



Sustainability Report

August 2023

sustainability.vpplc.com
The Equipment Rental Specialists
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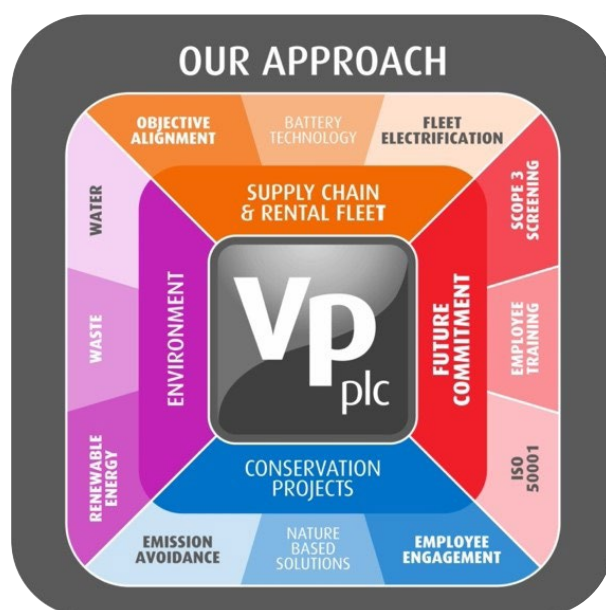
Overview

The Group's principles of fairness, integrity, and respect form the foundation of our responsible business culture. Our corporate responsibility framework reinforces this culture by promoting good governance and guiding our management of environmental and social impacts. This framework applies across all aspects of our business and encompasses Sustainability, Environmental and Social Governance (ESG), and Corporate Responsibility (CR), which are interrelated and mutually supportive.

Our Approach

We recognise that ensuring sustainability across all operations is a key responsibility for the Group.

With c. 3,000 employees spread across 10 countries and more than 250 sites, we provide valuable services to thousands of customers in various markets. Our goal is to make sustainability a universal priority throughout the Group's network, where we all contribute towards mitigating climate change and biodiversity loss by minimizing our environmental impact and striving for a net positive impact on biodiversity. We seek to provide further mitigation through investing in local community and conservation projects to further mitigate any negative environmental effects.



To evaluate our alignment with the United Nations' 17 Sustainable Development Goals (SDGs) and their corresponding targets, we conducted a thorough review. The Group are focused on 11 of the SDGs, listed below, and the presence of SDG icons throughout the report signifies where we are achieving progress towards these goals.

SDGs for our customers, investors and supply chain



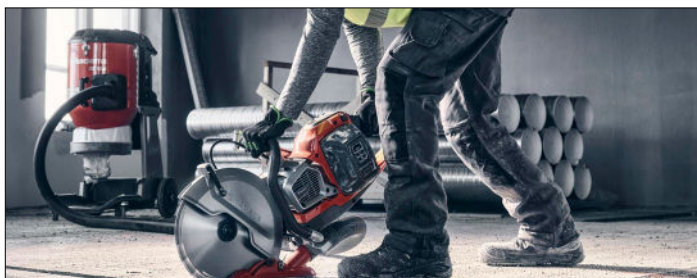
SDGs for our people



SUSTAINABLE DEVELOPMENT GOALS

Achievements

Our achievements over the past 12 months include:



Continued investment into increasingly sustainable and electrified rental fleet solutions.



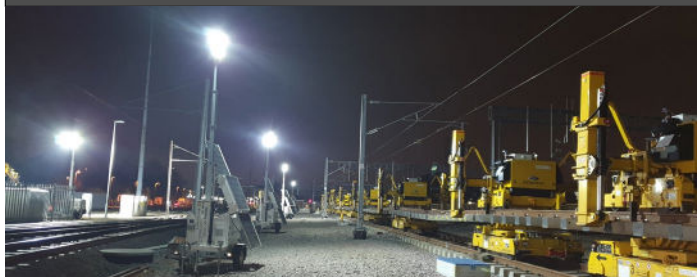
A sustainability website detailing our current and historic sustainability actions, a range of our innovative products and recent news articles – access via the QR Code above.



We have made good progress in **mainstreaming sustainability within our procurement** functions through integrating a new sustainable procurement policy and new supplier management software.



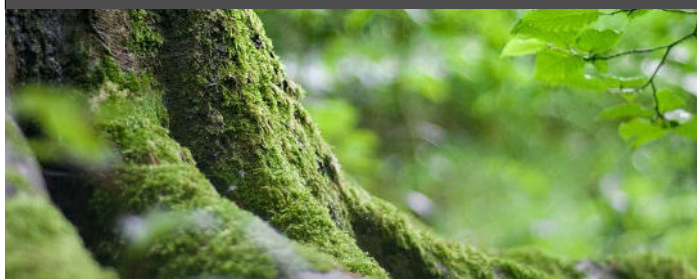
We have committed to **science based emissions reduction targets** which were submitted to the Science-based Target initiative for validation in December 2022.



The Group has achieved **Gold status with the Plant Charter** for excellence in our commitment to reducing carbon emission and air pollution.



We have achieved **ISO 50001 - Energy Management System** certification across all UK sites.



We have published a **Medium Term Roadmap to Net Zero by 2050** (overleaf).



We are supporting **three new nature conservation projects** focussed on the restoration of seagrass meadows, agricultural advisor training and the reintroduction of Lynx to the UK.

Net Zero Carbon



Net Zero Target

The Group commits to reach net-zero greenhouse gas emissions across the value chain (scope 1, 2 and 3) by 2050 from a 2022 base year.

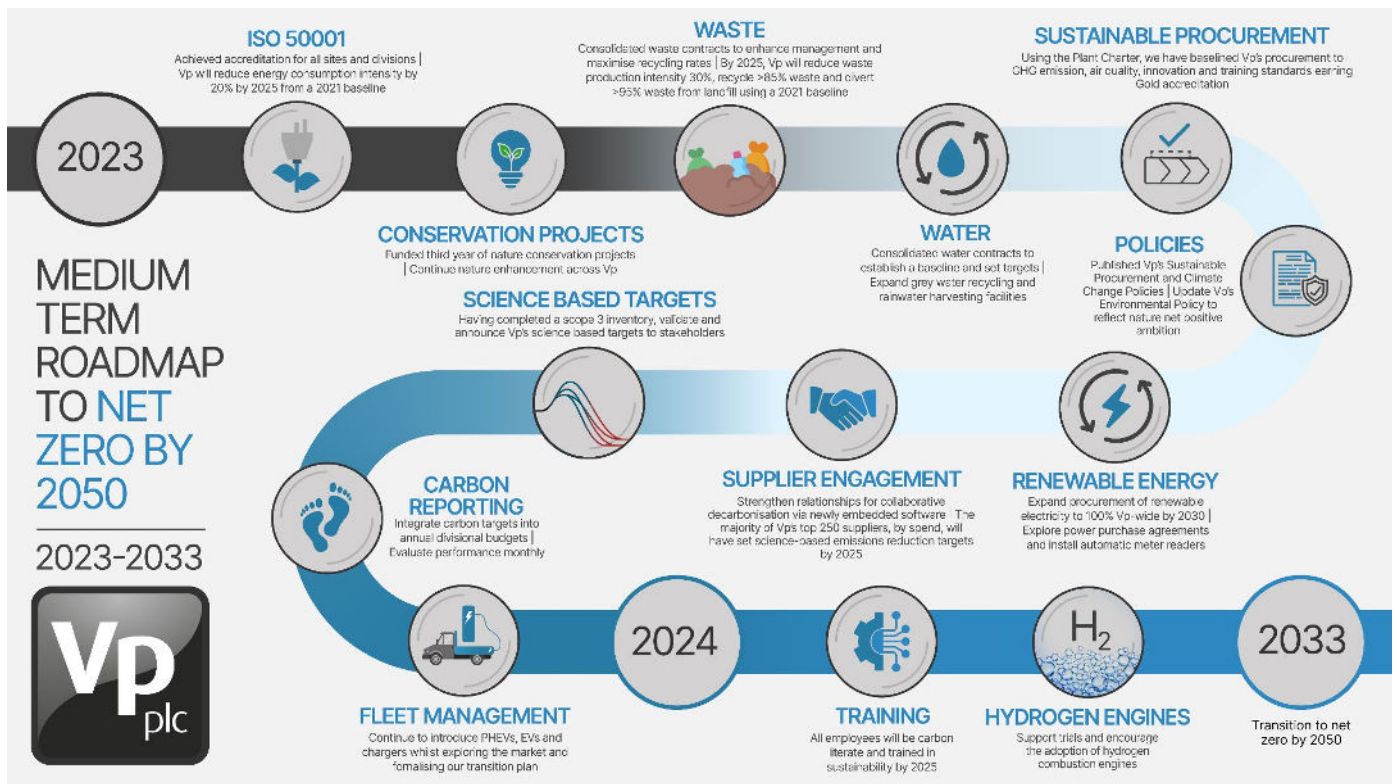
Short Term Targets

By 2025:

- The majority of the Group's top 250 suppliers by spend will have set science-based emissions reduction targets.
- All employees will be carbon literate and trained in sustainability.
- The Group will reduce its energy consumption intensity (kWh/m²) 20% from a 2021 baseline.
- The Group shall reduce waste production intensity 30%, recycle >85% waste and divert >95% waste from landfill using a 2021 baseline.

We have made the commitment to reach net zero carbon emissions with the Science Based Targets initiative in line with the Business Ambition for 1.5 °C to ensure a robust transition plan.

Our transition plan to net zero comprises of our net zero and short term targets described above and encompasses our medium term roadmap to net-zero below. This strategy is designed and actioned via our Environmental Steering Group led by our CEO Neil Stothard which meet regularly.



As a major supplier to the UK Government, we published our Carbon Reduction Plan in November 2022 in response to Procurement Policy Note 06/21 detailing our commitments, progress to date, pathways and initiatives.

We understand the need to be transparent and follow best practices with our reporting on climate change. Our carbon footprint was calculated in accordance with the World Business Council for Sustainable Development and World Resources Institute's Greenhouse Gas Protocol, along with HM Government's Environmental Reporting Guidelines and DEFRA's 2022 UK Greenhouse Gas Conversion Factors for Company Reporting.

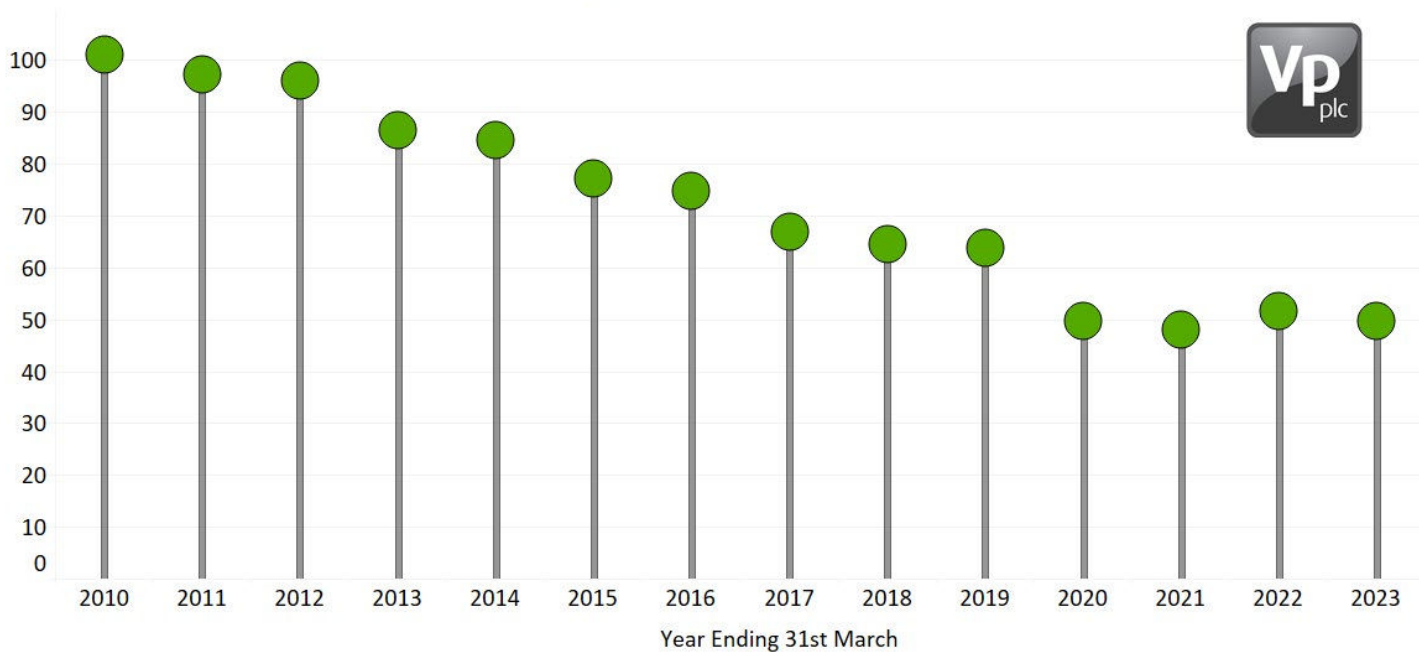
Our statutory greenhouse gas emissions data (scope 1 & 2) for the year ended 31 March 2023 is set out below:

	2023	2022
UK	Scope 1 (tonnes CO ₂ e)	15,363
	Scope 2 Location-based (tonnes CO ₂ e)	1,269
	Scope 2 Market-based (tonnes CO ₂ e)	-
	Total Scope 1 & 2 Location-based (tonnes CO ₂ e)	16,632
	Total Scope 1 & 2 Market-based (tonnes CO ₂ e)	15,363
	Energy Consumption of Scope 1 & 2 (kWh)	65.4m
	Intensity Ratio Location-based (tonnes CO ₂ e per £m revenue)	50
	Intensity Ratio Market-based (tonnes CO ₂ e per £m revenue)	46

GLOBAL	Scope 1 (tonnes CO ₂ e)	17,736
	Scope 2 Location-based (tonnes CO ₂ e)	1,463
	Scope 2 Market-based (tonnes CO ₂ e)	676
	Total Scope 1 & 2 Location-based (tonnes CO ₂ e)	19,199
	Total Scope 1 & 2 Market-based (tonnes CO ₂ e)	18,412
	Energy Consumption of Scope 1 & 2 (kWh)	76.4m
	Intensity Ratio Location-based (tonnes CO ₂ e per £m revenue)	52
	Intensity Ratio Market-based (tonnes CO ₂ e per £m revenue)	50

Note: Location-based calculations use the average emissions intensity of the grid where we obtain the energy, while market-based calculations use the emissions intensity based on the specific energy mix that we procure.

Scope 1 & 2 Emissions



The Group has a strong track record of decoupling our growth as a business and our carbon emissions. We have reduced our greenhouse gas emissions with CO₂ equivalent tonnes per £m revenue from 101 tonnes per £1m revenue in 2010 to 48 tonnes per £1m revenue at year end 31st March 2023, a reduction of 52%.

To properly reflect the level of priority sustainability occupies within the Board's governance structure, ESG accountability has been formally recognised as a matter to be routinely reviewed at Board level. Coupled with our transition plan, our climate change strategy has recently been ratified into our newly published Climate Change policy.

The Group seeks to maximise the efficiency of its energy consuming assets. We are pleased to announce we have achieved ISO 50001 - the Energy Management System accreditation in all UK sites. This has formalised continuous improvement in energy efficiency and reinforces sustainable behaviours.

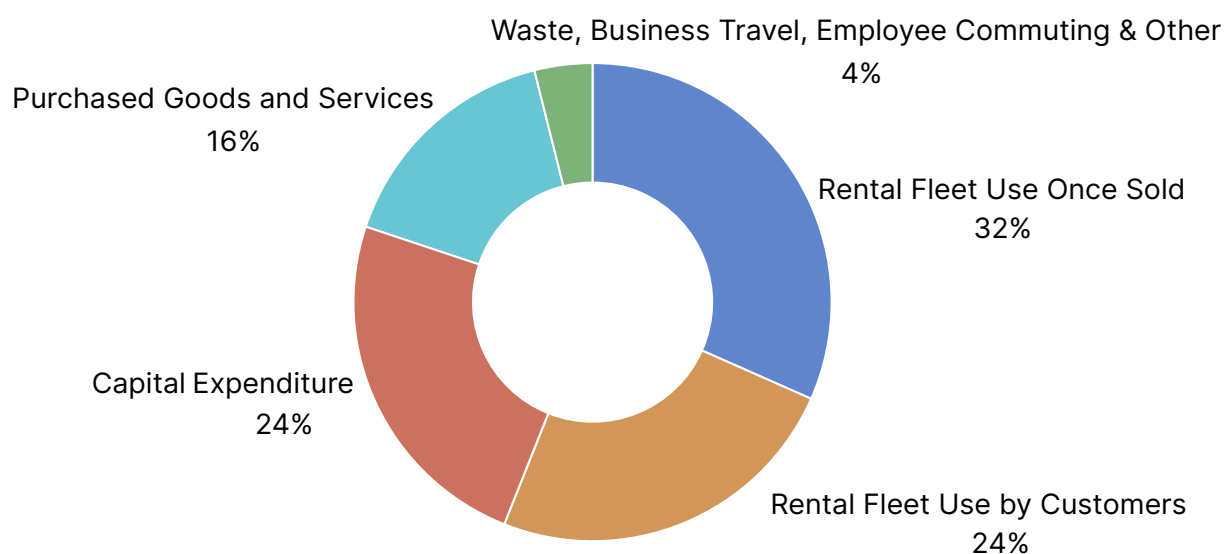
Training throughout the Group on energy efficiency and environmental awareness has resulted in behavioural changes such as reduced engine idling and turning off lights and unnecessary heating. Embedding new behaviours combined with LED replacements in 2023 led to energy consumption reductions of c. 7% which equates to substantial reductions in carbon emissions. We expect to maintain these trends as we continue with site refurbishments.

A number of our businesses (Brandon Hire Station, ESS, MEP Hire and Groundforce) have recently achieved the Fleet Operator Recognition Scheme (FORS) gold certification across their entire branch networks. This attests to their meaningful improvements in efficient use of fuel, reductions in total fuel usage and transport related carbon output.

We have recently completed our scope 3 inventory for FY 21-22, which has enabled us to prioritise carbon reduction initiatives not only relating to our business operations but in the wider context of our entire value chain. C. 4% of our total emissions relates to scope 1 emissions through the combustion of fuel in commercial vehicles and facility heating.

C. 54% of the Group's carbon footprint relates to the use of its rental fleet. We are reducing this through moving towards an increasingly lower emissions based fleet and, where fossil fuel powered fleet still provides the best solution, we invest in the latest technology to ensure the cleanest and most fuel efficient engines. C. 38% of our carbon footprint relates to the embodied carbon within the purchase of capital goods and other goods and services. Finally, three additional categories – waste, business travel and employee commuting – make up the remaining c. 4% of our carbon footprint. Detail on how we are tackling these emissions can be found in the procurement section below.

Scope 3 Breakdown 2022-23



To achieve our targets, our transition plan to net zero prioritises initiatives including:



Working with suppliers to consider robust alternatives to petrol and diesel powered fleet;



Increase our procurement of renewable energy;



Electrification of our commercial and company car fleets where possible;



Integrating our new supplier management software with procurement functions;



Targeted training on efficient energy use and driving practices, and environmental awareness;



Identifying opportunities to co-locate on site reducing haulage and business travel emissions whilst providing closer customer support;



Continue integrating telematics software for route planning and driver feedback;



Exploring the use of HVO fuel in our commercial vehicle fleet.

Renewable Energy

The table below illustrates our worldwide energy consumption by source. 87% of our electricity is from renewable sources, as is 8% of our energy consumed overall. We have now transitioned the remaining UK properties onto our fully renewable electricity contract, backed by certificates of renewable energy guarantees of origin (REGOs) evaluated and assured by EcoAct.



Worldwide Energy Consumption by Source for the year ended 31 March 2023

Scope 1 (kWh)	Diesel	72m
	Natural Gas	3m
Scope 2 (kWh)	Renewable Electricity	7m
	Non-Renewable Electricity	1m

Over the last financial year, the Group have invested c. £150k to power four sites with solar energy with an additional four sites and c. £200k of investment planned for the coming year. We continue to explore renewable heating options to reduce our consumption of natural gas.

Brandon Hire Station's ChargePod

To enable efficient solar charging of batteries for cordless tools and equipment, the ChargePod is designed with 1.1kW solar panels. ChargePod provides a secure environment to charge up to 20 batteries and 5 USBs simultaneously and can be backed up with mains or generator power.



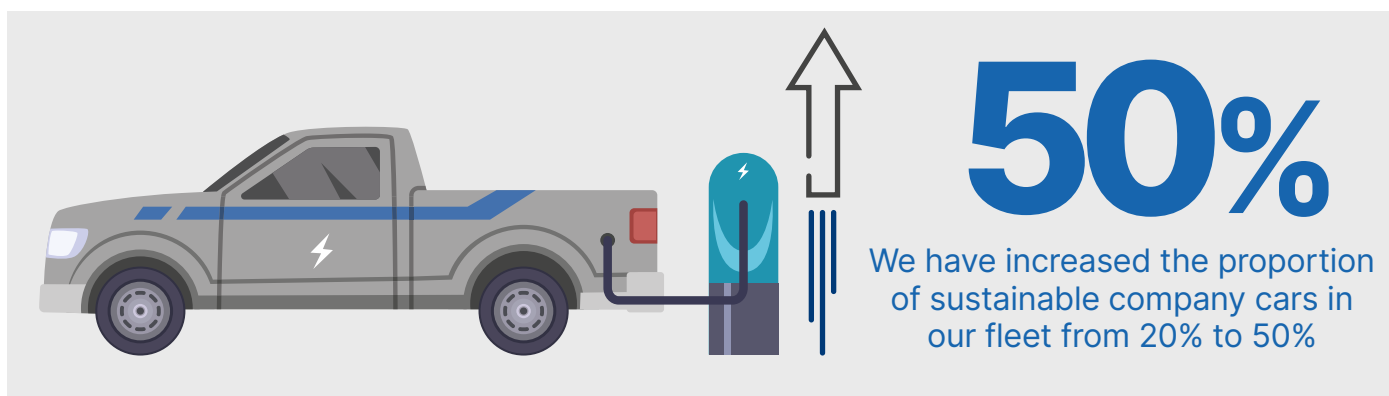
Procurement



In our continued use of ISO 20400 for Sustainable Procurement as a guide, we have established a forum with representatives from each business. Through this forum, and in collaboration with key suppliers, we have published a Sustainable Procurement Policy. Furthermore, we are integrating new environmental health and safety (EHS) software which includes supplier, carbon and social value modules. This will enable quantitative supplier-led reporting of sustainability performance data and our subsequent monitoring and evaluation. This data includes progress towards suppliers own ISO 50001 aspirations and the procurement of renewable electricity as well as metrics for health and safety, governance and quality.

The EHS software will also enable us to track supplier self-reported Scope 1 and 2 emissions. This data, together with the aforementioned sustainability performance data, will provide a backbone for more reflective, two-way, conversations with incumbent suppliers. In turn, this will allow for the opportunity to promote increasingly positive behaviour and, concurrently, a shift within Group procurement to focus on sustainability just as much as price, quality and service. For new suppliers, our aim is to select those who are aware of their own carbon footprint and have a similar ambition and track record as the Group in reducing it.

We are proud to announce that the Group has recently achieved Gold Status for the Supply Chain Sustainability School's (SCSS) Plant Charter. The SCSS is an online learning platform aiming to develop skills to deliver a sustainable built environment. Their Plant Charter is a set of minimum standards evaluating one's commitment to reducing carbon emission and air pollution. Our achievement of the highest award, Gold, demonstrates our excellence in combatting air pollution and carbon emissions through our high standards in procurement, stakeholder engagement, training and innovation. It is a priority for the Group to accelerate our transition away from rental assets powered by fossil fuel and towards those powered by battery and solar as well as non-powered products.



Future efforts will look at embedding the recommended standards of the First Movers Coalition (FMC). The FMC is a group of companies whose purchasing commitments help scale up and enable the environment for critical emerging technologies essential for net zero. We will look at the hard to abate sectors of Steel, Trucking and Aluminium as we not only want to reduce emissions produced through rental fleet operation but equally, reduce the embodied carbon through supporting the latest technologies and processes in the manufacture and transportation of our fleet.

We have made the following progress in reducing our carbon footprint:



Established product review groups throughout the Group to focus on accelerating the transition towards a zero emissions at point of use rental fleet;



We currently estimate >60% of rental assets Group-wide are zero emissions at point of use;



We are electrifying a fleet of 44 forklift trucks with significant carbon savings;



Alongside customers, we have and continue to participate in “sites of the future” where up to 90% of all rental fleet is battery operated;



We have increased sustainable company cars in our fleet from 20% to 50% having introduced sustainable options in all bandings last year;



Where electrification of our commercial vehicle fleet is currently not viable, we continue to enjoy reductions in emissions via replacements to more efficient technology.



£15m

investment in non-fossil fuel powered
tools and equipment in 2022-23

An example of recent investment is our stressing equipment that we supply to the rail sector through our business Torrent Trackage. We have replaced 90% of our petrol powered rail stressing equipment for battery operated power packs. The remaining 10% will be swapped out over the next 12 to 24 months.



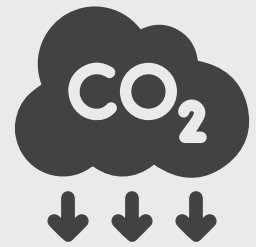
HVO Fuel

Our business UK Forks has conducted HVO fuel trials with two of our larger customers, Barratt Developments and Bellway Homes, to show performance and environmental benefits of using HVO fuel. The independently verified results were:

- >90% reductions in greenhouse gas emissions;
- 75% reduction in particulates with HVO compared to diesel.

Outcome:

Bellway have subsequently engaged in a widespread and large scale trial of HVO across their fleet to HVO fuel for 20% of their fleet and Barratt are currently running 80 machines on HVO.



Zero Emissions at Point of Use Range

Examples of our new zero emissions at point of use tools and equipment, from right to left: Husqvarna's 535i XP Cordless Chainsaw, the Instagrid One, and the ChargePod - all from Brandon Hire Station. Airpac Rental's Electric T900 Air Compressor, MEP Hire's 60V 760 FXP Pipe Threader, UK Forks' 525-60E 6-metre Telehandler and lastly, Torrent Trackside's Proelectric Protrack Battery Link Lighting and the Cembre Impact Wrench.



Case Study: Electric Forklifts

Our business Groundforce has made great progress in switching 44 of our diesel forklifts to electric powered which saves 600 tonnes CO2 per year as well as cutting down on air pollution for our employees and wider stakeholders.

Case Study: SiteSafe Surelock Pro

As an example of working with our supply chain, through a process of collaborative design with their supplier Metal & Modular, MEP Hire have managed to reduce embodied carbon emissions of the SiteSafe SureLock Pro through using 85% less welding and 90% less power use. Through this innovation, MEP Hire has saved over 20 tonnes of embodied carbon and brought a significantly more sustainable product to market.

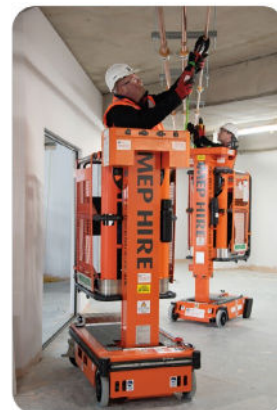


Examples of Zero Emissions of Point of Use Products

Our business MEP Hire operates 5,000 mechanical low-level access platforms. The majority of which are zero emission and powered manually by the user.

Equally, our businesses TPA, Groundforce and Brandon Hire Station offer aluminium roadways, trench boxes and scaffold towers respectively, which are all fully recyclable.

An example of our low-level access machines that consume no energy (right).



Waste, Water & Paper

The vast majority of our old fleet when it leaves operational control, by both number and weight, is sold either directly to customers or via auction to increase its working life. We track and aim to minimise the amount of fleet sold directly as scrap metal and push for supplier buy-back details to promote the circular economy whilst acknowledging some old fleet when sold is beyond economical repair and will be broken down into component parts. Where possible, we also look to repurpose parts of old fleet for extended life elsewhere and this is especially true with batteries.

Year	2023	2022	2021
% Diverted From Landfill	95%	96%	94%

In recognition of our waste strategy and progress, we have won a Green World Award. We maintain a high percentage of waste diverted from landfill and continue to increase the proportion sent to recycling. To increase our recycling ratio and decrease overall waste produced in line with our waste target, we have switched waste provider and consolidated all contracts onto one supplier for improved management and data provision.



Throughout the business, we continue to upgrade our interceptors to recycle rainwater and grey water, and where feasible we are investing in rainwater harvesting infrastructure. We have consolidated the majority of our water contracts to enable tracking and evaluation of water use.

TPA Worksop's rainwater collection tanks able to hold 60,000 litres



Beyond Value Chain Mitigation



"Over half of global GDP relies directly or indirectly on nature, making it the most productive component of our economy." **World Economic Forum**



To date, the UK has failed to reverse the steep loss of biodiversity with 41% of UK species in decline and one in 10 species threatened with extinction.

To do our part, we are proud to sponsor some of the best examples of nature conservation projects around the UK each year including the reintroduction of beaver, bison, lynx and eagles and the restoration of seagrass beds, wildflower meadows, sand dunes and peatlands.

This year, we are especially proud to have committed support to the training of Wildlife Trust land advisors who, given >70% of the UK's land is farmed, have a crucial role in promoting nature alongside our food production to the betterment of both.



To maximise colleague involvement with these projects and the wider natural world, we select projects around the whole of the UK to give all colleagues a chance to participate and support with their time. Colleagues do not have to take leave to volunteer on these days.

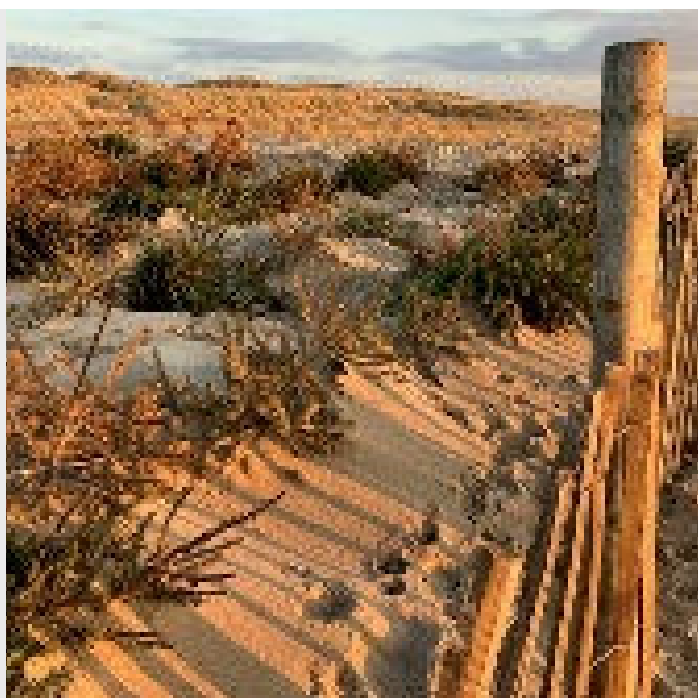
Recently Group employees have been clearing gorse in Dorset and surveying seagrass in Hampshire. Overleaf are the eight projects which we are currently sponsoring.



To offset or not?

Most natural assets, and their resultant social benefits, are undervalued, overexploited and could be best protected through the Group empowering local organisations with direct funding.

Critics have raised valid concerns over the potential overuse of offsets, which could delay the much needed transition away from fossil fuels. However, we acknowledge that a well-constructed offset portfolio that includes projects with significant biodiversity net gains can be valuable.



Our Businesses

Find out more about our sustainability & environmental plans throughout our group of businesses at sustainability.vpplc.com or email sustainability@vpplc.com.



Airpac Rentals
Energy Industry Solutions



Brandon Hire Station
The UK's Tool and Equipment Hire Specialist



ESS
Safety, Survey, Test & Measurement



Groundforce
Specialist Construction Solutions



MEP Hire
Mechanical, Electrical & Low Level Access Specialist



Torrent Trackside
Railway Plant. Railway People.



TPA
Portable Roadways



TR Group



UK Forks
Materials Handling Specialists



Conservation Projects Support Map



the
Lifescape
project

Habitat: Woodland

The Lifescape Project is undertaking a collaborative and multidisciplinary feasibility study of reintroduction of lynx in England.



1

The Wildlife Trust for Lancashire Manchester & North Merseyside

Habitat: Coastal

Dunes are critical for many wildlife and as flood defences. Lancashire Wildlife Trust continue to have great success in expanding the Fylde Sand Dunes.



The Wildlife Trusts

Habitat: Farmland

The Wildlife Trusts are leading on a programme to upskill their land advisors on agricultural issues to better help the food producers they work with.



2

Habitat: Water Bodies

Gwent Wildlife Trust and partners are scoping suitable locations whilst building relationships with communities, ready for reintroductions of the white-tailed eagle, Europe's largest bird of prey, planned in 2023.

6

1

2

3

4

5

6



Habitat: Peatland

Effective techniques to restore flora on bare, elevated, wind-blown peatland are unknown but the Yorkshire Peat Partnership is finding out how.



3

Dorset Wildlife Trust

Habitat: Farmland

Dorset Wildlife Trust are assisting the transition of intensively managed farmland to a net positive state for the community, biodiversity and climate in England's first community rewilding project.



4

Hampshire & Isle of Wight Wildlife Trust

Habitat: Coastal

Hampshire Wildlife Trust are protecting and restoring seagrass habitats in the Solent to reverse the 90% decline over the past century.



5

Habitat: Woodland

Last seen in the UK 2,000 years ago, Kent Wildlife Trust have reintroduced bison to the UK in West Blean Woods.

