

NET

ZERO

BY 2040



> **Carbon Reduction Plan**
We do the right thing by providing sustainable solutions





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ZERO
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We do the right thing by providing **sustainable solutions**

➤ **phs Group is the leading hygiene services provider in the UK, Ireland and Spain.**

Our team of over 3,000 expert personnel provides washroom, floorcare, healthcare and a range of specialist services to over 120,000 customers ranging from large single sites, to multi-national restaurant chains, healthcare establishments and small owner occupied shops.

For the purposes of this document, the carbon emissions and targets of the companies listed below, which are under common ownership and management, have been consolidated and “**phs Group**” shall be construed accordingly:

- Personnel Hygiene Services Limited
- **phs** Compliance Limited
- Teacrate Rentals Limited
- Direct365online Limited

Company name:
phs Group

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phs Group is committed to achieving Net Zero emissions by 2040

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Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

Baseline emissions footprint

Baseline year 2019	Emissions tCO ₂ e
Scope 1 21,699	Scope 2 1,499
Scope 3* 8,339	Total 31,538

***Note re: Scope 3 emissions**
Scope 3 emissions include:
(i) transport and distribution factors re: electricity,
(ii) air and rail travel and
(iii) emissions relating to the disposal of our customers' hygiene waste. Water savings achieved by our customers via their use of our water saving products, estimated at 2.6 million cubic metres (387 tCO₂e annually, are excluded.

Latest emissions footprint

Latest year 2021	Emissions tCO ₂ e
Scope 1 19,709	Scope 2 913
Scope 3 7,973	Total 28,594

Latest year Savings v Baseline	Emissions %
Scope 1 9.2	Scope 2 39.1
Scope 3 4.4	Total 9.3



➤ Emissions reduction targets

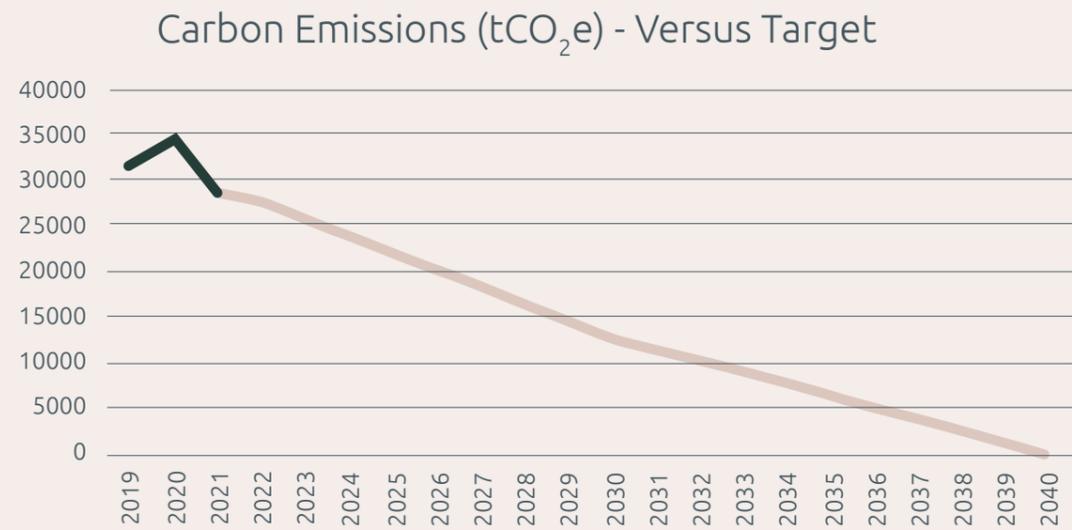
In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets. We project that:

Carbon emissions will **decrease over the next five years**

to 18,400 tCO₂e **by 2027**

A **reduction of 42%** versus the baseline

Progress against these targets can be seen in the graph below:



Note that the increase in overall tCO₂e between 2019 and 2020 is due to an increase in customer waste disposal volumes, resulting in an increase in Scope 3 emissions.

However, we believe that we direct a higher proportion of our customers' waste to energy recovery plants than our competitors, hence the overall environmental impact in 2020 is reduced versus 2019 when the waste was being managed elsewhere and a higher portion was being landfilled.



> Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2019 baseline. The carbon emission reduction achieved by these schemes equate to 870 tCO₂e by June 2021, a 2.7% reduction against the 2019 baseline. In some cases (marked “**”) in the list below) the roll-out of the measures continues and the ultimate tCO₂e savings will be higher than those achieved to date.



**Introduction of smaller, more fuel-efficient and environmentally cleaner washroom service vehicles.

By June 2021, we had replaced 21% of the fleet, achieving an annual saving of 330 tCO₂e.

As the roll-out continues, we expect to have replaced half of the fleet (saving 770 tCO₂e annually) by June 2022 and the full fleet (saving 1500 tCO₂e annually) by June 2024. Also, by June 2022, all vehicles in our fleet will be Euro VI compliant.



Adoption of telematics systems across all commercial vehicles

encouraging safe and fuel-efficient driving, leading to a 3% reduction in fuel usage (saving 500 tCO₂e).



**Increased disposal of hygiene waste (sanitary, nappies and incontinence products) collected from our customers via energy recovery facilities as opposed to landfill.

In the year to June 2021, we directed over 46,000 tonnes of hygiene waste to energy recovery plants, resulting in a saving of over 20,000 tCO₂e versus landfill.



Amendment to our delivery model for washroom services

meaning that drivers are required to visit the service depot less frequently, resulting in reduced mileage and a saving of 40 tCO₂e annually.

> In the future we hope to implement further measures such as:



The introduction of electric vehicles to our fleet of ~2000 vehicles has the potential to dramatically reduce our scope 1 emissions, more than 75% of which relate to vehicle fuel.

We are expecting delivery of our first electric vehicles from June 2022, and we look forward to introducing a growing number of electric vehicles to our commercial fleet over the coming years.

We have installed several electrical charging points across our **phs** sites to encourage our employees to make the move to greener transportation.



Continue to increase disposal of hygiene waste (sanitary, nappy and incontinence products) collected from our customers via energy recovery facilities as opposed to landfill.

As more energy recovery facilities come on stream and more capacity becomes available, this will allow us to improve our efforts and increase the amount of our customers sanitary, nappies and incontinence products we divert from landfill, to create even more energy to power industry.



Introducing more efficient equipment into our laundries, including:

- Heat exchanging washing machines (which save energy by extracting heat from waste water),
- Water recovery tanks (which use the water from the final rinse of each cycle for the pre-wash of the next)
- Infra-red dryers (which use much less energy and generate less heat than conventional models).



Improved use of routing software to produce the most efficient service routes possible, thereby reducing mileage and saving fuel.



Increased refurbishment and recycling of products returned from customer sites.



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By appointment to
Her Majesty Queen Elizabeth II
Supplier of Mats and
Mopping Services
phs Group, Caerphilly

By appointment to
Her Majesty Queen Elizabeth II
Industrial Maintenance of Her Majesty's
phs Group, Caerphilly

