as fuel consumption in litres or electricity consumption in kWh) in preference to secondary data (such as financial cost). Over 75% of our Scope 1 and 2 emissions are calculated from activity-based sources.

This data is then externally verified by external climate consultants to enhance accuracy, before being converted into emissions measured in units of carbon dioxide equivalents (CO_2e), and consolidated and reported at Group level. The GHGs included in the measure are CO_2, CH_4, N_2O, HFCs, PFCs and SF_6. Our third-party carbon calculation specialists use a variety of emission factor databases, and select the most appropriate conversion factor available. The databases used include the Department for Energy Security and Net Zero ("DESNZ"), Exiobase, the International Energy Agency ("IEA") and Ecoinvent.

The calculation of the base year 2021 Scope 1 and 2 emissions for our science-based net-zero target includes all sites owned and operated by the Group as at the end of calendar year 2025, with all businesses acquired by the Group since 2021 assumed to have the same emissions in 2021 as in their first year as members of the Group.

Businesses which were disposed of during 2021, namely Acal BFi and Vertec SA, have been excluded from all reporting.

Aligned with SBTi guidelines, if there are any changes in company structure, such as acquisitions or disposals, resulting in more than a 5% variation to baseline emissions, the baseline will be recalculated and resubmitted to SBTi for approval.

The carbon calculation process for Scope 3 emissions is more challenging, as it includes a huge array of business activities, some of which are directly controlled by the Group and others which are more reliant on the activities of our customers, end-users and supply chains. Whilst we use activity data wherever possible, we are more reliant on emissions inferred from spend-based data in calculating our Scope 3 inventory, especially for purchased and capital goods. We collect this data from all of our businesses individually, and encourage them to increase the amount of activity-based data incorporated year-on-year.

For the downstream Scope 3 categories of processing of sold products (3:10), use of sold products (3:11) and end-of-life treatment of sold products (3:12), the huge variety of products in our portfolio make it impractical to calculate emissions at a product and business level. We have therefore chosen - in line with the GHG Protocol - to assess a cross-section of our products and calculate their emissions directly. The typical emissions of these products are then extrapolated to produce an estimated inventory for the Group as a whole. This means that approximately 10% of the emissions reported have been directly calculated, with the total downstream Scope 3 emissions reported based on estimates and patterns of typical use expected in future years.

3 CARBON EMISSIONS

Scope 1 and 2

The Group's total (market-based) Scope 1 and 2 emissions for the years 2021 to 2025 are shown in the table below. All emissions are expressed in tonnes of carbon dioxide equivalents (tCO_2e) on a like-for-like basis (i.e. including the assumed emissions of all companies acquired since 2021) on a calendar year basis (January-December).

Scope 1	2021	2022	2023	2024	2025
Natural gas	1,147	1,036	896	987	991
Vehicles	391	483	580	369	356
Refrigerants	263	150	337	196	192
Other fuels	190	133	81	125	111
Total	**1,991**	**1,802**	**1,894**	**1,677**	**1,650**

Scope 2	2021	2022	2023	2024	2025
Electricity	6,683	4,563	2,826	1,858	989
District heating	82	95	165	152	165
Total	**6,765**	**4,658**	**2,991**	**2,010**	**1,154**

Scope 1 and 2	2021	2022	2023	2024	2025
Total	**8,756**	**6,460**	**4,885**	**3,687**	**2,804**

In 2021, emissions from electricity made up 76% of the Group's total Scope 1 and 2 emissions. In recent years we have focused on switching the source of our electricity to renewable or clean energy, where possible. At certain manufacturing sites, where our electricity consumption is significant but direct procurement of green energy is challenging, we have purchased Energy Attribute Certificates ("EACs"). In particular, this is for power consumed in Sri Lanka, India, Thailand and China. EACs purchased have been issued in accordance with the International REC (Renewable Energy Certificate) Standard and fulfil the reporting requirements specified in the GHG Protocol. As a result of these actions, in 2025, electricity emissions accounted for 35% of our combined Scope 1 and 2 inventory.

Natural gas is now the largest emission source, representing 35% of our emissions in 2025. That has increased from 13% in 2021, in part due to the relative decrease in electricity emissions, but also due to practical difficulties in identifying viable replacement technologies at some of our sites. For example, our sites in Minnesota and Wisconsin, USA, experience extreme winter temperatures which render 100% electric heating solutions ineffective (in the case of air source heat pumps) or prohibitively expensive (in the case of ground source heat pumps). Nonetheless, we continue to regularly review alternative commercially-available solutions at each of our larger emitting sites. In March 2026, we approved investment in the complete replacement of gas heating with a fully electric system at one of our sites in Poland. This will not only remove over 100 tCO_2e from our gas emissions, but will also give us the ability to provide air conditioning to maintain more comfortable working conditions in the heat of summer.

Scope 3

The Group has calculated a complete Scope 3 carbon inventory since 2023. We assess 11 of the 15 categories to be relevant to the Group. Of these 11 categories, some are directly in our control (such as business travel and waste disposal), some are influenced by the behaviour of our suppliers (such as purchased goods), and some are reliant on actions over which we have no direct control (such as the availability of green energy in the geographies into which our products enter into service).

The Group's total Scope 3 emissions (in tCO_2e on a calendar year basis) are shown in the table below:

Scope 3		2023	2024	2025
1	Purchased goods and services	151,290	213,713	187,305
2	Capital goods	661	2,228	6,078
3	Fuel and energy-related activities	2,281	2,132	1,905
4	Upstream transportation and distribution	58,165	53,667	29,311
5	Waste generated in operations	104	141	42
6	Business travel	642	2,204	1,807
7	Employee commuting	2,236	2,406	1,993
8	Upstream leased assets	N/A	N/A	N/A
9	Downstream transport and distribution	12,817	13,409	103,424
10	Processing of sold products	3,382	2,734	5,642
11	Use of sold products	2,450,543	2,349,168	2,333,351
12	End-of-life treatment of sold products	1,111	1,019	245
13	Downstream leased assets	N/A	N/A	N/A
14	Franchises	N/A	N/A	N/A
15	Investments	N/A	N/A	N/A
Total		**2,683,232**	**2,642,821**	**2,671,103**

Although we make every effort to ensure that our Scope 3 inventory is calculated as accurately as possible, the wide and detailed information required from our businesses is sometimes difficult for small operating companies to collect and report. We encourage businesses to improve the quality of data year-on-year and offer GHG accounting training annually to employees tasked with data submissions. Despite this, we acknowledge that we may have to restate prior years for misstatements we might uncover in future, where appropriate.

4 ROAD TO NET-ZERO EMISSIONS

Due to the nature of our business and asset-light model, Scope 1 and 2 emissions generated within our operations are considered to be low compared to those of other manufacturing businesses. We believe that there are – or will be – effective ways to remove Scope 1 and 2 emissions without adversely affecting our own operations, and expect our net-zero plan to have a minimal impact on our current business strategy. In fact, the plan is considered to be a positive contributor to both the delivery of our strategy, as it increases the resilience of our business through enhanced energy security, and to global decarbonisation efforts, as our products support the transition to a low carbon economy.

Our Scope 3 emissions are more dependent on the actions of third parties and, as a result, our net-zero reduction plan contains more uncertainties. Nevertheless, we continue to believe that the achievement of net-zero emissions across our value chain is consistent with our business strategy, as our products will be in increasing demand as customers and end-users rely more on electrified technologies, and our suppliers seek to minimise their own emissions. The Group is well placed to leverage our engineering expertise to tackle the decarbonisation challenges of the evolving low-GHG economy.

Our net-zero strategy has three priorities:

Reduce | **Replace** | **Remove**

Reduce	Replace	Remove
▪ Reduce energy intensity across the Group ▪ Reduce material waste ▪ Reduce product inefficiency	▪ Replace higher carbon energy sources with lower or zero-carbon options ▪ Replace high carbon materials with low carbon or recycled alternatives ▪ Replace high emitting transport modes with lower carbon alternatives	▪ Invest in removing emissions that cannot be replaced or reduced

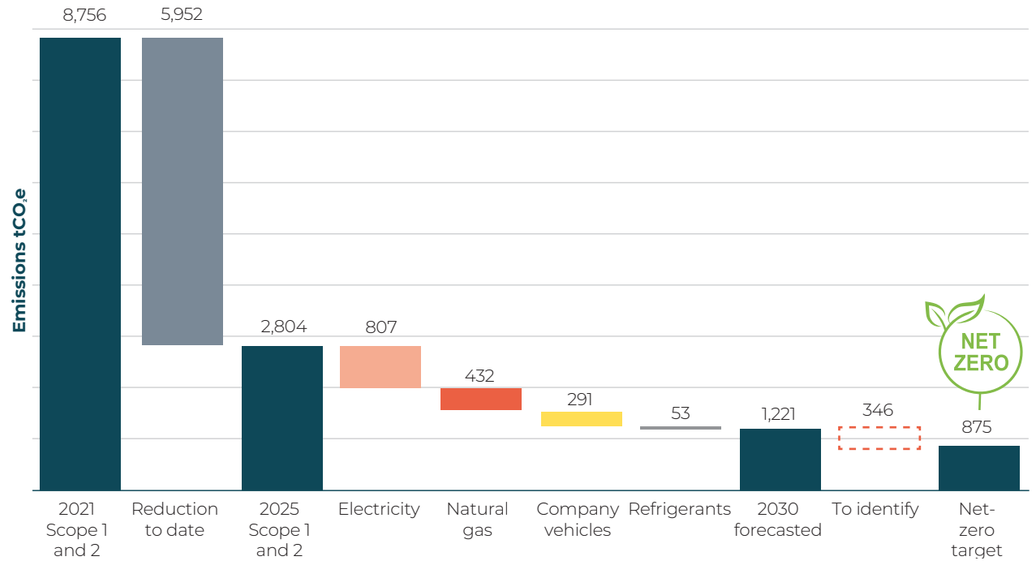
Based on the strategy, we have developed the following Scope 1 and 2 action plan and targets:

Priority	Action	Targets
Reduce	▪ Reduce energy intensity by promoting process efficiency, employee awareness and engagement	▪ Reduce energy intensity by 10% on 2021 levels by 2030
Replace	▪ Switch to zero emission energy sources through direct tariffs or EACs	▪ 100% zero emission electricity by 2030
	▪ Replace gas heating with electric options	▪ 50% by 2030
	▪ Replace company-owned or leased cars with fully electric vehicles ("EVs")	▪ 100% EV fleet by 2030
	▪ Replace refrigerants with low-emission alternatives	▪ 100% by 2030
Remove	▪ Invest in carbon removal projects to offset residual emissions	▪ In 2030 and beyond

Reduction in emissions

Scope 1 and 2

Identified reductions in emissions



The graph above shows the reduction in Scope 1 and 2 emissions achieved since 2021. This has been driven mainly by switching to renewable electricity at our sites, either through self-generation (solar panels) or through zero-emission tariffs or equivalent. The graph also shows the emissions reductions possible by 2030 where we have identified specific, viable projects which can be pursued. This leaves a tranche of 346 tCO_2e emissions which will be required to be removed to meet our 90% reduction target by 2030, but for which we currently have not identified economic alternatives.

For the projects identified, the required total investment is estimated to be below £2.5m (in both capital and operating expenditure) over the next five years. The investment required to abate the remaining emissions is necessarily a high-level estimate, and costs are likely to be higher when investing in new technologies or technologies not yet at scale. Such technologies also carry greater risk in long-term viability. Investment in emerging technologies may not achieve purely financial payback in an acceptable timeframe, and we will need to consider carefully the value we attach to reducing our emissions, beyond simple monetary payback. We remain committed to balancing the interests of all our stakeholders, in this matter as in any other corporate decision-making.

Acquisitions

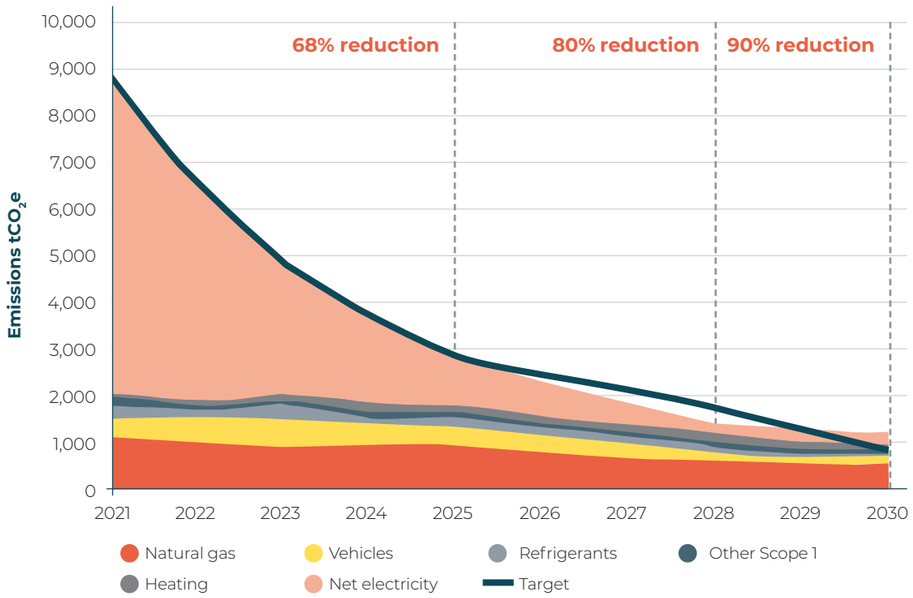
Given the acquisitive nature of discoverIE, accelerating decarbonisation of acquired businesses is a risk which must be carefully balanced as part of our net-zero emission strategy. Acquisition of high potential businesses is an important part of our financial growth strategy, but the size of businesses we target typically have limited understanding of their GHG inventory at acquisition. Carbon emissions awareness training and data collection is therefore an important step in the early integration of acquired businesses into Group reporting.

Although we always restate prior years' emissions for the acquisition of new businesses, the speed with which we abate acquired emissions will need to accelerate as we draw closer to our 2030 and 2040 targets. We intend to apply the lessons learned from emissions reduction in our existing businesses to facilitate more rapid reduction in businesses acquired at a later date.

Category	Actions	Estimated investment
Electricity	▪ Install solar panels at operating sites in Mexico and India ▪ Move all UK businesses to green tariffs ▪ Increase EAC purchases	£0.3m
Natural gas	▪ Replace gas heating in Poland and Hungary ▪ Explore dual fuel use at US sites ▪ Improve insulation in older buildings	£1.2m
Company vehicles	▪ Replace vehicles as leases expire with EV alternatives	£0.9m
Refrigerants	▪ Maintain existing systems	£nil
Unidentified (examples of potential solutions, not yet assessed)	▪ Replace gas heating with emerging technologies, e.g. biogas, hydrogen ▪ Replace gas heating with ground source heat pumps ▪ Replace refrigerants with electric HVAC alternatives	£3.0m

Target time horizon

Actual and forecasted Scope 1 and 2 GHG emissions



The graph above shows the Scope 1 and 2 emissions for the years 2021 to 2025, plus the forecasted emissions for the years 2026 to 2030, based on the expected impact of projects already identified. The forecast suggests that these projects are sufficient to enable us to achieve our reduction targets up to 2028. However, in order to achieve our ambition of a 90% reduction by 2030, we will need to identify further projects in future years to ensure the required emissions reductions beyond 2028.

Scope 3

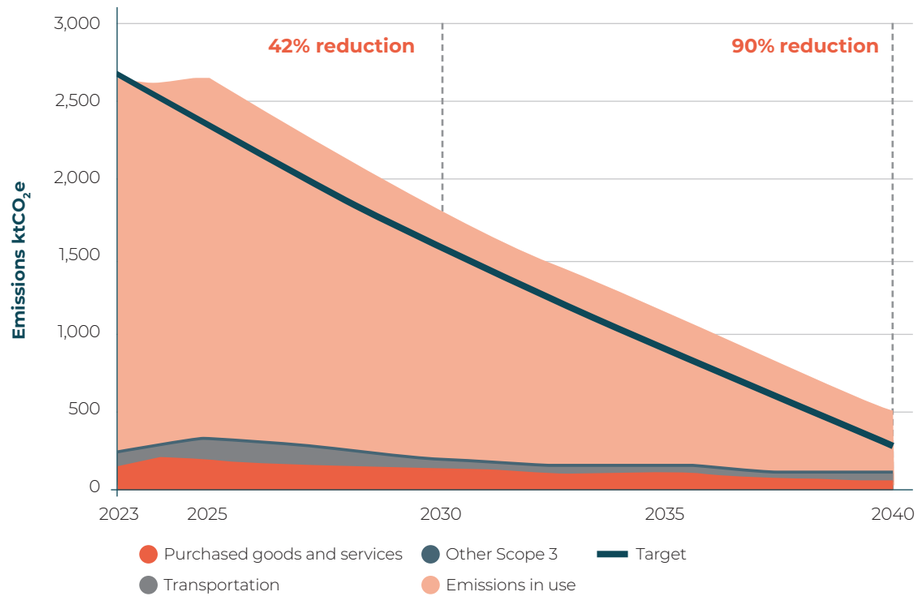
Scope 3 emissions are both much larger than Scope 1 and 2, and harder to influence. Although our products contribute to a lower-carbon economy and enable significant avoided emissions (primarily by enabling electrification of processes and the transmission of green electricity), the calculation method specified by the GHG Protocol recognises that the very small inefficiencies in their power usage, magnified by their long working lives, result in an emissions in use footprint of almost 2.5m tCO_2e p.a. Although we can work to improve the efficiency of our products, we cannot easily influence the usage patterns of end-users, or the emissions profile of the electricity they will consume. In addition, our purchased goods include a high proportion of metals, such as copper and aluminium, which are relatively high carbon industries, resulting in emissions of approximately 200,000 tCO_2e p.a. While we can work with our suppliers to reduce emissions or seek alternatives, our ability to directly effect reductions is more limited.

Our Scope 3 inventory in 2025 was over 900 times greater than our combined Scope 1 and 2 emissions, and made up of many more sources of emissions.

However, although our ability to directly influence decarbonisation is limited, the Group will benefit from decarbonisation actions already taking place and planned for the markets on which we rely. The main change is the expected greening of national electricity grids, whereby countries will rely on higher proportions of zero-emission energy sources in future, and we will also benefit as other industries, such as metallurgy and freight, decarbonise around us.

The graph below shows our calculated Scope 3 emissions for 2023 to 2025, our SBTi reduction target trajectory, and our expected emissions if we rely only on forecasted changes to international industries.

Scope 3 emissions reduction forecast



This suggests that our emissions will naturally decrease over time to approximately 500,000 tCO_2e by 2040, against our net-zero target of 268,000 tCO_2e. However, it should be noted that the forecast above does not include any offsetting increase in emissions due to increased activity, such as would be occasioned by sales growth, for example.

4 ROAD TO NET-ZERO EMISSIONS CONTINUED

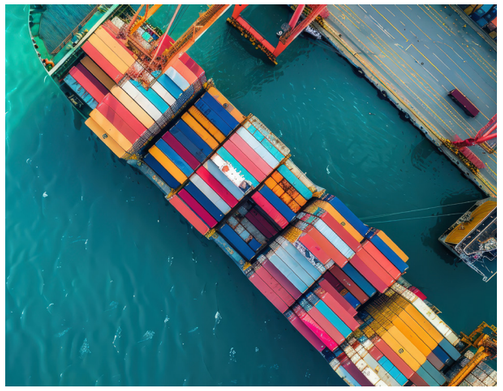
We do not intend to rely solely on the actions of others to achieve reductions in our Scope 3 emissions, however, as these may be delayed or deferred. We will take responsibility for our own emissions, and will explore actions to support decarbonisation which our businesses can take. These include:

- Designing for improved efficiency and reduced power consumption of our products.
- Engineering to reduce material usage (whilst not compromising safety), minimising waste and improving end-of-life recyclability of our products.
- Using lower-emissions freight modalities, such as switching from air freight (currently responsible for almost 30% of our upstream and downstream transport emissions) to sea freight (where emissions are up to 70 times less than air freight for the same cargo delivered), and encouraging our customers and suppliers to do the same.
- Reducing business travel, particularly air travel, and encouraging employees to adopt low carbon commuting habits, e.g. through cycle to work and EV lease schemes.
- Engaging with customers to explore the potential of lower carbon or recycled materials in our products.
- Encouraging suppliers to track and take action on their emissions, to reduce emissions in our supply chain.

In all cases, the reporting of the effect of any actions may be delayed by the accuracy of carbon emissions factors available. While we are still reliant on generic national or global standards, the impact of actions taken at local level will be masked. We will therefore continue to encourage our businesses to be as accurate as possible in reporting, and use activity-based data as much as possible. We will support suppliers able to provide product-specific emissions factors, and will increase the number of our own products for which we have more accurate life cycle assessment ("LCA") data available.

Our decentralised corporate structure makes it unlikely that we will identify large-scale projects that materially reduce our emissions in a short space of time. Instead, we will leverage the local knowledge and expertise of our operating businesses, who have the deepest understanding of their customers' requirements and the ability to engage directly with employees and suppliers. Through an array of smaller, localised initiatives we will advance towards our goal of a net-zero future together.

At discoverIE, we know our actions must mirror our purpose, and we want to protect our planet for future generations through both the products we design and the way we operate. Reducing emissions in our own operations is not always straightforward, and this decarbonisation plan must tread the line between impact and practicality. However, we remain ambitious in our targets and believe that by working collaboratively, acting with integrity and continuing to innovate, we can meet these challenges and support the transition to a low-carbon world.



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