



Net Zero Report

Carbon Reduction Plan | FY 2023



Executive Summary

This document showcases the carbon footprint calculations VPS HOLDINGS LTD (hereafter referred to as 'VPS') has undertaken and the corresponding Net Zero targets. Reporting has been undertaken both at a Group level and at an entity level: Evander, VPS Group Holdings, VPS Northern Europe, VPS Southern Europe and VPS UK&I and Nexus. Data was provided by each entity and reviewed and processed to calculate our corporate carbon emissions for FY23 at both an entity level and Group level. This granularity allows us to understand the sources of emissions and locate emission hotspots, and to develop Net Zero strategy and reduction pathways at an entity level.

Overall, in FY23 the majority of our carbon dioxide equivalent (CO₂e) emissions are Scope 3 (76%, 23,666 tCO₂e), followed by Scope 1 (23%, 7,142 tCO₂e), and finally Scope 2 (1%, 382 tCO₂e). The greatest source of CO₂e in FY23 was Scope 3 *Purchased goods and services* (48%, 15,068 tCO₂e), followed by Scope 1 *Transport* (21%, 6,661 tCO₂e), Scope 3 *Capital goods* (9%, 2,947 tCO₂e), Scope 3 *Fuel and Energy related activities* (6%, 1,846 tCO₂e), Scope 3 *Employee commuting* (6%, 1,823 tCO₂e), and Scope 3 *Upstream transportation and distribution* (2%, 511 tCO₂e). All other CO₂e categories equated to less than 2% of the total FY23 emissions.

Of the reported entities, Evander contributed the highest proportion of CO₂e emissions (41%, 12,747 tCO₂e), followed by VPS Southern Europe (23%, 7,224 tCO₂e), VPS UK&I and Nexus (20%, 6,381 tCO₂e), VPS Northern Europe (14%, 4,243 tCO₂e) and finally VPS Group Holdings (2%, 596 tCO₂e).

In addition to disclosing our FY23 corporate CO₂e emissions, we have outlined our Net Zero target and reduction pathways both at a Group and entity level. We are targeting 27% reduction in CO₂e emissions by 2030 and 90% reduction in CO₂e emissions by 2045 against the FY23 base year.

We will focus decarbonisation action on our emission hotspots, as identified by this analysis, whilst prioritising emission sources within our direct control or influence to reduce activity. As such, we are considering the following recommended CO₂e reduction actions: ensuring all sites are purchasing verified 'Green' electricity, assessing the feasibility of transitioning the fleet to EVs and reducing ICE mileage, undertaking product life cycle assessments for material products, engaging with suppliers to both improve data quality and support value chain decarbonisation, increasing re-use and recycling of waste and encouraging employees to avoid the use of high-carbon travel modes. As a next step we will develop a Net Zero strategy and action plan including an implementation timeline to map the initiatives and actions required to meet our Net Zero target.

Executive Endorsement



We're delighted to share VPS's inaugural Net Zero report, a significant milestone for the business. As the UK and Europe's leading temporary security specialists, we have long recognised our responsibility to safeguard people and properties, and now, we are extending this commitment to protect our planet for future generations.

As a group, we recognise that climate change is unequivocally one of the greatest challenges facing modern society, already causing widespread devastation across the globe. To address this, all businesses must take urgent action to overhaul outdated systems and prepare for the low-carbon transition.

In 2024, we quantified our full scope of greenhouse gas emissions for the first time and modelled a reduction pathway to Net Zero. This assessed the CO₂e reduction potential of each scope and category, considering the

degree of control we have over the activity, operational considerations (e.g. availability of green energy tariffs by geography), and wider politico-economic factors, such as the UK Government's commitment to decarbonise the UK National Grid.

VPS has set 2045 as our target year for Net Zero emissions, five years ahead of the UK Government target. These emission reduction targets are set in alignment with internationally recognised standards: SBTi (Science-based Targets Initiative) and the Paris Agreement, the international accord to limit global warming to 1.5°C above pre-industrial levels. To ensure we stay on course, we have also engaged an independent consultancy to assess our emissions and help drive momentum on our goals.

This is an exciting step for VPS in our journey to decarbonise, and we look forward to reporting on our advancements over the coming years.

About us

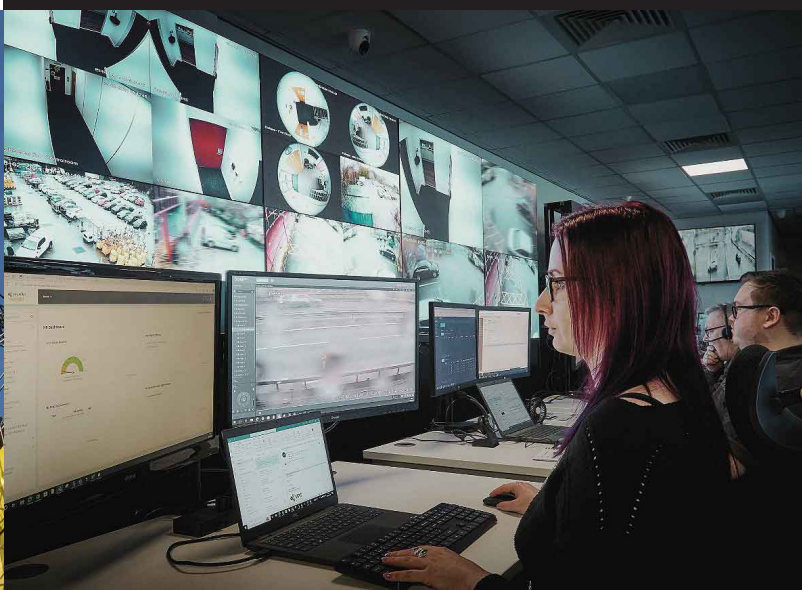
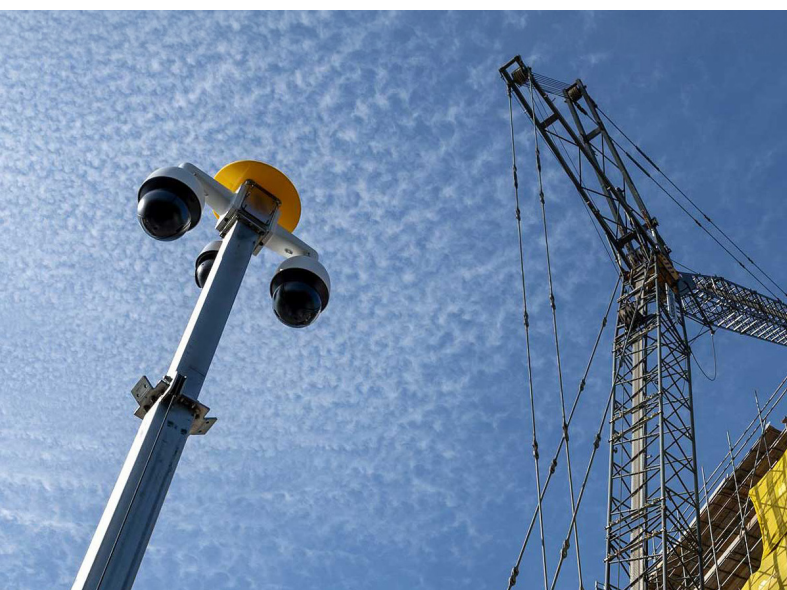
VPS is Europe's leading temporary security specialist. We protect vacant and void property, as well as construction and infrastructure sites, for a diverse pool of clients across the UK and Europe. Established in 1993, we are proud to be celebrating our 30th anniversary with our team, clients, partners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



We operate in Northern Europe, Southern Europe, the United Kingdom and the Republic of Ireland



Commitment to Net Zero

We are committed to ensuring that we play our role in reducing carbon emissions to achieve our Net Zero target by achieving a:



42%

reduction in our Scope 1 and 2 emissions by 2030



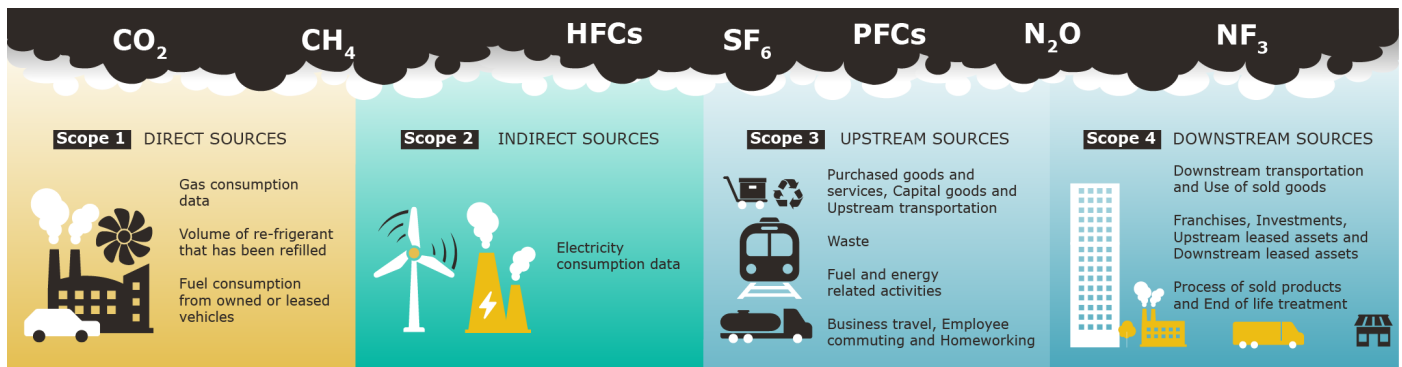
90%

overall reduction in all GHG emissions across Scopes 1, 2 and 3 by 2045, offsetting any residual emissions via high-quality nature-based or direct air capture projects, and becoming Net Zero.

To achieve these goals, we have taken the following actions:

- 1 We have appointed an external specialist carbon consultancy to collate and verify data, calculate GHG emissions and help advise on carbon reduction options
- 2 Set the base year (January 2023 – December 2023) and calculated our carbon footprint in line with the GHG protocol for that base year:
 - Scope 1**
Stationary combustion, and Transport (owned and leased vehicles) and Refrigerant gasses
 - Scope 2**
Electricity – both from premises and electric vehicles
 - Scope 3**
 - Category 1: Purchased goods and services
 - Category 2: Capital goods
 - Category 3: Fuel and energy related activities (not included in Scope 1 and 2)
 - Category 4: Upstream transportation and distribution
 - Category 5: Waste
 - Category 6: Business travel
 - Category 7: Employee commuting (including home working)
 - Category 11: Use of sold products
 - Category 12: End-of-life treatment of sold products
 - Category 13: Downstream leased assets
- 3 Created a carbon reduction pathway for each Scope and category
- 4 Set the Net Zero date and committed to updating our carbon footprint at least biennially with FY24 (Jan-Dec 2024) expected to be the first year post the base year

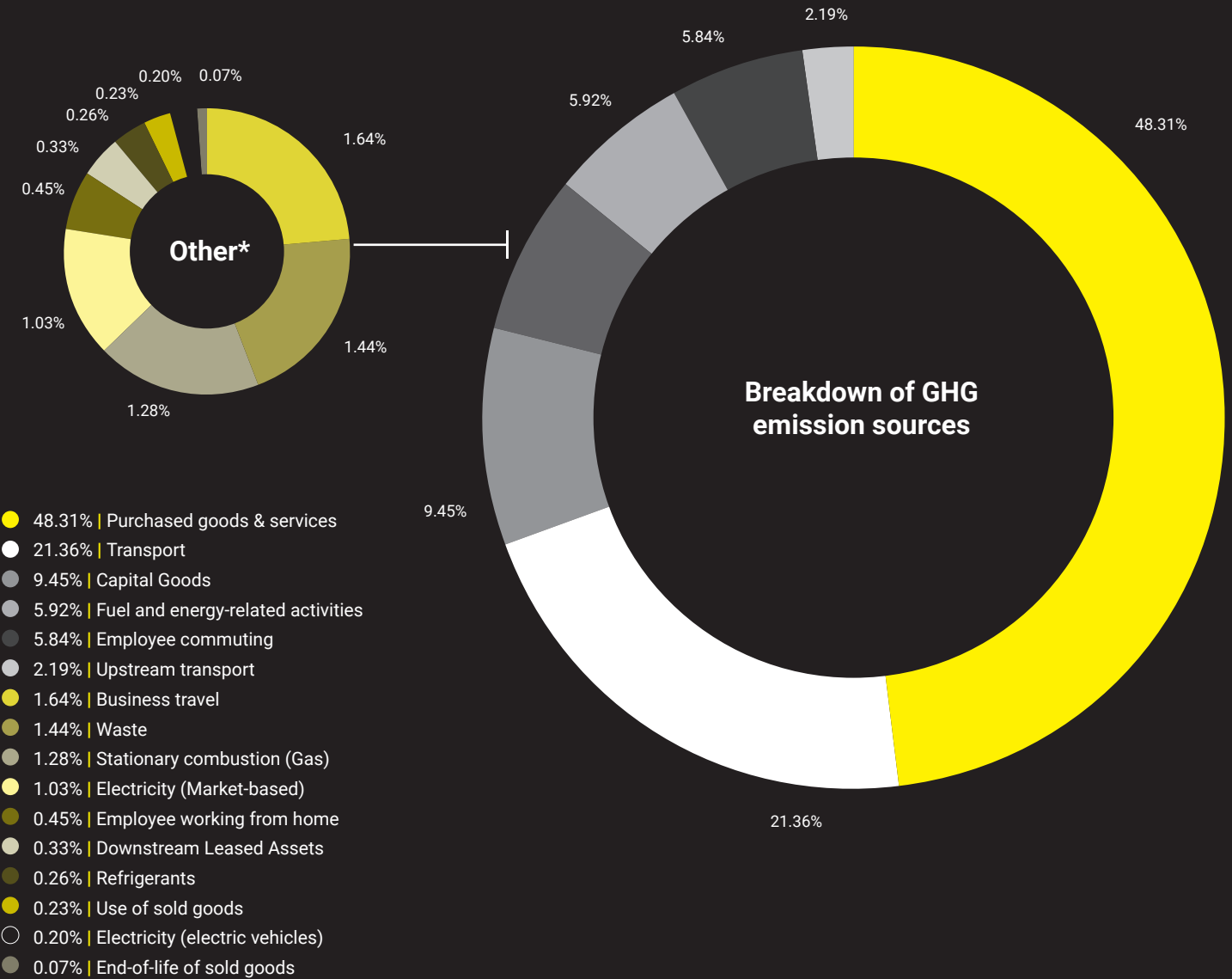
Figure 1. Overview of GHG Protocol scopes and emissions across the value chain



Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that were produced in a previous financial year prior to the introduction of any strategies to reduce emissions, for which complete and accurate activity data is available. Baseline emissions are the reference point against which emissions reduction can be measured. We have chosen January 2023 – December 2023 as our baseline year. Our December 2023 baseline carbon emissions footprint is as follows:

Figure 2. Pie charts displaying VPS' FY23 tCO₂e emissions, split by category. In the main pie chart, all categories with emissions totalling less than 2% of VPS' total FY23 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

Overall, in FY23 the majority of our CO₂e emissions are Scope 3 (76%, 23,666 tCO₂e), followed by Scope 1 (23%, 7,142 tCO₂e), and finally Scope 2 (1%, 382 tCO₂e). The greatest source of CO₂e in FY23 was Scope 3 *Purchased goods and services* (48%, 15,068 tCO₂e), followed by Scope 1 *Transport* (21%, 6,661 tCO₂e), Scope 3 *Capital goods* (9%, 2,947 tCO₂e), Scope 3 *Fuel and Energy related activities* (6%, 1,846 tCO₂e), Scope 3 *Employee commuting* (6%, 1,823 tCO₂e), and Scope 3 *Upstream transportation and distribution* (2%, 511 tCO₂e). All other CO₂e categories equated to less than 2% of the total FY23 emissions. See Figure 2 for the full FY23 breakdown of CO₂e by category.

Of our reported entities, Evander contributed the highest proportion of CO₂e emissions (41%, 12,747 tCO₂e), followed by VPS Southern Europe (23%, 7,224 tCO₂e), VPS UK&I and Nexus (20%, 6,381 tCO₂e), VPS Northern Europe (14%, 4,243 tCO₂e) and finally VPS Group Holdings (2%, 596 tCO₂e).

On the next page there is an itemised breakdown showing the amount of carbon emissions (tCO₂e) produced by each scope and category from our FY23 baseline calculation. The data is provided initially at a Group Level and then by individual entity.

Table 1. VPS Global's FY23 CO₂e Inventory

Scope/Category	Item	Total tCO ₂ e FY23	% of FY23 total tCO ₂ e
Scope 1			
Stationary combustion	Gas consumed	399.09	1.28%
Transportation	Owned and leased ICE vehicles	6,661.04	21.36%
Refrigerants	HVAC's	81.56	0.26%
Scope 2			
Electricity (Location-based) ¹	Purchased electricity, for own use (grid average)	389.23	N/A
Electricity (Market-based) ²	Purchased electricity, for own use (specific contract)	320.47	1.03%
Electricity (Electric Vehicles)	Owned and leased EVs	61.98	0.20%
Scope 3			
Category 1: Purchase goods and services	Goods and services	15,068.48	48.31%
Category 2: Capital goods	CapEx expenditure	2,947.45	9.45%
Category 3: Fuel and energy related activities	WTT ³ & T&D losses ⁴ from electricity, stationary combustion of fuels and transport	519.70	6.8%
Category 4: Upstream transportation	Transport between tier 1 suppliers or paid transport for goods (upstream & downstream) WTW ⁵	682.02	2.19%
Category 5: Waste generated in operations	Waste disposal from operations	449.22	1.44%
Category 6: Business travel	Land and air travel and hotel stays for business purposes WTW	511.12	1.64%
Category 7: Employee commuting	Employees commuting to and back from work WTW	1,822.60	5.84%
Category 7: Employee homeworking	Employees working from home	140.44	0.45%
Category 11: Use of sold goods	Lifetime emissions resulting from the energy use of goods sold in the reporting period	72.65	0.57%
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%
Category 13: Downstream leased assets	Energy consumption during the reporting period for assets leased to other companies	102.75	0.33%
Total Gross Emissions (Location-based)		31,258.65	
Less emissions avoided by procurement of renewable electricity		-226.77	
Additional emissions generated from the procurement of non-renewable electricity (residual grid mix)		+157.23	
Total Gross Emissions (Market-based)		31,189.89	100%
Less carbon offsets		-	
Total Net Emissions		31,189.89	

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

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

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

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

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

Table 2. Evander's FY23 CO₂e Inventory

Scope/Category	Item	Total tCO ₂ e FY23	% of FY23 total tCO ₂ e
Scope 1			
Stationary combustion	Biogas consumed	0.00	0.00%
Transportation	Owned and leased ICE vehicles	1,959.45	15.37%
Refrigerants	HVAC's	-	-
Scope 2			
Electricity (Location-based) ¹	Purchased electricity, for own use (grid average)	60.53	N/A
Electricity (Market-based) ²	Purchased electricity, for own use (specific contract)	112.06	0.88%
Electricity (Electric Vehicles)	Owned and leased EVs	5.77	0.05%
Scope 3			
Category 1: Purchase goods and services	Goods and services	8,976.14	70.42%
Category 2: Capital goods	CapEx expenditure	74.17	0.58%
Category 3: Fuel and energy related activities	WTT ³ & T&D losses ⁴ from electricity, stationary combustion of fuels and transport	501.46	3.93%
Category 4: Upstream transportation	Transport between tier 1 suppliers or paid transport for goods (upstream & downstream) WTW ⁵	32.76	0.26%
Category 5: Waste generated in operations	Waste disposal from operations	317.02	2.49%
Category 6: Business travel	Land and air travel and hotel stays for business purposes WTW	134.24	1.05%
Category 7: Employee commuting	Employees commuting to and back from work WTW	503.70	3.95%
Category 7: Employee homeworking	Employees working from home	34.34	0.27%
Category 11: Use of sold goods	Lifetime emissions resulting from the energy use of goods sold in the reporting period	72.65	0.57%
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%
Total Gross Emissions (Location-based)		12,695.23	
Less emissions avoided by procurement of renewable electricity		-	
Additional emissions generated from the procurement of non-renewable electricity (residual grid mix)		+51.53	
Total Gross Emissions (Market-based)		12,746.85	100%
Less carbon offsets		-	
Total Net Emissions		12,746.85	

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

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

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

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

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

Table 3. VPS Group Holdings' FY23 CO₂e Inventory

Scope/Category	Item	Total tCO ₂ e FY23	% of FY23 total tCO ₂ e
Scope 1			
Stationary combustion	Biogas consumed	-	-
Transportation	Owned and leased ICE vehicles	-	-
Refrigerants	HVAC's	-	-
Scope 2			
Electricity (Location-based) ¹	Purchased electricity, for own use (grid average)	0.13	N/A
Electricity (Market-based) ²	Purchased electricity, for own use (specific contract)	0.25	0.04%
Electricity (Electric Vehicles)	Owned and leased EVs	-	-
Scope 3			
Category 1: Purchase goods and services	Goods and services	429.58	72.05%
Category 2: Capital goods	CapEx expenditure	-	-
Category 3: Fuel and energy related activities	WTT ³ & T&D losses ⁴ from electricity, stationary combustion of fuels and transport	0.04	0.01%
Category 4: Upstream transportation	Transport between tier 1 suppliers or paid transport for goods (upstream & downstream) WTW ⁵	-	-
Category 5: Waste generated in operations	Waste disposal from operations	2.23	0.37%
Category 6: Business travel	Land and air travel and hotel stays for business purposes WTW	74.81	12.55%
Category 7: Employee commuting	Employees commuting to and back from work WTW	57.10	9.58%
Category 7: Employee homeworking	Employees working from home	32.21	5.40%
Total Gross Emissions (Location-based)		596.10	
Less emissions avoided by procurement of renewable electricity		-	
Additional emissions generated from the procurement of non-renewable electricity (residual grid mix)		+0.11	
Total Gross Emissions (Market-based)		596.22	100%
Less carbon offsets		-	
Total Net Emissions		596.22	

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

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

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

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

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

Table 4. VPS Northern Europe's FY23 CO₂e Inventory

Scope/Category	Item	Total tCO ₂ e FY23	% of FY23 total tCO ₂ e
Scope 1			
Stationary combustion	Biogas consumed	15.87	0.37%
Transportation	Owned and leased ICE vehicles	389.72	9.19%
Refrigerants	HVAC's	-	-
Scope 2			
Electricity (Location-based) ¹	Purchased electricity, for own use (grid average)	59.33	N/A
Electricity (Market-based) ²	Purchased electricity, for own use (specific contract)	0.00	0.00%
Electricity (Electric Vehicles)	Owned and leased EVs	30.56	0.72%
Scope 3			
Category 1: Purchase goods and services	Goods and services	2,901.79	68.40%
Category 2: Capital goods	CapEx expenditure	170.22	4.01%
Category 3: Fuel and energy related activities	WTT ³ & T&D losses ⁴ from electricity, stationary combustion of fuels and transport	119.53	2.82%
Category 4: Upstream transportation	Transport between tier 1 suppliers or paid transport for goods (upstream & downstream) WTW ⁵	62.71	1.48%
Category 5: Waste generated in operations	Waste disposal from operations	32.19	0.76%
Category 6: Business travel	Land and air travel and hotel stays for business purposes WTW	21.10	0.50%
Category 7: Employee commuting	Employees commuting to and back from work WTW	493.31	11.63%
Category 7: Employee homeworking	Employees working from home	5.69	0.13%
Total Gross Emissions (Location-based)		4,302.02	
Less emissions avoided by procurement of renewable electricity		-59.33	
Additional emissions generated from the procurement of non-renewable electricity (residual grid mix)		-	
Total Gross Emissions (Market-based)		4,242.69	100%
Less carbon offsets		-	
Total Net Emissions		4,242.69	

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

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

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

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

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

Table 5. VPS Southern Europe's FY23 CO₂e Inventory

Scope/Category	Item	Total tCO ₂ e FY23	% of FY23 total tCO ₂ e
Scope 1			
Stationary combustion	Biogas consumed	20.72	0.29%
Transportation	Owned and leased ICE vehicles	1,365.49	18.90%
Refrigerants	HVAC's	76.19	1.05%
Scope 2			
Electricity (Location-based) ¹	Purchased electricity, for own use (grid average)	74.02	N/A
Electricity (Market-based) ²	Purchased electricity, for own use (specific contract)	159.60	2.21%
Electricity (Electric Vehicles)	Owned and leased EVs	-	-
Scope 3			
Category 1: Purchase goods and services	Goods and services	2,056.71	28.47%
Category 2: Capital goods	CapEx expenditure	2,413.62	33.41%
Category 3: Fuel and energy related activities	WTT ³ & T&D losses ⁴ from electricity, stationary combustion of fuels and transport	369.59	5.12%
Category 4: Upstream transportation	Transport between tier 1 suppliers or paid transport for goods (upstream & downstream) WTW ⁵	227.65	3.15%
Category 5: Waste generated in operations	Waste disposal from operations	90.87	1.26%
Category 6: Business travel	Land and air travel and hotel stays for business purposes WTW	67.71	0.94%
Category 7: Employee commuting	Employees commuting to and back from work WTW	337.12	4.67%
Category 7: Employee homeworking	Employees working from home	38.29	0.53%
Total Gross Emissions (Location-based)		7,137.96	
Less emissions avoided by procurement of renewable electricity		-	
Additional emissions generated from the procurement of non-renewable electricity (residual grid mix)		+85.59	
Total Gross Emissions (Market-based)		7,223.55	100%
Less carbon offsets		-	
Total Net Emissions		7,223.55	

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

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

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

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

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

Table 6. VPS UK & Ireland and Nexus' FY23 CO₂e Inventory

Scope/Category	Item	Total tCO ₂ e FY23	% of FY23 total tCO ₂ e
Scope 1			
Stationary combustion	Biogas consumed	362.50	5.68%
Transportation	Owned and leased ICE vehicles	2,946.37	46.18%
Refrigerants	HVAC's	5.37	0.08%
Scope 2			
Electricity (Location-based) ¹	Purchased electricity, for own use (grid average)	195.22	N/A
Electricity (Market-based) ²	Purchased electricity, for own use (specific contract)	48.56	0.76%
Electricity (Electric Vehicles)	Owned and leased EVs	25.66	0.40%
Scope 3			
Category 1: Purchase goods and services	Goods and services	704.25	11.04%
Category 2: Capital goods	CapEx expenditure	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	855.32	13.41%
Category 4: Upstream transportation	Transport between tier 1 suppliers or paid transport for goods (upstream & downstream) WTW ⁵	358.90	5.62%
Category 5: Waste generated in operations	Waste disposal from operations	6.92	0.11%
Category 6: Business travel	Land and air travel and hotel stays for business purposes WTW	213.26	3.34%
Category 7: Employee commuting	Employees commuting to and back from work WTW	431.37	6.76%
Category 7: Employee homeworking	Employees working from home	29.92	0.47%
Category 13: Downstream leased assets	Energy consumption during the reporting period for assets leased to other companies	102.75	1.61%
Total Gross Emissions (Location-based)		6,527.23	
Less emissions avoided by procurement of renewable electricity		-167.44	
Additional emissions generated from the procurement of non-renewable electricity (residual grid mix)		+20.00	
Total Gross Emissions (Market-based)		6,380.57	
Less carbon offsets		-	
Total Net Emissions		6,380.57	

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

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

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

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

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

To further understand our emissions, we have also recorded them using intensity ratios as this will allow us to track our emissions as our business grows and develops. We have calculated two different emissions intensity metrics, one based on turnover and one on FTE.

Table 7. VPS Global FY23 Intensity Ratios

	Gross Emissions (Location-based)	Gross Emissions (Market-based)	Net Emissions
tCO ₂ e per employee (year average)	25.54	25.48	25.48
tCO ₂ e per million £ turnover	174.80	174.41	174.41

Table 8. Evander FY23 Intensity Ratios

	Gross Emissions (Location-based)	Gross Emissions (Market-based)	Net Emissions
tCO ₂ e per employee (year average)	34.31	34.45	34.45
tCO ₂ e per million £ turnover	288.20	289.37	289.37

Table 9. VPS Group Holding FY23 Intensity Ratios

	Gross Emissions (Location-based)	Gross Emissions (Market-based)	Net Emissions
tCO ₂ e per employee (year average)	7.65	7.65	7.65
tCO ₂ e per million £ turnover ⁶	-	-	-

Table 10. VPS Northern Europe FY23 Intensity Ratios

	Gross Emissions (Location-based)	Gross Emissions (Market-based)	Net Emissions
tCO ₂ e per employee (year average)	48.14	47.48	47.48
tCO ₂ e per million £ turnover	229.07	225.92	225.92

⁶ VPS Group Holdings is not a trading entity and therefore a CO₂e revenue metric is not applicable.

Table 11. VPS Southern Europe FY23 Intensity Ratios

	Gross Emissions (Location-based)	Gross Emissions (Market-based)	Net Emissions
tCO ₂ e per employee (year average)	18.20	18.42	18.42
tCO ₂ e per million £ turnover	94.93	96.07	96.07

Table 12. VPS UK & Ireland and Nexus FY23 Intensity Ratios

	Gross Emissions (Location-based)	Gross Emissions (Market-based)	Net Emissions
tCO ₂ e per employee (year average)	22.16	21.66	21.66
tCO ₂ e per million £ turnover	133.75	130.75	130.75

When calculating carbon emissions, the GHG Protocol Corporate Accounting and Reporting Standard states that a company must set its organisational boundaries.⁷ This can be done either by an “Equity Share” or “Control” approach. The Equity Share approach reflects a company’s economic interests and percentage ownership of companies or subsidiaries to assign GHG emissions. The Control approach can follow two routes and defines the boundary by looking at either how much Financial or Operational Control a company has.

To fully cover all of our operations and subsidiaries, we have selected the Operational Control method when setting our organisational boundary which will cover 100 percent of the GHG emissions over which it has operational control. The Operational boundary will include all three Scopes as outlined by the GHG Protocol. Our emissions are reported in tCO₂e and have been calculated utilising the following formula:

Source emissions data x conversion factor* = total Source emissions

Source unit x (tCO₂e/unit) = tCO₂e

*Conversion factors are primarily derived from the latest:

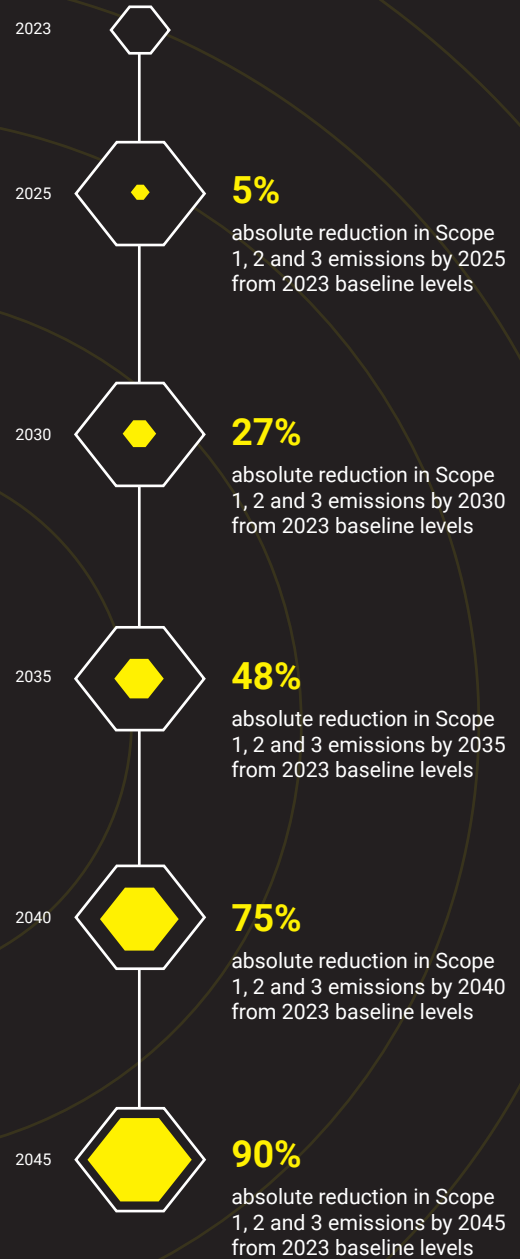
- UK Government GHG conversion factors for Company Reporting
- DEFRA (Department for Environmental, Food and Rural Affairs)
- Environmentally extended input-output (EEIO) tables
 - EPA

⁷ <https://ghgprotocol.org/corporate-standard>

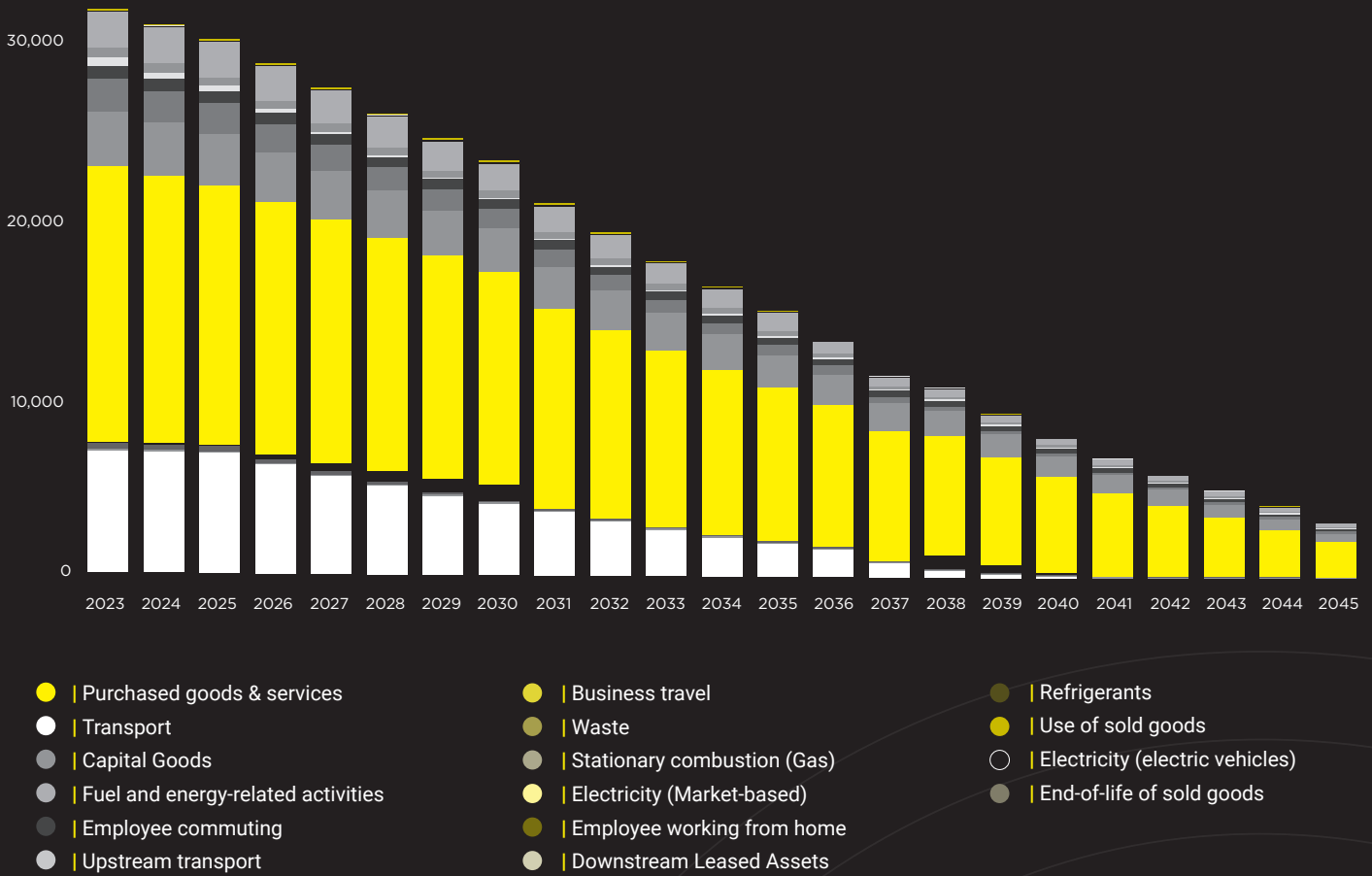
Emission reduction targets

In setting Net Zero targets and developing a Net Zero roadmap we have assessed the CO₂e reduction potential of each scope and category. This assessment has considered the degree of control we have over the activity, operational considerations (e.g. fleet replacement cycles, availability of green energy tariffs by geography, available waste disposal methods), and wider politico-economic factors including the UK government’s commitment to decarbonise the UK National Grid and the ban on the sale of ICE vehicles post-2030. The Net Zero pathway is science-based and aligned to the Paris Agreement’s commitment of limiting global warming to 1.5°C above pre-industrial levels.

To continue our progress to achieving Net Zero, we have mapped out and planned a number of positive actions to achieve the following carbon reduction targets:



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



Our approach is to always focus our efforts on reducing our own emissions, with significant planning and finances set aside to do this. However, a large proportion of our carbon emissions lie within Scope 3, it is difficult to reduce these emissions within the short term as these are within our supply chain where we have influence but not control. To try and reduce these emissions we will use our purchase power and choice of suppliers to encourage the correct carbon reducing behaviour within our supply chain.

Environmental management measures / emission reduction plan

As a responsible business, we have for many years had a focus on the environment and reducing our carbon emissions. To drive this to the next level, we engaged the services of Sustainable Advantage to advise the VPS Board on global best practices on carbon reduction.

We have a detailed carbon emissions reduction plan, the key actions of which are summarised below:



SCOPE 1: Stationary combustion (Natural gas)

This is a relatively low impact area, but within our control to reduce impact. Evander has already replaced the consumption of natural gas with biogas across its premises, it is recommended that this is replicated across other sites that currently consume natural gas. This is a hotspot for UK&I and Nexus, which contribute 91% of all CO₂e from this source.

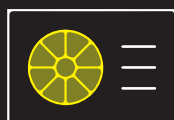
- | Progressively replace brown gas consumption with renewable gas consumption.
- | Reduce reliance on gas use and replace gas boilers with electrical heating systems such as air source heat pumps, infra-red panels, electric storage heaters etc. where practical.
- | Investigate new technologies as they become available and install these where practical (e.g., hydrogen powered boilers).
- | Ensure that all our facilities use minimal heating by making sure buildings are fully insulated.
- | Identify sites with high gas consumption and perform energy surveys to identify capital expenditure (CapEx) opportunities.



SCOPE 1: Transport (Owned and Leased Vehicles)

This is the second largest source of emissions (21% of total emissions) and therefore a priority area for reduction. We are keen to investigate our options for decarbonising activity related to our vehicle fleet. We will aim to:

- | Move diesel and petrol-owned and leased vehicles to electric vehicles (EV) as soon as is practical.
- | Undertake regular assessment of the fleet to ensure least efficient vehicles are removed as a priority.
- | Undertake a feasibility assessment to determine whether transitioning the fleet to EVs is possible given our operating locations and operating model.
- | Where moving to EV's is not practical switch to hybrid vehicles.
- | Provide driver training on how to drive more efficiently to reduce emissions.
- | Install telematics where feasible to gather granular data on driver performance to issue further guidance.
- | Ensure EV's are charged using green electricity sources where possible including installing charging points at our sites which are supplied with green electricity contracts.



SCOPE 1: Refrigerants

This is a low impact area for us, and we have limited control over this emission activity. Whilst it is assumed fugitive emissions from refrigerant gases will remain the same due to lack of knowledge surrounding new technologies, we will endeavour to reduce our impact where possible:

- | Avoid emissions through improved leak tightness; consider fitting leak-detection systems and following a regular maintenance schedule.
- | Ensure correct end-of-life treatment of refrigerant gases; recover and dispose of refrigerant gases correctly when maintaining, upgrading or decommissioning a system.
- | Substitute refrigerants with other less harmful substances e.g., refrigerant gas with zero ozone depletion potential (ODP) and low global warming potential (GWP).
- | When renewing HVAC system, choose the most efficient systems:
 - Investigate systems using least damaging refrigerant gasses with low potential leakage.
 - Installing new systems may offer energy savings as well as next generation refrigerants (HFOs (hydrofluoro-olefins) and natural refrigerants).
- | Limit use of refrigeration / air conditioning systems.



SCOPE 2: Electricity

Although emissions from electricity is a relatively low impact area, it is an impact that we can directly control and therefore is a priority area for reduction. Across our owned and leased premises, we have a mix of renewable and non-renewable energy tariffs. We will prioritise moving all premises to certified 'Green' electricity over the next few years. We will endeavour to reduce our electricity consumption via the following:

- | Purchase renewable energy tariffs across all premises and ensure supply is fully verified as meeting the Scope 2 Quality Criteria⁸ (supported by REGOs or equivalent).
- | Energy efficiency guides will be issued to all site staff to facilitate positive behavioural change.
- | Green champions at each site will be gathering up-to-date monthly energy performance data to provide feedback.
- | Ensure we use energy efficient systems wherever possible e.g., replacing lights with LED and using passive infra-red sensors (PIRs) where possible.
- | Energy surveys will be undertaken at sites consuming large amounts of electricity to identify CapEx opportunities.
- | Energy champions to be appointed gather ideas from colleagues across our organisation. These ideas will be collated and shared, supplemented by what we consider to be best practices.
- | Investigate opportunities to install green energy production facilities onsite where practicable (e.g., solar panels, wind turbines).



SCOPE 3 Category 1: Purchased goods and services

This is the largest single source of emissions in FY23 and therefore a key priority action area. This is of particular focus for Evander, which contributed 60% of the total emissions from *Purchased goods and services*, this is in large part due to the purchasing of materials. We will look into opportunities for Evander and the other entities to perform life cycle assessments for key products to improve data quality and to support informed decision making on product and supplier selection.

We realise that much of the GHG reductions in this category will happen because of our suppliers reducing their carbon emissions and becoming more carbon aware as the European Union launched the Green Deal which outlines a commitment to climate neutrality by 2050. However, that does not mean that we will take a passive approach to the category especially as it accounts for 48% of our total emissions. To try and enact positive change on our suppliers we will:

- | Engage with tier 1 suppliers to first understand their carbon footprint (scopes 1, 2 and relevant 3) by sending out carbon surveys.
- | Be selective about working with sophisticated carbon suppliers (where possible), and additionally, support suppliers to reduce their emissions.
- | Work with suppliers to collaboratively set carbon emissions reductions targets.
- | Prefer local suppliers where possible.
- | Request life cycle assessments for products purchased and choose products with a lower environmental impact.

⁸ <https://ghgprotocol.org/sites/default/files/2023-03/Scope%20%20Guidance.pdf>. P.63



SCOPE 3 Category 2: Capital goods

Similarly, to *Purchased goods and services*, we recognise that we are reliant on our suppliers of capital goods to reduce their own carbon emission to see reduction in this category. This is an emission hotspot (9% of total emissions) for us, and particularly for the UK&I and Nexus who contributed 82% of emissions from *Capital Goods* in FY23, and therefore a priority action area.

- | Most reductions will come naturally from suppliers reducing their scope 1 and 2 emissions.
- | Engage with tier 1 suppliers to first understand their carbon footprint (scopes 1 and 2) by sending out carbon surveys.
- | Be selective about working with sophisticated carbon suppliers (where possible), and additionally, support suppliers to reduce their emissions.
- | Work with suppliers to collaboratively set carbon emissions reductions targets (as recommended by the Science Based Targets initiative).
- | Request life cycle assessments for products purchased and choose lower-emission products.



SCOPE 3 Category 4: Upstream transportation and distribution

We will seek to improve the data used to calculate this category as it is currently entirely based on P&L spend, rather than actual freighting data. This is a relatively high impact area for us (2% of total emissions).

- | Request freight and logistic data from providers – FedEx, UPS etc.
- | Request to use EVs where possible, avoid next-day delivery and use providers with green tariffs in place for warehouses/storage facilities.



SCOPE 3 Category 5: Waste

Although this is a relatively low impact area compared to other emissions sources, we will focus on reducing emissions from waste as we have a greater degree of control over this impact area and due to wider environmental considerations of waste. This is a particular focus area for Evander, which contributes 71% of the emissions derived from waste disposal.

We already follow the waste hierarchy where a preference is given to:

- | Reduce the waste generated.
- | Re-using / recycling as much as possible.
- | Residual general waste to be incinerated to limit the volume of waste that goes to landfill.

In addition to this we will also aim to reduce our waste by:

- | Rolling out staff training programmes to provide clear, consistent training and information to minimise waste and maximise recycling.
- | Tracking the disposal methods of our various waste streams and encourage waste management companies to change suppliers who send waste to landfill.
- | Aim to have zero waste to landfill by 2027, with 50% of said waste to Waste-to-Energy and 50% recycled.



SCOPE 3 Category 6: Business travel

Business travel is a relatively low impact area for us; however, we are keen to engage our employees to understand the environmental impact of their activity and this is a key area of influence. We will endeavour to do this through the following methods:

- | COVID-19 has taught us that video conferencing tools such as Teams and Zoom can very successfully host meetings. We are encouraging our staff to continue to embrace this technology to minimise travel.
- | Where travel is required, we will prioritise carbon-reducing travel modes, choosing rail over air and / or cars.
- | Encourage the uptake of EV vehicles by paying favourable mileage reclaim rates and considering the installation of EV charging points at our site, where practical.
- | We will also begin collecting more granular Business travel data to better calculate our GHG emissions in future years, avoiding the use of expense summaries and focusing on extracting actual data where possible.



SCOPE 3 Category 7: Employee commuting

This is another emission hotspot for us (6% of total emissions) and therefore should be prioritised for emissions reduction. We recognise that we cannot directly influence what modes of travel our employees use, we need to do all we can to encourage them to join us on our sustainable journey. We will endeavour to achieve this by:

- | Sending a travel survey to each one of our employees to understand how they currently get to and from work.
- | Putting in place initiatives that promote low emissions commuting, including:
 - Cycle-to-work schemes.
 - EV salary sacrifice schemes.
 - Encouraging carpool arrangements.
 - Providing information on public transport alternatives.
 - Installing EV charge points at our office location.
 - Paying favourable mileage reclaim rates to EV vehicles.



SCOPE 3 Category 7: Employee homeworking

Employee homeworking was not a large source of CO₂e emissions in FY23 and we recognise that we have limited control over the consumption of fuel and energy in employee working from home environments. As such, we will focus on continuing to promote awareness of employee energy consumption and efficiency measures.

- | We will consider collecting granular data by sending a survey to all employees working from home to understand their energy, waste and water usage during working hours.
- | Encourage switching to renewable energy tariffs where possible.
- | Implement an awareness campaign for reducing working from home carbon footprint:
 - Install SMART meters.
 - Reduce energy consumption of home appliances.
 - Reduce, reuse, recycle, limit waste sent to landfill.



SCOPE 3 Category 11: Use of sold products

Emissions reduction in this category is tied to the decarbonisation of the UK grid, and therefore largely sits outside of our direct control. Despite this, we will consider the following actions:

- | Complete life cycle assessments (LCAs) for products sold to identify areas for emission reduction.
- | Product development to continue to increase energy efficiency of sold products and to reduce overall emissions impact.
- | Communicate with customers about increasing the efficiency of the use of sold products.



SCOPE 3 Category 12: End-of-life treatment of sold products

We recognise that the recycling of all commodities is effective in the industry already and that all sold products are currently recycled. As such, there is minimal additional action to be taken to reduce emissions in this area, despite this, we will consider the following actions:

- | Complete life cycle assessments (LCAs) for products sold to identify areas for emission reduction.
- | Continue to recycle products where possible – return products to manufacturers for re-use/ recycling.
- | Continue to minimise waste production and diverting waste from landfill via communication with customers and product labelling.
- | Good to receive more granular data - % of sold products re-used versus recycled, currently all considered recycled.



SCOPE 3 Category 13: Downstream leased assets

Emissions reduction in this category is tied to the decarbonisation of the UK grid, and therefore largely sits outside of our direct control. Despite this, we will consider the following actions:

- | Communicate with clients leasing assets about increasing the efficiency of the use of sold products where possible.
- | Good to receive more granular data – type & number of assets leased, dates leased assets are operational, time leased assets are operational, actual energy consumption per asset type (underlying calculations and assumptions).



| Conclusion

We have now measured our corporate CO₂e emissions for the first time and have set such to be our base year from which we have set our Net Zero targets and roadmap to Net Zero. We have set ambitious Net Zero targets: 42% reduction in absolute Scope 1 and 2 emissions by 2030 and 90% reduction in absolute Scope 1, 2 and 3 emissions by 2045, compared to our FY23 base year emissions. This Net Zero target is 5 years ahead of the UK Government's own Net Zero target and speaks to our ESG ambitions.

We have also identified the key emission hotspots within our corporate inventory and are setting a wider sustainability strategy and developing an action plan to deliver reduction in line with the Net Zero targets and roadmaps this process has formulated.

We will recalculate our carbon footprint at least biennially for each reporting period ending 31st December with 2024 expected to be the first post-base year. We will track how we are performing vs our targets and adjust our methods to ensure we stay on track to hit our Net Zero target. We will continue to do all we can to minimise our emissions and do our part to minimise the negative effects of climate change on the planet.





Emissions methodology – inclusions with current numbers:

Scope 1

Scope 1 sources included in the inventory are onsite (or “stationary”) natural gas and biogas combustion, mobile fuel combustion from leased and owned vehicles and fugitive emissions of refrigerant gasses based on maintenance top-ups of HVAC systems.

- | Where possible, activity data has been used to quantify emissions (energy/fuel type and consumption quantities [litres/kWh], distance travelled [miles/km], type and weight of refrigerant).
- | Where not available, we have used an estimation based on floor area and national average consumption to estimate fuel/energy/refrigerant gas consumption. Alternatively, we have used spend to derive consumption using a cost per unit estimate for the reporting period.

Scope 2

Purchased electricity was the only identified Scope 2 emissions source. However, per the GHG Protocol Scope 2 Guidance, Scope 2 emissions have been calculated and reported using two separate methodologies:

- | A location-based method reflecting the average emissions intensity of grids on which energy consumption occurs.
- | A market-based method reflecting emissions from the electricity that we have purposefully chosen via our energy procurement activities. This accounts for energy purchased from green energy suppliers and a residual mix used where non-renewable energy tariffs are currently in use.

Scope 3

Category 1: Purchased goods and services

Includes all upstream (i.e., cradle-to-gate) emissions from the production of goods and services purchased or acquired by us in the reporting year.

- | We have used a spend-based approach to quantify emissions from the purchasing of goods and services in FY23, where non-renewable energy tariffs are currently in use.

Category 2: Capital Goods

Includes all upstream (i.e., cradle-to-gate) emissions from the production of capital goods purchased or acquired by us in the reporting year.

- | We have used a spend-based approach to quantify emissions from the purchasing of capital goods in FY23.

Category 3: Fuel and energy-related services

Relates to transportation and distribution losses, and the well-to-tank emissions for all fuels consumed as a result of our operations:

- | Well-to-tank emissions account for all the emissions related to the extraction, production, and shipping of fuels excluding only the direct combustion of the fuel. (e.g., fuel consumed by our owned or leased vehicles).
- | Transmission losses account for all the energy that is lost between the electricity production in the powerplant and when it is used (e.g., resistance in power lines).

Category 4: Upstream transportation and distribution

Includes all emissions from the freighting and storage of goods, paid for by us.

- | We have used a spend-based approach to quantify emissions from the purchasing of capital goods in FY23.

Category 5: Waste

Includes emissions from third-party disposal and treatment of waste generated in our owned or controlled operations in the reporting year:

- | We have utilised the 'waste-type-specific' method, which involves using emission factors for specific waste types and waste treatment methods.

Category 6: Business travel

Includes emissions from the transportation of employees for business-related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses, and passenger cars. This also includes emissions resulting from hotel stays and subsistence resulting from business-related trips.

- | We have used the distance-based method, which involves determining the distance and mode of business trips, and then applying the appropriate emission factor for the mode used where possible. Where not possible, we have used a spend-based approach to estimate distance travelled by mode.
- | We have used the number of nights stayed in hotels to calculate the emissions where available and used a spend-based approach to estimate hotel stay when data was not available.
- | We have used spend to estimate emissions from subsistence activity.

Category 7: Employee commuting

Includes emissions from the transportation of employees between their homes and our offices. Emissions from employee commuting may arise from car, bus, train, or cab travel. We have also included energy consumption and waste production which occur from employees working from home in this category

- | Where appropriate we have used the average-data method, which involves estimating emissions from employee commuting based on average (e.g., national) data on commuting patterns.
- | We will in future years supplement the above with employee travel surveys which collect data from employees on commuting patterns (e.g., distance travelled, and mode used for commuting) and apply the appropriate emission factors for the modes used using the distance-based method.

Category 7: Employee homeworking

Includes emissions from employees working from home. This includes the expected additional energy, heating, water use and waste disposal resulting from working at home.

- | We have used average working patterns by entity to derive the total number of days/hours employees worked from home in FY23. National average estimates for energy, heating, water use, and waste disposal have then been applied on a day/hour rate to estimate total emissions from homeworking.

Category 11: Use of sold goods

Includes emissions from the use of the products we sold in FY23.

- | We have derived expected energy consumption per product type sold to users to calculate indicative electricity consumption across all sold goods.

Category 12: End-of-life treatment of sold goods

Includes emissions from the disposal of goods we sold by in FY23.

- | We have used the type and weight of goods sold in FY23 and have assumed all goods have been fully re-used or recycled, as is industry best practice and often actioned by our engineers.

Category 13: Downstream leased assets

Includes emissions from the operation of assets that we lease to other entities.

- | We have derived expected energy consumption per product type leased to users to calculate indicative electricity consumption across all leased assets.

Emissions methodology – Non-material exclusions for FY23 baseline:

Scope 3

Category 8: Upstream leased assets

Is excluded from FY23 baseline emissions, as we do not lease any assets.

Category 9: Downstream transportation and distribution

Is excluded from FY23 baseline emissions as we do not sell goods that need to be transported by our customers.

Category 10: Processing of sold products

Is excluded from FY23 baseline emissions as we do not manufacture products.

Category 14: Franchises

Is excluded from FY23 baseline emissions, as we do not operate franchises.

Category 15: Investments

Is excluded from FY23 baseline emissions, as we do not have any investments whereby, we provide capital or offer financing as a service.

Appendix

Appendix figure 1. VPS Global's CO₂e hotspot analysis by entity.

Scope/Category	Description	% of Total Emissions	Emission Hotspot Analysis				
			Evander	Group Holding	Northern Europe	Southern Europe	UK & I and Nexus
Scope 1							
Stationary Combustion	Gas consumed	1.28%	0%	-	4%	5%	91%
Transport	Owned and leased vehicles	21.36%	29%	-	6%	20%	44%
Refrigerants	HVACs	0.26%	-	-	-	93%	7%
Scope 2							
Electricity (Location-based)	Purchased electricity, for own use (grid average)	1.25%	16%	0%	15%	19%	50%
Electricity (Market-based)	Purchased electricity, for own use (specific contract)	1.03%	35%	0%	0%	50%	15%
Electricity for vehicles	Owned and leased vehicles	0.20%	9%	-	49%	-	41%
Scope 3							
Cat 1: Purchased Goods & services	Goods and services	48.31%	60%	3%	19%	14%	5%
Cat 2: Capital Goods	CapEx expenditure	9.45%	3%	-	6%	82%	10%
Cat 3: Fuel & energy related activities	WTT (Well-To-Tank) & T&D (Transmission & Distribution losses) for S1 and 2	5.92%	27%	0%	6%	20%	46%
Cat 4: Upstream Transport	Paid transport for goods (upstream & downstream), well to wheel (WTW)	2.19%	5%	-	9%	33%	53%
Cat 5: Waste	Waste	1.44%	71%	0%	7%	20%	2%
Cat 6: Business travel	Land and air travel for business purposes (WTW)	1.64%	26%	15%	4%	13%	42%
Cat 7: Employee commuting	Employees commuting to and back from work. (WTW)	5.84%	28%	3%	27%	18%	24%
Cat 7: Employee commuting	Employees working from home	0.45%	24%	23%	4%	27%	21%
Cat 11: Use of Sold Goods	Direct and indirect emissions from use of goods sold	0.23%	100%	-	-	-	-
Cat 12: End-of-life of Sold Goods	Waste disposal and treatment of products sold (by customers)	0.07%	100%	-	-	-	-
Cat 13: Downstream Leased Assets	Emissions from the assets you lease to others	0.33%	-	-	-	-	100%



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