



ESG Report | FY 2023

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| Welcome

Executive Summary

We're delighted to share our first Environment, Social and Governance (ESG) Impact Report – marking a momentous step in VPS' journey. As Europe's leading temporary security specialists, we have long recognised and honoured our responsibility to safeguard people and properties. Now, we are passionate about ensuring this commitment extends to protecting our planet.

We believe in the positive impact of this holistic approach; one which will touch all of VPS, our partners, customers and communities. We aim to enhance every part of the business as we embrace ESG at the forefront of our thinking. Our new target of Net Zero by 2045 – five years earlier than the UK government's goal – is just one of our many actions that reflect our ambitious approach to ESG.

We welcome you to explore our comprehensive ESG Impact Report, compiled by consultancy Sustainable Advantage, to see how real and positive changes are already underway across VPS Group.





Lee Newman
Group Chief Executive Officer

Caring for the environment, both now and in the future, is a responsibility we all share.

As Europe's leading temporary security specialists, we take pride in the progress we've made in understanding the impact our operations have on the environment, and the activity we have already undertaken to be more sustainable.

As we grow and evolve, we remain committed to widening our understanding of environmental protection, by developing products, services and operational practices that enhance sustainability for the long term.

The completion of our first Net Zero Report marks a significant milestone in assessing the full scope of emissions across the business. It has identified opportunities for change and helped

us develop an integrated roadmap that continues to position ESG as a core strategic priority. It has also helped us highlight operational changes that can drive meaningful improvements to our sustainability efforts every day.

Through our strengthened knowledge and commitment to ESG, we will continue to educate and inspire our colleagues and customers to take steps to reduce their own environmental impact. By working together and encouraging positive business and personal behavioural changes, we can work collectively to protect the environment and build a more sustainable future.





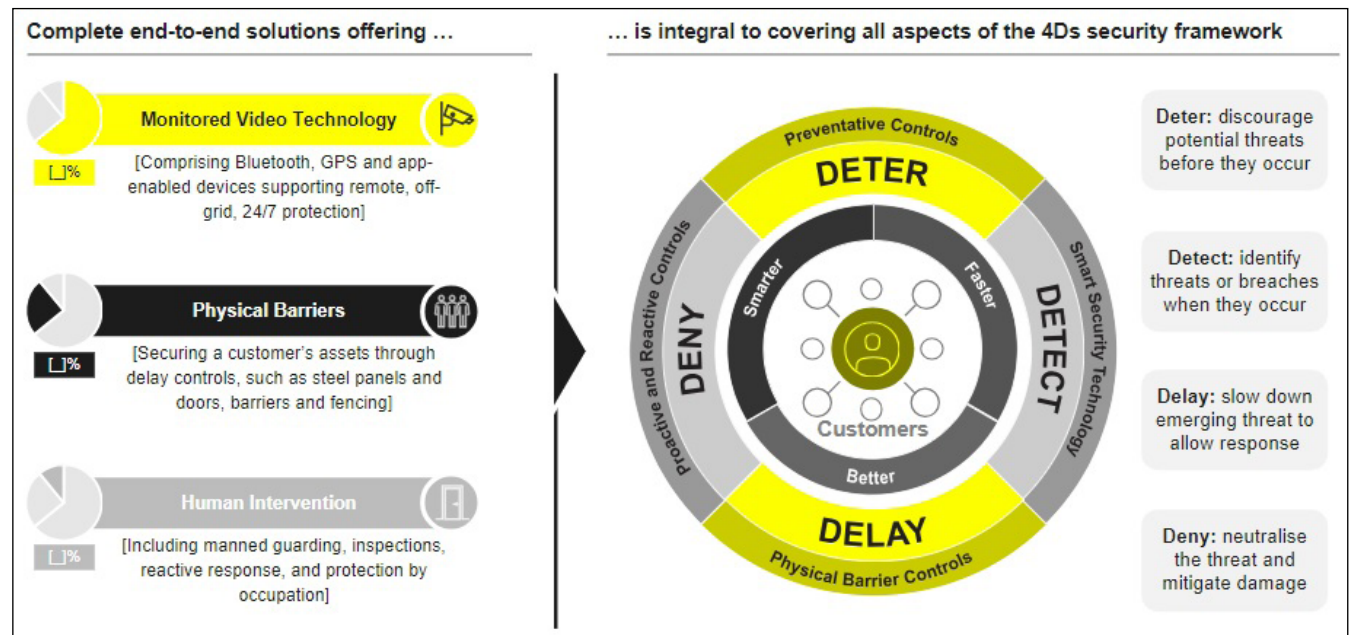
About Us

VPS is Europe's leading temporary security specialist.

We protect vacant and void property, as well as construction and infrastructure sites, for a diverse pool of clients across the UK and Europe. Established in 1993, we are proud to be celebrating our 30th anniversary with our team, clients, partners and communities.

VPS has developed a holistic and customer-centric approach that prioritises safety and security. Our fully integrated security solution delivers tailored risk mitigation to our customers with a combination of monitored technology, human intervention and physical protection solutions.

Our largest clients are in facilities management, automotive, utilities, housing, telecommunications, rail and real estate. VPS also provides security solutions to a diverse range of vacant properties, from skyscrapers and car parks to manufacturing plants and pubs. We work with clients across the whole property lifecycle and our in-depth knowledge of assets allows us to recommend suitable security controls for various properties across diverse businesses.



Geographies and Growth

VPS operates across seven core markets: the United Kingdom (UK), Ireland, the Netherlands, Germany, France, Italy and Spain. We have also made two acquisitions since 2022. The first was Nexus in the UK, which offers a range of security options-from mobile patrols to static guarding through an accredited supply chain of network partners. The second was Durus in France, which provides security services in and around Paris.

Our Ownership Structure

In 2014, the French private equity company PAI Partners acquired VPS Group as part of their Business Services portfolio. PAI has been a signatory of the Principles for Responsible Investment since 2010 and takes a responsible approach throughout the investment cycle, including an ESG screening and assessment against the PAI ESG framework before investment. An ESG review and improvement plan are completed post-acquisition, and companies track a set of ESG factors.

7 Core Markets

1. United Kingdom
2. Ireland
3. Netherlands
4. Germany
5. France
6. Italy
7. Spain



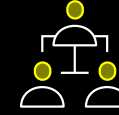


In Numbers:



Number 1

We are the number one provider of temporary security in the UK and France. In addition, we are among the market leaders in the Netherlands, Spain, Germany, Italy and Ireland.



1,315

colleagues work in VPS Group – the hearts and minds behind the company's success.



£180m+

is the Group's annual turnover for the FY 2023.



7

business divisions are part of VPS.



80%

of our revenue for security services stems from our core geographies – UK & Ireland, Europe North and Europe South.



50

is the number of locations we operate in across the UK and Europe.



150,000+

physical protection assets on rent across Europe.



45,000+

customer sites protected in Europe.



23,000

monitored technology assets rented across Europe.



4,164

Guardians operate within VPS Group across the UK and Netherlands (see page 32).

ESG Strategy and Organisation

Embracing our ESG Journey

We believe in the positive impact of ESG – it is increasingly second nature across VPS. Our ESG agenda is crafted and implemented in partnership with our owner, PAI Partners. An initial assessment of the ESG posture of VPS took place post-acquisition, and subsequently, an action plan was developed with annual reviews and targets for the following year. Such consistency is vital to ensuring our ESG journey grows, both in speed and sophistication.

Our ESG Differentiators:



Repurpose vacant buildings by providing affordable residential and commercial spaces, which prevents squatting. Read more on page 32.



Employ temporary security measures powered by solar or methanol technology, which have a lower environmental impact than traditional manned guarding. Read more on page 16.

Our ESG agenda and the work we do everyday support several of the 17 United Nations Sustainable Development Goals (SDGs). In an analysis of our impact, we identified SDG 11 as being the most aligned with our business activities:

“ Make cities and human settlements inclusive, safe, resilient and sustainable by 2030. ”



More specifically, we see target 11.1 as VPS' core contribution:



Target 11:

Sustainable Cities and Communities

Target 11.1 – By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.



ESG Governance

ESG is integral across VPS' businesses and therefore it is very much a Group task. Responsibility for overseeing and furthering the ESG agenda lies with our Chief Legal and People Officer, Suzy Hardyman, who reports directly to our CEO, Lee Newman. Suzy Hardyman is supported by other members of the Group Executive Team and the wider Senior Management Team. To further strengthen our internal ESG governance, VPS is planning to introduce a dedicated Sustainability Committee by the end of 2025, bringing key department heads and experts together.

ESG is a regular agenda item at key top-management meetings, channelled through:

- Group Executive Team Meetings
- Board Meetings
- Senior Management Team Flash
- Quarterly Business Reviews

PAI provides an additional layer of support for steering our ESG journey, including a PAI ESG lead. Their role includes communicating ESG-related expectations and facilitating the ESG goals with a collaborative agenda-setting and review process. They also attend selected board meetings. VPS is part of the PAI Sustainability Club, which fosters knowledge sharing between PAI portfolio companies, and the new PAI Academy – a series of webinars on ESG.



Suzy Hardyman
Chief Legal and People Officer



“ Embedding ESG principles into everything we do is a journey we have committed to for decades to come. I am proud to share highlights from our teams across Europe in this inaugural ESG report. Not only have we made a strong start over the past few years, but this report shows that we are more driven and excited than ever to keep getting better – both within VPS and with our partners and communities. ”



Environment



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VPS
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SAFER POOL



2045

is when VPS aims to be Net Zero – five years before the UK government's target.

Playing our Part

Undeniably, climate change is one of the greatest challenges facing the planet, which means that transitioning to a low-carbon future must become second nature for VPS. Accordingly, we want to proactively disclose our environmental impacts as we work towards improving our understanding of, and ultimately minimising, our environmental footprint.

Net Zero by 2045

We engaged an independent consultancy, Sustainable Advantage, to conduct an in-depth assessment of VPS' carbon impact. Based on this analysis, we have pledged to achieving Net Zero by 2045 – five years sooner than the UK government's goal. This is a landmark step in VPS' growth, helping the Group evolve in a more efficient, responsible manner, whilst ensuring it remains highly competitive in a low-carbon economy.

A comprehensive calculation of our carbon emissions, across the full scope of the Group's business operations for our 2023 financial year (FY23), was key to enabling us to confidently set a Net Zero target. As our first year of emissions measurement, this is the baseline year from which we will measure our progress against Net Zero targets.

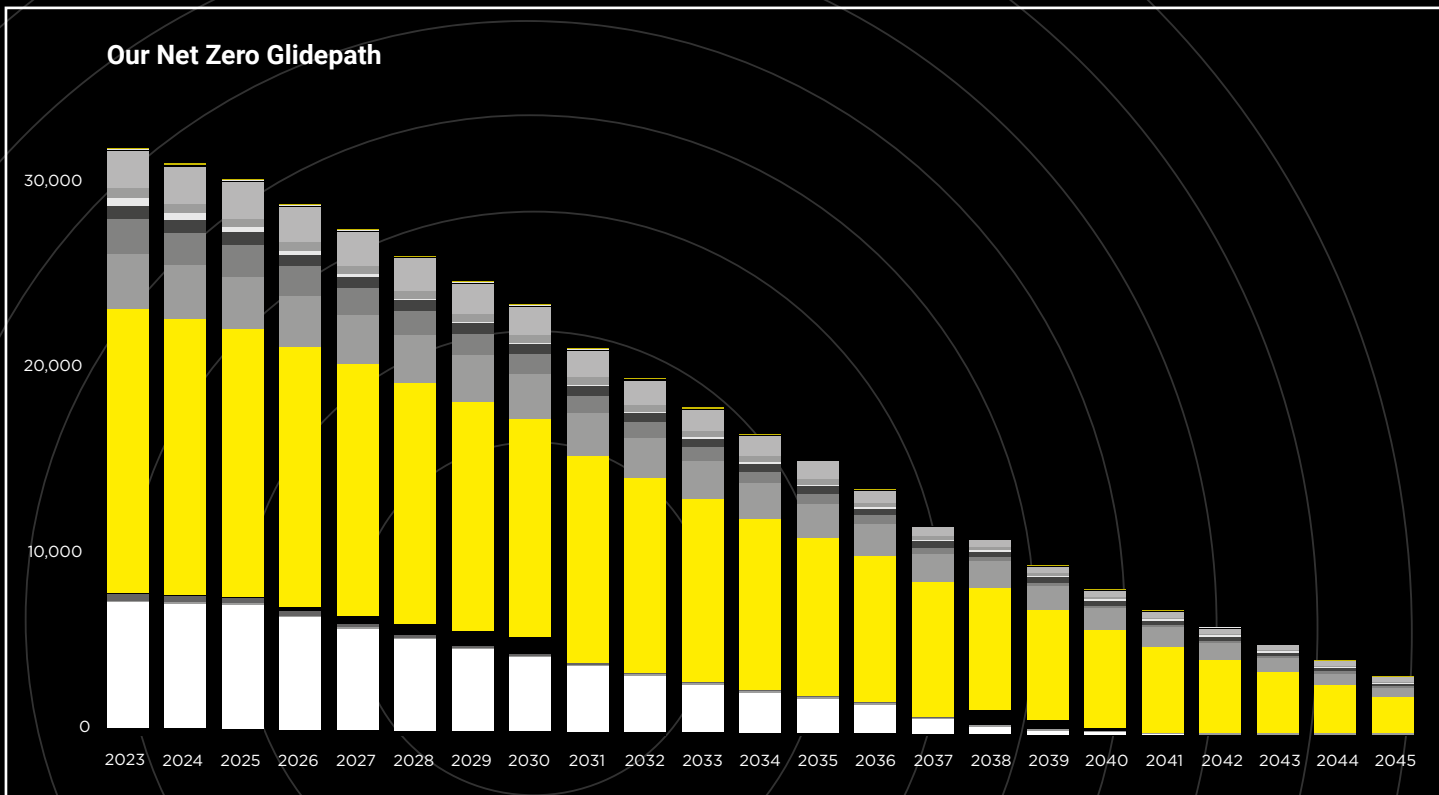
From our assessment, we have set a glidepath towards achieving Net Zero, which is aligned with international standards including the SBTi (Science Based Targets Initiative) and the Paris Agreement, which commits to limiting global warming to 1.5°C above pre-industrial levels.

Net Zero by 2045

NEXT STEP

We will develop a Net Zero strategy and action plan, including an implementation timeline for the required actions to meet our 2045 Net Zero target. Even though this target is 21 years away, the magnitude of positive change required to achieve Net Zero for VPS – and every company and country worldwide – is a huge undertaking. We are proud to have established a high standard and we look forward to engaging the entire Group, our partners, customers and communities on this vital journey.

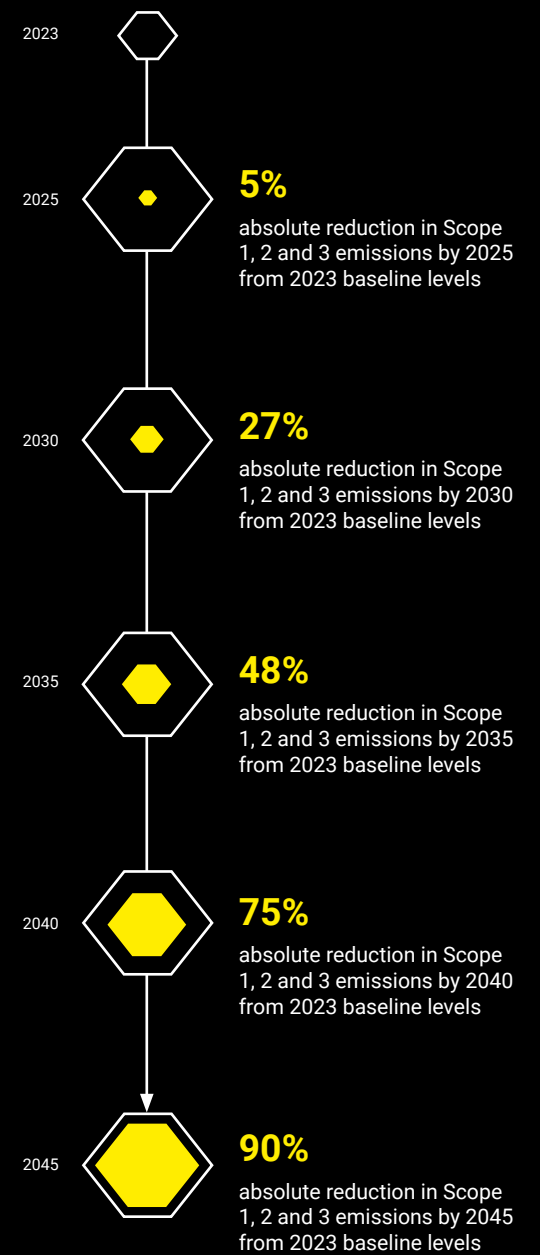


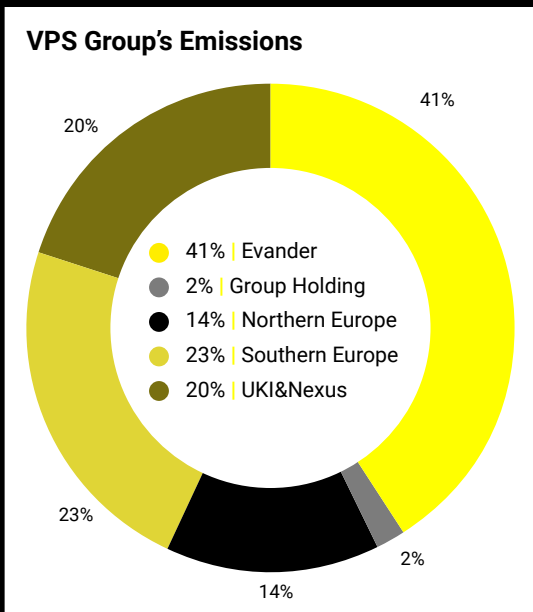


- | Purchased goods & services
- | Transport
- | Capital Goods
- | Fuel and energy-related activities
- | Employee commuting
- | Upstream transport
- | Business travel
- | Waste
- | Stationary combustion (Gas)
- | Electricity (Market-based)
- | Employee working from home
- | Downstream Leased Assets
- | Refrigerants
- | Use of sold goods
- | Electricity (electric vehicles)
- | End-of-life of sold goods

Figure 1: VPS' Net Zero Glidepath - Roadmap to achieve Net Zero (-90% CO₂e by 2045 against the FY23 base year)

Our Scope Targets

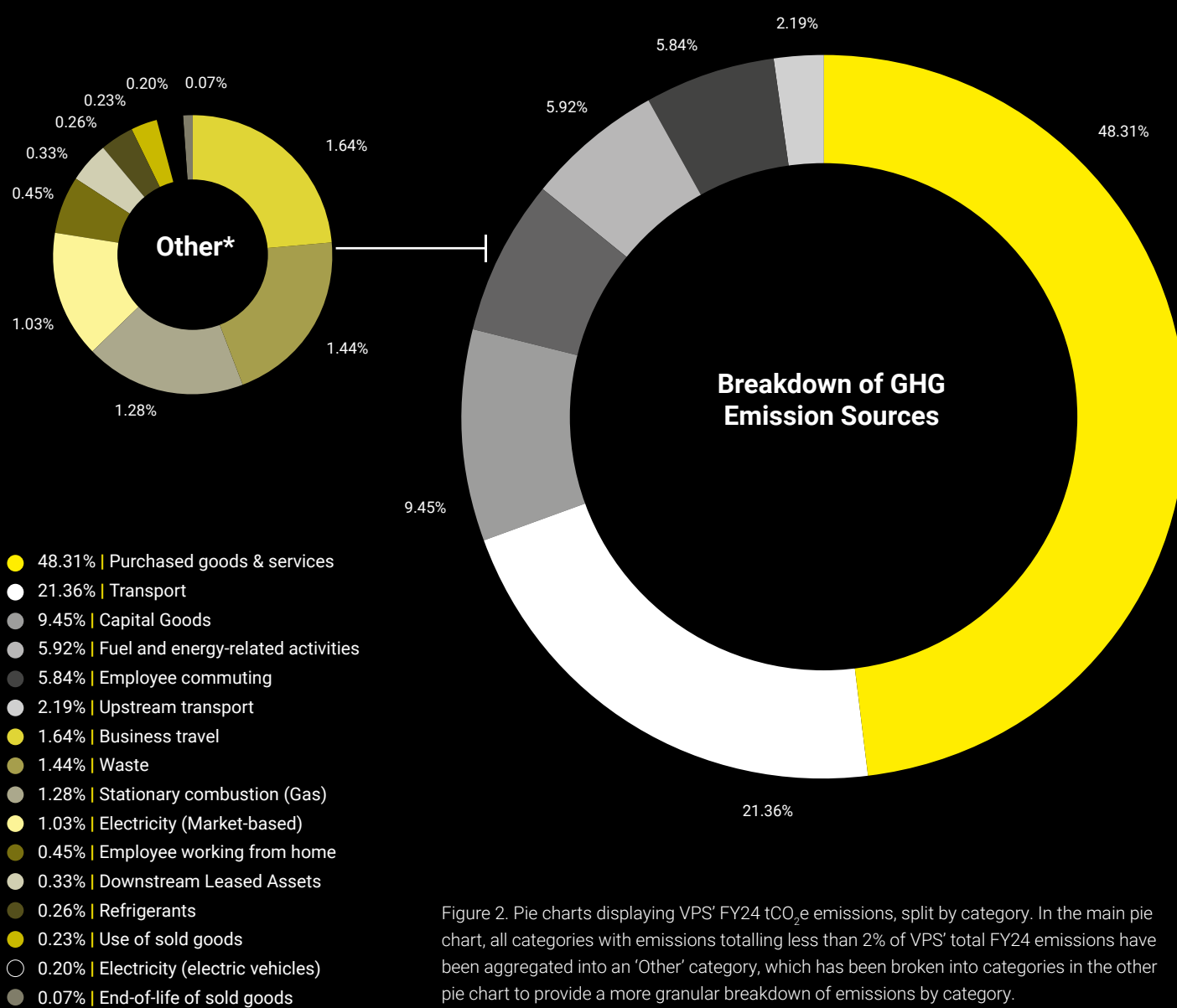




Greenhouse Gas Emissions

Scope 1 emissions are the direct emissions that are owned or controlled by a company, meaning they have greater influence over their production. Scope 2 and 3 emissions are indirectly produced from company activities, generated by sources outside of its direct control i.e., supply chains.

In FY23, the vast majority of greenhouse gas emissions across the Group were indirect Scope 3 (76%), followed by Scope 1 (23%) and then Scope 2 (1%). All CO₂e calculations were independently verified and conducted as per the Greenhouse Gas (GHG) Protocol, an internationally recognised methodology for measuring and reporting GHG emissions.



- 48.31% | Purchased goods & services
- 21.36% | Transport
- 9.45% | Capital Goods
- 5.92% | Fuel and energy-related activities
- 5.84% | Employee commuting
- 2.19% | Upstream transport
- 1.64% | Business travel
- 1.44% | Waste
- 1.28% | Stationary combustion (Gas)
- 1.03% | Electricity (Market-based)
- 0.45% | Employee working from home
- 0.33% | Downstream Leased Assets
- 0.26% | Refrigerants
- 0.23% | Use of sold goods
- 0.20% | Electricity (electric vehicles)
- 0.07% | End-of-life of sold goods

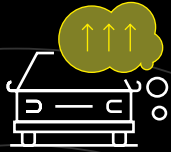
Figure 2. Pie charts displaying VPS' FY24 tCO₂e emissions, split by category. In the main pie chart, all categories with emissions totalling less than 2% of VPS' total FY24 emissions have been aggregated into an 'Other' category, which has been broken into categories in the other pie chart to provide a more granular breakdown of emissions by category.

*Categories under 2% value



Carbon Hotspots across VPS

Six key emission hotspots were identified in our FY23 emissions inventory.



SCOPE 1: Transport (21%)

Our large fleet of mainly leased vehicles are used by engineers and employees. To bring down this emissions area, firstly, we will assess the feasibility of transitioning to a hybrid and EV fleet. Secondly, we will be investigating ways to reduce fuel consumption, such as boosting driver awareness to encourage efficient driving behaviours and installing telematics in vehicles. Some of these efforts are already underway. We have undertaken a review of fuel consumption, and plan to install three EV charge points in the staff car park at our Chadderton Head Office.



SCOPE 3: Purchased Goods and Services (48%)

Purchased goods and services are our biggest emissions area, which is largely because we purchase a significant volume of raw materials. To get a more granular overview of these emissions, we will engage our top suppliers to request actual emissions data. Additionally, for materials with a particularly high-emissions impact, we plan on identifying opportunities to perform lifecycle assessments to gain a more complete picture of their impact. We also want to develop a sustainable procurement policy, prioritising suppliers with low carbon products and operations.



SCOPE 3: Capital Goods (9%)

We plan to engage our top suppliers to request actual emissions data resulting from our engagement. As with purchased goods and services, we will examine opportunities to conduct lifecycle assessments on goods with a high-emissions impact.



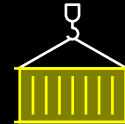
SCOPE 3: Fuel and Energy-related Activities (6%)

This is directly related to our emissions from transport activity and therefore, it will organically reduce in impact as we reduce our CO₂e emissions from transport.



SCOPE 3: Employee Commuting (6%)

While we have limited influence over employees' commuting activity, we aim to do all we can to increase awareness around carbon impacts and encourage more sustainable choices of travel. Currently, most calculated impacts are based on national averages. Therefore, in the coming year, we are prioritising data quality improvement for this emissions category, in order to set more accurate reduction targets.



SCOPE 3: Upstream Transportation and Distribution (2%)

We plan to engage directly with our freight and logistic suppliers to improve reporting for this category and will prioritise suppliers with low-carbon operations.

7 Key Actions to Decarbonise

We are committed to decarbonising our emission hotspots, especially those that are within our direct control or influence. Some of our key planned measures include:

1. Ensuring all sites are purchasing verified 'Green' electricity
2. Assessing the feasibility of transitioning the fleet to electric vehicles and reducing mileage from vehicles with internal combustion engines (ICE)
3. Engaging with suppliers to both improve data quality and support value chain decarbonisation
4. Undertaking product life cycle assessments for material products
5. Prioritising the re-use and recycling of waste
6. Setting business travel policies to limit the use of carbon intensive travel modes, such as business travel flights
7. Encouraging employees to avoid the use of high-carbon travel modes



Case Study: Cutting CO₂ Emissions with Smart Technology

Under our managed services contracts, we offer a cloud-based security monitoring system that utilises advanced software to analyse triggered alarms. When an alarm is activated, a security guard from the nearest depot is promptly dispatched to the construction site.

This results in far lower GHG emissions compared to employing a full-time, on-site guard. This case study is a real-world example of two security options considered by a Welsh transport client. VPS solutions is collaborating with a Welsh local authority to provide security related services for a train depot providing public transport to Cardiff Bay, Treherbert, Aberdare and Merthyr Tydfil areas. The construction site has an area of 39,198m² – equivalent to six football fields – and a 652 metre perimeter.

* Operational energy consumption is made up of electricity consumption from the electrical devices in the back office and data centres which stores data sent to it from the Sentry tower when an alarm is triggered.

** For the transport whilst we try to use fully electric vehicles for guards that are called to the construction site by Alarm Receiving Operatives as part of the VPS Monitored Solution for this carbon avoidance scenario, it has been assumed that the vehicles used for transportation are a Nissan Micra that has a 1.2 litre engine. This is the same model as the manned scenario and this is our method of creating comparable scenarios.

Environmental benefits of VPS' technology-enabled approach

96% reduction in operational emissions.

82% reduction in transport emissions compared to a manned solution.

6.78 tonnes of carbon dioxide equivalent (tCO₂e) saved per year.

Manned

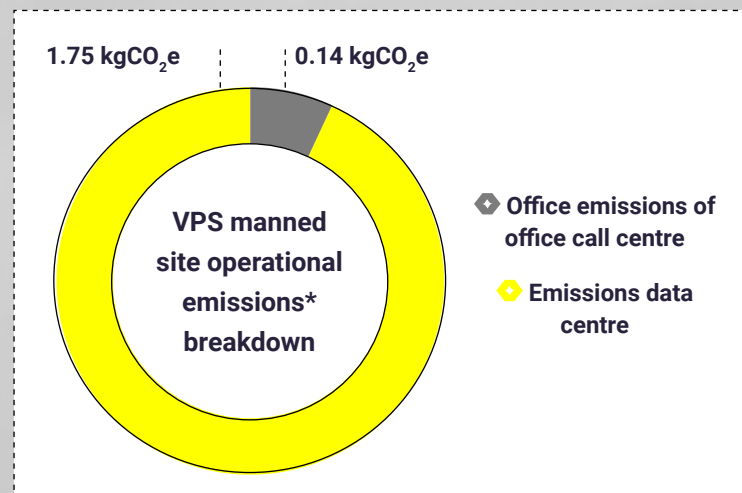
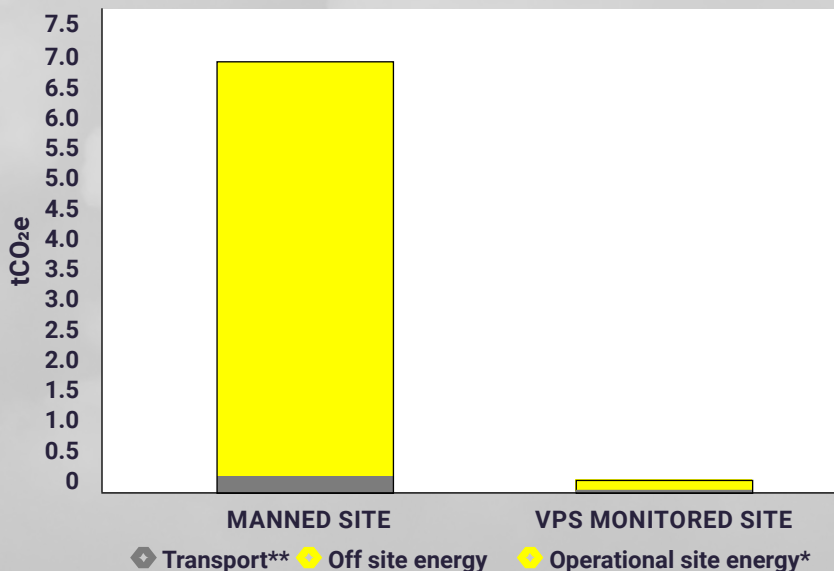
Three guards patrol the construction site over a 192-day contract tenure – 252 hours per week in total. Each guard travels five miles to the construction site every day from Caerphilly in a single Nissan Micra with a 1.2 litre engine. It is assumed that all the guards travel back to Caerphilly after they finish work for the day.

Versus

VPS Monitored Site

Five CCTV (Sentry) towers are used, with cameras, lights and alarms on the towers. High-definition camera data is stored locally and sends a ten second clip to the data centres when the alarm is activated. If an intruder is identified by the Alarm Receiving Operatives, a guard is called upon to travel 4.2 miles to the construction site and back to the security depot in a Nissan Micra with a 1.2 litre engine. Over the 192-day contract, the guard travels to the construction site and back to the security depot 41 times.

Manned site and VPS monitored site tCO₂e comparison. (Case study results based on 192 day operational use)





Environmental Management

UK Guardians, Evander and Nexus are ISO 14001 certified – an internationally recognised standard for environmental management systems (EMS). Tangible benefits that can result from this proactive approach to environmental management include reduced waste, energy conservation and cost savings. VPS conducts annual reviews of its targets in ISO Management Review Meetings. Spain and the Netherlands are currently considering adopting ISO 14001, and other business units are investigating doing the same.

Ecology and biodiversity are considered at each depot location within the UK and ROI business units. These are documented in impacts and aspects risk assessments, which are distributed annually.



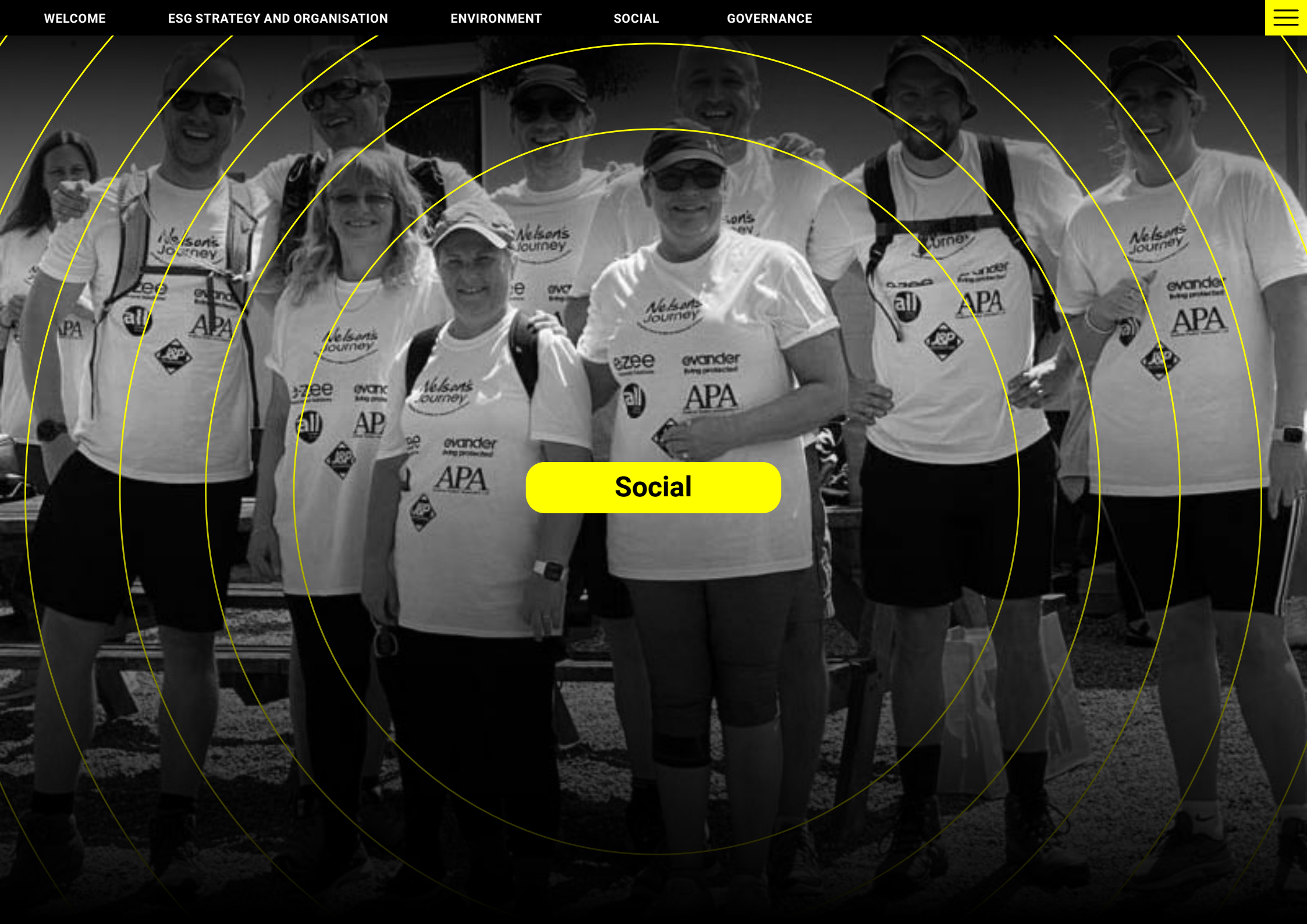
Waste

While VPS do not produce a significant amount of waste as a business, we recognise our collective responsibility to monitor, manage, and mitigate our waste impacts. To this aim, a third-party company collects our recycling data, and some select items are reused. For example, steel doors and panels are repainted and reused. We also repurpose existing metal work (such as the carcass of our security towers), with refreshed electrical components, which has reduced the number of towers scrapped.

The product life cycle is now a key performance indicator (KPI) for the Group's Commercial team.

Green Power Plans

We are exploring 'off grid' solutions for our security towers, which are mains powered and consume significant amounts of energy. We aim to reduce energy consumption across the Group's tower fleet by 78% by using a solar and methanol power solution, which we are currently testing. This has proven more effective than hydrogen, which requires engineers to perform the refuelling and independent cylinder exchange per site every two weeks. Doing a single refuel visit using a solar-methanol combination versus fifty visits for a single hydrogen fuel tower per year significantly reduces transport CO₂ emissions and the risk of working with pressurised gas.



Social



| Our People

VPS Group Culture Statement:

“ We deliver sustainable growth through collaboration, empowerment, innovation and attention to results. We do this by cultivating trust and togetherness with colleagues and customers. ”

Teamwork is the foundation on which VPS is built. We believe in giving colleagues breathing space to make decisions. We do not want to stunt their creativity or box them in. In our 2023 annual Employee Engagement survey, 96.2% of colleagues said they felt their managers trusted them to do a good job (see page 24). Equally, operating across multiple countries, we recognise that our company culture must adapt to reflect regional nuances. Accordingly, our core philosophy remains consistent worldwide.



We empower our colleagues to make decisions, take initiative, show leadership and devise innovative solutions for customers to enhance our operations.

People Strategy and Governance

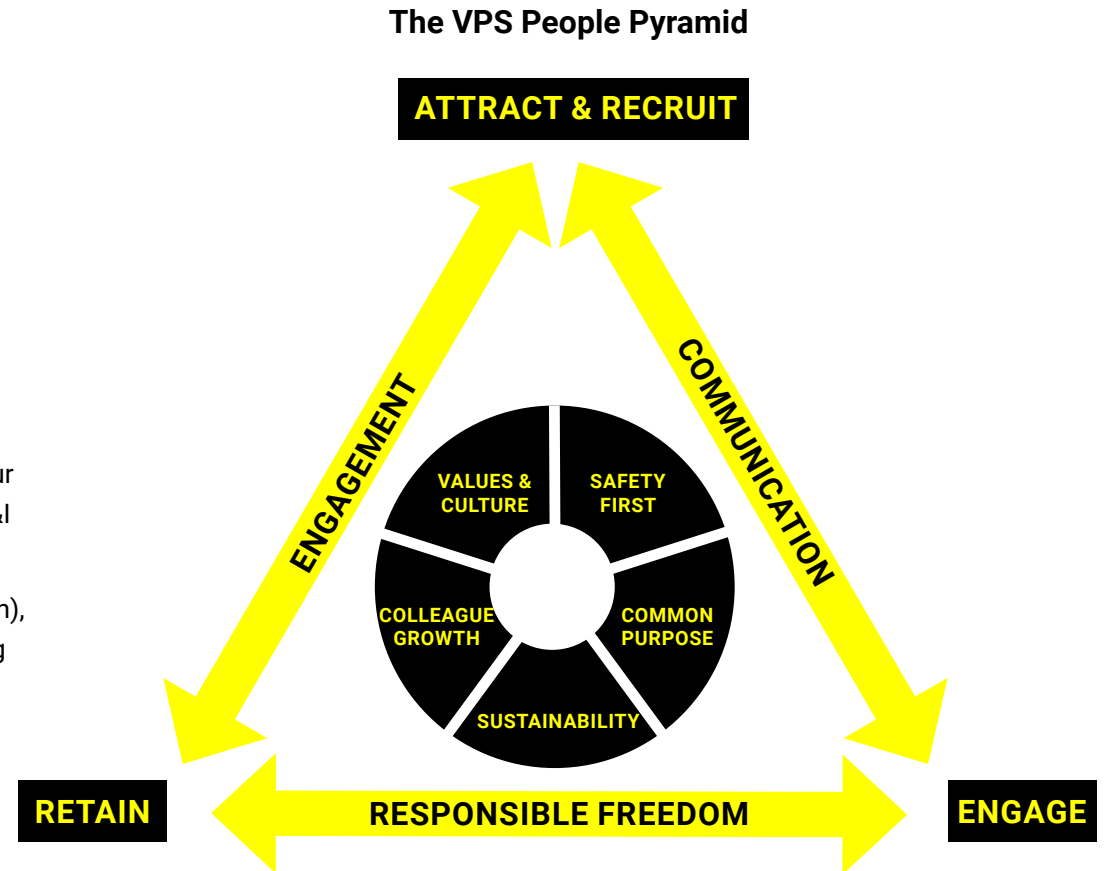
To strengthen our people management – one of VPS' Critical Success Factors – we established the VPS People Steering Group (PSG). The PSG drives our commitment to “develop, attract and retain the best colleagues in our sector for each part of the Group”. It is chaired by Suzy Hardyman, our Chief Legal and People Officer, and includes Human Resource (HR) directors and leads from each business Division.

The PSG convenes monthly, facilitating the exchange of experiences and fostering collaboration on people-related initiatives. The first face-to-face meeting in 2023 brought the HR leadership team across the Group together. A newly implemented dashboard helps the PSG track and analyse people-related developments across the Group, such as headcount, fluctuation and sickness rates.

We also have effective working relationships with the works council in France.

In the management of our people, we are guided by key policies. Most notable are our Code of Conduct (Group-wide), Health & Safety (Group-wide), Diversity (Evander, UK&I and Nexus), Gender Equality (UK&I) and Anti-discrimination (UK&I).

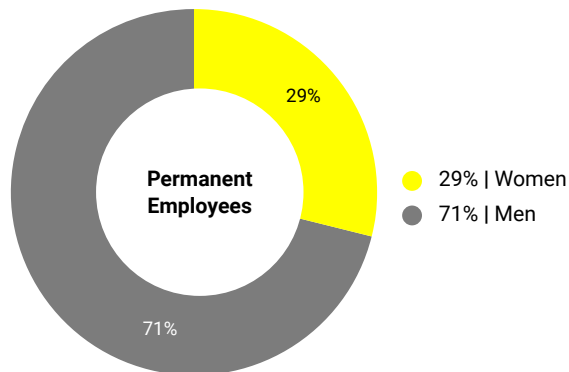
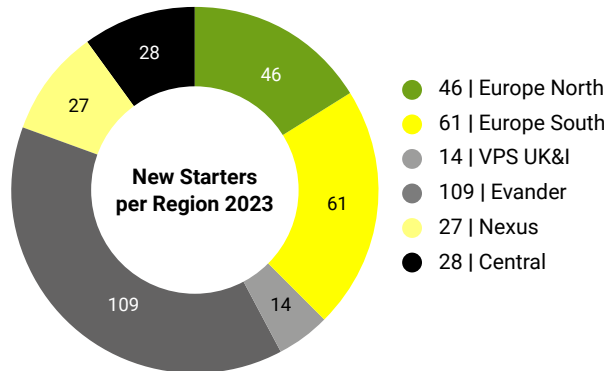
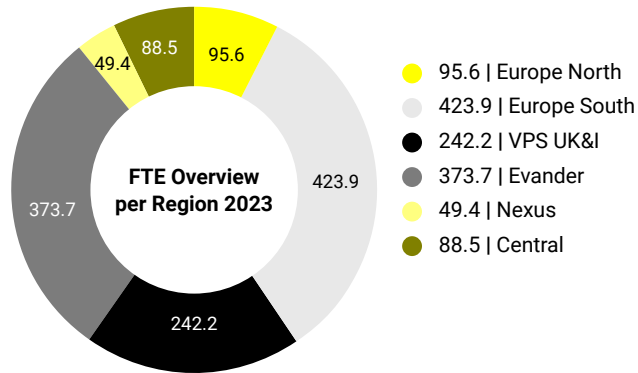
For 2024, the people strategy includes enhancing the People Pyramid (see illustration), setting objectives for succession planning and the VPS talent matrix and formulating necessary action plans.



Workforce Profile

Our Workforce

Our workforce is currently comprised of 1,273 full-time employees across the group, with our largest presence in Europe South, followed by our Evander employee base. Our workforce has remained predominantly male, which is in line with industry norms. However, we are seeking to increase the proportion of women in our workforce through our diversity, equity, and inclusion initiatives.



Diversity, Equity & Inclusion

It is very simple: we do not tolerate discrimination. Not on the grounds of sex, race, disability, age, sexual orientation, transgender status, religion or belief, nor marital status, pregnancy and maternity. We are an equal opportunities employer and this weaves into everything that we do. Each business unit is encouraged to have its own Diversity, Equity and Inclusion (DE&I) policy and initiatives that reflect their local law and culture. These policies are reviewed annually, and DE&I is discussed monthly at the PSG meeting to ensure a consistent approach across the Group.

Leading the Way

Suzy Hardyman was chosen by PAI to Co-Chair the Portfolio Women's Network (PPWN) which launched in 2023. This helps support career development and mentoring with private equity portfolio companies.

Our New DE&I Initiatives:

- Unconscious bias training for recruiters
- Menopause Pledge
- Family Advocacy Policy launch
- Fertility Awareness and Pregnancy Loss policy
- Introduction of a pilot for blind CV reviewing for the UK&I
- A Wudu Wash Basin was installed for our Muslim colleagues to perform the Wudhu washing ritual before prayer in the Greater Manchester Chadderton office (VPS UK&I)

Evander recognised as an inclusive employer

Evander, an accredited Disability Confident Level 2 Employer, was a finalist at the Broadland and South Norfolk Business Awards in 2023 in the category of "Employer of the Year". The company's communication campaigns relating to DE&I included Black Awareness Month and International Women's Day. The benefit and awareness of these campaigns spread far and wide, encompassing groups including parents and carers.

Learning and development

As VPS grows, we want to ensure our people are equipped with the skills, support and resources they need. This is essential to their personal development and enjoyment at work, as well as helping the company, its partners and communities prosper.

Learning begins on day one at VPS. Our induction programmes introduce new starters to the Group and deliver tailored training specific to each business unit. Each business unit's training and development approach is aligned to their local context and requirements and colleagues complete refresher training every one to three years. Across the Group, there is a "buddying up" approach to new starters, where they are paired with a more experienced colleague for an initial period. Our Group-wide training programmes are completed via a mix of e-learning, face-to-face learning and acquiring professional qualifications from external bodies.

In 2023, we rolled out a coaching and mentoring cohort across the organisation. As well as providing study support to those undertaking training or a professional qualification.

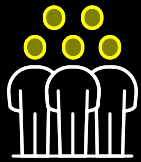
Through our ongoing partnership with Clarity Leadership, we extended our two leadership programmes across the Group: High Potential Leadership and Female Leaders. The High Potential Leadership Programme is a multi-layered, nine-month programme providing cross-industry context and real-life business challenges to better equip new leaders across three core themes: leadership skills, commercial acumen, and personal impact and gravitas. Female Leaders is centred around helping women to define their own leadership vision and provide them the tools they need to find purpose and speak with confidence and influence. VPS has supported colleagues to participate in these programmes for several years and is proud to continue to support the development of its employees.

Training Modules Completed across VPS in 2023:

This is a list of training modules offered across the Group:*

Internal Training Modules	External Training Modules
First aid	Electrical certification
Display Screen Equipment training	Machine operator training
Fire marshal training	Wireless fire alarm system WES3
CCNSG Safety Passport	Visimax software – video surveillance and recording solutions
COSHH training (Control of substances hazardous to health)	Management
Working at height training	Power BI software
Working at height training	Access control
Manual handling training	Tax returns and analysis of management indicators
Asbestos awareness	Supplier accounting
Alarm RSI videofied	Excel
Health and safety for managers	English lessons
Raising awareness of psychosocial risks and burnout	

*not all entities offer all modules.



In Numbers:

£400,000

was invested in our training and development programme across the Group in 2023.

12

hours of training were delivered per employee.

130

colleagues completed external training in 2023, paid for by VPS Group.

100%

of the Group's colleagues received training in 2023 – 1,273 people in total.

5,685

hours of training were completed in total across the Group in 2023 – equivalent to 142 weeks working full time.

We provide financial support for multiple learning and development programmes. Where this is not possible or appropriate, we also offer paid study leave. Some of the external courses undertaken by our team this year include:

- Professional Diploma in Digital Learning (Level 5)
- Chartered Institute of Personnel Development (Level 3)
- Coaching and Mentoring (Level 7)
- CIPS (Chartered Institute of Procurement and Supply) (Level 6)
- ATT and CIMA

Identifying training needs

VPS's annual appraisal process plays an important role in developing our colleagues' professional journeys. In 2023, we rolled out annual appraisals across the entire Group, with a 90% uptake.

“ Europe South / France has a portal to organise digital relations with colleagues regarding annual appraisals, professional appraisals and working time appraisals. ”

Our new process includes a skill gap analysis to discuss individual training needs and best next steps. Europe South has a portal to organise digital relations with colleagues regarding annual appraisals, professional appraisals and working time appraisals.



Our Succession and Talent Plan

Our Succession and Talent Plan aims to reduce the risk of single point failures and knowledge loss, therefore strengthening the Group's business continuity. It helps develop skills across the workforce and encourages cross-group promotions – aiming to make careers at VPS more engaging and dynamic than ever.

The plan incorporates a blended learning approach, combining face-to-face training and shadowing with e-learning and 'knowledge checks' to ensure understanding.

Elevating our Managers

Reaching our goals means having better knowledge, better communication and better execution – therein lies the power of our annual High Potential Leadership Programme. This nine-month programme provides cross-industry context and case studies to equip new leaders across three core themes they need to thrive: leadership skills, commercial acumen and personal impact and gravitas. Three colleagues joined the programme in 2023.

Leadership participant overview:

Unstoppable Teams Day- 8 participants

High Potential Programme- 2 participants

Coaching Programme- 1 participant

Purposeful Leader Workshop- 2 participants

Female Leaders Programme- 3 participants



Jonathan Rump
Group Head of Infrastructure and
Cyber Operations, Monitored Tech

“ The programme has enabled me to not only identify where I can grow my leadership potential, but how to execute on that potential – the real challenge for me. ”

Platforming Women in Leadership

Women comprise 31% of management roles, up 8% from 2022.

We introduced the annual Female Leadership Programme to encourage women in leadership roles at VPS. This spans three days of workshops over six months, supported by coaching and peer mentoring. Three participants joined the programme in 2023.



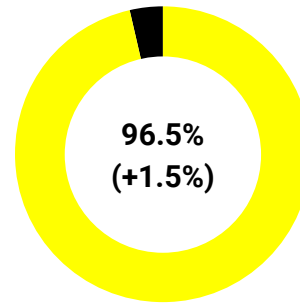
Julie Newman
Management Efficiency Director

“ To support women, we introduced the annual Women in Leadership Programme – a powerful, six-months developmental journey. This course culminates with participation in Clarity's International Women's Day Conference, a high-profile event held at the London Science Museum. Three participants joined the programme in 2023. ”

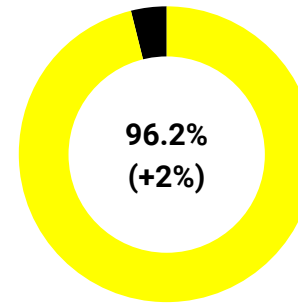


Top Scoring Questions in 2023

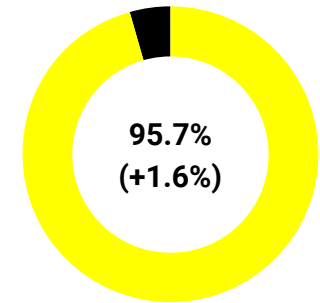
This year, we were proud to attain an overall high engagement score and high participation rate in our engagement survey, with the majority (82%) of our colleagues sharing their feedback in 2023 – 15% more than in 2022. Seven areas were surveyed in the Employee Engagement survey: Leadership, Company and Teamwork, My Manager, My Job, Communication, Customer Focus and Health and Safety and Wellbeing. Improvements were reported across the business, though there was a slight decline in the category “Leadership”.



Doing my job gives me satisfaction



My manager trusts me to do a good job

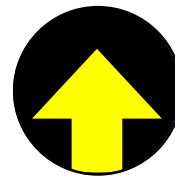


My team are committed to doing a good job

Progress in 2023

The 2022 annual employee engagement survey highlighted key areas for improvement. These included better supporting colleagues with balancing their work and home lives, ensuring they feel involved in decisions that impact them, and increasing recognition. In response, we took proactive steps to address this feedback throughout 2023. These actions included holding more town halls and listening sessions, further embracing flexible working, and installing automatic reminders to discourage sending emails outside normal working hours. We also introduced a regular ‘Colleague of the Month’, to spotlight and celebrate achievements across the Group.

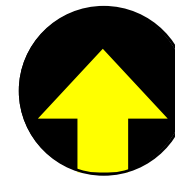
As a result of these actions, we were pleased to see an improvement of 6-8% in each of these areas in our 2023 survey. Building on this success, we will be applying the same approach to our 2023 results, focusing on key feedback to implement improvements.



+8%

(62.7% in 2022 – 70.7% in 2023)

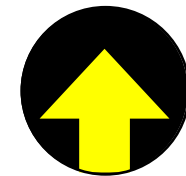
I feel involved in decisions that affect my work



+6.8%

(70.3% in 2022 – 77.2% in 2023)

I have a good balance between work and home / leisure activities



+6.3%

(75.1% in 2022 – 81.4% in 2023)

I am acknowledged and thanked when I do a good job

Source: VPS Group’s Employee Engagement Survey 2023



Boosting Engagement

We cannot inspire teamwork, proactivity and innovation among our colleagues without understanding their perspective. Our annual Employee Engagement survey and our regular pulse surveys provide vital insights into what is going well, what could be better and how our teams feel.

They are fundamental to creating positive lasting change. We build on the results from these surveys – measuring, assessing and developing colleagues' experience at VPS – to craft action plans for each division. For example, 49% of colleagues at Evander fed back that they did not feel they had to opportunity to support charities. To rectify this, we launched the Evander charity committee and embarked on numerous charity partnerships and fundraising initiatives. Now, 93% of Evander colleagues feel they have the opportunity to support charities at work, and they do!

Following the engagement survey, the UK&I business held a Roadshow event to connect all our operations colleagues. The event provided key information about the company, while giving colleagues a platform to share their insights, helping us understand how we can work better as a team. We were also able to proactively address the lower-scoring engagement areas, and the concerns of those colleagues affected.

In a similar way, the French management team tours all branches annually in the much-anticipated "Europe South VPS Tour". This provides an opportunity for constructive discussion, taking stock of employee expectations, as well as their ideas on how to move forward together. This year there was a particular focus on ESG.

93%

of Evander colleagues feel they have the opportunity to support charities at work, and they do!

In June, the Spanish Team enjoyed a BBQ in Madrid to celebrate the summer season – a great occasion to come together!





Colleague Recognition Awards

Our Colleague Recognition Awards were launched as part of the annual Group Senior Management Team Conference to recognise the achievements of our high-performing colleagues. Nominations were open to all SMT colleagues and their teams, and awards were granted across four disciplines: Cares, Collaborates, Customers First, and Commercial. Winners were announced at the conference's Gala Dinner and results were shared to all colleagues across UK&I and Europe.

Our Chief of Staff (CoS) function also held a similar awards ceremony in late 2023, celebrating their CoS winner at their conference dinner.



Apprentices: Exploring Potential

Gaining experience and skills in the workplace is an invaluable experience – both personally and professionally. It expands apprentices' horizons, their earning potential and helps them determine the career they would like. VPS is committed to supporting apprentices of all ages, from all backgrounds and sees their commitment to their programmes as a key part of how we learn and grow as a company.

Departments that have benefited from our apprentices include Finance, Operations, Health & Safety, Compliance, IT and Customer Service. Having apprentices on board has increased productivity by introducing new ways of working, as well as positively influencing the learning culture at VPS.

Eighteen apprentices worked at VPS in 2023: ten in France, four in the UK&I, three in Evander, and one at Nexus.

Our first intake of apprentices from Hopwood Hall College, a further education centre in Greater Manchester, graduated with distinctions and merits in 2023. Their studies included Finance, Facilities and Customer Service and two of the apprentices are going on to complete another apprenticeship at a higher level. One apprentice is completing AAT L4 (from L3) and the second is completing ISO Audit training.



Mental Health

We all perform best when we feel our best: mental health is hugely important. We want our teams to enjoy their work and thrive professionally for their own benefit, which also enhances the company's performance.

We offer flexible and hybrid working models across the Group (where possible) so employees can better balance their personal and work commitments. VPS also introduced mental health into the annual Colleague Engagement Survey and colleague appraisals. Our UK Employee Assistance Programme (EAP) provides free counselling, access to a wellbeing hub, health and stress support resources via Medicash, as well as 24/7 virtual GP services.

Employees receive regular communication about wellbeing – mental and physical – via email and notice boards in the offices and depots. The UK&I divisions can access Mental Health Resources from Mind (leading mental health charity in the UK), including a series of e-books on wellbeing via the colleague intranet. Additionally, in January the UK&I field teams received 'care packages' in support

of 'Blue Monday'. VPS France partnered with Handifeels to establish a hotline addressing burnout and offering support in challenging situations.

In 2023 VPS Group introduced a focus on driving awareness of Men's Mental Health and offered the opportunity for 12 colleagues from across the UK&I and Europe to take part in the prestigious 140km cycle ride 'Strade Bianche' in Italy in May 2024. The aim was to showcase how sport, fitness and working together as a team to achieve a goal, can help improve our mental wellbeing. Meanwhile our Netherlands team held a 'walking week', where we encouraged colleagues to get out on their lunchbreak for a 45-minute walk.



12 colleagues from across the UK&I and Europe took part in the prestigious 140km cycle ride 'Strade Bianche' in Italy in May 2024.



In Numbers:

12

Mental Health First Aiders (MHFA) were trained by VPS in 2023. They serve as the initial point of contact for colleagues experiencing mental health challenges. More than half were women (58%).

1st

campaign for men's mental health launches at VPS in 2023.

Health and Safety

Staying safe is non-negotiable: it is at the forefront of how we think and operate. Upholding the highest standards of health and safety is crucial to maintaining our reputation as a safe and trusted company, which demands rigorous H&S governance. Our Health and Safety approach is built on four pillars that promote a safety-first culture, combining HR and H&S practices, which are overseen by our Group Health and Safety Director, Graham Pye.

Our four pillars:

1 Standard H&S Policies and Practices

2 Standard Metrics and Reporting

3 Product Excellence in H&S

4 Health and Safety Organisation



Governance

Quarterly H&S meetings are held with the Group Executive Team (GET), along with biannual Board meetings, while monthly H&S reports are provided to both the GET and Board, highlighting any issues, risks, or concerns. The Group Health and Safety Director is responsible for data reviews, trend identification and target setting, with the support of each Health and Safety Lead/Business Unit Lead. In 2024, we plan to launch a structured H&S Committee for each division, to provide location-specific leads across the Group.

Each division has its own H&S policy, which complements the Group's overarching policy. Policies and documents are clearly communicated to colleagues, including the Group Health and Safety Policy and the Employee Health and Safety Handbook, which outlines individual responsibilities and reporting protocols. These also serve as management reference documents to guide any H&S concerns. This is supported by the Group's Health and Safety Director, who provides advice and guidance.

Managing H&S Risk

Additionally, we have numerous systems and processes in place for colleagues to raise any issues. We utilise Safety Culture, a digital reporting and inspection tool for reporting safety observations, near misses, accidents and unsafe situations. The system ensures that issues are promptly investigated and addressed and are reported on monthly through our Group-wide H&S metrics.

In 2023, we launched our *H&S First* initiative, where senior managers spend time onsite with colleagues to engage with teams and address any H&S concerns. These are then fed back to the local health and safety partner or Group H&S Director.

Regular workplace and site inspections allow us to quickly identify and address any issues. Colleagues are observed to ensure they are working safely and are encouraged to raise concerns with inspectors. Additionally, we have introduced an enhanced risk assessment process this year, so that the Group now employs task-specific risk assessments, which are annually reviewed. Colleagues are encouraged to actively contribute to these risk assessments and safety plans, overseen by our H&S Leads.

In Italy and Germany, risk assessments are completed by each division, and the Netherlands have external consultants who create their legalised documents, which are reviewed annually at a minimum.

We also work with the British Oxygen Company to collect gas canisters – high pressured items that caused an accident in 2022- taking steps to improve safety in 2022-2023. Colleagues are trained to handle and operate these safely and there are plans to move away from this product in 2024.



Transformation Programme

In 2022, a nearly two-year Group-wide H&S transformation programme commenced in collaboration with the consultancy Leading Resolutions. By the end of 2023, the programme was near completion, with assessments for our operations in Ireland, Nexus and the UK Guardians conducted in April 2024. Assessments focused on executing a new H&S action plan and policy improvements following the Plan, Do, Check, Act (PDCA) cycle in line with HSG65 Managing for health and safety.



Going for Gold

Evander was awarded the Royal Society for the Prevention of Accidents (RoSPA) Gold in June 2023. The internationally renowned RoSPA Health and Safety Award recognises organisations, teams and projects across all sectors for their dedication to high safety standards and commitment to protecting lives.



In Numbers:

The divisional / business unit lead is responsible for health and safety, supported by a health and safety lead. We have 10 in total, with a minimum of 1 in each business unit. Each health and safety lead receives relevant training and meets face-to-face with those from other business units on a quarterly basis.

1,605

H&S training courses were completed by colleagues across VPS Group in 2023 – key to ensuring all colleagues are well-versed in safety protocols.

88%

of employees received H&S training in 2023.

2.2%

Employee absenteeism rate.
(-45% from 2022)

2.7%

Average % of working days lost to sickness absence.⁶

0.89

Lost-time employee injury severity rate (per 100 thousand hours worked).⁷

⁶Based on the average % of sickness absence days taken per month during the reporting period June 2023-June 2024

⁷This is the rolling twelve month accident frequency rate (per 100,000 hours worked)



Health and Safety Training

H&S training varies across entities, examples include:

First Aid

Asbestos awareness

Fire Marshal training

Manual handling training

Working at height training

Display Screen Equipment training

COSHH training (Control of Substances Hazardous to Health)

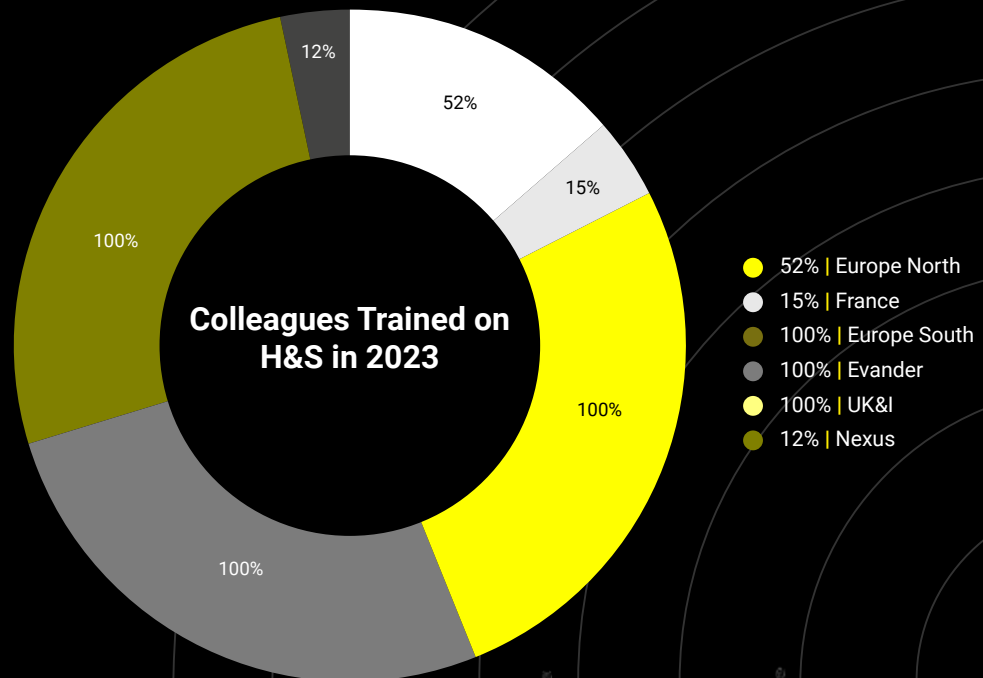
CCNSG (Client Contract National Safety Group) Safety Passport

Health and safety for managers

Raising awareness of psychosocial risks and burnout

Visimax software – video surveillance and recording solutions

Electrical certification



Our Customers

Customer satisfaction is crucial for our success. This propels our commitment to enhancing customer engagement, service and dispute resolution.

Twice a year, the Group Commercial team hold a 'Commercial Steering Group Meeting', bringing together the senior and sales teams across different Business Units. External suppliers may also be invited to provide support on their products and solutions. The purpose of these sessions is to enhance and improve our customer service proposition through knowledge sharing, as well as involve stakeholders in projects and new products.

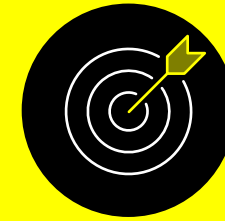
The Group Commercial team has eight members representing their teams across departments, including CRM, Marketing, Supply Chain, Product and Monitoring. The team is a Group function that works across all Business Units.

In 2023, VPS started transitioning from a decentralised approach to a unified customer relationship management system, to get consistent feedback from all the divisions. This additional clarity on processes and experiences helps us improve our customer experience. We employ three methods for gathering client feedback:

- Solicited feedback, through interviews or surveys
- Unsolicited feedback, where customers share their experiences
- Passive feedback, via a link in our employees' email signatures

As part of a strategic review and to help inform our five-year business plan, we have engaged with customer feedback in two ways. In 2023, we ran customer interviews with our key account customers across the Group to elicit feedback on our services- how we meet their needs, as well as areas for improvement. We have also designed and plan to distribute a digital survey for a broader range of customer types. The aim of this survey is to collate higher quantities of data to better understand our current and previous customer demographics, and their opinions of the Group.

The UK has created a commercial action plan to formalise customer relations, which was rolled out over nine months in 2023. There are plans to extend this to other business units by Q2 mid-2025.



Looking Ahead: Our Customer Engagement Goals

- ◆ VPS will begin measuring NPS scores across the Business Units, with a target of above 20 for FY24.
- ◆ We will continue to launch new products across the Group, including our Smart Hub + and upcoming new MVT solutions.
- ◆ Our Group Commercial team will be launching an updated website for each business unit, with integrated CRM and refreshed branding.
- ◆ We will be monitoring the success of our new Customer Proximity Model, which structures how we interact, manage, win, and increase our customer revenue in order to create customer satisfaction, loyalty and advocacy.



VPS Guardians Model

A Sustainable Solution for Vacant Properties

The VPS Guardians model offers a unique approach to property protection and repurposing. By placing vetted individuals, known as Guardians, into vacant properties, we provide both security and a valuable social and economic benefit. Guardians come from diverse backgrounds, including individuals, artists and commercial companies. This innovative approach aligns with UN SDG 11 and supports the ESG priorities of our stakeholders, regulators, and investors. Our Guardian services are currently available in the Netherlands, the UK, and France.

Benefits of the VPS Guardians Model:

Repurposing vacant properties: Helps prevent urban decay and conserves resources by utilising existing buildings. When a new property is under our management, we repurpose items left behind where possible. Depending on the items, we offer them to the local community, local charities or freecycle groups.

Affordable housing: Provides affordable living options, especially in areas with high housing costs. In the UK, the cost is 60% lower than the market rate.

Supporting local economies: Enables residents to continue living, working, and investing in their communities.

Positive business impact: Facilitates affordable workspace for businesses. VPS has helped several businesses throughout Europe to thrive and prosper by matching start-ups and not-for-profits with commercial space at significantly reduced costs.

Community benefits: Guardian-occupied properties reduce the need for external security measures and decrease anti-social behaviour and crime. Instead, properties are occupied, cared for and well-maintained, benefiting both residents and local law enforcement.

Social cohesion: Guardians come from diverse backgrounds, fostering a vibrant community atmosphere.

Support for Public Services: By offering affordable accommodation, the guardian scheme can alleviate pressure on public housing services, particularly in areas where housing is in high demand.

Enhanced Security for Property Owners: Unlike conventional security measures, having live-in guardians reduces the chances of squatting, vandalism, or unauthorised access, providing a cost-effective solution for property owners.

We support:



Target 11

Sustainable Cities and Communities



In Numbers:

- ◆ At any given moment, an average of 4,000 Guardians are protecting properties under our management.
- ◆ The main reasons why Guardians choose this solution are affordability, location, type of building and flexibility.
- ◆ The Guardians model offers a location solution for both residential and commercial purposes. In the Netherlands, this split is about 60 / 40.
- ◆ Guardians are currently 54% male, 45% female, and 1% non-binary, with nearly two-thirds aged between 18 and 50.

Supporting Guardian Wellbeing and Safety

We understand that living in temporary accommodation can be challenging, both mentally and practically. VPS prioritises wellbeing and safety through:

- **Thorough Vetting:** Ensuring Guardians' suitability and commitment to the temporary nature of the arrangement, VPS ensures that they have the means to relocate when given 28 days' notice where possible.
- **Safety Protocols:** Implementing strict safety standards and regular inspections. In the Netherlands, Guardians receive a safety kit, complete with smoke detectors, fire blankets, and CO₂ detectors. Meanwhile in the UK, properties undergo fire risk assessments, gas and electrical certifications, and regular safety reviews by third-party contractors. UK properties are kept at HMO (House in Multiple Occupation) standards, with additional security features where required by the insurance provider.
- **Community Building:** Fostering a sense of community among Guardians through social activities and support networks.
- **Advocacy:** Working to improve industry standards and regulations. In the UK, we are founders of the PGPA (Property Guardians Association and primary authority partners with Hants Fire services).
- **Wellbeing Measures:** Support for relocation, community building, and mental health resources.
- **Legal Protection:** VPS ensures that Guardianship agreements are legally sound, safeguarding the rights of both property owners and Guardians. Guardians are made aware of their rights and responsibilities, ensuring compliance with local laws and regulations.
- **Emergency Support:** VPS offers 24/7 emergency support for Guardians in case of urgent issues like property maintenance or safety hazards, providing peace of mind for Guardians through our RVRC call.
- **Feedback Mechanisms:** VPS offers Guardians the ability to provide feedback on their experience, which is taken into account to continually improve the service and living conditions. This ensures that Guardians' voices are heard, and their concerns are addressed promptly



Pushing for Higher Standards

VPS is a leader in the Guardian industry, actively shaping standards and regulations in the UK, Netherlands, and France. We collaborate with government bodies, industry associations, and other stakeholders to ensure high-quality services and protect the rights of Guardians:

UK

VPS UKG is a dedicated member and founder of the Property Guardian Providers Association (PGPA), actively working to elevate standards across the sector. Our UK operations consistently exceed housing standards required for Houses in Multiple Occupation (HMO), with all necessary licenses and audits completed in full compliance with PGPA membership criteria.

As members of the Property Redress Scheme (PRS), we provide an independent platform for Guardians to voice concerns if they feel the expected service levels are not met. In addition, we have a partnership with Hants Fire to conduct enhanced fire safety reviews, adding an extra layer of protection for both Guardians and property owners.

Netherlands

As a pioneering member of the Dutch Guardian sector, VPS helped establish and enhance the KLB* quality standards. We are a founding member of Vereniging Leegstandbeheerders Nederland (VLBN), the leading organisation in the industry, which collaborates with entities like the Ministry of Housing and local municipalities. VPS Divisional Lead for North Europe, Jeroen van der Poel, is an active member on the VLBN board, demonstrating our commitment to improving industry relations and standards.

*KLB: A standard safeguarding Guardians' health, safety, and privacy.

- **France:** VPS has been instrumental in establishing permanent Guardian legislation. Jean-Christophe Chwat, VPS Divisional Lead for Europe South, played a key role in transforming temporary Guardian laws into permanent legislation, enabling secure and affordable housing for young workers in high-demand areas. For his efforts in advocating for the private security sector in France and globally, he was awarded the Chevalier de la Légion d'Honneur by President Macron.



Jean-Christophe Chwat
VPS Divisional Lead for Europe South

Supporting Communities

By offering a sustainable, affordable, and socially responsible solution for vacant properties, VPS continues to make a positive impact on communities throughout Europe.



Guardians Case Study in the UK



University of the Arts London

Challenge:

University of the Arts faced rising costs of maintaining 24/7 security for five key buildings, especially with the increasing threat of squatting, a growing issue in the area. To address this, the University sought more economical alternatives while ensuring the properties remained secure and preserved.

Solution: VPS Guardians

The University opted for live-in guardians to secure the properties, eliminating the need for costly security measures such as steel shutters or round-the-clock guards. After conducting a detailed assessment of the five university buildings, VPS installed living facilities that met HMO standards at no cost to the University.

Implementation:

VPS Guardians transformed the buildings to accommodate 65 guardians across three main sites, ensuring that all compliance and safety standards were met. The setup included:

- Installation of new kitchens
- Shower pods and white goods
- Waste management services
- Health and safety compliance measures
- Refuse collection and fire safety equipment
- Filtered drinking water

Additional Benefits:

By choosing VPS Guardians, the University also retained the character of its buildings, contributing to the local area's charm while reducing security-related costs. Guardians benefited from affordable, flexible accommodation in the heart of London, adding value to the community and providing an extra layer of security and property care.





The Guardian concept in the Netherlands is a practice that has existed since the 1950s. Although the term “security through occupation” may not have been well known at the time, experiments were already being conducted on a small scale with the temporary occupancy of vacant buildings. A project in The Hague involves VPS working with the local government and various organisations to provide temporary housing for homeless youths, giving them a year of shelter to build their careers or savings. VPS has also partnered with local authorities to house Ukrainian refugees, while commercial Guardians now occupy a disused prison in Breda.

We actively support community programmes, such as the donation boxes we set up in the corridors of Rotterdam Care buildings to collect food donations for charity.

Guardians Case Studies in the Netherlands

Providing Shelter for the Homeless in the Hague

We operate a permanent winter shelter at a former hospital, providing temporary accommodation for 120 homeless individuals during the winter months. Along with providing a warm, safe space to stay, we host care and daytime activities for the people staying with us, and help direct people towards essential services. Additionally, in Roozenboomstraat we run a shelter for homeless people during cold or severe weather, equipped with a temporary heating system and shower facilities.



Supporting Refugees

In 2023, we housed 100 people in a former nursing home. Despite a tight turn-around, the team worked hard to ensure these spaces were ready for each resident by installing electrical outlets, repairing floors, and arranging cleaning. We also provided plants and an additional decoration budget to help residents feel at home in their new space.

In the municipality of Rotterdam, we also oversaw caretaker and technical maintenance services across 35 refugee locations. This included the appointment of two caretakers from Ukraine at two of the sites, offering new residents a friendly and familiar point of contact to help them settle into their new homes.



The Community App

In October 2023, we introduced a Community App at Schieblock, a commercial building we have managed since 2015. This mobile application is designed to foster engagement and build a local community by encouraging ownership, interaction and communication. It also allows Guardians to flag issues within the building that can be resolved without third-party involvement, such as handling practical matters like moving furniture.

Additionally, the app enables us to track the location of reported incidents, monitor their resolution, and measure user satisfaction.

Giving Back

Striving to create a positive impact is part of our DNA – from every team member within every business unit. As a Group, we donated £52,933 in 2023.

Our Group-wide volunteering programme, 'VPS Makes a Difference', allows employees to dedicate up to one day per year to volunteer for charitable causes. Five Initiatives were arranged in 2023, which were aimed at supporting homeless individuals, Ukrainian refugee children and disadvantaged neighbourhoods within our operating cities.

Several group colleagues volunteered at **Thornage Hall**, a charity based in North Norfolk, that provides supported living, learning and working for adults with learning disabilities.



In December, all the UK entities contributed to **Mission Christmas's 'Cash for Kids'** initiative, with £12,000 in monetary donations and gifts so children living in poverty could receive presents.



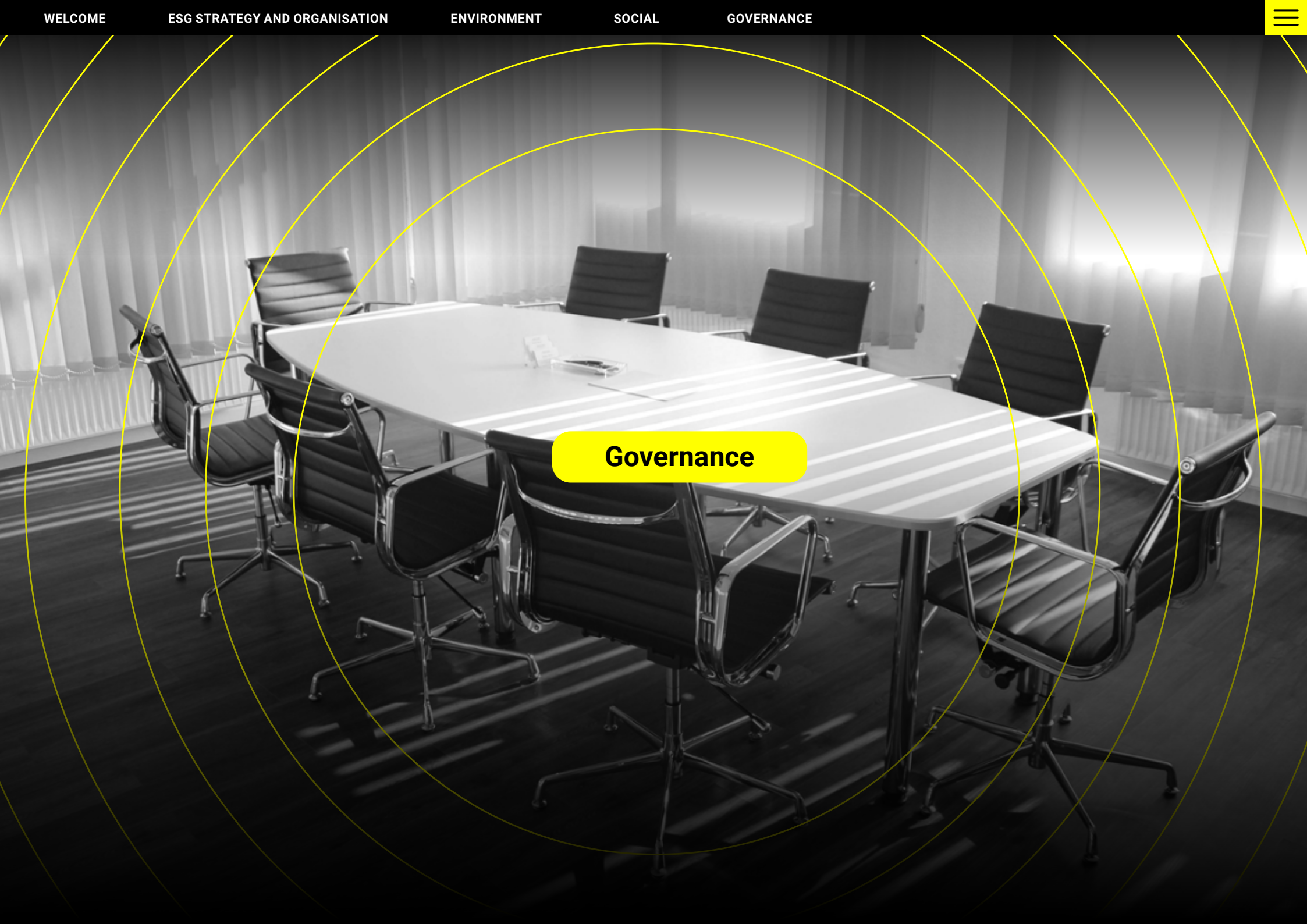
Nexus provided sponsorship for a community **kids football team Boothstow FC**, as well as supporting a **LGBTQIA+ event at Manchester Pride** in August 2023 – the city's biggest parade.



As a Group,
we donated
£52,933
in 2023.

VPS France began a partnership with **Stop Homophobia association** to offer emergency accommodation to young LGBTQ+ people who experience rejection from their families, bringing them into the Property Guardian Programme. Meanwhile VPS Netherlands did an outreach day for Ukrainian children.

In June 2023, Evander launched a Charity Committee of employee representatives to drive local charity engagements. This includes enhancing its ongoing engagement with the charity **Victim Support**, an independent charity dedicated to supporting victims of crime and traumatic incidents in England and Wales.



Governance



Business Standards

Anchoring Compliance

All employees at VPS are required to adhere to applicable laws and regulations and maintain ethical business practices. Peter Ball, the Director of Information Security, Risk & Governance, is responsible for overseeing all product compliance and UK&I compliance, supporting other Business Units as and when required. Peter has approximately eight individual meetings with our CEO each year.

VPS UK&I has an established compliance monitoring programme, which includes coverage of client delivery in the field and support functions. This recently evolved to include desktop checks regarding call listening and completion of works. In 2023, management self-audits were introduced within UK&I using the newly implemented Safety Culture tool, further reinforcing line management accountability for compliance with agreed operational and safety processes. We aim to start rolling these out across the Group over the next 12 months.

VPS UK&I and Evander conduct regular internal compliance audits, with all

findings and subsequent actions formally documented and monitored until resolved. New employees receive compliance training as part of their induction, both via computer-based learning (e.g. ethics), in addition to the job learning and coaching.

Whistleblowing

VPS is committed to addressing any suspected malpractice with the utmost seriousness. We foster an environment that promotes the reporting of wrongful, unlawful or dishonest actions to prevent regulatory and reputational harm. We have a pan-Group Whistleblowing Policy, supported by relevant procedures in each country (as applicable to local legal requirements). Any reports go to Director of Information Security, Risk & Governance and Group Head of Legal, to investigate as appropriate.

We encourage colleagues to report any concerns to the GET/divisional lead or, when necessary, to an external regulatory or statutory authority. The Netherlands and Spain have already established anonymous whistleblowing lines, supported by external suppliers.

Policies

All Group policies have been translated into local languages and sent to each country for distribution through relevant channels. In addition, where required, a printed copy is shared on the depot noticeboard for easy access by field operational teams.

We apply a top-down approach to policy management. Group policies are reviewed annually by the Group's Risk, Compliance and Legal teams and signed off by the CEO, ensuring clear, unambiguous sponsorship from senior leadership, which is then devolved to each business unit.

UK&I, Evander, and Nexus each hold policies specific to their Business Unit informed by ISO 9001, 14001, and 45001 standards, which are all subject to annual review and external scrutiny. The Netherlands, Spain and Germany are accredited to ISO9001 and follow a similar process for review and maintenance.

Managing Risk

In the last year we successfully implemented our Enterprise Risk Management Framework (ERM) across the Group. This framework provides a comprehensive model for assessing risk through four key pillars: financial, strategic, operational, and regulation and legal.

We have developed risk registers at both the corporate and the Business Unit/Group Functional level, which are tracked and monitored through our quarterly review process. Additionally, we have embedded risk management practices into our evolving change management processes, to ensure risks are effectively addressed when designing and implementing new systems, products, or changes.

Fraud Risk Assessments were conducted across all Business Units and Group Functions, and where necessary, improvement plans were agreed. Progress is monitored by each Finance Director through an annual review.

Risk Management progress is reported to the GET quarterly, and the Board every six months.

Business Continuity

We understand the direct link between business continuity and service continuity to our clients. One of our key corporate risks identifies the importance of effectively navigating any potential business disruption scenarios. A taskforce on crisis management and business continuity consists of the GET and relevant individuals, including the IT Director, Group IT Head of Infrastructure, Cyber Operations & Monitored Technology and Director of Information Security, Risk & Governance.

IT Disaster Recovery plans are in place and regularly tested, spanning Group level infrastructure, and more detailed IT within Evander, Nexus and the UK&I.

Gender Pay Gap Report

VPS UK&I and Evander publish a Gender Pay Gap Report every year, fostering greater transparency and dialogue around remuneration. In 2023, the Gender Pay Gap Report for the UK&I showed a median hourly pay that was 7.65% higher for women, which was largely due to a higher proportion of men in lower-paid front-line roles and more women in senior, higher-paying positions. VPS France also produces an equivalent report, based on French legal requirements.

Our Board

The Board of Directors comprises of nine members, including an independent Chairman and Non-Executive Director and two independent representatives from PAI. Women currently make up 11% of the Board. The management members of the Board gather for weekly updates and the entire Board meets in person at least ten times a year. An Audit Committee (with a Non-Executive chair) also meets at least twice a year and there is an update on the Group's ESG activities at least once a year. ESG is regularly a priority on the agenda.

Political Influence

Our lobbying activities are restricted to our 'guarding through occupation activities'. In 2023, our company did not make any contributions to political parties or candidates.

Modern Slavery

We are committed to promoting a safe and ethical environment, free from any acts or potential acts of modern-day slavery and human trafficking. This applies to our own business and our supply chain, including sub-contractors and partners. We will ensure transparency within the Group, our subsidiaries and our suppliers of goods and services.

This is through a multi-phase model of:

- Contracts in place which are clear and unambiguous in terms of the zero-tolerance for modern slavery
- Robust on-boarding process, which involves obtaining and reviewing modern slavery policies held by our suppliers
- Regular supplier engagement and service review interactions, often at suppliers' head offices
- Independent auditing of suppliers' accreditations by local relevant bodies, which includes coverage of modern slavery, such as ISO9001, SIA-ACS, PSA, etc.

- Risk-based auditing of suppliers, by both procurement and compliance teams - supported by risk assessment per supplier category

The Group and its subsidiaries will neither support nor collaborate with any business knowingly involved in slavery or human trafficking. The Group's directors and senior management are committed to upholding our Modern Slavery Policy and its objectives. They take responsibility for its implementation and will ensure the provision of adequate resources, including training and investment, to prevent any occurrence of slavery and human trafficking within our operations. Our Modern Slavery policy aligns with and supports the policies, procedures and requirements outlined in VPS' Integrated Management System, which complies with the standards of ISO 9001 and ISO 45001.



Richard Jones
Data Protection Officer, VPS Group

“ Ensuring our IT systems are secure while continually enhancing our security is vital to keeping VPS Group’s online activities safe and in turn, protecting our colleagues, partners and customers. ”

IT Security

Dynamic yet simple: that is how we manage our data security. We analyse multiple threat feeds and internally generated intelligence from our threat protection and anti-malware systems. This process culminates in a comprehensive Extended Detection and Response (EDR) solution, incorporating Security Incident and Event Management (SIEM) tools. Additionally, this approach is complemented by thorough and comprehensive training. Cyber security training was completed by more than 90% of our employees in 2022-2023.

We also conduct an annual external penetration test of our networks, using a CREST approved supplier. In recent years we have expanded this to include client facing applications, such as LINK, CONSOLE and VPS Insights; opting to go above basic requirements as we wish to follow a spirit of continuous improvement in risk management. Any exceptions are tracked until resolution – with the Information Security Working Group as the mechanism, and updates provided in the quarterly Risk reporting to GET. Whilst rare, any “CVSS Critical” issues are resolved within 14 days.

VPS also has annual external testing to retain certifications as follows:

- Evander – ISO27001 and Cyber Essentials Plus
- UK&I/Tyrion/UK Guardians – Cyber Essentials Plus

We also have access to the Security Scorecard tool which is an independent platform which attempts to penetrate the exterior network of VPS (i.e. it tests the technical controls protecting our “Logical access” perimeter). The platform is fully independent and tests are refreshed every day. We have a “A” grade scoring and this is reviewed each week by the Director of information Security, Risk & Governance and the Group Head of Infrastructure, Cyber Operations and Monitored Technology, with action taken as appropriate to maintain this “A” grade.

Our approach to IT support is decentralised across different country divisions, but all our business units adhere to Group-wide

policies. Specifically, our divisions in the Netherlands, Germany and Italy collaborate with external parties for IT support, whereas our Spanish and French divisions rely on in-house IT teams. Each division has performed a gap analysis to identify areas for improvement in their information security policies and procedures, including coverage of technical and non-technical controls. We call this our Capability Maturity Model Integration (CMMI) Index, and it provides a consistent model for charting our cyber posture and charting improvements.

Data Protection

VPS is committed to transparency in the collection and usage of personal data, with a keen awareness of the risks associated with data breaches. We have established stringent procedures to safeguard customer and employee data, guided by a detailed Group Data Protection Policy under the stewardship of the Group Data Protection Officer. Local data retention and protection regulations are followed by each VPS entity with local Data Protection Officers provided in Germany and Spain by external consultants, in order to comply with local data protection legal requirements. These are all supported by the Group's Legal, Risk Management and IT teams in the UK.

To ensure compliance with General Data Protection Regulation (GDPR) requirements, various data retention policies are implemented across the entities and privacy notices are available on VPS' divisional websites. All employees undergo annual training on information security, which is provided by a third party when joining the company and includes an overview of GDPR. Any data protection issues and incidents are escalated to the Data Privacy Team (Head of Legal, Director of Information Security, Risk & Governance and Head of Group IT Infrastructure, Cyber Operations and Monitored Technology) and if appropriate, the GET and reported to the Board bi-annually.



In Numbers:

>90%

PAI has a security scorecard for portfolio companies. VPS' goal is to maintain its 'A' score.

90%+

of VPS' employees completed cyber security training in 2022-2023.

Continuous Improvement Measures

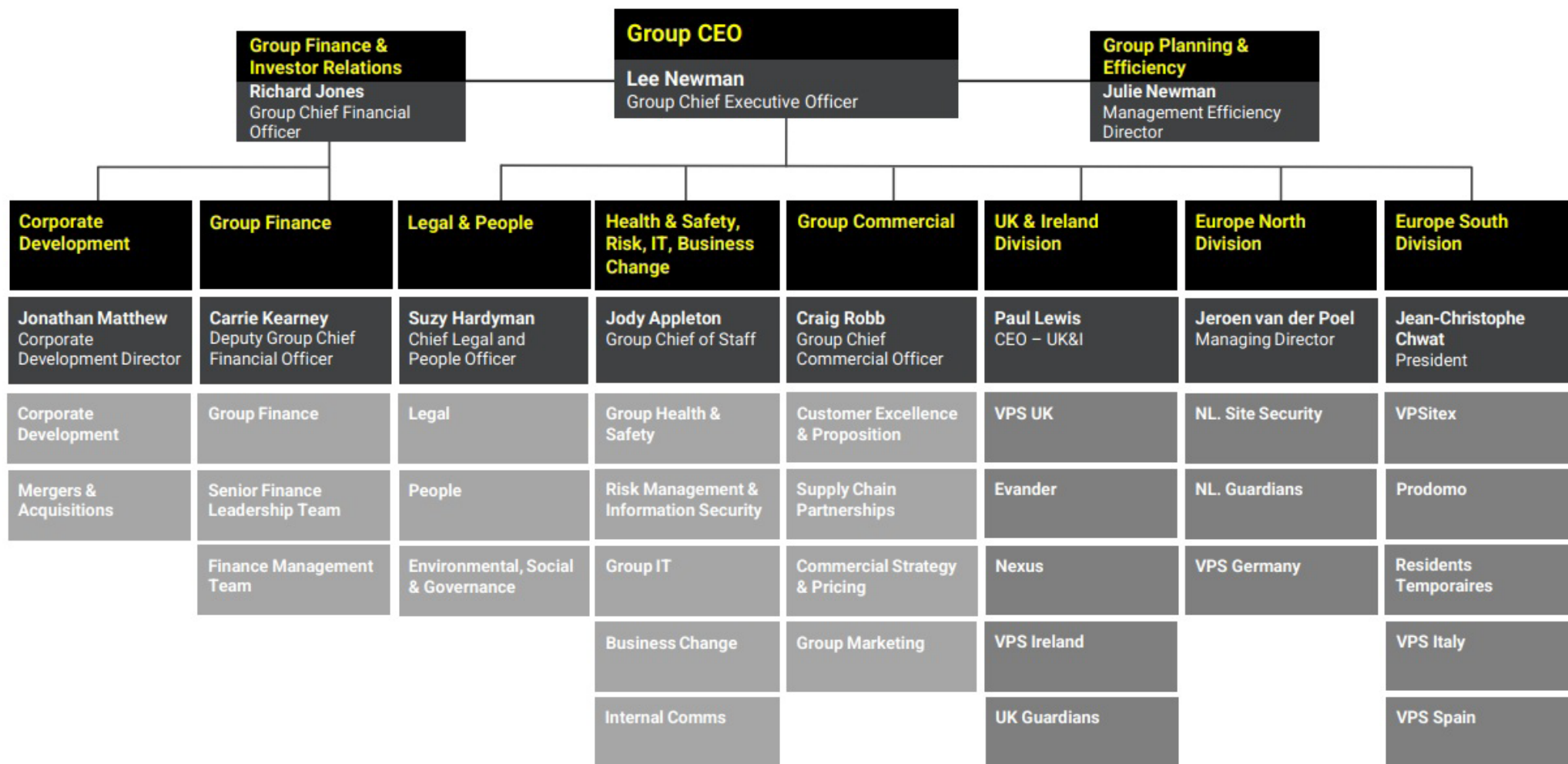
- ◆ Information Security Working Group created, which provides a platform with group-wide representation, to share Information Security awareness, best practice, and drive continuous improvement in technical and human risk controls.

- ◆ Centralised platform delivers Group-wide cyber security training. This includes mandatory training on nine modules for all colleagues every year, which includes GDPR considerations and is translated into local languages, making it accessible for all employees.

- ◆ Penetration test is conducted on VPS' group-wide networks every year by an independent CREST approved supplier. Most the recommendations identified in May 2023 were completed by year-end.



VPS Group Executive Team



Our Supply Partners

Our business needs the reliability, consistency and professionalism of our valued partners in our supply chain. There are hundreds of thousands of moving parts in the business and a steady supply of goods and services is pivotal to our growth, our colleagues, customers and communities. Our supply chain activities are managed by David Beattie, the Group Supply Chain Director, in collaboration with the purchasing managers of the business units.

All our Tier 1 suppliers are situated in Europe and the UK and France, are home to our highest supplier spend. Our largest business unit by revenue is VPSitex, which is located in France

In Numbers:

1,542

is how many suppliers VPS worked with in 2023.

5

highest spend categories across the Group are: Security Company, Goods supplier, Waste Management, Company Fleet and Real Estate.



Our Three Tiers

As part of our supply chain risk management, we analyse suppliers by “criticality to our trading”. ESG is increasingly factored into our engagement.

C1	Critical	We cannot trade without them.
C2	Important	We would encounter trading continuity issues in the event of disruption.
C3	Non-Critical	We can continue to trade with minimal disruption to continuity in the event of disruption.

Evolving with our Suppliers

VPS is increasingly integrating ESG principles into its procurement activities, and in 2023, we introduced a number of new initiatives. This includes introducing ESG criteria into supplier vetting, such as their use of renewable energy, H&S practices, and modern slavery.

When purchasing new vehicles, we have put sustainability at the forefront of decision-making, investigating the fuel consumption and emissions of potential vehicles. We (VPS and Evander), now only purchase hybrid and electric vehicles and we are also gradually replacing all grey fleet with more environmentally efficient vehicles.

Additionally, all tender documents in the UK now contain ESG requirements. Since a large percentage of our supplier spend is with security companies who supply man guarding, modern slavery is a key risk area that is checked.

Appendices

VPS' FY23 CO₂e Inventory – Total tCO₂e emissions and % of total CO₂e emissions by Scope/Category for each entity

Scope/Category	Item	VPS Global		Evander		VPS Group Holdings		VPS Northern Europe		VPS Southern Europe		VPS UK&I and Nexus	
		FY23 total tCO ₂ e	% of FY23 total tCO ₂ e	FY23 total tCO ₂ e	% of FY23 total tCO ₂ e	FY23 total tCO ₂ e	% of FY23 total tCO ₂ e	FY23 total tCO ₂ e	% of FY23 total tCO ₂ e	FY23 total tCO ₂ e	% of FY23 total tCO ₂ e	FY23 total tCO ₂ e	% of FY23 total tCO ₂ e
Scope 1													
Stationary combustion	Gas consumed	399.09	1.28%	0	0.00%	-	-	15.87	0.37%	20.72	0.29%	362.5	5.68%
Transportation	Owned and leased ICE vehicles	6,661.04	21.36%	1,959.45	15.37%	-	-	389.72	9.19%	1,365.49	18.90%	2,946.37	46.18%
Refrigerants	HVAC's	81.56	0.26%	-	-	-	-	-	-	76.19	1.05%	5.37	0.08%
Scope 2													
Electricity (Location-based) ¹	Purchased electricity, for own use (grid average)	389.23	NA	60.53	NA	0.13	NA	59.33	NA	74.02	NA	195.22	NA
Electricity (Market-based) ²	Purchased electricity, for own use (specific contract)	320.47	1.03%	112.06	0.88%	0.25	0.04%	0.00	0.00%	159.6	2.21%	48.56	0.76%
Electricity (Electric Vehicles)	Owned and leased EVs	61.98	0.20%	5.77	0.05%	-	-	30.56	0.72%	-	-	25.66	0.40%
Scope 3													
Category 1: Purchase goods and services	Goods and services	15,068.48	48.31%	8,976.14	70.42%	429.58	72.05%	2,901.79	68.40%	2,056.71	28.47%	704.25	11.04%
Category 2: Capital goods	CapEx expenditure	2,947.45	9.45%	74.17	0.58%	-	-	170.22	4.01%	2,413.62	33.41%	289.43	4.54%
Category 3: Fuel and energy related activities	WTT ³ & T&D losses ⁴ from electricity, stationary combustion of fuels and transport	1,845.94	5.92%	501.46	3.93%	0.04	0.01%	119.53	2.82%	369.59	5.12%	855.32	13.41%
Category 4: Upstream transportation	Transport between tier 1 suppliers or paid transport for goods (upstream & downstream) WTW ⁵	682.02	2.19%	32.76	0.26%	-	-	62.71	1.48%	227.65	3.15%	358.9	5.62%
Category 5: Waste generated in operations	Waste disposal from operations	449.22	1.44%	317.02	2.49%	2.23	-	32.19	0.76%	90.87	1.26%	6.92	0.11%
Category 6: Business travel	Land and air travel and hotel stays for business purposes WTW	511.12	1.64%	134.24	1.05%	74.81	0.37%	21.10	0.50%	67.71	0.94%	213.26	3.34%

Scope/Category	Item	VPS Global		Evander		VPS Group Holdings		VPS Northern Europe		VPS Southern Europe		VPS UK&I and Nexus	
		FY23 total tCO ₂ e	% of FY23 total tCO ₂ e	FY23 total tCO ₂ e	% of FY23 total tCO ₂ e	FY23 total tCO ₂ e	% of FY23 total tCO ₂ e	FY23 total tCO ₂ e	% of FY23 total tCO ₂ e	FY23 total tCO ₂ e	% of FY23 total tCO ₂ e	FY23 total tCO ₂ e	% of FY23 total tCO ₂ e
Category 7: Employee commuting	Employees commuting to and back from work WTW	1,822.60	5.84%	503.70	3.95%	57.10	12.55%	493.31	11.63%	337.12	4.67%	431.37	6.76%
Category 7: Employee homeworking	Employees working from home	140.44	0.45%	34.34	0.27%	32.21	9.58%	5.69	0.13%	38.29	0.53%	29.92	0.47%
Category 11: Use of sold goods	Lifetime emissions resulting from the energy use of goods sold in the reporting period	72.65	0.57%	72.65	0.57%	-	5.40%	-	-	-	-	-	-
Category 12: End-of-life treatment	Predicted treatment of waste resulting from goods sold at the end of their expected lifetime	23.09	0.18%	23.09	0.18%	-	-	-	-	-	-	-	-
Category 13: Downstream leased assets	Energy consumption during the reporting period for assets leased to other companies	102.75	0.33%	-	-	-	-	-	-	-	-	102.75	1.61%
Total Gross Emissions (Location-based)		31,258.65	-	12,695.23	-	596.10	-	4,302.02		7,137.96		6,527.23	
Less emissions avoided by procurement of renewable electricity		-226.77						-59.33				-167.44	
Additional emissions generated from the procurement of non-renewable electricity (residual grid mix)		157.23		51.53		0.11				85.59		20.00	
Total Gross Emissions (Market-based)		31,189.89	100.00%	12,746.85	100.00%	596.22	100.00%	4,242.69	100.00%	7,223.55	100.00%	6,380.57	100.00%
Less carbon offsets		-		-		-		-		-		-	
Total Net Emissions		31,189.89		12,746.85		596.22		4,242.69		7,223.55		6,380.57	

¹Location based represents emissions from electricity consumption based on grid average emissions

²Market based represents emissions from electricity consumption based on specific energy contracts

³WTT – Well-to-tank emissions. Emissions associated with the extraction, refinement, and transport of fuels before consumption

⁴T&D losses – Transmission and distribution losses. Emissions associated with the energy lost during the transmission of electricity through the network

⁵WTW – Well-to-wheel emissions. Includes emissions associated with the extraction, refinement, transport, and consumption of fuels



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